THE

BANKERS' MAGAZINE,

AND

Statistical Register.

EDITED BY J. SMITH HOMANS.

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

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

VOLUME SEVENTH,
OR, VOLUME SECOND, NEW SERIES,
FROM JULY, 1852, TO JUNE, 1853, INCLUSIVE.

New-York:
PUBLISHED BY J. SMITH HOMANS,
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NOTICE.

The next volume of the Bankers' Magazine will contain:

I. A Manual for Notaries Public and Bank Officers, comprising the Law relating to Bills of Exchange, Promissory Notes, Usury, Protest, &c.; with references to American and Foreign Practice, Forms of Protest, &c.

II. A Synopsis of Decisions upon the Usury Laws of New York.

III. Sketches of Early Banking in the United States.

IV. Engraved Views of new Banking Houses in New York.

V. New Banking Laws of the several States, with the latest Banking Decisions of importance.

☞ Copies, substantially bound, can be supplied of the first volume, new series, of the Bankers' Magazine, (July, 1851, to June, 1852,) containing the Banking Decisions of Maine, New Hampshire and Vermont. Also, the Prize Essays on Banking, by Lorenzo Sabine and by Granville Sharp.

VAN NORDEN & AMERMAN, Printers, 60 William-street, N. Y.

GENERAL INDEX

TO THE

SEVENTH VOLUME, (OR SECOND VOLUME—NEW SERIES,)

OF THE

Bankers' Magazine and Statistical Register,

FROM

JULY, 1852, TO JUNE, 1853, BOTH INCLUSIVE.

INDEX TO BANKING CASES

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BANK CASES IN CONNECTICUT AND RHODE ISLAND

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. JULY, 1852. No. I.

SKETCHES OF EARLY BANKING IN THE UNITED STATES.

No. IV.

THE MASSACHUSETTS BANK.

THE previous sketches on the subject of Early Banking in America embraced: — I. THE OUTLINE HISTORY OF THE BANK OF NEW YORK. II. THE MANHATTAN COMPANY. III. THE MERCHANTS' BANK IN THE CITY OF NEW YORK.*

THE first attempt at banking among the Colonies of New England was in the years 1739 – 40. The treasury of Massachusetts Colony was empty, — the bills of credit previously issued and unpaid at that period exceeded £200,000; all which were, under royal instructions, to be redeemed during the following year; to accomplish which there was no other remedy than a direct tax upon the people. The utmost that it was supposed could be raised by this means was £40,000 annually. Specie was extremely scarce, and in this lamentable condition of the finances it was proposed to establish "The Land Bank."

This project was carried into effect in the year 1740,† by the association of between seven and eight hundred persons. Each stockholder in the first instance gave the company a pledge of real estate to the amount of his shares. They chose ten directors and a treasurer, and agreed to

* The present sketch will be followed by similar notices of the early banking institutions of Rhode Island, New Hampshire, Virginia, and other States.

† Williamson's History of Maine, p. 203.

issue £ 150,000 in bills, to be circulated as *lawful money*, and any note of £ 1 to be equivalent to three ounces of silver. Under the regulations established by the directors, every borrower gave a mortgage as collateral security for the sum loaned to him; which amount he was authorized to refund in Provincial produce or manufactures, "at such prices as the Board might from time to time determine."

Governor Belcher, of the then English Colony of Massachusetts, opposed the measure in every stage of its progress, as one that would prove injurious to the public and offensive to the ministry of the mother country; and at the spring election of the next year he followed up this opposition so far as to *negative* the speaker and thirteen new councillors, in consequence of the aid rendered by them in the new scheme. The Land Bank Association was soon after dissolved by act of Parliament, by which each holder of the bills was entitled to right of action against any individual partner for the amount of bills held, with interest.

The first successful attempt at legitimate banking in Massachusetts was made in 1784. The Massachusetts Bank, which maintains its existence to the present day, was incorporated on the 7th of February of that year, for the town of Boston.

We find a list of officers and the rules of the bank inserted in Fleet's Massachusetts Register for the years 1785–87, &c. During the year 1784–85, the Board of Directors consisted of the following gentlemen: —

James Bowdoin, President; Samuel Breck, George Cabot, Stephen Higginson, John Lowell, Jonathan Mason, Samuel Allyne Otis, Edward Payne, William Phillips, Thomas Russell, Isaac Smith, and Oliver Wendell, Directors; Samuel Osgood, Cashier; Nathaniel Foster, Teller; Peter Roe Dalton, Accomptant; Jonas Clarke Minot, Clerk; Joseph Sweetser, Porter.

Among these were some of the most eminent men of the day. The President was entitled to the honor of LL. D., and seven of the Directors and the Cashier were distinguished as *Honorable* in the then printed lists.

The bank was then kept in what was considered an "*elegant* brick building, late *the Manufactory House*, near the Common," in that portion of the city now known as Hamilton Place, opposite Park Street Church; and was kept open for business during the hours from 10 till 1, and from 3 till 5 o'clock, P. M., during every day in the year, except Sundays, Public Fasts, Thanksgiving Days, Commencement Days, General Election Days, Christmas, Good Friday, and the Fourth of July. Our forefathers had a proper regard for the health of their bank clerks, in the adoption of no less than seven holidays during the year.

The bank was opened the first time for business on the 5th day of July, 1784. On that day the discounted notes amounted only to the sum of $ 19,465. The first note discounted was that of Mr. Thomas Brattle, for the use of Oliver Wendell. The other parties whose paper was passed on that day were Nat. Tracey, Joseph Head, Joshua Eaton, Abijah Bond, John May, Joseph Wilson, J. De La Tour, William Cunningham, James Lovell, Isaac Phillips, John Bromfield, and John Winthrop, for the account of the following persons, who may be presumed

to have been among the early customers of the Bank, viz: Oliver Wendell, James Tileston, M. M. Hays, Joshua Eaton, Nathan Bond, John Codman, Benjamin Gorham, Josiah Doane, and Thomas Russell. The discount days were then, as now, on Monday and Thursday of each week.

The currency of that period (1783 – 84) was somewhat of a mixed character, as will appear from the following advertisements in the *Boston Centinel* of May and October, 1784: —

WANTED — A quantity of new-emission money, of New York currency. Any person desirous of selling, will hear of a purchaser by inquiring at this office.

Old continental and new emission State money, Appleton's, Pierce's, Imlay's, and Loan Office certificates, consolidated and specie notes and public securities of every denomination negotiated. BY JOSHUA EATON.

The brokers, too, of that day had various other matters to dispose of besides notes, as will be seen by the following advertisement in the same paper, of June, 1784.

Public securities of every denomination negotiated: Business, on commissions, transacted with attention and punctuality, — and every favor gratefully acknowledged. BY JOSHUA EATON, who has for sale, at No. 7 Butler's Row, CHOICE MADEIRA WINES, &c.

Forgery and counterfeiting were punished then in a different manner from that of the present day; State penitentiaries, treadmills, prison machine-shops, and other recent improvements, being then unknown. On a trial for passing counterfeit notes of hand, the Supreme Judicial Court for Worcester County, Massachusetts, April, 1784, sentenced one James Trask "to stand one hour in the pillory"; and for another fraud of the same kind, to be whipped thirty stripes; and being unable to pay treble damages, to be sold for the term of four years.

The prospectus of the new institution held forth the following objects: —

The design of this bank is intended to be of public utility, and more particularly beneficial to the trading part of the community. Severe punishments are by law to be inflicted on any of the officers of the bank who shall secrete or embezzle any of the moneys deposited there; also on persons who shall forge, counterfeit, or alter any of their bills, notes, or obligations, or any indorsements thereon, as well as on such as pass the same, knowing them to be such; likewise on any person who shall forge, alter, or counterfeit any letter of attorney, order, or other instrument, to transfer or convey any share or shares of bank stock, or any dividend or part thereof, or shall fraudulently demand such share or shares, dividend or parts thereof, transferred or received by virtue of such forged or altered letter of attorney, or other instrument, or shall falsely and deceitfully personate any true proprietor with design to receive any part of said stock, dividend, money, or other property.

In 1785 or 1786 Mr. Otis retired from the direction, and was succeeded by Mr. John Coffin Jones. Mr. Peter Roe Dalton was elected cashier of the bank on the 31st of January, 1785, and entered upon the duties of the office on the 7th of February following; Mr. Osgood having sent in his resignation, on account of ill health. The latter died a few days afterwards, and the board voted to attend his funeral, on which occasion the bank was closed for public business.

In 1787, Messrs. Breck, Cabot, Higginson, Smith, and Wendell retired, and Messrs. William Powell, Thomas Dawes, Christopher Gore, and Thomas Walley were elected members of the board. Mr. Cabot afterwards became the President of the Branch Bank of the United States, established in Boston.

The following were among the rules "established at the bank for the regulation of their own conduct as well as of all persons doing business there; and which are not to be deviated from in the smallest instance, nor on any pretence whatever": —

III. Offerings for discount must be sealed up and directed to the cashier, and left at the bank between the hours of 10 and 1 o'clock on Mondays.

IV. The rate of discount will be one half per cent. per month. No discount for a longer period than sixty days, upon merchandise, bullion, or other securities as collateral; nor for more than thirty days on personal obligations, with two securities.

V. Money deposited may be redrawn at pleasure, the depositor paying *ten pence* for every hundred dollars so deposited.

VI. In case of nonpayment of any discounted note within three days of grace, all property left as collateral will be disposed of at public auction, — the borrower paying all expenses of storage, sale, &c., and the bank reserving one per cent. of proceeds "for their extra trouble."

VII. When consolidated notes of the State are deposited as collaterals for discounts granted, such notes shall be sold by the cashier within fifteen days, in case of failure to repay the sum borrowed. One per cent. to be retained by the bank, as before.

VIII. "No person will be suffered to have his note renewed on any terms, but the money must be paid when it becomes due."

IX. No loan for a less sum than one hundred dollars will be granted, nor for a larger sum than $3,000, to any person at one time; nor beyond $5,000 in the aggregate to any one borrower; nor beyond $7,500 to any one as promisor and indorser.

X. In any case of failure to repay a loan, the borrower will not be allowed any discount for the space of eight months thereafter, "unless restored to credit by the unanimous vote of the directors."

XI. To prevent fruitless applications to the bank for credit, the Christian and surname of every person becoming delinquent will be written at large and posted in a conspicuous part of the bank.

XII. Payments made by the bank must be examined at the time, and no deficiency suggested afterward will be admitted.

XIII. Gold will be received and paid at the bank at the rate of five pounds six shillings and sixpence per ounce, and Mexican dollars at six shillings each. (The present currency, 1852, is estimated at six shillings per dollar.)

In April, 1792, the bank purchased the property then known as the American Coffee-House, in State Street, for the sum of fourteen hundred and fifty pounds, equal to about $4,828 of our currency, and removed from its former location to the site it now occupies. In the year 1809, a granite building was erected, which was taken down in 1836 and gave place to the present edifice. The present lot and improvements, which cost about seventy thousand dollars, and furnish accommodations for both the Massachusetts Bank and the Hamilton Bank, may be estimated as worth at least one hundred thousand dollars.

By the original charter, the corporation was declared "able and capable in law to hold lands and tenements to the amount of fifty thousand pounds, and no more at any one time, and also moneys, goods, chattels, and effects to the amount of five hundred thousand pounds, and no more."

In April, 1784, the stockholders voted, "that the stock of this corporation may consist of, and shall not for the present exceed, six hundred shares, each of the value of five hundred Mexican dollars, but may be enlarged by the directors when empowered for that purpose by the stockholders." The stock was subsequently increased, and in 1810 to sixteen hundred thousand dollars, and was reduced in 1821 to its present capital, eight hundred thousand dollars.

The original charter of this corporation was unlimited in its duration,

and for a number of years the bank, having no competitor, furnished the principal circulating currency of New England.

In 1812 the Legislature of the State issued an order of notice to the proprietors, to appear and show cause why the charter should not be limited like other banking institutions then incorporated; and not wishing to contend with the government for privileges not allowed to others, the stockholders of the Massachusetts Bank accepted an act to continue the corporation till October, 1831. The act has since been twice renewed, — the last to continue in force till the year 1870.

The bank has maintained a regular business from its earliest organization in 1784 to the present day; and no interruption to specie payments occurred, except in the short period from May, 1837, till May, 1838, when the other banks of the city were under suspension. This act of suspension, in 1837, was adopted after much opposition on the part of the bank to the course recommended by the other banks in Boston.

The following are the names of the several presidents and cashiers of the Massachusetts Bank since its establishment: —

Presidents.		*Cashiers.*	
James Bowdoin,	1784 to 1786.	Samuel Osgood,	1784 to 1785.
William Phillips,	1786 to 1797.	Peter Rob Dalton,	1785 to 1792.
Jonathan Mason,	1797 to 1798.	John Lowell,	1792 to 1793.
Samuel Eliot,	1798 to 1804.	James Tewing,	1793 to 1814.
*William Phillips, Jr.,	1804 to 1827.	Joseph Head,	1814 to 1816.
William Parsons,	1827 to 1836.	Charles P. Phelps,	1816 to 1817.
Jonathan Phillips,	1836 to 1840.	Samuel Payson,	1817 to 1836.
†William Parsons, Jr.,	1840 to 1847.	James Dodd,	1836.
John James Dixwell,	1847.		

Directors in 1852. — John James Dixwell, President. William D. Sohier, John L. Gardner, George Gardner, Israel Lombard, Charles H. Mills.

The condition of the banks in Boston during the trying period of the late war and a short time prior, is shown in part by the following table, with the dates of their charter: —

		Capital.	*Deposits.*		*Specie.*	
		1814.	*June*, 1810.	*Jan.*, 1814.	*June*, 1810.	*Jan.*, 1814.
1784.	Massachusetts Bank,	$ 1,600,000	$ 472,000	$ 2,404,000	$ 238,000	$ 2,114,000
1792.	Union Bank, Boston,	1,200,000	562,000	940,000	223,000	657,000
1803.	Boston Bank,	1,800,000	672,000	987,000	238,000	1,182,000
1811.	State Bank,	3,000,000	. . .	1,677,000	. . .	660,000
1813.	New England Bank,	500,000	. . .	542,000	. . .	284,000
	Massachusetts (city and country),	12,140,000	2,671,000	8,875,000	1,561,000	6,393,000

The latter line includes also the statements of the banks in the then District of Maine.

The banks of New York, Philadelphia, and Baltimore stopped specie payments in September, 1814, and at New Orleans in April preceding. It was then urged by the former that this step was necessary in consequence of the large quantities of specie drawn off by the enemy, "through his friends amongst us, by the sale of bills of exchange." It

*Late Lieutenant-Governor.
†Nephew of the former President of the same name, and son of the late Chief Justice Parsons.

was thought a very proper and prudent step; "unpleasant and inconvenient, but the preventive of absolute loss and a guarantee of the future credit and usefulness of the banks." *

The Boston banks were enabled, however, to sustain themselves during that eventful period, and their favorable condition, after the war had continued nearly two years, is clearly demonstrated by the above table.

Some of the Democratic journals of the day attributed this favorable state of the Boston banks to a league with the enemy, which is mentioned in the annexed extract from *Niles's Weekly Register* for December, 1814: —

"If money (specie) be the evidence of commercial prosperity, Massachusetts never was half so well off as now. Some years ago, when the trade of the United States naturally sought the places where its commodities were to be had, one of the Baltimore banks had more specie than all the banks of Massachusetts combined; nay, probably more than there was in the whole State, whether in possession of the banks or of individuals: and so it will have again, when a regular and honest commerce shall succeed the *British war* and *Eastern smuggling*. . . . . I give it as my deliberate opinion, that a plot was entered into between some persons to the eastward and the British, to destroy the public credit of the United States, by the aid of British funds, in various ways forced on the market. Unhappily, the alliance has measurably succeeded, through all sorts of lying and deception, aided by considerable power, which they use in every way, without regard to any thing but the grand object just stated. With two or three years of regular trade, 'free trade and sailors' rights,' the mob town, Baltimore, a new city (but yet in the gristle), if it were to set seriously about it, could of itself draw off from Boston all its present hoard of specie, and cause every bank in that 'great commercial metropolis' to stop payment. This is not said unthinkingly. In that old established place of business there is great wealth, but the same combination here to effect this purpose that exists at Boston to depreciate the credit of the other banks in the United States, would assuredly accomplish it. And the reason why it might be done is simply this, that Baltimore is one of the great central points of those staple articles that command the general trade of the country. New York could do it in a few months; and so might Philadelphia. But until the outrageous conduct of the Boston banks, in running upon others, a thing of this kind was never thought of. Let them look to it, — so flagrant have been their proceedings, that thousands of men are ready to come under an engagement never to purchase or use *any thing that reaches them by the way of Boston.*"

Better counsels prevailed, and peace soon reëstablished a good feeling between the two cities, which has been fully sustained to this day. The prosperity of Baltimore since is owing, in no small degree, to the energies and capital of numbers of Boston merchants who have removed to the former city.

Specie payments were maintained in Boston during the years 1814–15, and consequently exchange on the Southern cities was at a large discount. We annex quotations at Boston and Baltimore for August, 1815: —

Boston.		Baltimore.	
Bills on New York,	12 *a* 13 per cent. dis.	Boston bank-notes,	16 prem.
" on Philadelphia,	16 *a* 17 " "	New York "	7 "
" on Baltimore,	18 *a* 19 " "	Philadelphia "	2¼ "
Government bills on London,	8 " prem.	Western "	7½ dis.
Private bills on "	9 *a* 9½ " "	Specie,	16 prem.
Government 6 per cents,	88 *a* 89 per cent.	Government 6 per cents,	99 per cent.

The Southern cities had contributed more liberally towards the wants of the general government than had been done by the New England institutions. This is shown by the following table: —

* Niles's Register, Sept., 1814.

Advances to the United States on Account of the Loan of $ 11,000,000 *of* 1812.

Merchants' Bank, Salem,	$ 20,000	Bank of Virginia,	$ 200,000
State Bank, Boston,	500,000	Charleston Banks,	350,000
Providence Banks,	80,000		$ 4,190,000
Manhattan Bank, N. Y.,	600,000	By individuals, Philadelphia,	525,800
Mechanics' Bank, "	600,000	" " Baltimore,	611,800
State Bank, Albany,	60,000	" " elsewhere,	791,300
Philadelphia Banks,	1,045,000	Total,	$ 6,118,900
Baltimore Banks,	210,000		
District of Columbia Banks,	525,000		

This sum was increased to $ 13,100,200 before the 1st of December, 1812, and was contributed at the following points: —

Portsmouth, N. H.,	$ 17,600	Baltimore,	$ 1,407,700
Portland, Maine,	50,000	District of Columbia,	748,600
Boston and Salem,	2,144,100	Richmond,	576,100
Providence, R. I.,	94,200	Charleston,	525,400
Hartford, Conn.,	6,200	Total,	$ 13,100,200
New York and Albany,	3,338,000		
Philadelphia,	4,197,300		

Of this sum, $ 9,230,000 was contributed by the banks, and $ 3,870,200 by individual subscriptions. Of the latter sum, Philadelphia furnished no less than $ 1,457,300, and Baltimore $ 547,700. When the further loan of sixteen millions of dollars at six per cent. was proposed in the month of March following, two individuals in Philadelphia (Messrs. David Parish and Stephen Girard) offered to take one half of the loan at 88 per cent., and Mr. John Jacob Astor sent in proposals to the treasury to take two millions at the same rate; but no individuals in New England had offered any large sums either for the new treasury notes or for the new six per cent. loans of that year.

As early as the year 1690 the subject of the currency was one of frequent discussion in the Colony of Massachusetts, and a pamphlet was published in the following year, entitled "A Letter to John Phipps, respecting Bills of Credit passing in New England." * In 1814, other pamphlets were brought forward, with "A Project for erecting a Bank of Credit in Boston." This subject was kept before the people by various publications, in the years 1714, 1720, 1738, and 1740, in which latter year no less than four several pamphlets were issued for or against the "Land Bank Scheme." The subject was again renewed in 1749, 1751, 1761, and 1774, by various writers of that period, whose essays now find a permanent place in the rooms of the venerable Boston Athenæum. The establishment of banking institutions in the new States of Pennsylvania and Massachusetts, immediately after the Revolutionary war, gave rise to a flood of pamphlets on the currency; and the more solid writings of Matthew Carey, Alexander Hamilton, James Sullivan, Noah Webster, Samuel Osgood, and others, are still extant, showing that the community at large felt a deep interest in the matter, as intimately connected with the agriculture, commerce, and manufactures of the new Confederation.

* See page 53 of *Bankers' Magazine*, July, 1852.

LEGAL MISCELLANY.

Bank Balances. — Memorandum Checks.

Before the Superior Court of New York, May 26, 1852. Judge Sandford presiding.

The Metropolitan Bank *vs.* Curries.

This action was to recover the balance of the defendants' bank account, said to have been overdrawn. The overdraft was disputed, and on trial the proof was that the defendants kept an account with the plaintiffs from May, 1851. They stopped payment August 22, 1851. On August 20th they deposited a check of Mr. Maretzek, on the Mechanics' Banking Association, for $4,400, which was entered to their credit by the receiving teller in their bank pass-book, with the plaintiffs. Next morning this check was sent to the Mechanics' Banking Association by the plaintiffs, in their daily exchanges. Shortly before 3 P. M. a clerk came from there with word that the check was not good.

The paying teller of the plaintiffs told the clerk to call on the defendants and get their check for it, but the clerk did not. On the morning of August 22, the check came back from the Mechanics' Banking Association, charged to the plaintiffs' daily exchanges. It was credited to that bank in the pass-book between the two banks, at ten o'clock, when the exchanges were delivered, and before they were opened, and, some time the same forenoon, credited also to that bank in the plaintiffs' leger.

The same morning (August 22d) the paying teller notified the defendants their account was overdrawn, and that they must make it good. One of the defendants called and saw the teller, and was told that the check was returned "not good," and that they must take it up. He then told the teller that the defendants had the day before, in order to make that $4,400 check good, given their own check for £5,300 to deposit in the Mechanics' Banking Association, and that the plaintiffs must not pay that check, unless the $4,400 check was paid. The teller replied, he had certified the $5,300 check the day before, and the plaintiffs must pay it, or had paid it.

The same day (August 22d) the defendants notified the plaintiffs' cashier not to pay the $5,300 check, and offered to give the plaintiffs indemnity if they would refuse to pay, but the cashier declined, because, the check having been certified, the plaintiffs thereby became liable and obligated to pay it, and could not refuse without dishonoring their own obligation.

As to the $5,300 check, it turned out that the day it was given (Aug. 21st) it was brought to the plaintiffs' paying teller, Mr. A. N. Lewis, to be certified; and he, having no information as to its purpose, certified it in his customary way, that is by writing across the face of it the words "*Lewis, Tr.*"; the letters "*Tr.*" meaning "Teller." At

the same time he charged it to the defendants in the plaintiffs' book of certified checks. The $ 5,300 check, after it was certified, went into the Mechanics' Banking Association, but in what way or how it got there was not shown. It did not, so far as the testimony went, go to pay the $ 4,400 check, or to take it up.

By means of the payment of the $ 5,300 check, the defendants' account in the plaintiffs' bank was reduced, so that there was only about $ 300 to their credit, including the credit that had been given them for the $ 4,400 check; and on charging the defendants with that $ 4,400, their account would be overdrawn about $ 4,100, and this was the sum the plaintiffs claimed by their action.

The defence was, that the credit of the $ 4,400 check was absolute, and at the plaintiffs' own risk, and the defendants were not liable for it at all; and next, that if liable, the plaintiffs could not recover, because they had paid the $ 5,300 check wrongfully, after notice not to pay it, and that the teller's name written on it did not make the bank responsible.

The plaintiffs gave evidence, the defendants objecting, and the objection overruled, that by the universal custom and usage of banks and their customers in this city, the banks receive from their regular customers, who keep accounts with them, the checks of third persons, drawn on other city banks, and credit them as cash in the customers' pass-books, and let the customers, on the same day if they please, draw against such deposit; but with a condition and understanding, that if the checks credited in this way turn out to be not good, when presented in due course to the bank on which they are drawn, the party who deposited them will give his own check for them or replace the amount, on being informed they are not good, provided he is called on in a reasonable time.

Also, testimony that, by the usage of the banks here, universally, checks certified by the paying teller of the bank on which drawn make such banks responsible to the holder to pay the same whenever presented; and that checks were certified in various modes, — some by the teller simply writing his name or surname on the face of it, some by his writing "Good" with his name, and some by the word "Good" with his initials.

The plaintiffs' witness further proved, that during about ten years, while he was teller in another bank, where the defendants kept an account, they knew of the usage as to crediting checks conditionally, and took up checks deposited which had proved not good; and their business in depositing checks had been very large.

The defendants gave evidence, that in September, 1851, having occasion to show in another case how their bank account stood on the 21st of August, they sent their pass-book to the plaintiffs' bank to be written up, and it was written up and returned to them, balanced as of August 21st, and showing to their credit about $ 300, and making no charge against them of the $ 4,400 check returned August 22d.

Some time after this, the pass-book was returned to the plaintiffs' bank to have an error corrected about a check on the National Bank, and

then the plaintiffs kept the book a long time, and would not give it up, though demanded of the cashier. Finally, they returned it, and then it appeared to have had charged in it as of August 22d, this $ 4,400 check, and it was balanced again, with about $ 4,100 to the defendants' debit. It was also admitted, that last fall the plaintiffs commenced suit against all the parties to the $ 4,400 check, including the defendants, whose initials (not names) were indorsed on it, and after the defendants put in their answer denying the indorsement, the plaintiffs withdrew the suit against the defendants.

On this testimony the defendants claimed that the plaintiffs had adopted the $ 4,400 check as their own, and taken it to themselves.

The judge said he would submit to the jury to pass on three questions, which he put to them in writing.

The jury gave a verdict answering the three questions, viz.: —

1. Have the Metropolitan Bank assumed and taken this check of $ 4,400 as their own, either when deposited or subsequently? Answer: No.

2. Was the check of $ 5,300, credited by the plaintiffs in the pass-book of the Mechanics' Banking Association, before the defendants notified the plaintiffs not to pay it? Answer: Yes.

3. Was it credited to the Mechanics' Banking Association in the plaintiffs' leger, before notice not to pay it? Answer: Yes.

The judge then directed a judgment to be entered for the plaintiffs for the $ 4,100 balance of account and interest. He decided, first, that the plaintiffs did not receive the check absolutely, or at their own risk, but conditionally, according to the usage of business, and they had a right, on payment being refused, to call on the defendants for it on the 22d of August; and second, that the teller, by certifying the $ 5,300 check, made the plaintiffs liable for its amount, and it was equivalent, as to the defendants, to an actual payment of it on the day it was certified.

Promissory Notes. — Fraud.

Before the Supreme Judicial Court of Massachusetts.

Fabens *vs.* Tyrrell.

Assumpsit on a promissory note made by defendants to their own order and indorsed by them. In the court below, evidence was given by defendants that it was fraudulently put in circulation, by a party other than the plaintiff; and defendants requested the court to instruct the jury that the burden of proof was on the plaintiff to show his ignorance of the fraud, and that he was a holder for value, which the court refused to do. Defendants excepted. *Held*, the exceptions were well taken. B. F. Brooks for the plaintiff. Richardson for the defendant.

Action on a Promissory Note.

Before the Supreme Court of Louisiana, 1852.

Mathews, Finley, & Co. *vs.* C. M. Rutherford.

This suit is brought upon a note dated in April, 1851, at eight months, for $ 1,980, made by the defendant to the order of S. B. Conrey, and by him indorsed in blank. The answer contains a general denial, and also pleads that the plaintiffs are not the owners of the note, but merely hold it as collateral security for debts due them by the payee, that Conrey gave the defendant no value for it, that no legal transfer was ever made to plaintiffs, that they gave no value for it, &c. There was judgment in favor of defendant, and the plaintiffs appeal.

From the testimony of Conrey, a witness for defendant, it appears that defendant gave Conrey this with other accommodation notes, amounting to between nine and ten thousand dollars. The arrangement between Conrey and Rutherford was, that Conrey could raise money on these accommodation notes. The agreement between them was that Conrey should take up the notes. In May or June, 1851, Conrey applied to Mathews, Finley, & Co. for a loan of $ 4,500, which they made upon his giving them the defendant's notes as collateral security for the payment of the money at the time stipulated, which was about twenty days. No act of pledge was made. It does not appear that the plaintiffs knew that the notes were accommodation notes; and Conrey says he thinks they were not aware of it. He has repaid them $ 1,500 and a balance of $ 3,000 is still due.

A note taken as collateral security for a preëxisting debt, without any new consideration whatever, will be held subject to equities between the antecedent parties. But on the other hand the reports and commentators abound in authorities to the effect, that the *bonâ fide* holder will be protected against such equities where he has taken the note as security for advances made upon its credit. Such a case falls within the scope of that general principle of commercial law which protects the *bonâ fide* holder for a valuable consideration of negotiable papers, for the term *value* has a very large and liberal import. This principle rests upon the same basis as the doctrine of courts of equity in other cases, where the purchaser has obtained the legal title without notice of the equitable right of a third person to the property. The only difference in the commercial law, between the absolute holder for value and the party who takes the note as collateral security for money advanced, so far as the right of recourse against the maker is concerned, seems to be this: that the former may recover in full, and the latter, if there be equities, is restricted to the extent of his advances. In other words, he is considered as a *bonâ fide* purchaser *pro tanto*. But if, under such circumstances, the equity of the maker must yield to the equity of the holder, although the consideration of the note may have failed, or the maker may have a just set-off against the payee, or the note may have been paid, &c., is the case of an accommodation-maker to be viewed more favorably?

Such is the case here, and when the true nature of the contract in its

origin is properly appreciated, all pretence of a defence under the commercial law disappears. The very object of an accommodation note is to enable the payee, by a sale or other negotiation of it, to obtain a credit with third persons for its amount. It is no defence, that the holder knew the note was an accommodation note, if he took it for value, *bonâ fide*, before it became due. If, however, an accommodation note had been given for a special object, which was abandoned, and afterwards, in fraud of the maker, to whom it should have been given up, it is negotiated, and the indorsee knows or has reason to believe such fraud, his recovery is barred.

Conrey and Rutherford made an arrangement by which Conrey could *raise money* on these accommodation notes. As Rutherford would have been bound, if the payee had sold the notes, he is equally bound when the payee *raises money* by pledging them.

On the other question presented, whether the pledge to the plaintiffs is unavailing against the defendant, because it was made without the forms prescribed by the 3125th art. of the Civil Code, the court says, that a notarial act or pledge, or a written act registered in a notary's office, is a formality necessary to protect the pledgee against third persons; but its omission is unimportant as between the pledgor and pledgee. The object of the law requiring the act of pledge before a notary was to prevent fraud upon creditors.

The judgment of the District Court is reversed, and the plaintiffs recover from the defendant $ 1,980, &c.

Accommodation Note. — Usury.

Before the Superior Court of New York, February 2, 1852. Chief Justice Oakley presiding.

The Mechanics' Banking Association *vs.* Thomas Johnson, Charles Swift, Charles McNeill, and Daniel Griffin.

This was an action on a promissory note for $ 575, dated the 3d of September, 1850, discounted by plaintiffs for defendant Griffin; it was made by defendant Johnson, to the order of the defendant Swift, and indorsed by him and the defendant McNeill. The defendant McNeill had suffered judgment by default to be entered in the progress of the cause for want of answer.

The defence was, that the note was a purely accommodation note, on the part of all the defendants, except Mr. Griffin; that it was given for the accommodation of one Nathaniel W. Roberts, who passed it to Mr. Griffin; that the latter and Roberts made a usurious agreement on the same, in that Roberts gave it to Griffin to secure repayment of a loan of money for $ 541, instead of its face, and that it was held for forbearance of the debt until it was at maturity.

The testimony sustained the facts as above stated.

The court charged the jury, who found a verdict for plaintiffs against Mr. Griffin, for $ 611.43, and in favor of defendants Johnson and Swift.

LAWSON'S HISTORY OF BANKING.

CHAPTER X.

ON IRISH BANKING.

Flourishing State of Ireland in the Time of James the First. — Injurious Restrictions on the Trade of Ireland. — The Woollen Manufactures of Ireland suppressed by the English Government. — Affecting Address from Ireland to England on the Commercial Restraints of the former. — Absenteeism, a crying Evil in Ireland. — Coining of Irish Money in the Reign of King John. — Shameful Depreciation of the Currency by King James the Second. — Another Attempt made to lessen the Value of the Coin by Wood. — Dean Swift and Drapier's Letters. — The Principal Merchants in Dublin petition the Irish House of Commons for Permission to establish a Bank in 1695. — Its Rejection. — Another Attempt in 1720 to form a Bank alike Unsuccessful. — Curious Resolutions passed by the Irish Parliament on rejecting this Bank. — On the Laws of Partnership in Ireland. — Absurd Legislative Restrictions imposed on Bankers. — Some Account of the Failure of several Irish Banks previous to the Formation of the Bank of Ireland. — Abstract of the Act establishing the Bank of Ireland. — The Bank Purchase the Parliament-House. — A Description of the same. — Profits of the Bank of Ireland. — Opposition of the Bank to the Formation of Joint-Stock Banks. — Signal Instance of their Hostility to a Bank. — The Burning of Beresford's Notes. — Monts de Piété. — Loan Societies. — Pawning Money. — Issues of I. O. U.'s. — The Killarney Banker and the Saddle. — Disgraceful State of the Banking Interest. — Irish Banks and Joint-Stock Banks. — The Bank of Ireland and the Provincial Bank.

BANKING in Ireland has partaken of many of the injurious restrictions which, from the history of that ill-fated country, appear to have attended most of its institutions, from the highest to the lowest. It is, however, difficult to trace any system of banking in Ireland previous to the Restoration, at which period the inhabitants of Ireland were of three different nations, — Irish, English, and Scotch, with a few French and Spanish.

The land of Ireland had changed ownership to a considerable extent during the reigns of Elizabeth and James the First, and still more under Cromwell. He parcelled out an immense proportion of the kingdom to the officers of his army, the ancestors of great numbers of the present possessors, who now inherit estates which are worth from twenty to thirty thousand pounds per annum, and who still go by the name of Cromwellians.

Sir John Davis, who lived in the time of James the First, and who filled many important posts in Ireland, in his account of that country, mentions its prosperous state at that period, and that "the revenues of the crown, both certain and casual, had been raised to a double proportion." He states, "that this was effected by the encouragement given to maritime towns and cities, as well to increase the trade of merchandise as to cherish mechanical arts," and that the consequence resulting therefrom was, "that the strings of this Irish harp were all in tune."

But this happy state of things was soon destined to receive a shock,

from the effects of which Ireland has never yet recovered, and perhaps never will recover.

In the year 1663, the distinction between the trade of England and that of Ireland, and the restraints on the trade of the latter, commenced. By an act of the English Parliament, the 15th Charles II., entitled "An Act for the Encouragement of Trade," — a title not very applicable to that portion of it relating to Ireland, — besides fixing a duty, nearly equal to a prohibition, on cattle imported into England from Ireland, prohibited the exportation of all commodities excepting victuals, servants, horses, and salt, from the 25th of March, 1664. The exports allowed were useful to England, but prejudicial to Ireland, as they consisted of their people, their provisions, and a material for manufacture which they might have used more profitably in their own country.

The English, however, were pleased to accept thirty thousand head of cattle sent as a gift from Ireland to the sufferers in the great fire of London; and the first day of the session, after this act of munificence, the Parliament passed fresh acts of exclusion against the productions of that country! (Edinburgh Review, 1824.)

Sir William Temple takes notice of the circumstances prejudicial to the trade and riches of Ireland, which had hitherto, he says, "made it of more loss than value to England without these circumstances." This accomplished, honest, and able statesman continues: "The native fertility of the soils and seas in so many rich commodities, improved by multitudes of people and industry, with the advantage of so many excellent havens, and a situation so commodious for all sorts of foreign trade, must needs have rendered this kingdom one of the richest in Europe, and made a mighty increase both of strength and revenue to the crown of England."

The woollen manufacture had been carried on for many ages in Ireland, and every possible encouragement was given to it by many acts passed both in the English and Irish Parliaments. The former included a period from the reign of Edward the Third to the 12th of Charles the Second. Several of these acts were for the express purpose of encouraging exportation. The letter of King Charles the Second, in 1667, with the advice of his Privy Council in England, and the proclamation in pursuance of that letter, is perhaps the most important.

The statutes of the Irish Parliament are those of the 13th of Henry VIII. c. 2; 28th of Henry VIII. c. 17; of the 11th of Elizabeth, c. 10; and 17th and 18th of Charles II. c. 15; all of which, the act of 28 Henry VIII. excepted, received the approbation of the Privy Council in England, affording as strong grounds for the assurance of a continuance of any trade or manufacture as any country could possibly possess.

Yet, notwithstanding these solemn acts of the legislature, we find the English Parliament passing an act, the 10th and 11th William III. which operated as a total prohibition of the woollen manufacture of Ireland. Sir Robert Walpole is reported to have told the Irish Chancellor, that the jealousies entertained in England of the woollen trade of Ireland, and the restraints on that trade, had at first been caused by the boasting of some Irishmen in London of the great success of that manu-

facture in Ireland. Whatever was the cause, both Houses of Parliament in England addressed King William in very strong terms on this subject; and, as these proceedings were of great importance, we extract from the Journals of the House of Lords a portion of their address to the king. They represent, "that the growing manufacture of cloth in Ireland, both by the cheapness of all sorts of necessaries for life and goodness of materials for making all manner of cloth, doth invite your subjects of England with their families and servants to leave their habitations to settle there, to the increase of the woollen manufacture of Ireland, which makes your loyal subjects in this kingdom very apprehensive that the further growth of it may greatly prejudice the said manufacture here, by which the trade of the nation and value of land will very much decrease, and the numbers of your people be much lessened here." They then beseech his Majesty, "in the most public and effectual way that may be, to declare to all your subjects of Ireland, that the growth and increase of the woollen manufacture hath long and will ever be looked upon with jealousy by all your subjects of this kingdom, and, if not timely remedied, may occasion very strict laws totally to prohibit and suppress the same; but that if they turn their industry and skill to the settling and improving the linen manufacture, for which generally the lands of that kingdom are very proper, they shall receive all countenance, favor, and protection from your royal influence for the encouragement and promoting of the said linen manufacture, to all the advantage and profit that kingdom can be capable of."

In answer to this address, the king stated, that he would take care to do all in his power to discourage that manufacture, adding, as a mitigation of a declaration so iniquitous, that every encouragement should be afforded to the linen manufacture. The former part of this promise was rigidly adhered to, the latter disregarded.

This proceeding on the part of the English government towards Ireland was looked upon as a most arbitrary act; and, as if the promoters were ashamed of their proceedings, no Parliament was held in Ireland until the year 1703, when the Irish House of Commons laid before the queen a most affecting representation, containing, to use their own words, "a true state of our deplorable condition"; in short, the Journals of the Commons throughout the whole of Queen Anne's reign afford abundant evidence of the great distress of the Irish people, which can be traced to no other source than that of their being deprived of their staple manufacture.

The following are a few of the various remedies for the improvement of the trade of Ireland, recommended by Sir William Petty, in a report to the Lord Lieutenant:—

"That application be made to England to restore the trade to the plantations and between the two kingdoms, and particularly that of cattle.

"That endeavors be used in England for the union of the kingdoms under one legislative power, proportionably, as was heretofore successfully done in the case of Wales.

"For reducing interest from ten to five per cent., for disposing moneyed men to be rather merchants than usurers, rather to trade than purchase; that a bank of land be forthwith contrived and countenanced, &c., &c.

"From all which, and from the settlement of estates, it is to be hoped that men, seeing more advantage to live in Ireland than elsewhere, may be invited to remove themselves hither, and so supply the want of people, the greatest and most fundamental defect of this kingdom."

This report was received with that respectful attention which the author so eminently deserved; yet no attempt was made at that time to carry out its recommendations. Ireland was left to suffer all the mortification of a neglected and conquered country.

"Ireland," says the Earl of Essex, who was Lord Lieutenant in 1673, "has been perpetually rent and torn since his Majesty's restoration. I can compare it to nothing better than the flinging the reward on the death of a deer among the packs of hounds, where every one pulls and tears where he can."

It might naturally be supposed, by a person not conversant with the history of Ireland, that in the seventeenth century there had been some offence given, or that there was some demerit on the part of Ireland; he will be surprised to hear, that during this period her loyalty had been exemplary, and her sufferings on that account great. The dilemma in which the people found themselves placed at the Revolution was not the least perplexing and cruel; if they were loyal to their king *de jure*, they were hanged by the king *de facto;* and if they escaped with life from the king *de facto*, it was but to be plundered by the king *de jure* afterwards. (Edinburgh Review, Vol. XXXVII.)

The following extract from an address from Ireland to England on the commercial restraints of the former describes in touching language the situation of the people at this period:—

"The common parent of all has been equally beneficent to us both; we both possess in great abundance the means of industry and happiness. Our fields are not less fertile, nor our harbors less numerous, than yours. Our sons are not less renowned than your own for valor, justice, and generosity. Many of them are your descendants, and have some of your best blood in their veins. But the narrow policy of man has counteracted the instincts and the bounties of nature. In the midst of those fertile fields, some of our children perish for want of food, and others fly for refuge to hostile nations.

"Suffer no longer, respected sister, the narrow jealousy of commerce to mislead the wisdom and to impair the strength of the state. Increase our resources, they shall be yours; our riches and strength, our poverty and weakness, will become your own. What a triumph to our enemies, and what an affliction to us, in the present distracted circumstances of the empire, to see our people reduced, by the necessity of avoiding famine, to the resolution of trafficking almost solely with ourselves! Great and powerful enemies are combined against you; many of your distant connections have deserted you; increase your strength at home, open and extend the numerous resources of our country, of which you have not hitherto availed yourself or allowed us the benefit.

"Our increased force, and the full exertions of our strength, will be the most effectual means of resisting the combination formed against you by foreign enemies and distant subjects, and of giving new lustre to our crowns, and happiness and contentment to our people."

Next to the restrictions on trade, absenteeism appears to have been a crying evil in Ireland for many centuries; indeed, the very term derives its origin from the anomalies of Ireland. Dr. Johnson says, "It is a word used commonly with regard to Irishmen living out of their country"; and he quotes a passage from Sir John Davis's account of Ire-

land, in which reference is made to a statute passed against absentees in the third year of Richard the Second. He also quotes a sentence from Sir Josiah Child's Discourse on Trade, in which it is asserted that a great part of the estates in Ireland are owned by absentees, and such as draw over the profits raised out of Ireland, refunding nothing.

In the year 1729, a publication appeared, styled a "List of Lords, Gentlemen, and others, who, having Estates, Employment, and Pensions in Ireland, spend the same abroad." This list is divided into three classes, comprehending those who live constantly abroad, and who seldom or never visit Ireland; those who visit Ireland occasionally, remaining a month or two; and others who, although residents in Ireland, are occasionally absent either for health, pleasure, or business. The total amount of annual income derived from, but spent out of, Ireland, was calculated at £621,499 3*s.*!

As the circulating medium of Ireland was at that period principally confined to the precious metals, — for banking had made little progress beyond the capital, — whenever the proprietors of the soil, not resident on the spot, received their rents, they were to some extent remitted in coin.

The balance of trade between England and Ireland being almost always in favor of the former, it followed as a matter of course that the stock of gold and silver would gradually decrease. The total amount in circulation prior to the Revolution was estimated at £800,000, and about the period when the above list was published it did not exceed £400,000.

The first certain account of the coining of money in Ireland is in the reign of King John, in the year 1210. This prince caused pennies, half-pennies, and farthings to be coined and made current by proclamation. Further coins were struck by Henry the Third and Edward the First. The latter was the first who added the title of *Dominus Hiberniæ* to that of *Rex Angliæ* on his Irish coins, and on the reverse, instead of the mint-master's name, the place where coined. This coinage consisted of groats, half-pence, and farthings. The first important alteration as to the value was in the latter part of the reign of Edward the Third, who caused the ounce of silver to be cut into twenty-six deniers or pennies, instead of twenty, as before; which was precisely the same depreciation of eight and one third per cent. in the Irish, as compared with the British, currency prior to the year 1825.

Henry the Sixth, or rather the Duke of York, his lieutenant in Ireland, had mints in Dublin and Trim, in which both silver and copper were coined. In the beginning of the subsequent reign of Edward the Fourth, the value of the silver coins was raised to double its previous amount; the consequence was an enormous increase of price in all the necessaries of life, to remedy which the Irish Parliament enacted, that the Master of the Mint should strike five kinds of silver coins, — the gross or groat, the demi-gross, the denier or penny, the demi-denier, and quadrant or farthing; eleven groats to weigh an ounce troy, and each groat unclipped to pass for four pence. A very few years afterwards the price of silver was again raised so excessively that the difference between the Irish and English groat was full fifty per cent. in a pound of bullion.

Elizabeth ordered the ounce of silver to be cut into sixty pennies, so that that denomination of coin was reduced in weight from the twentieth to the sixtieth part of an ounce.

The Irish shilling, or harp, as it was called, from the impression on its reverse, was worth nine pence English. By a proclamation issued in the 5th James I. the same proportion of value was continued.

In 1613 English money was current in Ireland at an increased value, the five-shilling crown-piece passing for six shillings and eight pence, and the other coins in proportion.

In 1690 James the Second depreciated the value of the coin by the issue of pieces of base metal, which he coined out of old cannon, &c., and which passed current infinitely above their intrinsic value.

It appears in Archbishop King's "State of the Protestants of Ireland," that the metal this money was made of was a mixture of old guns, old broken bells, old copper, brass, and pewter, taken from the dwellings of the absentees, old kitchen furniture, and the refuse of metals melted down together, and valued by the workmen in the Mint at no more than three or four pence the pound-weight; but, when coined into sixpenny, twelvepenny, and half-crown pieces, and made current, passed at the rate of five pounds sterling the pound-weight; and subsequently a pound-weight of this metal passed at the rate of ten pounds sterling per pound-weight.

The total weight of the metal was 389,724 *lb.* 2 *oz.* 10 *dwt.*, and it was minted into coins representing £ 1,596,799 0*s.* 6*d.*; and if we add to this sum what was produced by doubling the amount of the half-crowns to five shillings, it will make a gross total of £ 2,163,237 9*s.*, the produce of £ 6,495, the real value of the metal. The hardships all ranks must have been exposed to by this infamous project may easily be conceived. On the accession of William, however, this coin was suppressed.

Not many years after the above extraordinary stretch of regal prerogative, another, equally as monstrous in its design, but not so fortunate in its result for the projectors, was frustrated by the universal opposition it encountered.

In the year 1724 a patent was granted to a person of the name of Wood, an Englishman, to coin halfpence and farthings to the amount of £ 300,000 for circulation in Ireland. In this affair Wood is said to have acted very dishonestly, inasmuch as the pieces of brass coin passing at the value of one shilling were not worth a penny. Great quantities of this inferior coin were sent to Ireland; and it was used not only in change, but accounts were likely to be paid in it, so that dangerous consequences seemed likely to ensue.

The Irish Parliament, in an address to the crown, represented that they were called upon by the country to lay before his Majesty the ill consequences of Wood's patent; and that it was likely to be attended with a diminution of the revenue and the ruin of trade. The same was set forth in an application made to the king by the Privy Council. In short, the whole nation seemed to have united their efforts in order to remedy an evil of such dangerous tendency, the effects of which already began to be felt.

Among the controversial pieces which appeared on this occasion, those of Dr. Swift, the celebrated Dean of St. Patrick, were particularly distinguished. His "Drapier's Letters" are to this day held in grateful remembrance by his countrymen; but he was in danger of suffering deeply in the cause. He had taken great pains to explain an argument used by the Irish on this subject, that brass money, being illegal, could not be forced upon the nation by the king without exceeding the limits of his prerogative. Hence the opposite party took occasion to charge the Irish with a design of casting off their dependence on Great Britain altogether. Swift, having examined the accusation with freedom, pointed out the encroachments made by the British Parliament on the liberties of Ireland, and asserted that any dependence on England, except that of being subjects of the same king, was contrary to the law of reason, nature, and nations, as well as to the law of the land. This publication was so disagreeable to the government, that a reward of £300 was offered for the discovery of the author; but, as nobody could be found who would give him up, the printer was prosecuted in his stead; but, to the mortification of the ministers, was, by a jury of his country, unanimously acquitted.

Soon after this, the British government, finding that they could not stem the torrent of opposition to Wood's coin, withdrew the patent.

Ireland, at this time, was admirably adapted to be the scene of every kind of political imposture and intrigue. She was miserably governed; her interests were seldom, if ever, consulted, and generally sacrificed either to the interests of England, or — what was worse and more provoking — to the interest of such individuals as the British ministry wished to oblige. The viceroy went over only once in two years; the effectual power was with the Lords Justices, and their time and thoughts were mainly occupied in forwarding the plans of the British Cabinet, and promoting their own private interests.

Almost simultaneously with the establishment of the Bank of Scotland, in the year 1695, many individuals, composed of the principal merchants in Dublin, met together for the purpose of forming a public bank for Ireland, on the model of the Bank of England. On the 17th of September, 1695, they presented a petition to the House of Commons, on behalf of themselves and others, setting forth that, —

"Whereas the substance of this city and kingdom, as well as the particular stock of the petitioners, are miserably wasted by the late intestine war, and also by the unhappy consequences thereof, and other causes arising from the present war and the laws of England, the money and specie of the kingdom are drawn and quite drained from us, so that for want of ability to prosecute any trade outward the whole product of our land is but of very mean and low amount; and whereas the petitioners being now to begin the world anew, and having, by a wonderful Providence, a government now so propitious and happy, yet, under a necessity, according to the example of states and cities, to make use of a fund of credit to supply the want of coin in this city and kingdom, the petitioners doubt not but it would be for a general good and of great service to his Majesty; and because this is the metropolis, the seat of government and exchange of the kingdom, therefore the printed proposals for a perpetual fund, or bank, in Dublin, for improvements both of land and traffic, &c., &c., are humbly submitted to the wisdom and recommended to the favor of the House, to the end that the subscriptions thereunto may the better proceed and be consummated; and, forasmuch as

the money will be difficult to be subscribed but through the encouragement of the House, and that the fund in London on which the bank thus created is by act of Parliament free from all taxes, therefore humbly praying that, for encouragement to all subscribers unto the said fund, the proposals may have the approbation of the House, and that the said fund may be freed from all taxes, and be hereafter encouraged with such privileges and immunities as to the House shall appear to be fit and reasonable."

From the wording of the memorial, the petitioners were evidently sanguine of success; but their petition, after undergoing considerable discussion in the House, was referred to the Committee of Trade, with instructions to examine into and report thereon to the House; but it does not appear that they made any report, or that any further notice was taken of the matter.

After the Bank of England had fully established itself in public favor, had overcome all the difficulties under which it had labored at its commencement, and had carried on its business for nearly thirty years, the revival of the question of a public bank for Ireland was looked upon in a favorable point of view.

On this occasion the subject was taken up by parties even more respectable than those whose petition the House of Commons had vainly referred to the Committee of Trade.

In the latter part of the year 1720, a memorial was presented to the Lords Justices from James Earl of Abercorn and others, petitioning to be permitted to erect a public bank in Ireland; they also petitioned the king on the same subject.

On the 17th of January, 1721, the Lords Justices addressed a letter to the Lord Lieutenant respecting the above application for liberty to erect a bank. A report was made to the king in council upon the same subject, who immediately addressed a letter to the Lord Lieutenant authorizing him to grant a commission and charter to erect a bank.

The Irish House of Commons met on the 12th of September, 1721, and was addressed by the Lord Lieutenant, the Duke of Grafton, who, among other things, said: "As an instance of his Majesty's readiness to contribute all in his power to so desirable an end (his Lordship alluded to the improvement of trade), he had been graciously pleased, upon the application of several considerable persons in this kingdom, to direct that a commission be passed under the great seal of Ireland for receiving voluntary subscriptions in order to establish a bank. As this is a matter of general and national concern, his Majesty leaves it to the wisdom of Parliament to consider what advantages the public may derive by erecting a bank, and in what manner it may be settled upon a safe foundation, so as to be beneficial to the kingdom."

On the 25th of September, 1721, the following documents were presented to the House, and read by the secretary: —

A copy of the memorial of James Earl of Abercorn and others to the late Lords Justices, requesting permission to establish a bank.

A copy of the petition of the said Earl of Abercorn and others to his Majesty on the same subject.

A copy of the reference from the late Lords Justices in council to his Grace the Lord Lieutenant on the said petition.

A copy of his Grace the Lord Lieutenant's report to his Majesty in council upon the reference of the petition for a bank.

His Majesty's letter to the Lord Lieutenant for a commission and charter to erect a bank.

The House of Commons appear to have received the announcement of the Lord Lieutenant and the above documents with a great deal of astonishment. They were no doubt jealous that they had been overlooked, as no petition or memorial of any sort had been, as on the former occasion, presented to them. They, however, addressed the king and the Lord Lieutenant, thanking them in the most humble manner possible for placing the subject of the formation of a public bank in their hands, and they made a show of submission to the will of the sovereign, as expressed by the Lord Lieutenant, by going into a committee of the whole house on that part of the speech relating to a bank. On this day, the 29th of September, 1721, the House resolved, "That it is the opinion of this committee that the establishing a public bank upon a solid and good foundation, under proper regulations and restrictions, will greatly contribute to the restoring of credit, and support of the trade and manufacture of this kingdom."

A special committee was appointed to prepare the heads of a bill, and on the 9th of December, 1721, the question of a bank for Ireland was settled in the House of Commons; and, as the proceedings of that memorable day form a curious contrast with those of the present, we trust we shall be excused if we give them in detail.

To prevent any other than members of the House being present at the discussion on this bill, it was resolved,

"That the gallery door be locked, and the key brought down and laid on the table"; which having been done,

The House resolved itself into a committee of the whole house, to take into further consideration the heads of a bill for establishing a bank in Ireland; and after some time spent thereon Mr. Speaker resumed the chair. Sir Thomas Taylor reported that the said committee had gone through the first enacting paragraph of the said heads of a bill, and disagreed to the same; which paragraph being read at the table,

"*Resolved*, That the House do agree with the Committee."

"*Resolved*, That the said heads of a bill for establishing a bank in Ireland be rejected."

"*Resolved*, That this House, after long and mature deliberation, cannot find any safe foundation for establishing a public bank so as to render it beneficial to this kingdom"; which being carried in the affirmative, it was then resolved,

"That the erecting or establishing a public bank in this kingdom will be of the most dangerous and fatal consequence to his Majesty's service, and the trade and liberties of this nation.

"That an humble address be presented to his Majesty, returning his Majesty the most sincere thanks of this House, for his great goodness and condescension in leaving the consideration of establishing a bank in this kingdom to the wisdom of Parliament, assuring his Majesty that this House, after a long and mature deliberation, cannot find any safe foundation for establishing the same, so as to be beneficial to this nation, and representing the humble opinion of this House that the erecting of a bank will be of dangerous and evil consequences to his Majesty's service, and the welfare and liberty of this kingdom; and humbly to beseech his Majesty, out of his tender concern for the good of all his subjects, that he will be graciously pleased to give such direc-

tions to prevent the erecting of any bank as his Majesty in his great wisdom and goodness shall think proper."

It was further resolved,

"That if any member of this House, or commoner of Ireland, shall presume to solicit, or endeavor to procure, any grant, or to get the great seal put to any charter for erecting a public bank in this kingdom, contrary to the declared sense and resolutions of this House, he shall incur their highest displeasure, and be deemed to act in contempt of the authority of this House, and an enemy to his country."

Immediately after the decision of the House was known, a *jeu d'esprit* appeared, entitled, "The Last Speech and Dying Words of the Bank of Ireland, which was executed at College Green, on Saturday, the 9th instant." As this publication reflected upon the proceedings of the House, it was not likely, after passing the above resolutions, that it would tamely submit to this indignity. We therefore find the Speaker gravely reading the paper to the House, when it was resolved unanimously,

"That the said printed paper is a false, scandalous, and malicious libel, highly reflecting on the justice and honor of this House.

"*Ordered*, That the printer, John Harding, be taken into custody by the serjeant-at-arms.

"*Resolved*, That a committee be appointed to inquire and find out the author, and report thereon to the House."

The above account is extracted from the Journals of the Irish House of Commons; no further trace, however, can be found of any ulterior proceedings on this question.

The fate of this measure sufficiently indicates the spirit of the Irish House of Commons on the subject of banking. The members seem to have entertained an utter abhorrence of a public bank. The only excuse that can be made for this hostility is, that about this time the celebrated South Sea bubble burst, and involved many of the Irish moneyocracy in its destruction; but, as this was a barefaced and reckless speculation, and not a bank, although they had threatened to annihilate both banks and bankers, it is utterly impossible at this distance of time to account for the strong opposition of the Irish House of Commons, especially as the plan by a resolution of the House had been approved, and had received the sanction, not only of the Privy Council in England, but of the Lord Lieutenant, who strongly recommended its adoption by the House of Commons.

The above proceeding is an illustration of the truth of the assertion, that we assemble parliaments and councils together for the purpose of profiting by their united wisdom; but at the same time we have the disadvantage of their united passions and prejudices.

The law of partnership in Ireland, which prevented any body of persons from associating together for the purpose of trade, was by a mistaken jealousy strictly adhered to; and it was not until 1745 that any deviation from that law was permitted, when a relaxation was made, but accompanied with such limitations that it was worse than useless.

The Irish Parliament* in the 15th George II. passed an act which

* All acts of Parliament referred to previous to the Union must be considered as acts of the Irish Parliament, unless specially mentioned to the contrary.

authorized partnerships to be formed for the purposes of trade and manufacture; but such partnerships were not to exceed nine in number, nor was the capital stock of such copartnership to exceed, at any time, the sum of ten thousand pounds.

We can trace but few instances in which any advantage was taken of this permission, which was at last found so inconvenient that, by the 11th and 12th George III. c. 25, it was enacted, "that all contracts and partnerships by writing under the hands and seals of any number of persons for the undertaking and carrying on and completing any canal or inland navigation in the kingdom of Ireland, or for the creating and establishing any joint-stock company for assurance against casualties by fire, may, by a common or united stock, to such an amount as by the majority of such partners shall be judged expedient and necessary, carry on such operations, and be exempt from the restrictions of the act of the 15th George II."

It also provided, "that all such subscriptions, shares, and proportion, shall be deemed and taken to be personal property only, and shall not in any way be subject to any of the laws made to prevent the growth of Popery."

This second act was again too exclusive; for it specially provided against the establishment of any public bank, and the last clause sufficiently displays the narrow views of the legislators of that day.

An act was subsequently passed, 21 and 22 George III. c. 46, commonly called "The Anonymous Partnership Act," the preamble to which sets forth, "that the increasing stock of money employed in trade and manufactures must greatly promote the commerce and prosperity of the kingdom, and many persons might be induced to subscribe sums of money to men well qualified for trade but not of competent fortune to carry it on largely, if they were allowed to abide by the profit or loss of the trade for the same, and were not to be deemed traders on that account, or subject thereby to any further or other demands than the sums so subscribed."

Such partnerships might consist of any number of persons, who might appoint a person or persons to carry on the business, &c., in whose names, with the addition of "and Company," the business of the partnership might be carried on. The remaining partners were not to be made responsible for more than the amount of the sum or sums of money advanced by them, nor subject to the bankrupt laws by reason of their said partnership. The amount of the joint-stock fund in no case of partnership to exceed £ 50,000 in the whole. By the eighteenth section it is enacted that no copartnership for carrying on the "business of banking or discounters of money" should be considered as formed under this act.

If we inquire how it has happened that banking establishments were not sooner formed in Ireland when the success of those in Scotland was of such notoriety, the answer will be found in the absurd legislative restrictions imposed on bankers in Ireland.

The act 29 George II. c. 16 (repealed by the 5th George IV. c. 73) recites that, "Whereas the public credit of this kingdom has suffered by

bankers trading as merchants, and by frauds committed by the cashiers and clerks of bankers and others; for remedy thereof, all notes and receipts to be issued by such banker or bankers shall, from and after the 1st of July, 1756, contain the name of every person or persons who, singly, or jointly with any other, shall carry on the business of bankers, under the penalty of £ 100 for every offence.

"That no banker, singly or in partnership, shall trade as a merchant, under a penalty of £ 1,000."

But the most injurious restriction on banking was contained in the 33d George II. c. 14. This act repealed an act passed in the 8th George I., entitled, "An Act for the better securing the Payment of Bankers' Notes, and for providing a more effectual Remedy for the Security and Payment of Debts due by Bankers." The preamble recites, "That, whereas the trade and manufactures of this kingdom are in a great measure carried on and supported by means of promissory notes and accountable receipts given by bankers; and the credit of such bankers and the currency of their notes will be promoted by giving a more effectual security to the creditors of such bankers than they have at present," &c.

This act gave power to creditors over all conveyances by bankers affecting real estates; and all dispositions, after the 10th of May, 1760, by bankers, of real or leasehold interest therein to or for children, were made void as against creditors, though for valuable consideration, and though not creditors at the time. No banker to issue notes or receipts bearing interest after the 10th of May, 1760.

"No person holding any office under government, and intrusted with any portion of the public revenue, shall become bankers, or discount, under a penalty of £ 20 for every note so issued or bill discounted."

So that, by this law, a person, while he continued a banker, could not make a marriage settlement upon a son or daughter, a grandson or granddaughter, so as to be good against the creditors even for a valuable consideration, and though such creditors were not creditors at the time the grant was made. In fact, it would appear that this act of Parliament was framed for the purpose of preventing persons from becoming bankers.

We now propose to give a few particulars in reference to the failure of some of the principal Irish bankers, resulting from the injurious restrictions which prevented a large proprietary establishing themselves as bankers prior to the formation of the Bank of Ireland.

In the year 1700 a bank was opened in Dublin under the title of Burton and Harrison. The latter died on the 3d of July, 1725, up to which period the bank had acquired considerable credit; and with the profits divided among the partners they purchased very considerable estates in Ireland. By their not keeping a sufficient sum at command to meet the current claims on the bank, there were at the death of Harrison claims on the bank for several thousand pounds more than the funds in hand (which had been considerably lessened by bad debts) could discharge.

Burton, it appears, took his son Samuel Burton and David Falkener into partnership, at which period the debts of the bank, over and above

the assets, amounted to the sum of £65,173 4*s.* 6½*d.* The two Burtons entered into a bond to Falkener, in the penal sum of £100,000, covenanting to pay into the bank within six months the sum so deficient. This enabled the bank to continue in credit until the 25th of January, 1733, when it stopped payment; but no part of the sum of £65,173 4*s.* 6½*d.* was paid, although on the failure of the bank Harrison had been dead eight years. All the property he died possessed of, notwithstanding that it had been distributed, was seized to pay the debts of the bank, as well as those of the surviving partners. The transactions of this bank must have been of a very complicated nature; for we find that no less than three acts of Parliament were passed for the benefit of the creditors.

John Mead and George Curtis entered into partnership as bankers, under the title of Mead and Curtis, in the year 1716; and in the month of June, 1727, they stopped payment. Their joint estates were of considerable magnitude, as would appear by the proceedings of the creditors, who applied to Parliament for relief. The House of Commons appointed the Chief Justice of the King's Bench, the Chief Baron of the Exchequer, the Attorney and Solicitor General, two masters in chancery, two aldermen, &c., &c., as trustees.

The Irish House of Commons in this, as in many similar cases, appeared to have assumed the functions of a court of bankruptcy; for by the 5th George II. c. 33, sec. 17, it states that, "after evidence on oath before the trustees by John Mead [George Curtis, it appears, died during the pending of the proceedings] that he had made a full and true discovery of all his estate and effects, and that of his late partner, and delivering or causing to be delivered so much as at the time of his examination shall be in his custody or power, all the estate, real or personal, which he shall after the passing of this act purchase or acquire shall be absolutely freed, exonerated, and discharged of and from all debts due and owing to any of the creditors of Mead and Curtis."

The house of Dillon, Ferral, and Co. was originally established by Theobald Dillon, who carried on the business of a banker for many years under the firm of Theobald Dillon and Son. Theobald died on or about the 17th of May, 1736, up to which period the business had been a very profitable one. On his death, his son Thomas, the surviving partner, continued to carry on the business under the firm of Dillon and Co., until the 1st of January, 1748, when he took Richard Ferral into partnership. Ferral brought no capital into the concern; but it appears that his name was sufficient to induce many persons to lodge money in the bank. He received from Dillon a guaranty indemnifying him from all risk of loss on account of his joining the bank. We cannot learn what was the exact cause of their failure, which took place on the 6th of March, 1754; we only record it because it was one of considerable magnitude, and caused great loss to the creditors.

The most remarkable failure, not only for its extent, but from the respectability of the parties, was that of the bank kept by the Right Honorable Anthony Malone, the Right Honorable Nathaniel Clements, and John Gore, Esq. This bank was established by the above parties on their joint credit, for the purpose of raising money by loan; and on the

3d of July, 1758, they opened a house in Dublin for deposits on accountable receipts, engaging to pay them to the bearer in seven days after demand, with interest at the rate of 10*d.* per week for every £ 100 sterling, to commence three days after the date.

Soon after the commencement of the business of the bank, the deposits came in so rapidly as to surpass the most sanguine expectations of its founders; and, to provide for the interest on the receipts, a great portion of the deposits was lent out at interest after the rate of five per cent. per annum.

A very little time, however, elapsed before the parties who had deposited their money, from some cause or other, which at this distance of time we are unable to discover, became clamorous for its repayment at the expiration of seven days from the day of demand; but the bankers, not being able to make a similar contract, as to the time, with the parties to whom they had lent the money, or not having taken proper precautions to ascertain the solvency of such parties, were unable to get it back in sufficient time to answer the demands so unexpectedly made upon them. They therefore called a meeting of their creditors on the 15th of November, 1758, after little more than four months' career (but in which time they had received many thousands), promising to pay the depositors by four instalments, with interest after the rate of *five per cent. per annum.*

They subsequently agreed to give promissory notes, as bankers, in lieu of the deposit receipts, which notes should bear interest after the rate of *six per cent. per annum.* This proposition was acceded to by the majority of the creditors.

The estates of the three partners, which were of considerable extent and value, involving a variety of interests, were settled upon trustees, who were empowered to sell the same and raise a fund to pay the debts; and, as often as they raised the sum of £ 5,000 or upwards, above the interest on the outstanding notes, which was to be first paid, the residue was to be applied in the payment of the principal of such of the notes and receipts as should be then due.

Every holder of the notes claimed to be paid first, and the mode adopted by the trustees as to who should have the priority of payment was decided by ballot. When the trustees had obtained sufficient funds to pay all the outstanding notes and receipts, the interest thereon, after twenty days' notice by advertisement, ceased. It does not transpire what was the total amount of the value of the property involved in this failure; but, from the large number of creditors, and their being obliged to apply to the legislature for relief, we should infer that it was very considerable.

For some years after the failure of these banks, there were only three banks remaining in Dublin. They did not discount bills, and, in fact, did little or no business. Public and private credit had been drooping since 1754; and at a general meeting of the merchants of Dublin, in April, 1760, including many of the members of the House of Commons, the impossibility of carrying on business was universally acknowledged, not from the want of capital, but from the stoppage of all paper circula-

tion, and the refusal of the remaining bankers to discount the bills of even the first houses. In a petition to the House of Commons, they set forth "the low state to which public and private credit had been of late reduced in this kingdom, and particularly in this city, of which the successive failures of so many banks and of private traders in different parts of the kingdom in so short a time as since October last, were incontestable proofs." The petitioners further state, that they have in vain and "repeatedly attempted to support the sinking credit of the nation by associations and otherwise, and are satisfied that no resource is now left but what may be expected from the wisdom of Parliament, to avert the calamities with which this kingdom is at present threatened."

A committee of the House of Commons, to whom this petition was referred, reported that the quantity of paper circulating was not sufficient to support the trade and manufactures of this kingdom, and that the House should engage for each of the three subsisting banks in Dublin, to the amount of £50,000 to the 1st of May, 1762; and that an address should be presented to the Lord Lieutenant to thank his Grace for having given directions that bankers' notes should be received as cash from the several subscribers to the loan, and that he would be pleased to give directions that their notes should be taken as cash at the Treasury, and by the several collectors for the city and county of Dublin.

"The Gentleman and Citizen's Almanack" of 1767, published in Dublin, enumerates the different Irish banks then in existence, from which the following is an extract: —

BANKERS IN IRELAND.

Dublin.

Messrs. Thomas Finlay, A. I. Nevill, Ben Gease, and John Hunt, Upper Ormond Quay.
Messrs. William Glendowe and Co., Castle Street.
Messrs. David Latouche and Son, Castle Street.
Messrs. Sir George Colebrooke, Bart., and Co., Mary's Abbey.
Hours of attendance from 10 to 3.

Cork.

Messrs. Rogers, Travers, and Sheares, Hamon Marsh.
Messrs. Folkiner and Mills, near the Custom-House.
Their hours of attendance, from 10 to 12, and from 4 to 6; and on Tuesdays and Fridays at 5 in the evening for post business only. Their holidays are, January 1, Good Friday, Easter Monday and Tuesday, Whit Monday and Tuesday, December 25, 26, 27, and 28.

Waterford.

Alderman Simon, Newport.

We have now arrived at that period of our history of Irish banking when the minds of men in Ireland appear to have undergone a great change in reference to our subject, and it required very little influence to prevail on the legislature to sanction the formation of a public bank.

The Irish government had witnessed the great and peculiar advantages derived from the Bank of England by the English government, which advantages had been progressively increasing for nearly a century; and they foresaw that it was not unlikely that Ireland, which at that time had

a government and ministry of her own, a distinct parliament, currency, taxation, and national debt, might derive similar advantages as the contemplated establishment grew in public favor.

They therefore sanctioned the introduction of a bill into Parliament, and gave it all the weight of their influence, affording advantages to the proprietors which the founders of the Bank of England, whose original capital was twice the amount, could not obtain for several years afterwards.

As a matter of history, we present our readers with an abstract of the act 21 and 22 George III. c. 16, for establishing a bank by the name of the Governor and Company of the Bank of Ireland. The preamble recites that, —

"Whereas it will tend to the advancement of public credit in this kingdom, and to the extension of its trade and commerce, if a bank with a public security shall be established therein, Be it enacted, by the king's most excellent Majesty, and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same, that it shall and may be lawful to and for your Majesty, your heirs and successors, by commission under the great seal of Ireland, to authorize and appoint any number of persons, at any time after the first day of August next, to take and receive all such voluntary subscriptions as shall be made on or before the first of January which shall be in the year of our Lord one thousand seven hundred and eighty-four, by any person or persons, natives or foreigners, bodies politic or corporate, for and towards paying into the receipt of your Majesty's treasury in this kingdom the sum of six hundred thousand pounds sterling, to be paid in money or by the debentures which have been or shall be issued from your Majesty's treasury by virtue of an act or acts of Parliament heretofore or in this present session made in this kingdom, bearing an interest at the rate of five per centum per annum, which debentures shall be taken at par from such subscriber or subscribers, and be considered as money by the persons to whom the same shall be paid; for which sum so to be subscribed, a sum, by way of annuity equal in amount to the interest on the said debentures, at the rate of four pounds per centum per annum, shall be paid at your Majesty's treasury."

Section II. "And be it enacted, by the authority aforesaid, that if, from a competition for a preference amongst the persons desirous to subscribe, they shall be willing to pay or advance any sum or sums by way of premium for obtaining such preference or permission to subscribe, in that case the amount of such sums so advanced and paid, over and above the said sum of six hundred thousand pounds, to the said commissioners empowered to receive such subscriptions and premiums for such preference or permission, shall be applied towards any purposes for the beginning or better carrying on the business of the said bank, and also towards creating a proper building and convenient accommodation for the same, pursuant to such plan as shall be furnished by said commissioners; which plan and situation for such building shall be subject to the approbation of the Lord Lieutenant or other chief governor or governors of this kingdom for the time being."

Section III. provides that it shall be lawful, by letters patent under the great seal of Ireland, to incorporate all and every such subscribers and contributors, their executors, administrators, successors, or assigns, to be one body politic and corporate, by the name of the Governor and Company of the Bank of Ireland, and by the same name to have perpetual succession and a common seal, and by the same name to sue and implead, and be sued and impleaded, answer and be answered, in courts of record or any other place whatsoever; subject nevertheless to the proviso or condition of redemption hereinafter mentioned.

Section IV. provides that no one person shall subscribe by himself, herself, or themselves, more than ten thousand pounds sterling, and that one fourth part of the said sum of six hundred thousand pounds shall be paid at the time of such subscription; and in default of non-payment by any subscriber of the residue of his or her subscription, on or before the 1st of January, 1784, such part or parts as shall already have been paid shall be forfeited to and for the benefit of the said bank, to be applied to-

wards any purposes for the beginning or better carrying on the business of the same, as aforesaid.

Section V. provides that, if the whole sum of six hundred thousand pounds be not subscribed for by the 1st of January, 1784, then the powers and authorities in this act for erecting a corporation, as aforesaid, shall cease and determine.

Section VI. provides that the corporation shall not borrow or give security, by bill, bond, note, covenant, or agreement, under their common seal, or otherwise, for any sum or sums of money exceeding in the whole the sum of six hundred thousand pounds, unless it be by future act or acts of Parliament. And if any more or further sum shall be borrowed, then and in that case every subscriber shall, in his and their respective private capacities, be chargeable with and liable, in proportion to their several shares and subscriptions, to the repayment of such money which shall be so borrowed.

Section VII. provides that the corporation shall not discount promissory notes or bills of exchange at a higher rate than 5 per cent. per annum.

Section IX.* provides that, to the intent that the subjects of the king may not be oppressed by the said corporation by their monopoly of any goods, wares, or merchandise, it shall only be lawful for the corporation to deal in bills of exchange or in buying or selling bullion, gold, or silver, or selling any goods, wares, and merchandise, which shall be really and *bonâ fide* left or deposited with the said corporation for money lent or advanced thereon, and which have not been redeemed at the time agreed on.

Section XI. provides that, if the governor, &c. of the said corporation shall, at any time, on account of the said corporation, purchase any lands or revenues of the crown, or lend any money to the king by way of loan upon any branch of the revenue, except such branch where a credit of loan is given by Parliament, shall be subject to a penalty of treble the sum lent, one half to the informer, the other to public uses under direction of Parliament.

Section XII. provides that no amerciaments, &c. against the said corporation shall be discharged by privy signet, &c., and that officers of the Exchequer may detain the amount of such fines, &c. out of the annual interest payable to the said corporation.

Section XIII. provides that, if any person shall obtain any judgment against said corporation, and shall bring execution thereon to the officer of the Exchequer, the said officer shall pay the sum in said execution to the plaintiff, and deduct it from the annual sum payable to said corporation.

Section XIV. provides that, after passing this act, no persons exceeding six in number, except the said corporation, shall borrow, owe, or take up any sum or sums of money on their bills, notes, &c. payable on demand or for less time than six months after date, under the penalty of treble the sum borrowed, &c., one moiety thereof to the informer, the other to the king.

Section XV. provides that persons forging or passing forged notes, &c. under the seal of said corporation, knowing such notes, &c. to be forged, with the intent to defraud said corporation, shall be guilty of felony without benefit of clergy.

Section XVI. provides that any officer or servant of the said corporation, embezzling any of the property of said corporation, or of any other person lodged in the said bank, shall be guilty of felony without benefit of clergy.

Section XVII. provides that no members of said corporation shall be liable to the statutes of bankruptcy by reason of their stock in said corporation, and that no such stock shall be liable to foreign attachment. Six hundred thousand pounds to be the capital stock in said corporation, which shall be transferable, and deemed personal estate; and the said corporation stock, and the allowance of four per cent. per annum, shall not be subject to foreign attachment, and that all debentures be locked up in the Treasury until cancelled; and from the day of the passing of the said letters patent all debentures deposited and locked up shall be cancelled, and all interest thereon shall cease, and in lieu thereof there shall be one annuity of £ 24,000 payable half-yearly.

Section XVIII. provides that the first payment of the said annuity shall be on the 24th of June or 25th of December next after passing such letters patent; and if not a complete half-year from passing the said letters patent to one of the said days, then to

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* Section VIII. and a few other clauses are left out as being in no way important.

be paid in proportion, and all interest due to the day of the passing said patent to be paid to the governor and company for benefit of subscribers.

Section XX. provides that on twelve months' notice after 1st January, 1794, in "Dublin Gazette," by order of the Lord Lieutenant, and on repayment of all sums due to said corporation, or on petition of said corporation to Parliament before the said 1st January, 1794, and like repayments, the said corporation shall cease and determine; and in such case or insolvency the stock to be first applied to pay debts of said corporation; and if not sufficient, each member shall be liable until the whole be paid.

Section XXI. provides that dividends to proprietors be made every six calendar months.

Section XXII. provides that no transfer of the bank stock shall be valid unless registered in the bank books in seven days from the contract, and actually transferred in fourteen days.

Section XXIII. provides that no act, &c. of said corporation shall forfeit the private estate, &c. of any member thereof, nor the stock, &c., but that they shall be subject to the payment of all debts.

Section XXIV. provides that this act shall be taken and deemed to be a public act, to all intents and purposes, in all courts within this kingdom; and all judges are hereby required to take notice thereof as such, without specially pleading the same.

In the above act we have avoided as much as possible needless repetitions and unnecessary phraseology, with which acts of Parliament are usually encumbered.

FIRST DIRECTORS OF THE BANK OF IRELAND.

Governor, David Latouche, Junior, Esq.
Deputy-Governor, Theophilus Thompson, Esq.

Directors.

Alexander Jaffray, Esq.
Travers Hartley, Esq.
Sir Nicholas Lawless, Bart.
Jeremiah Vickers, Esq.
John Latouche, Esq.
Peter Latouche, Esq.
Abraham Wilkinson, Esq.
Amos Stettell, Esq.
George Godfrey Hoffman, Esq.
William Colville, Esq.
Samuel Dick, Esq.
Jeremiah D'Olier, Esq.
Alexander Armstrong, Esq.
George Palmer, Esq.
John Allen, Esq.

In the session of 1783, the House of Commons addressed his Majesty, stating their humble desire that, so soon as the bank by the name of the Governor and Company of the Bank of Ireland shall be established in pursuance of an act passed this session of Parliament, his Majesty would be graciously pleased, if he should think fit, to order that the vice-treasurers, receivers, paymaster-general, and treasurers-at-war, their deputy or deputies, do deposit in the said bank all public moneys which shall be then in their hands, and likewise from time to time all sums that shall thereafter be paid to his Majesty, his heirs, and successors, for or on account of any duties, aids, revenues, or taxes.

In accordance with this address, instructions were given to the several government departments to use the bank as a place of deposit, and by the 35th of George III. c. 28, sec. 17, it is directed that the Teller of the Exchequer shall draw on the Bank of Ireland for all moneys for the public service so paid in.

The Bank of Ireland commenced business on the 1st of June, 1783, in some old houses in Saint Mary's Abbey, and continued to transact their business there until the year 1802, when an act of the Imperial

Parliament was passed, authorizing the sale of the Parliament-House in Dublin, which was purchased by the directors for £40,000, and was adapted to its present purposes. This edifice was erected in 1729, and, notwithstanding the changes made in it since it was converted into a bank, the exterior has been but little altered.

The centre portico of this beautiful structure consists of one grand colonnade of the Ionic order, occupying three sides of a court-yard, and resting on a flight of steps continued entirely round. The four central columns support a pediment whose tympanum is ornamented by the royal arms, and on its apex is placed a statue of Hibernia, with one of Fidelity on her right, and another of Commerce on her left. This magnificent centre is connected with the eastern and western fronts, which almost contend with it in beauty, by circular screen walls, of the height of the building, enriched with dressed niches and a rusticated basement. The western front, which is a beautiful portico of four Ionic columns surmounted by a pediment, preserves a uniformity of style with the centre; but the eastern one, which was originally the entrance to the House of Lords, is of a different style, being of the Corinthian order, and consisting of six columns, crowned by a pediment with a plain tympanum, on which stand three fine statues emblematic of Justice, Fortitude, and Liberty.

The difference of its style from the other part of the building is justly objected to, inasmuch as it destroys the symmetrical uniformity of the building as a whole. This change of style was caused by a desire, on the part of the Lords, to have their entrance of a different and more ornamental character than that appropriated to the Commons; and it is related as an instance of the ready wit of the builder, that, when a gentleman passing by while the workmen were placing the *Corinthian capitals* on the columns, struck with the incongruity, asked, "What order is that?" the builder, who was present, replied, "It is a very substantial order; for it is the order of the House of Lords."

The room in which the Lords met remains to this day, if we except the substitution of a marble statue of King George the Third for the throne, in the same state in which it originally was; the tapestry on the walls representing the battle of the Boyne is in a perfect state.

In this room, which is a memento of Ireland's departed Parliament, the directors and shareholders hold their periodical meetings. That of the Commons having been burned in 1792, — whether by accident or design was never fully ascertained, — was reconstructed after a more elegant design in the form of a circle surrounded by pillars, between which was a gallery for strangers. This fine hall was converted by the bank directors into a square room, and is now the general drawing or cash office.

The building is secured from assault by embrasures and loopholes concealed in the walls. There is also an armory containing small arms for all the clerks and servants, who were formed into a corps in 1798 and 1803. Tanks of considerable magnitude have been formed, and forcing-pumps erected, for guarding against casualties by fire.

The bank possesses a very curious and complicated system of ma-

chinery, worked by steam, for printing the notes, whereby the number struck off can be ascertained at any moment without the chance of error. No expense has been spared by the Governor and Company of the Bank of Ireland to make the execution of every part of their notes as perfect as possible. The extreme regularity and identity of character pervading every part of the border are perceptible in the scrolls of which it is composed.

The small black worm-lines inserted in the white grounds on the scrolls of the border are absolute facsimiles of each other; the distinguishing characteristics of the edging round the same are extreme precision, uniformity, and perfect execution. In the vignette, the delineation of the crown, riband, and female figure, and the distinct formation of the words *Bank of Ireland* in black, and the Latin motto in white letters, which are inserted in the riband, are extremely correct.

The arms and seal of the Bank of Ireland are, Hibernia bearing a crown, as a symbol of her independence; an anchor in her hand, to denote the stability of her commerce, with the words Bank of Ireland; and under the anchor, *Bonâ fide respublicæ stabilitas*, intimating that the existence of a people depends upon the faithful discharge of their public debts.

This device and motto are said to have been the production of George Edmund Howard, Esq., who was the parent or founder of the bank. He first proposed it to the government, although he ran great risk in so doing, and afterwards directed the plan upon which it was established.

By the 31st George III. c. 30, the capital of the Bank of Ireland was increased to £1,000,000, the additional subscription of £400,000 to be paid into the Treasury, and the charter extended until the expiration of twelve months' notice after 1st January, 1816.

By 37 George III. c. 50, £500,000 was added to the capital, and by the 48 George III. c. 103, it was further increased by £1,000,000, making a total of £2,500,000, and the charter was extended until the expiration of twelve months' notice, to be given after 1st January, 1837.

By the 1 and 2 George IV. c. 72, £500,000 was advanced to the government, after the rate of four per cent. per annum. By this loan the capital stock was increased to £3,000,000. The sixth section of this act empowered the Bank of Ireland to establish branches under the management of the parent establishment in Dublin, and copartnerships of more than six persons were permitted to borrow, owe, and take up any sum or sums of money on their bills or notes payable on demand, at any distance exceeding the distance of fifty miles from Dublin, all individuals composing such partnerships being liable and responsible for the due payment of such bills and notes. In other words, it permitted the formation of joint-stock banks of issue in the provinces.

At the time of the passing of the Restriction Act in England, which we have elsewhere noticed, there had not been any unusual pressure for money on the Bank of Ireland; and we fearlessly assert, that if the committee appointed to inquire into the condition of the Bank of England had extended that inquiry to the sister kingdom, they would have found that there had not been any run on the Bank of Ireland. There was no

want of confidence or inability on the part of the bank to meet its engagements; but, on the contrary, there was plenty of specie to answer all the current demands of the public, and the exchanges were in favor of Ireland, rendering, therefore, an Irish Restriction Act perfectly unnecessary; but such an act was passed for "the sake of uniformity."

No sooner was the Irish Restriction Act passed, than the Bank of Ireland began to revel in her good fortune, as will appear by the amount of her notes in circulation, which was, in

	£		£
April, 1798 . . .	737,268	April, 1801 . . .	2,626,471
" 1799 . . .	1,737,879	" 1802	2,816,669
" 1800 . . .	2,482,162		

This immense addition to the circulation of the bank within the space of five years caused the price of gold to rise, or, which is the same thing, the paper pound was depreciated 12 per cent., one guinea in gold selling for one pound three eighths sterling, paper money.

The circulation of the Bank of Ireland now averages about £4,000,000, and the balances arising from the several sources of Chancery, Exchequer, Government, and private accounts, about £3,000,000; making a total of £7,000,000; whilst the amount under discount, according to their own return to the Committee of the House of Commons in 1837, was £2,649,464, and the average amount of investments in government securities, exclusive of the paid-up capital, amounted to £4,176,075.

The profits of the Bank of England by the suspension of cash payments and the consequent issue of one-pound notes were very considerable; the same cause operated with equal success on her sister of Ireland, for it appears that prior to the year 1797 the dividend was 6½ per cent. on the capital stock of the bank, and that very soon after that period a bonus of £125,000 was paid to the proprietors of the Bank of Ireland. In 1803 the dividend rose to 7½ per cent. and a bonus of £75,000, being 5 per cent. on the capital.

From this period until 1810, it was usual for the proprietors to have an annual bonus. In the year 1810 the dividend rose to ten per cent., at which rate it continued until 1829, when it declined to nine per cent.

At a general meeting of proprietors, on the 14th of September, 1832, the directors declared that the amount of the surplus fund, that is, of the property of the corporation, over and above the capital stock of £3,000,000, was at that date £1,049,573 British currency; and that this amount was independent of the value of the bank premises, both in Dublin and at the several branch offices.

It thus appears by their own showing, that, beyond the liberal dividends and bonuses already described, the proprietors of the Bank of Ireland have nearly the whole of their capital untouched in the hands of government; and in their own coffers a sum equal to more than a third of the full principal, as the surplus profits of the monopoly.

The dividend payable to the proprietors is now eight per cent. per annum, and the price of the £100 shares averages about £205 each.

The total amount paid to the proprietors of bank stock, exclusive of the dividends, between the periods of 1797 and 1821, was £1,225,000;

the surplus fund in 1836 amounted to £ 1,053,112, and the total amount of stock on which the proprietors received interest was £ 2,769,230 15*s.* 5*d.* British currency, or £ 3,000,000 late Irish currency.

The total amount of bad debts on the discounting of bills of exchange by the Bank of Ireland from 1783, the date of its creation, to 1836 inclusive, was £ 338,500, averaging for the fifty-three years £ 6,387; and the average loss by frauds and forgeries in the government funds during ten years (from 1826 to 1836) was £ 1,157.

At the half-yearly meeting of the proprietors of the stock of the Bank of Ireland, held on the 11th of December, 1846, the directors, after recommending a dividend of four per cent. on bank stock for the half-year ending the 25th instant, submitted the following report: —

"The Governor and Directors of the Bank of Ireland have always considered that the maintenance of a large surplus fund is essential to the stability of this great national establishment, and conducive to the true interests of the proprietors; affording a support against necessities which the bank, in common with all commercial establishments, must be prepared to encounter, and tending to prevent frequent fluctuations in the amount of dividends and in the market value of the capital stock. But, valuable as additions to that fund unquestionably are, the principle may have a limit, and the favorable results of the last few half-years — although, in some degree, owing to temporary causes — have decided the governors and directors to recommend the court of proprietors to sanction a bonus of five per cent. on the capital stock of the corporation to be paid, in addition to the dividend of four per cent. now recommended. It must be obvious to the proprietors, that some years of prosperity must elapse before the large sum now proposed to be deducted from the sinking fund can be replaced. The governor and directors, therefore, feel that in recommending the present bonus they have approached to the limit consistent with the acknowledged principles of sound banking."

Up to within a late period the directors were invariably Protestants and Tories. For some time after Roman Catholics were admitted on the direction, they took the oath in a separate room. This invidious distinction, however, is now abolished.

The total number of clerks and other servants employed by the Bank of Ireland in Dublin, and at their twenty-two branches, was, up to the 30th June, 1836, 365; and the amount paid to such clerks and servants amounted in the whole to £ 51,443, averaging to each £ 141 per annum.

The estimated expense of conducting the funded debt of Ireland was, at the same period, £ 15,770, and the amount paid to the government as an exemption from stamping their notes and post bills averaged £ 13,846 3*s.* 1*d.* per annum.

All the agents and sub-agents of the Bank of Ireland are furnished with a copy of general instructions, the original of which they sign; these instructions embrace a variety of points of general practice, and are divided into a number of rules under separate heads, distinguishing the duties of the agents, sub-agents, and clerks; they contain, besides, minute regulations for the safe custody of the bank property generally, the keeping of the accounts, the conduct of the general banking business, and the management of discounts under every variety of circumstances that general rules can embrace. This latter subject of course calls for continual advice and instruction, and constantly occupies the

attention of the directors. The Bank of Ireland have been very successful with the several branches, which are like so many openings for the circulation of their notes.

The notes of the Bank of Ireland are payable only in Dublin, and not at the branches, although issued there. The cause of this limitation arose from a circumstance which took place in Clonmel on the 17th of August, 1825, on which day one of their notes for £ 100 was presented to the agent at that place for payment in gold, who replied, "That he had no directions from the Bank of Ireland to pay in gold, and that he had not so much gold in the house." The note was accordingly protested for non-payment, and due notice was given to all parties.

The directors of the Bank of Ireland, on being informed of this proceeding, took the opinion of the first law authorities on the subject, the result of which was, that the directors were not liable to the payment of gold for their notes anywhere but in Dublin. This opinion must have been grounded on the fact, that the act enabling them to form branches was silent on the subject; the original act and charter by which the bank was formed, made provision for the issuing of the notes, and paying them in Dublin.

We find the Bank of Ireland refused to take Bank of England notes in payment for taxes, &c., on the plea that such notes were not a legal tender in Ireland, although the parties tendering them had previously obtained the opinions of the Attorney-General for Ireland, the Attorney-General for England, and other high legal authorities, in favor of the legality of the tender. The circumstance that gave rise to the disputed point is clearly detailed in the evidence of Mr. Pierce Mahony before the committee of the House of Commons on joint-stock banks in 1837.

While the accommodation afforded by the Bank of England to the mercantile community in moments of commercial panic has been frequently prompt, liberal, and efficacious, we look in vain for similar passages in the history of the Bank of Ireland. In every panic by which Ireland has suffered, it was the English government, and not the Bank of Ireland, which came to the aid of struggling firms, sustained the drooping credit of the country, and warded off bankruptcy and ruin.

Notwithstanding the extraordinary success of the Bank of Ireland, as detailed in the preceding pages, its directors appear to have submitted with an ill grace to the proposition of government for the introduction of joint-stock banks in Ireland.

The jealousy evinced by the directors towards the rival establishments was paltry in the extreme; its proceedings against the Provincial Bank we shall presently notice, and in this place content ourselves by recording a most singular instance of their indifference and apathy when applied to for assistance on behalf of one of the newly formed joint-stock banks.

In the year 1836 there was a panic among the banks in the sister kingdom, and of those who applied to the Bank of Ireland for relief from the pressure was the Hibernian Bank, whose proprietary comprised some of the most influential names in Ireland, with a capital of £250,000 paid up.

One of the directors of this bank, in his evidence before the committee of the House of Commons, in July, 1838, thus describes the conduct of the Bank of Ireland: —

"We did business for two as solvent banks as any in Ireland, not excepting the Bank of Ireland itself Their notes were payable at our office in Dublin, and we wished to give them, without interference with that accommodation which we would give our Dublin friends, all the support at such a crisis that was necessary, and put in bills to the Bank of Ireland of such a class as were as good as any in the world. They had perhaps the first-rate names in London on them; they had our bank's and the Northern Bank's indorsement, with the liability of all their proprietors; but the Bank refused to discount them. Immediately after they were rejected, we refused to pay any more of their notes; they, however, did not fail; they proved their stability, but they quitted connection with us."

The Irish have a character for committing blunders; whether they deserve it or no is not our present purpose to decide; but we think the following occurrence will go far to confirm the impression. A banker in Dublin of the name of Beresford having been a very active magistrate, as Alderman and Lord Mayor of Dublin, during the rebellion, in personally attending the public execution of the parties called rebels, naturally acquired an unenviable distinction among such of their countrymen as looked upon the sufferers as martyrs; and in the year 1798, a large assemblage of ignorant country people, having previously collected a quantity of Beresford's notes, publicly burnt them, crying out with enthusiasm, while the promises to "pay on demand" were consuming, "What will he do now? his bank will surely break," — a mode of proceeding not very likely to bring about the desired object.

The poorer classes of the Irish people are much addicted to borrowing money on pledges; yet, with all their shrewdness, they appear to have but an indifferent idea of the value of money, as we shall presently show.

There are numerous loan societies established throughout the country called "Monts de Piété"; they are conducted on the same principle as our pawnbrokers', and like these they charge enormously.

In a publication called "Origin of the Small Loan Fund," we are told that Ireland is perhaps the only country in "Europe where the lower orders are unprotected by its government from Jewish practices amongst themselves, or from the extortions of their superiors; hence usury prevails to a most frightful extent."

In a printed circular addressed to the "Ladies of the British Islands," published some years ago, we find the following remarks on the subject of loan societies in Ireland: —

"A society, including all the great officers of state, judges, and others, with the Lord Lieutenant as president, was incorporated in 1778, in order to perpetuate the practice of lending money to indigent and industrious tradesmen; but no interest was allowed to be charged to the borrowers, nor was there any benefit to the subscribers or depositors."

This plan has been adopted from a very remote period, when sums of money were collected, by donations or otherwise, from the wealthy, and lent out to their poorer brethren. Such societies, however, unless placed under the immediate control of the governing powers, have inva-

riably failed, from the circumstance that few people take an interest in any matter, however praiseworthy, for any length of time, unless they derive a benefit in return for the labor bestowed in the distribution of its funds. And so it was with the above society; it languished for want of support, and at last ceased altogether to carry out the benevolent intentions of its founders.

Not many years ago there were upwards of six hundred loan societies in Ireland, besides private pawnbrokers, who abounded in every town throughout the kingdom; two hundred were enrolled under the 6 and 7 William IV. c. 55, one hundred and sixty-eight were under the direction of the Irish Reproductive Loan Fund, a society formed in 1822, when the sympathies of England for the distress of her Irish fellow-subjects created a fund of £100,000, then called the "London Irish Relief Fund"; two hundred and ten were placed under the control of the Ladies' Association; about one hundred were connected with the trustees for bettering the condition of the poor in Ireland; and there were others without any enrolment, being carried on by relatives or trustees of such parties as bequeathed money for that specific purpose, and in accordance with their testamentary directions. One would think that, with this array of loan societies, Irishmen by this time would be aware of the value of money, as well as of the articles to be deposited as security for the use of money; but after perusing the following extract from the Times newspaper of Saturday, the 25th of October, 1845, our readers will no doubt draw a different conclusion.

After detailing many accounts relating to the mode of lending money by the Irish, the writer proceeds to say: "In Galway I was assured that so little do the people know the commercial value of money, that they are constantly in the habit of pawning it. I was so incredulous of this that the gentleman who informed me wished me to go with him to any pawnbroker to assure myself of the fact, and I went with him and another gentleman to a pawnbroker's shop kept by Mr. Murray in Galway. On asking the question, the shopman said it was quite a common thing to have money pawned, and he produced a drawer containing a £10 Bank of Ireland note pawned six months ago for 10*s.*; a 30*s.* note of the National Bank pawned for 10*s.*; a 30*s.* Bank of Ireland note pawned for 1*s.*; a £1 Provincial Bank note pawned for 6*s.*; and a guinea in gold of the reign of George the Third pawned for 15*s.* two months ago. The £10 note would produce 6*s.* 6*d.* interest in the year if put into the savings bank, whilst the owner who pledged it for 10*s.* will have to pay 2*s.* 6*d.* a year for the 10*s.* and lose the interest on his £10; in other words, he will pay ninety per cent. through ignorance for the use of 10*s.* which he might have had for nothing.

"Mr. Murray told me that often money was sold as a forfeited pledge; that a man would pawn a guinea for 15*s.*, keep it in pledge till the interest amounted to 3*s.* or 4*s.*, and then refuse to redeem it."

Any thing more childishly ignorant and absurd than this it is scarcely possible to conceive.

By a return made, in 1804, to the committee of the House of Commons on Irish exchanges by the collectors of the revenue in Ireland, it

appears that the number of banks in their several districts, issuing bank-notes, silver notes, and I. O. U.'s, were as follows: City of Dublin, 6; Waterford, 1; gold and silver notes, 28; silver notes, 62; I. O. U.'s, 128.

Some idea may be formed of the general character of the parties issuing these I. O. U.'s by taking the district of Youghal, where I. O. U.'s, from six shillings down to threepence halfpenny, were the principal currency: —

In Youghal, 20 grocers, 2 general shopkeepers, 1 stationer, 1 hardware shopkeeper, 2 bakers, 2 corn-factors, 1 cabinet-maker, 1 shoemaker, 1 linen-draper, 1 wool-comber.

In Castlemarty, 2 grocers, 1 apothecary.

In Cloyne, 3 grocers, 1 chandler, 4 spirit-dealers, 1 linen-draper, 1 baker, 1 strong-water dealer.

In Rostillan, 1 miller. In Whitegage, 1 clerk to a corn-factor.

In Middleton, 1 cloth-manufacturer, 1 maltster, 1 brewer, 1 corn-merchant, 1 tobacco-manufacturer, 2 shopkeepers, 1 grocer.

In Mallow, 3 general shopkeepers, 1 baker, 2 innkeepers, 2 woolcombers, 1 miller, 1 tanner.

In Coppoquin, 3 corn-factors. In Clashmore, 2 spirit-dealers.

The money issued by the above parties was paper money; but during the early part of the last century the want of small change in Ireland induced persons in trade to issue promissory notes, first in copper, for a halfpenny and a penny, and afterwards for twopence; and also others for three pence, made of silver. Of the metal promissory notes, the earliest appears to bear date in 1728, and runs thus: —

Promissory notes, value received, Dublin, 1728, James Maculla (amount obliterated). Another, dated the following year, has on one side *I promise to pay the bearer on demand twenty pence a pound for these;* and, on the other side, Cash notes, value received, Dublin 1729. James Maculla.

The following account of an Irish banker is extracted from a work called the "Clubs of London." (See also Gilbart on Irish Banking.)

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

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

"'Good morning to you, Sir. I presume you are the gentleman of the house?'

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

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

"'You are right, Sir,' replied the mechanic, 'this is the Killarney bank, for want of a better.'

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

"The banker replied, "Cash, plase your honor, what is that? Is it any thing in the leather line? I have a beautiful saddle here as ever was put across a horse, good and cheap. How much of my notes have you, Sir, if you please?'

"'There are no less," said my friend, 'than sixteen of your promises to pay, for the amazingly large sum of fifteen shillings and nine pence sterling money.'

"'I should be sorry, most noble,' returned the banker, 'to waste any more of your Lordship's time, or of those sweet, beautiful ladies and gentlemen, but I have an illegant bridle here as is n't to be matched in Yoorup, Aishy, Afrikay, or Merickay; its lowest price is 15*s.* 6½*d.* — will say 15*s.* 6*d.* to your Lordship. If ye 'ell be pleased to accept of it, then there will be two pence halfpenny or a three-penny note coming to your Lordship, and that will clear the business at once.'"

This account of an Irish banker, although possibly somewhat overcharged, may be considered as a specimen of many who pretended to carry on the business of banking in the early part of the last century.

By the 39 George III. c. 48, magistrates in Ireland were empowered, in the event of the non-payment of any bankers' notes under five guineas, and upon the complaint of the owner of such dishonored notes, to summon the person so refusing to pay and award the amount with costs: if not paid immediately, they might levy a distress upon the goods of the issuer. The 10th section of this act runs thus: —

"That it shall and may be lawful for any banker or bankers not resident in Dublin, whose firm hath been registered according to law, from and after the passing of this act, to issue any promissory notes negotiable or transferable for the sum of nine shillings, six shillings, or three shillings and nine pence half-penny each; and that the holders of such notes shall be entitled to demand and receive payment thereof in notes of the Governor and Company of the Bank of Ireland, but not to demand payment in any other manner, from the passing of this act until the end of the next session of Parliament, and no longer."

By the same act, when any person demanded payment of these notes, and could not give the banker sufficient change to make the amount of the note or notes equal in amount to any denomination of the notes of the Bank of Ireland nearest the amount so demanded, the banker or person issuing such note was at liberty to refuse payment. The reason of this precaution was obvious, inasmuch as the Bank of Ireland had entirely suspended the payment of its notes in cash; it therefore could not be expected that other bankers were to provide cash in payment of their notes, were the amount ever so small.

Previously to the Bank Restriction Act, which, as we have shown, extended equally to the Bank of Ireland, there were only three private banks of issue in Dublin, three in Cork, one in Clonmel, one in Waterford, and one in Limerick; and in the year 1815, at the close of the war, there were thirty-one, including six in Dublin and twenty-five in various parts of Ireland. For some time after the Restriction Act there were no banks established in the north or west of Ireland.

In the year 1820 no less than eleven banks, some of them of considerable influence and extensive credit, failed in rapid succession, and a few years after there were only two places, Belfast and Cork, in which, besides Dublin, a bank remained.

This state of things could not be permitted to remain without a remedy. The government of Lord Liverpool found it necessary to interpose and place some check upon the monopoly of the Bank of Ireland, by introducing a better system of banking than had hitherto been practised. It was therefore determined to try the experiment of joint-stock banks in Ireland; and the Bank of Ireland, upon being allowed to add half a

million to its capital, parted with so much of its monopoly as enabled banking companies with more than six partners to carry on the business of bankers at a distance of fifty miles from Dublin.

Early doubts were raised, and legal opinions taken, upon the construction of the act of Parliament then passed. It was maintained that every partner in an Irish joint-stock bank was compelled to be a resident in Ireland. This construction of the act entirely precluded the English capitalists from investing their money in such undertakings, and the privilege became a dead letter.

In the year 1826, the following memorial was presented to the Lords of the Treasury: —

"To the Right Honorable the Lords Commissioners of His Majesty's Treasury:

"The Memorial of the undersigned merchants, traders, and others, inhabitants of the city of Dublin and its vicinity,

"Sheweth: —

"That by an act forming the Bank of Ireland it is enacted, 'That no company or society exceeding six in number, except the Bank of Ireland, shall borrow, owe, or take up money, on their bills or notes, payable on demand, or at any less date than six months from the borrowing thereof, under the penalty of three times the amount of the issue.' (21 and 22 George III. c. 14.)

"That in the year 1821 the above act was modified by the 1 and 2 George IV. c. 72, so far as to permit the establishment of banking companies exceeding six in number at a distance of fifty miles from Dublin, under certain conditions therein mentioned.

"That, in consequence of the ambiguity of the said act, no companies were formed under it until the year 1824, when an act was passed to explain it and carry its provisions into effect. That the above act was repealed last session, and a further explanatory act was passed, under which provincial banks have been established at a distance of fifty miles from the city of Dublin, issuing notes payable at the place where issued.

"That the said act only goes to the extent of permitting the establishing of banks issuing notes payable on demand fifty miles from Dublin, thereby leaving the city of Dublin. and a circuit of fifty miles, exposed to all the evils resulting from monopoly in so important a matter.

"That, although it is at present legal to establish such companies, the prohibition annexed, of not issuing bills or notes payable on demand, or at a less date than six months, renders the liberty of establishing such banks inoperative, as, without a power to issue notes on demand, no bank in Ireland can realize common interest for the capital embarked, and the sphere of its utility is bounded.

"That the liberty of issuing notes or bills payable at six months after date, is also rendered inoperative by the Stamp Acts in force, prohibiting the reissue of such, or any post bills, except those of the Bank of Ireland, when once discharged, the effect of which prohibition makes such an issue useless.

"That at different times there have been several failures of banking establishments in Dublin, which have, at the period at which they happened, and subsequent thereto, thrown the city into the greatest distress, and have often occasioned a serious defalcation in the public revenue.

"That, under the present banking law, there is no security to the public that weak banks may not again be established in Dublin, and a repetition of failures occur, more especially as the notes of private banks in Dublin have at all times shared a considerable portion of the circulating medium with that of the Bank of Ireland.

"Your memorialists therefore hope, great benefits having already been rendered to Ireland by a partial permission to establish joint-stock banks, that your Lordships will extend the measure by granting to Dublin the same privilege which has been already conferred upon the rest of the kingdom, and for that purpose that your Lordships will take into consideration, on great public principles of policy, the expediency of entering into a new agreement or bargain with the Bank of Ireland, so as to permit the establishment of joint-stock banks in the city of Dublin, with adequate capital, and under such regulations for the security of the public as to your Lordships shall seem fit."

This address, like many of a similar character, met with little or no attention; indeed, it appears to have been the fate of Ireland, in all her applications for improvements, "to be dipping buckets into empty wells, and growing old in drawing nothing up."

By the 6th George IV. c. 42, a remedy is given to parties to recover money due by joint-stock banks in Ireland. Actions may be brought against one of the public officers of the bank, and, after judgment obtained, execution may be issued against any one of the registered shareholders without notice, in case they are existing partners; but if they have ceased to be partners for less than three years, then there must be notice, and the court must be satisfied that the existing shareholders are not solvent, or that the company's property is not sufficient to pay the amount, before there is a remedy against those who have retired three years previously.

The first establishment of banks in Ulster was in Belfast, by four gentlemen of property, who in the year 1784 subscribed a capital of £ 10,000 each, or £ 40,000 in all. They issued notes payable in gold at the place of issue alone; they had no agents, and were not liable to any duty for stamps, and they managed the business themselves at very little expense. Although always in good credit, their circulation of notes seldom exceeded £ 30,000. They charged six per cent. on bills payable in Belfast, and on all others a commission, in addition to the interest, making the charge for discounting such bills equal to eight per cent. per annum. They continued in business till 1798, and managed their bank with much prudence, yet in the whole period of fourteen years they did not clear above legal interest for the capital employed.

The next bank, the Belfast Bank, was established in 1808, and about a year afterwards the Northern and the Commercial Banks were opened; their notes were payable in Dublin only at the house of the agent for the bank, and not at the places where issued. The rate of interest on commercial bills varied from four to six per cent. Interest allowed on deposits was at the rate of three per cent. per annum.

The average circulation of the Belfast Bank for fifteen years (from 1811 to 1825 inclusive) was £ 322,000; the expense of carrying on the bank, including stamp-duties, house-rent, agencies, managers, clerks, &c., was £ 10,000 per annum. By this it will appear that it required at least a constant circulation of £ 200,000 to defray the expenses; therefore, unless a bank, managed as this was, could circulate £ 200,000 of its own paper, it would be a losing concern; and so it ultimately proved.

The Hibernian Bank of Ireland, under the title of the Hibernian Joint-Stock Bank, was established in June, 1825, under a special act of Parliament (the 5th George IV. c. 159), which enables the company to purchase and sell annuities, and all public and other securities, real and personal, in Ireland, and to advance money and make loans thereof on the security of such real and personal security at legal interest, and on the security of merchandise and manufactured goods, and to sue and be sued in the name of the governor or secretary for the time being.

The names of the proprietors of the bank are enrolled in Chancery,

but the company is not incorporated nor discharged from any responsibility as individuals, neither do they issue notes payable on demand. Their capital is £1,000,000, divided into 10,000 shares of £100 each.

Not long after the establishment of this bank, a bill was brought into Parliament for its dissolution, which bill was ultimately rejected. This caused the price of the bank stock to be depreciated from £25, the sum paid up on each share, to £15 10*s.*; but the shares soon after rallied.

The most important banking establishment in the sister kingdom, next to *the* Bank, is that of the Provincial Bank of Ireland; and, as the operations of the latter have been of a very extensive nature, some account of its origin and progress may not be uninteresting to the reader.

The Provincial Bank of Ireland was one of the first to take advantage of the altered state of the law relating to banking in Ireland. The capital was £2,000,000, divided into 20,000 shares of £100 each; and, as it was considered that the principal portion of this capital would be subscribed for in England, it was proposed that London should be its head-quarters, and that the business of the bank should be conducted by a board of directors, who were to remain in office till the 31st of December, 1829, at which time four were to go out, and henceforward the same number annually; but that every director so retiring was immediately to be eligible to be reëlected by the proprietors at their annual meetings.

Local directors were appointed, whose qualification was, that they should hold £2,500 stock in the proprietary capital of the company. When all the preliminary arrangements were completed, they opened branches at several places, which now extend to thirty-four. Regular advices of the proceedings at the various branches are transmitted by the managers to the London board by post, every second or third day, according to circumstances, and at the end of each week a complete statement of the whole transactions is made up and forwarded to London. These returns are first examined by the officers of the London establishment, and then submitted to the directors.

The directors of the London board meet once a week at their head office in Broad Street, London; but a committee of not less than three directors attend daily at the office to conduct the ordinary business, who make a special report of their proceedings of the past week to the board of directors.

On the 5th of December, 1828, an action was brought in the Court of King's Bench, Dublin, by the Governor and Company of the Bank of Ireland against the directors and proprietors of the Provincial Bank for an infringement of their charter. The following extract from the judge's charge to the jury will explain the object of the contest.

"I think, then, Gentlemen, you ought to find a verdict for the plaintiffs, unless you believe that the Provincial Bank have not either by themselves or their agents paid their notes on demand in the city of Dublin; and I think there is evidence that they have done so. I think the Provincial Bank are liable to the penalty unless they have no 'house of business or establishment' in Dublin; unless you be of opinion that, on the evidence of Mr. Latouche and Mr. Newenham, nothing was done by their house for the Provincial Bank except what is done in the usual course of dealing between

banker and customer. I take it for granted that a country banker may have a town banker. I do not think it was intended by the legislature to prevent this. If, on the contrary, you think that this was not the usual business between banker and customer, but that they paid their notes at the house and establishment, not of Latouche and Co., but at the house and establishment of the Provincial Bank, — you ought to find for the plaintiffs."

The jury did accordingly find for the plaintiffs, — damages six pence, and costs six pence.

The directors of the Provincial Bank took the necessary steps to procure the decision of the whole of the judges of the Court of King's Bench in Ireland upon the question.

The subject was ultimately made the ground for a bill in Parliament, on the mutual understanding of both parties to the above action, and by the 1st Will. IV. c. 32, the Provincial Bank is authorized to pay its notes in Dublin. And from that time the best understanding has existed between the two establishments. The notes of the Provincial Bank have always been payable at the places where they are issued. By the 9th George IV. c. 81, it is obligatory on all banks to pay their notes at the place of issue. Notes of the Provincial Bank are now received by the Treasury in payment of taxes, in the same way as those of the Bank of Ireland, and it is the bank of government for the excise, post-office, and stamp revenues for those parts of the country in which the Bank of Ireland has no branches.

The dividends have been at the rate of four, five, and six per cent., and have even reached eight per cent. per annum.

The latest act of Parliament passed for the regulation of banking in Ireland was the 8th and 9th Victoria, c. 37; and as this act may be considered in the light of a prohibition to the formation of any other bank, we have given it in detail in the Appendix.

The fixing the amount of the circulation of bankers' notes is so novel an expedient, and so little in accordance with our views on the subject of the currency, that we have in another place recorded our opinion thereon. Time, however, — that great test of principles, — can alone decide the question of the propriety or impropriety of limiting the amount of paper-money credit which the public are disposed to sanction on behalf of any one bank of issue.

Connecticut Clocks. — The clock-factory of Chauncey Jerome, in New Haven, is by far the largest establishment of its kind in the United States. China, Hindostan, California, Peru, Turkey, and all parts of Continental Europe, are supplied more or less largely from the depots of Mr. Jerome, in New York, Liverpool, and London. The number of operatives employed by Mr. Jerome is something more than 260, to whom about $ 6,000 is paid monthly. There is annually consumed in his establishment, 1,500,000 feet of pine lumber, more than a third of a million feet of mahogany and rosewood veneers, 200,000 pounds of rolled and cast brass, 200 barrels of glue, and 100 more of varnish, 2,000 boxes of glass, 300 casks of nails, and other necessary materials in proportion. The several parts that enter into the construction of every clock pass through about two hundred different processes before they are completed. — *New Haven Courier.*

INDEX

TO ARTICLES UPON THE SUBJECTS OF BANKS, BANKING, COINAGE, COINS, CURRENCY, FINANCE, GOLD AND OTHER PRECIOUS METALS, INTEREST, MINTS, MONEY, &c., CONTAINED IN THE REVIEWS AND OTHER PERIODICALS OF GREAT BRITAIN AND THE UNITED STATES.

We have been permitted to extract the following items from a "General Index to Subjects treated in the Reviews and other Periodicals," compiled by William Frederick Poole, Assistant Librarian of the Boston Athenæum. The first edition of this work was published in the year 1848, and forms one of the most valuable publications of the day. The new edition will be much enlarged, and furnish the names of all the writers of these articles where such names can be ascertained. To the author and the general reader this index will be an indispensable work; and the literary world is under great obligations to Mr. Poole for the care and research displayed by him in its compilation for the press.

LIST OF BOOKS AND PAMPHLETS CONTAINED IN THE BOSTON ATHENÆUM ON BANKS AND CURRENCY,

With the Dates of Publication.

1683. Bank of Credit, its Usefulness and Security examined.
1688. ——— Mode of erecting it, with a Discourse in Explanation thereof.
1691. Bills of Credit passing in New England, Letter to John Phipps respecting them.
1691. ——— Letter to E. Hutchinson respecting them.
1714. Lynde, Samuel. Vindication of the Project of the Bank of Credit against the Aspersions of Paul Dudley, in a Letter to John Burrill.
1714. Boston Gentleman's Letter in Answer to a Letter to John Burril. (F. B.)
1714. Bank of Credit, Project for erecting one in Boston, founded on Land Securities.
1714. ——— Model for erecting.
1720. Colman, J. Distressed State of the Town of Boston considered, with a Scheme for a Bank.
1720. Bills of Credit, and the Support of Trade, particularly as it regards Boston, Reflections concerning.
1721. ——— Enquiry into the Origin of them.
1738. Observations on a Scheme for emitting £60,000 in Bills of a new Tenour to be redeemed with Silver and Gold.
1738. Douglass, Wm. Observations respecting emitting Bills redeemable in Silver and Gold, &c.
1738. ——— Essay on Silver and Paper Currencies in regard to the British Colonies in New England.
1738. ——— Discourse concerning the Currencies of the British Plantations especially with regard to their Paper Money.
1738. Postscript to a Discourse concerning Currencies.
1740. Massachusetts Bay, Letter relating to a Medium of Trade in.
1740. Van Hugh. Inquiry into the Nature and Uses of Money, more especially of the Bills of Public Credit, Old Tenor.
1740. Leeward Isles Currency and Coin. Letters to Mr. Wood respecting.
1740. Country Gentleman's Letter respecting the Land or Mechanics' Bank.
1741. Letter concerning a Combination in Massachusetts Bay, to impose or force a Paper Currency, called Land Bank Money.
1743. Massachusetts Bay, Enquiry into the State of the Bills of Credit in.
1749. Paper Currency of New England, Account of the Rise, Progress, and Present State of.
1749. Considerations on the Present Scarcity of Gold and Silver Coin in Scotland.

1751. Act to regulate and restrain Paper Bills of Credit in New England.

1761. Considerations on lowering the Value of the Gold Coins in Massachusetts Bay.

1774. True State of the Proceedings of Parliament of Great Britain and Massachusetts Bay, relative to the Money of the People of America.

1785. Bank of North America, Considerations on.

1785. ——————— Remarks on the Considerations.

1786. Carey, M. Debates in the Assembly of Pennsylvania on the Memorials praying a Repeal or Suspension of the Law annulling the Charter of the Bank (of North America).

1786. Osgood, S., and Livingston. Report relative to the Establishment of a Mint for the United States of America.

1787. Varnum, J. W. Case of Trevett *vs.* Wheeden on Information and Complaint for refusing Paper Bills in Payment for Butcher's Meat at Market in par with Specie.

1789. United States, Proposed Moneys and Coins of.

1790. Nature of a Funded Debt and Circulating Medium.

1791. Bank of North America. Letter to the Stockholders, on the Old and New Banks.

1791. Hamilton, Alex. On the Constitutionality of a National Bank.

1792. Sullivan, James. Path to Riches, — the Origin and Use of Money, Principles of Banks, &c.

1794. Crawford, John. Doctrine of Equivalents, or the Nature and Power of Money, &c.

1794. Lauderdale, E. of. Depreciation of our Paper Currency proved.

1797. Letter to the Legislators of the several States, recommending an uniform Continental Currency in Dollars and Cents, with Rules for calculating Interest.

1802. Banker. Profusion of Paper Money not a Deficiency of Harvests, — Taxation, not Speculation, the Cause of the Sufferings of the People.

1802. Country Banks, the Utility of.

1802. Webster, Noah. Origin and Present State of the Banks of the United States.

1804. King, Lord. Thoughts on the Effects of the Bank Restrictions.

1804. Banque de France, avec une Théorie des Banques.

1809. Farmers' Exchange Bank at Gloucester, Report of the Committee to inquire into the State of.

1810. Bollman, Eric. Paragraphs on Banks.

1810. Ricardo, D. High Price of Bullion a Proof of Depreciation of Bank-Notes.

1810. Bosanquet, C. Practical Observations on the Report of the Bullion Committee.

1810. Ricardo, D. Reply to Bosanquet's Practical Observations.

1810. Bullion Committee. Report on the High Price of Gold.

1810. Thornton, E. Observations on the Report of the Bullion Committee, and Remarks on the Work of Wm. Blake.

1810. Francis, Philip. Reflections on the Abundance of Paper and the Scarcity of Specie in Circulation.

1810. Carey, M. Reflections on the Ruinous Consequences of a Non-renewal of the Charter of the Bank of the United States.

1810. ——— Letters to Seybert on the United States Bank.

1810. Atwater, J. Considerations on the Dissolution of the United States Bank Charter.

1810. Blake, W. On the Principles which regulate the Course of Exchange.

1811. Cobbett, W. Letters of Common Sense on the State Bank and Paper Currency.

1811. Musket, R. Effects produced on the National Currency on the Exchange and Rates by the Bank Restriction Bill.

1811. Theory of Money. Inquiry into the Present Circulating Medium, and Considerations on the Bank of England.

1811. Van Vechten, A. Speech on increasing the Number of Banks in New York.

1812. Smith, Tho. The Bullion Question discussed.

1812. Appeal to Common Sense on the Bullion Question.

1812. Brewster, A. Appeal to the Banks and the Public.

1814. Examination of the Pretensions of New England to Commercial Preëminence; with a View of the Causes of the Suspension of Cash Payments at the Banks. Philadelphia.

1815. History of the Little Frenchman and his Bank-Notes.

1815. New York City Banks, Appeal to the Public respecting their Conduct.

1816. Bollman, Eric. Plan of an improved System of Money Concerns in the United States.

1816. Statius's Letter to Mr. Calhoun on the National Currency.

1816. Citizen of Washington. Letters to Congress on the National Money or System of Finance.

1816. Carey, M. Letters to the Directors of Banks in Philadelphia.

1816. Payne, D. B. Address to the Proprietors of Bank Stock on the Management of the Bank of England.

1817. Circulating Money, Method of increasing it upon a New and Solid Principle.

1817. Smith, Tho. Letter to the Earl of Liverpool on the New Coinage.

1817. Crombie. Letter to Ricardo, containing an Analysis of his Pamphlet on the Depreciation of Bank-Notes.

1817. Carey, M. Reflections on the System of Banking in Philadelphia.

1818. Bledsoe, J. Speech on the Resolutions proposed by him concerning Banks.

1818. Cause and Cure for Hard Times, — an Investigation of the Banking System and Money as a Circulating Medium.

1818. Marcus. Remarks on Private Banking.

1818. Reflections on the United States Banking Establishments.

1818. Wray, John. Dangers of an Entire Repeal of the Bank Restriction Act.

1818. Pole, W. W. Letter respecting the Disappearance of the Gold Coin and the Resumption of Cash Payments.

1818. Bank Torpedo. Bank-Notes proved to be a Robbery.

1819. Anti-Bullionist. Causes of the Present Commercial Embarrassments, and a Plan of Reform in the Circulating Medium.

1819. Gilbert, Davies. Plain Statement of the Bullion Question.

1819. Liverpool, Earl of. Speech on the Report of the Bank Committee.

1819. Bank of England, — Representation agreed on by the Directors, and laid before the Chancellor of Exchequer.

1819. Tables illustrative of the Plan of the Earl of Liverpool and Chancellor of Exchequer, showing the Rates of Exchange on Hamburg, compared with the Amount of Bank-Notes and Price of Gold, 1793–1819.

1819. Committee on the Expediency of the Bank resuming Cash Payments. Reports.

1819. Law. Remarks on the Report of the Secretary of Treasury.

1819. South Carolina Bank, Report of President and Directors.

1819. Barker, Jacob. Letter to the Public, respecting Bank.

1819. ———— Examination of his Letter.

1819. Aristides. Letter to the Secretary of Treasury on Commerce and Currency of the United States.

1819. Essay on Currency, or the Alterations in the Value of Money, the great Cause of Distress in the Country.

1821. Plain Truth, in a Series of Numbers, respecting the Bank of the United States.

1822. Letter to F. Robinson, on the Present State of the Currency.

1822. United States Bank, Report on.

1822. Law. On the National Circulating Medium.

1823. Raymond, D. Argument in Case of State of Maryland *vs.* Buchanan, McCulloh, and Williams, on Conspiracy to cheat the Bank.

1824. Joplin, T. Present Principles and Practice of Banking in England and Scotland.

1824. Law and Jones. Report on the Establishment of a National Currency. Washington.

1825. Influence of Paper Money on National Prosperity and the Happiness of the People; by a Bank Stockholder. Philadelphia.

1826. New England Banks and Currency, — Remarks on, to show the Benefits resulting from the System pursued by the Allied Banks of Boston.

1826. Burgess, H. On Banks and Private Bankers in England.

1826. Letter from a Merchant to a Farmer and Planter on the Abuse and Advantages of Banks. Baltimore.

1826. Law, Tho. Essay on a Moneyed System. Washington.

1827. Hints on Banking, in a Letter to a Gentleman in Albany, by a New Yorker. New York.

1829. Tooke, Tho. Second Letter to Lord Grenville on the Currency in Connection with the Corn Trade and on the Corn Laws. London. 2d Edition.

1829. Sinclair, Sir John. Thoughts on Currency and the Means of promoting National Prosperity by the Adoption of a New Circulation. London.

1829. Considerations on the Expediency of abolishing Damages on Protested Bills of Exchange, &c. New York.

1830. Examination of the Currency Question, and of the Project for Altering the Standard of Value. London.

1830. Scrope, G. P. On Credit Currency and its Superiority to Coin. London.

1831. Henshaw, D. Remarks upon the Bank of the United States. Boston.

1831. Examination of the System of Banking in Massachusetts. Boston.

1832. Congressional Documents relating to the Renewal of the Charter of the United States Bank.

1832. White, C. P. Report on Gold and Silver Coins.

1832. Smith. Essay on Currency and Banking.

1832. Monnier, V. Des Banques en général, et de la Banque de France en particulier. Paris.

1833. Watt, H. Practice of Banking in Scotland and in England. London.

1834. Memorial of the Citizens of Boston to Congress, on the Currency.

1834. Adams, J. Q. Speech (suppressed) on the Removal of the Public Deposits, &c.

1834. Dew, T. R. Essay on the Interest of Money and the Policy of Laws against Usury.

1834. Reid, Wm. Lecture on Money and Currency. Philadelphia.

1836. Finlay, Geo. Essai sur les Principes de Banque, appliquées à l'État actuel de la Grèce. Athènes.

1836. Facts and Arguments in Support of a Bank of Ten Millions. By a Citizen of Boston.

1837. Vincens, Emilie. Des Sociétés par Actions, et Des Banques en France.

1837. Morrison, W. H. Observations on the System of Metallic Currency adopted in this Country. London.

1837. Palmer, J. H. Causes and Consequences of the Pressure upon the Money Market.

1837. Loyd, S. J. Reflections suggested by J. H. Palmer's "Causes," &c. London.

1837. Palmer, J. H. Reply to "Suggestions," &c. by S. J. Loyd. London.

1837. Salomons, D. Monetary Difficulties of America, and their probable Effects on British Commerce considered. London.

1837. Adams, C. F. Reflections on the Present State of the Currency of the United States. Boston.

1837. Hare, R. Suggestions respecting the Reformation of the Banking System. Philadelphia.

1838. Ouvrard, J. Du Remboursement, et de la Conversion de la Rente 5 pour cent. Paris. 3 Ed.

1838. Du Rêmboursement et de la Conversion de la Rente 5 pour cent. Par A. B. Réponse à M. Ouvrard. Paris.

1838. Qu'est ce que le Remboursement, ou la Conversion des Rentes 5 pour cent. consolidés? Un Mensonge ou une Banqueroute. Paris.

1838. Rabusson, M. A. D'une Combinaison financière pour reduire l'Intérêt de la Dette. Paris.

1840. Gilbart, J. W. An Inquiry into the Causes of the Pressure on the Money Market during 1839. London.

1841. Appleton, Nathan. Remarks on Currency and Banking. Boston.

1841. Report of the Joint Committee on the Banks of Kentucky for 1838, 1841, 1842.

1841. Bank of Kentucky. Memorial of the President and Directors, in Relation to the Report of the Joint Committee on Banks, 1841.

1841. ——————— Response of, to the Interrogatories propounded by the Joint Committee on Banks, 1841.

1841. ——————— List of the Present Holders of the Original Stock; also a List of Spurious Stock, 1841.

1841. ——————— Act granting Certain Powers to.

1841. Address to the People of the United States on a National Bank, presented at a Meeting in Boston, July 15, 1841.

1841. Annual Report of the Bank Commissioners of New York State, 1841.

1842. Report of Select Committee on the Union Bank Bonds. Mississippi. Feb., 1842.

1843. Abstract of the Condition of the Banks of Massachusetts, Aug., 1843.

1843. Smith, Sydney. Letters on American Debts. London, 1843.

*** All the works mentioned in the previous five pages are contained in the Boston Athenæum, Beacon Street. This institution probably possesses the best collection of works on the subject of Banking to be found in the United States. Many of the preceding volumes are now very scarce and out of print.

A BANKING INSTITUTE.

The importance of a Banking Institute has long been felt in the city of London, as well as in the leading cities of the United States, for the purpose of concentrating at some one point a library of books on banking, currency, coins, and a few other subjects with which banking men should be familiar. The example has been set in the city of London by gentlemen connected with the moneyed institutions of that city; and we hope this example will be followed in New York and Boston.

The first meeting was held at the London Tavern, on Wednesday, October 22, 1851, when about three hundred gentlemen connected with banking were present. Thirteen gentlemen, representing various chartered banks and private banking firms, were appointed a committee or "Council of the Banking Institute" for the first year. It was decided at this meeting that "the establishment of a Banking Institute is cal-

culated to prove advantageous to all parties engaged in banking pursuits, and is deserving the support of the banking interest."

The provisional committee in their prospectus say that there are two distinct advantages which the Institute will secure:—

1st. The literary advantages to be derived from the periodical meetings of the members, when papers on subjects connected with banks and commerce will be discussed; from the republication of works likely to be useful to the members, and from the reading and news room which it is intended to open, in a central part of the city.

2d. From the endeavors of the committee, assisted by the members, to secure the advantages of a guarantee fund for the fidelity of bank officers.

The first monthly meeting of the members was held in their own premises, 52 Threadneedle Street, January 13, 1852, when a favorable report was read of the proceedings of the council of management; after which a paper was read by G. J. Shaw, Esq., "On the Law and Practice with reference to Crossed Checks."

The editor of the *London Bankers' Magazine* has taken an active interest in the establishment of the Institute. We extract from the September No. of that work the outline or objects of the association, as then contemplated.

"The editor of the *Bankers' Magazine* is induced to take the initiative in this matter, because he believes that the only reason why a BANKING INSTITUTE is not already established, has been the difficulty of finding some one willing to undertake the preliminary arrangements. This difficulty need no longer exist. If the proposal now made is responded to in the manner the editor anticipates it will be,—if, indeed, only a few gentlemen express their willingness to coöperate with him in establishing the proposed society, he will be the means of communication between them, so that they may meet and finally determine on the best plan for carrying the proposal into effect.

"A Banking Institute might offer to its members the following advantages:—

1. *Periodical meetings of the members* for the purpose of reading and discussing *papers* on subjects connected with banking and mercantile pursuits.
2. *The publication of the proceedings of the Institute*, including the papers read at the meetings, on a similar plan to the Statistical Society, &c.
3. *The formation of a banking and mercantile library*, for reference and for circulation.
4. *The republication of rare works on banking and commerce, finance, and various branches of political economy*, on the plan of the Camden Society, and other societies established expressly for the republication of rare works on distinct subjects.
5. *Each member of the Institute to be entitled to copies of such works*, and of all other publications of the Society; so that each member might indeed receive the value of his subscription in books.

"*These advantages would be obtainable by country and foreign members equally with town members.* Country members not able to attend and read papers at the meetings of the Institute could have them read by other members.

"A permanent committee, on the plan of the 'Committee of Deputies of Joint Stock Banks,' might also be formed, to protect banking and commercial interests from injury by new legislative enactments, and from the fraudulent schemes of swindlers; and also to consider whether a *provident fund* and a *guarantee fund* might not be established for the benefit of bank officers, &c.

"The annual subscription required from members to effect the above objects need not be large. Probably ONE GUINEA a year would be sufficient to meet all the expenses of the society."

LIST OF WORKS ON BANKING, BILLS OF EXCHANGE, &c.

*** This is a list supplementary to that commenced on page 734, *Bankers' Magazine*, Vol. VI., and in "Lawson's History of Banking," p. 301.

Abstract Propositions touching Banking. Edinburgh, 1830.

Adams, John Q. Report on the Bank of the United States, May 14, 1832. (See American Quarterly Review, Vol. XI. p. lvii.)

Alison, Archibald. Free Trade and a Fettered Currency, and England in 1815 and 1845. 8vo. London, 1847.

Arbuthnot, J. Tables of Ancient Coins, Weights, and Medals. 4to. London, 1754.

Bailey, Samuel. A Letter to a Political Economist, occasioned by an Article in the Westminster Review on the Subject of Value. 8vo. London.

———— Money and its Vicissitudes in Value as they affect National Industry and Pecuniary Contracts. 8vo. London.

———— A Defence of Joint Stock Banks and Country Issues. 8vo. London.

Bankers' Commonplace Book, The, — comprising Johnson's Treatise on Banking; Forms of Protest; Forms of Bills of Exchange in Eight European Languages; Remarks on Bills of Exchange. 12mo. Boston, 1851.

Barrett, P. Tables of European Exchanges. 4to. London, 1771.

Bell, G. M. The Philosophy of Joint Stock Banking. 8vo. London, 1848. Price 3*s*.

———— The Country Banks and the Currency, — An Examination of the Evidence on Banks of Issue, given before a Select Committee of the House of Commons in 1840-41.

*** This includes a summary of the evidence of Messrs. Cobden, J. Horsley Palmer, S. Jones Loyd, T. Tooke, V. Stuckey, J. W. Gilbart, and others. 8vo. Price 4*s*.

———— The Currency Question. 8vo. London, 1848. Price 2*s*. 6*d*.

Bennison, W. The Cause of the Present Money Crisis explained; in Answer to the Pamphlet of J. Horsley Palmer. London, 1837.

Bible Coins, — Metallic Fac-similes of the Coins mentioned in the Holy Scriptures. 8vo. London, 1851.

Biddle, N. Six Letters to Hon. J. M. Clayton. Philadelphia, 1841.

Blanchard, O. Tables of Interest and Discount at Seven per Cent.; giving the Interest or Discount on any Sum not exceeding $100,000, always exact to the nearest Cent. 12mo. Cazenovia, N. Y., 1851.

Bosanquet, J. W. Metallic, Paper, and Credit Currency. 8vo. London, 1842.

Clarke, M. St. Clair. History of the Bank of the United States. 8vo. Washington, 1832.

Clayton, A. G. Review of the Report of the Committee of Ways and Means of April 13, 1830.

Clayton, J. M. Report on the Bank of the United States, 14th of March, 1832. (See American Quarterly Review, Vol. II., Appendix, p. 4.)

Comstock, J. L. History of Precious Metals, with Directions for Testing. 12mo. Hartford, 1849.

Cobbett, Wm. Paper against Gold. 2 vols. 8vo. London, 1815.

Doubleday, Thomas. A Financial, Monetary, and Statistical History of England. 8vo. London, 1847.

Eckfeldt, J. R., and Du Bois, W. E. Manual of Gold and Silver Coins. With 280 Engravings. 4to. Philadelphia, 1843.

———— New Varieties of Gold and Silver Coins and Bullion. 12mo. Philadelphia, 1850.

———— Same Work. Revised Edition. 8vo. 63 Engravings. New York, 1851.

Eliot, Jonathan. The Funding System of the United States and Great Britain. With some Tabular Facts of other Nations on the same Subject. Prepared by Order of Congress. 8vo. pp. 1300. 1845.

*** This volume is a complete history, documentary and statistical, of the finances and banking system of the United States, with the opinions of the ablest financiers.

Facts relative to the Bank of England, explaining the Nature and Influence of the Bank Charter; with a View of the Causes and Consequences of the Suspension and Restoration of the Use of Standard Coin. 8vo. pp. 84. London.

Felt, Joseph B. An Historical Account of Massachusetts Currency. 8vo. Boston, 1839.

Folger, R. M. Exchange Tables, Sterling and Federal. 8vo. New York, 1849.
Fortune J. Epitome of the Stocks and Public Funds. 16mo. London, 1850.
Foster, B. F. On the Law of Bills of Exchange. 8vo. Boston, 1837.
Francis, John. Chronicles and Characters of the Stock Exchange. London, 1849. (Reprinted, Boston, 1850.)
———— History of the Bank of England, its Times and Traditions. 2 vols. 8vo. London, 1847.
Fullarton, J. Regulation of the Currency. 8vo. London, 1849.
Gallatin, A. Sketches of the Finances of the United States. 8vo. New York, 1796.
———— Considerations on the Currency and Banking System of the United States. Philadelphia, 1831.
———— Suggestions on the Banks and Currency of the United States. 8vo. New York, 1841.
Goddard, J. H. History of Banking in Europe and the United States. 8vo. New York. 1831.
———— The Merchant and Practical Accountant. 4to. New York, 1828.
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———— History of American Banking. Enlarged. 8vo. New York, 1835.
Hardcastle, D. On Banks and Bankers. 12mo. London, 1842.
Huskisson, Wm. Depreciation of the Currency. 8vo. London, 1819.
Jefferson, Thomas. Objections to the Bank of the United States. (See his Works, Vol. IV. p. 523.)
Johnson, A. B. Inquiry into the Nature and Value of Capital, and Operations in Government Loans. 8vo. New York, 1813.
———— A Treatise on Banking. 12mo. Boston, 1851.
Joplin, Tho. History of the Currency Question. 8vo. London, 1832.
———— Essay on the General Principles and Present Practice of Banking in England and Scotland. London, 1822.
———— Outlines of a System of Political Economy, with Remarks upon Joint Stock Banks. London, 1823.
———— On our Monetary System and the Causes of the Pressures on the Money Market. London, 1827.
Kellogg, E. Labor and other Capital; the Rights of each secured, and the Wrongs of both eradicated. 8vo. New York, 1849.
Knight, Charles. The Banker's Clerk; comprising the Practice and Principles of Banking. 1*s.* 6*d.* London, 1848.
Knowles, Sir F. C. The Monetary Crisis considered; being a Reply to Mr. J. Horsley Palmer's Pamphlet "On the Action of the Bank of England," and a Defence of Joint Stock Banks against his Accusations. 8vo. London, 1837.
Lawson, William J. History of Banks and Banking in Europe. 2 vols. 8vo. London, 1850. Reprinted, New York. 1 vol. 8vo. 1852.
Leatham, W. Letters on the Currency. 8vo. London, 1840.
Letters of "Brutus" to George McDuffie. Parts I.–XI. Philadelphia, 1830.
Letters on the Internal Management of a Country Bank. By Thomas Bullion. 8vo. London, 1851.
Lord, E. Principles of Banking and Currency. 12mo. New York, 1829.
MacGregor, J. Commercial and Financial Legislation of Europe and America. 8vo. London, 1841.
Marshall, G. A View of the Silver Coin and Coinage of Great Britain from 1662 to 1827. London, 1838.
Maitland, John. National Savings Banks, — Suggestions for rendering Savings Banks self-supporting. 8vo. London. 1847.
McCulloch, J. R. Essays on Interest, Exchange, Paper Money, Banks, Coins, Coinage, &c. Reprinted from the Encyclopædia Britannica. 8vo. Philadelphia. 1852.
McDuffie, G. Report of the Committee of Ways and Means of the House of Representatives relating to the Bank of the United States, April 13, 1830. (See American Quarterly Review, Vol II., Appendix XXXVI.)
Mease, James. On the Utility of Public Loan Offices and Savings Funds established by City Authorities. Philadelphia, 1836.
Middleton, Henry. On the Government and the Currency. New Edition, with Alterations. 12mo. New York, 1850.
Mortimer, J. Lectures on Commerce, Politics, and Finance. London, 1801.
Mundell, A. An Examination of the Evidence taken before the Parliamentary Committee of Secrecy on the Bank of England. London, 1832.
Newman, S. Mercantile Tables upon a New Method. 8vo. London, 1804.
Norfolk, Wm. John. The General Principles of Banking, Bills of Exchange, British Funds, and Foreign Exchanges. 8vo. London. 1846.

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BANK LIBRARIES.

"Among the means of training clerks for superior offices, we give a high rank to the formation of a library of banking books, to which the whole of the establishment shall at all times have access."

"It is unnecessary to prove that books on banking must be useful to those who are engaged in the business of banking; but every one who is thus employed has not the means of purchasing a library, nor is it necessary. The same book may be read by a hundred persons, and impart as much information to each as if he were the only reader. To peruse a collection of books is, therefore, the most efficient and the most economical means of imparting knowledge to the present and future members of a banking establishment; and as the bank will derive great advantage from the knowledge thus diffused among its officers, it seems only just, as well as kind, that the library should be supplied at the expense of the bank."

THE IMPORTANCE OF BANK LIBRARIES. — We need scarcely say that a certain number of useful business works are as necessary to a banker as they are to a solicitor. A banker is supposed to know the leading principles of the law, so far as they relate to his ordinary business, sufficiently well to render it unnecessary for him to refer to "cases" on every emergency; and it will generally be found that a good practical banker has more real occasion for a ready knowledge of mercantile law than even the solicitor of his district. The banker is subject every day to have to decide, without hesitation, on contingencies which a lawyer may consider at leisure; and as he is thus called upon to act on the instant, and without time for much consideration, it is important for him, and for the bank he represents, that he should be able to decide safely on an ordinary question of mercantile law, without hesitation. To do this, however, he must necessarily be well acquainted with the principles of commercial law, and must keep himself advised of the changes which occur from time to time, by the acts of the legislature, and the decisions of the courts. The latter he may obtain from the newspapers and legal journals, but unless he has had an opportunity of gaining a knowledge of the *principles* of mercantile law, before he is called upon to apply them in practice, he, and those whose interests are intrusted to his charge, will suffer greatly by his ignorance.

It is, therefore, obviously of importance to bankers, that their younger officers, who may hereafter be appointed managers, should have the means of gaining some amount of useful legal knowledge, and an acquaintance with the principles of political economy, while they are acting as clerks and accountants; and although a young man who is desirous of qualifying himself for the higher duties of his profession will no doubt obtain and make himself familiar with such useful books as may be readily obtainable, it would be advantageous if the heads of his establishment provided a few works of a decidedly useful character, to which he might refer for information.

A small library of books of this kind might be obtained for a few pounds; and they ought to be added to the office furniture of every branch. Where a bank has many branches, three or four distinct treatises might be obtained on any one subject, and distributed amongst the branches in a district. If the books belonging to one branch were then exchanged from time to time by the branches amongst each other, the manager and officers at every branch would be able to obtain the best and latest information on any particular branch of the law connected with their business. — *London Bankers' Magazine, October*, 1850.

GUARANTEE ANNUITY FUND FOR BANK OFFICERS.

Read before the Banking Institute of London, March 2, 1852. *By Mr. Newmarch, Secretary of the Globe Insurance Co., London.*

In commencing this paper, I must request the meeting distinctly to understand, that, beyond the concurrence which its contents have received from the Council of the Institute, it is to be regarded and construed as speaking my private opinions only. The meeting must be good enough to dismiss from their minds, as far as the present occasion is concerned, any association between myself and any public company with which I may happen to be connected; and to hold me responsible in my own person only for whatever principles or details I may have to bring forward. I am desirous to have this material point distinctly settled at the outset, as the best means of preventing subsequent confusion and misunderstanding.

I will begin the subject before us this evening by saying, that if the Council of the Banking Institute, acting to a certain and very important extent in the name of the general body of bankers' clerks, could not see before them some more important object than the mere reduction by a small fraction per cent. of the present premiums on guarantee policies, it would not be worth while to open up so large a topic of discussion, nor to attempt to introduce the changes that must of necessity be carried through before the system at present in existence could in reason be superseded by any other. In this statement I have the full concurrence of the Council. They agree with me in thinking that our guarantee plan must contain and imply something more than mere guarantee policies.

The question then becomes, what those other objects should be, and I imagine that there will be very little difference of opinion in admitting that the following answer pretty nearly meets that question.

1. In the first place, it must be our object to offer to the employer a guarantee of the most perfect and substantial character, and at a cost to the parties employed as small as is consistent with reason and safety.

2. In the next place, we must endeavor to combine with this guarantee such arrangements of a prospective nature as will place the banker's clerk, not only under the strongest and legal obligations, but also under strong pecuniary inducements, to conduct himself, not merely in an honest, but in an exemplary manner; to be not only a respectable member of society, but also an efficient and intelligent bank officer.

3. And, in the third place, we must endeavor so to contrive the machinery employed for carrying out these objects that it shall be eminently elastic, and capable of accommodating itself to the diversity of circumstances under which the business of banking in this country is considered.

These are the general principles, and they seem to be capable of being reduced into practice by some such methods as the following, viz.: — By combining an annuity or retiring fund with the guarantee scheme, and by deriving the contributions to the retiring fund from a variety of sources; as, for example, partly from any profits which may accrue on the guarantee scheme itself; to a considerable extent, — indeed, to the greatest extent, — from direct payments by bankers' clerks themselves, or by their employers, for the purpose of securing them annuities; from a proportion of any profits which may accrue on such an annuity fund; and from contributions from employers, which might be expected to be forthcoming, for the purpose of organizing and supporting a professional fund for bankers' clerks, if it could be shown that the scheme upon which such a fund was based was sound and worthy of credit.

When we speak of a professional fund for facilitating the retirement of bankers' clerks, it is desirable that we should have before us a distinct idea of what we mean by such a fund; and we shall best assist our own views by considering what such professional funds are under other similar circumstances.

It is not needful that we should go into minute details; but there are at present in existence, in connection with several branches of the public civil service, and in connection with several extensive kinds of employment, arrangements which secure to the contributors to a fund a certain amount of pension after a certain length of service, with provisions more or less complete for the relief of pressing and casual cases. In all these instances, however, the organization is very complete; and all the contribu-

tors to the fund are, to a very considerable extent, placed under precisely the same discipline, and are members of an extensive and nicely-graduated service.

Now, I must say that at present I do not think that the time has arrived when the body of bankers' clerks in this country can, with any prospect of success, attempt to form an organization, which shall be the counterpart of the funds which we find connected with the Indian services, with the funds which are contemplated, or in course of formation, for the civil servants of the crown, and with others which are also contemplated, or in course of formation, by the servants of the railway companies.

There is also another point of very great importance, and upon which I am happy to say that I have the full concurrence of the Council; namely, that it is quite foreign to the legitimate purpose and functions of the Banking Institute to attempt to hold itself forward as the manager of any guarantee or annuity fund such as we have described. The Institute is essentially a voluntary association for objects of a purely general character; and it could not embark in any large enterprise implying the management of a daily business without entirely changing its character, and entering upon a career in which it could not possibly hope to be successful. Voluntary associations of a general character can do a great many salutary and difficult things; but they have never yet been found equal, for any length of time, to the successful prosecution of difficult commercial enterprises.

Limiting, therefore, our views of what is at present practicable as regards an annuity fund for bankers' clerks, and admitting that the management of such a fund cannot be left with advantage in the hands of a fluctuating voluntary body, we must determine what course is open to us, and can be prudently followed.

It has appeared to the Council, that the best answer to this question must be in the following shape, commencing with the last of the preceding inquiries first: —

It may be assumed that there are 8,000 or 10,000 bankers' clerks in England and Scotland, and 600 or 700 more in Ireland. Now, for the sake of illustration, let it be supposed that one third or one half of this total number of bankers' clerks had satisfied themselves, after due investigation, that it would be a proper and prudent course to support the Council of the Institute in their attempt to establish a guarantee annuity fund, and that the employers of these clerks were willing to adopt the same views. Under such circumstances it appears to the Council that the soundest course would be to open a negotiation with some leading insurance office, and to say to it: "We represent any 2,000, or 3,000, or 4,000 bankers' clerks, who, with the concurrence of their employers, are anxious to enter into mutual arrangements for giving the bonds of guarantee required from them, and of combining, with the payment of the premiums for such guarantees, a system of deferred annuities; and also, in cases where it may be required, a system of ordinary insurances on lives. Considering the magnitude of the business we offer you, we beg to inquire whether or not you are willing to entertain our proposal on this basis; namely, that in the first instance an experimental period of say five or seven years shall be fixed, during which, under such arrangements as may be agreed on for your safety, you shall carry on the guarantee and annuity and insurance business we propose on behalf of the bankers' clerks, keeping all accounts under these heads quite separate and distinct from your other business, and engaging that, at the end of the five or seven years, an investigation of the experience of those years will be made, and of any profits which may then appear, after the accounts have been closed in a manner to be agreed on, a certain proportion shall be set aside for the subsequent advantage of the fund." This is the general form of the proposal, which it appears to the Council it would be desirable to put forward under the circumstances supposed, and I lay particular stress on the phrase *general form*, because on the present occasion, both for myself and the Council, I disclaim all intention of doing more than chalking out, in the merest outline, the scheme which is to be laid before you. It is quite premature, and, moreover, it is quite impossible to enter into matters of detail. The Council are fully sensible that success or failure will in the end depend almost entirely upon the nicety and skill with which those details are adjusted; and hence the pardonable anxiety on the part of them and myself not to be held to say more than we describe ourselves as really intending.

Now, supposing that, as the representatives of 3,000 bankers' clerks, the Council had succeeded in entering into a treaty with a first-class insurance office, then the operations of the plan would be as follows: — As a preliminary step such information would have been collected, and such regulations would have been adopted, as would justify the insurance company in fixing upon a scale of guarantee premiums. It

would be a main object to combine with these premiums such other payments as might be required to provide deferred annuities for the several insurers; and it would also be a main and paramount object to interest employers in the encouragement and support of the professional fund thus commenced. At the present time there is no general rule as to granting pensions to bankers' clerks after long service; sometimes pensions are given, and sometimes not. It would be a great point gained if something like uniformity could be introduced in this respect, and if any contrivance could be devised, *whereby it might be at once the interest of the employer and the clerk to combine in the support of a fund which met the wants of both, and, moreover, went very far towards securing to bankers' clerks, as a body, the full advantage of that superior intelligence, conduct, regularity, and foresight, which is admitted on all hands honorably to distinguish them.* The fund we have in view is intended to take at least one step towards the attainment of this desirable end; and I am very desirous to impress upon the meeting that the scheme we bring before you has been made as easy and simple as possible, for the purpose of the more readily surmounting the serious difficulties which at the best must jeopardize the early existence of such an institution. It would have been quite easy to have produced a more plausible and ambitious scheme, but then it would have been at the expense of its working qualities.

To return, however, to our description of the manner in which the fund would work. The absence of any restrictions as to the ages at which bankers' clerks could enter would render the fund accessible by all who thought proper to avail themselves of it; and the absence, also, of any specified scale according to which deferred annuities must be provided, would still further promote its applicability to all parts of the country, and to banking establishments of all degrees of magnitude. These would be the two main features in which the contemplated scheme would differ from ordinary superannuation and widows' pension funds. In such funds there are generally stipulations, more or less intricate, as to the age and standing of the members, and the contributions to be paid by them in proportion to their successive amounts of salary. And in extensive services, where all the members are essentially under one kind of discipline and dependent for advancement upon a particular scheme of promotion, there is no fatal difficulty, although, generally, a good deal of friction, in giving effect to such regulations as I have pointed out. Nothing of the kind, however, can be applied to bankers' clerks at present. It is quite futile to suppose that any working scheme could be set up for apportioning in return for a certain scale of contributions retiring allowances of particular amounts to bankers' clerks, and proportionate pensions to their widows. I do not mean that it is impossible to frame a scheme of the kind; but to frame it and put it in force as an institution really and truly supported by the great body of bankers' clerks.

We then come back to the feature of our own scheme, — namely, the perfect liberty it leaves to the bankers' clerk, in conjunction or not with his employer, or with or without the aid of his employer, to make what provision he pleases or can afford in the shape of deferred annuity or endowment insurance. It may then be asked, But how does this plan differ from that of an ordinary transaction with a guarantee office and an insurance office? in what manner will it be more advantageous for the bankers' clerk and his employer, — for we must never forget that the interests and convenience and wishes of *both* these parties are to be consulted, — to support the proposed fund rather than to apply, as at present, to the companies which grant guarantee policies and which insure lives? This is a very proper and reasonable question, and it must be answered, and the answer to it is fourfold: —

1. In the first place, the contemplated fund will, if successful, secure to the body of bankers' clerks the full benefit of those exemplary qualities which are believed, with so much reason, to give them considerable advantages; for it is the leading object of the fund to provide for the application, in a mode to be hereafter settled, of some agreed portion of any profits which may arise either on the guarantee, the annuity, or the insurance branch.

2. In the second place, it is intended to take care, by calling in the intervention of a first-class insurance office, that in point of *safety*, at least, the new scheme shall have quite as many claims on the attention of employers as the one now enforced, and it remains to be proved that in point of *economy* it would not have *greater* claims than the present scheme upon the attention of the clerks.

3. In the third place, the proposed fund will afford at least the commencement of such a professional provision for bankers' clerks partaking of all the certainty of an insurance institution, as on all hands it is confessed to be most desirable to establish.

4. And in the fourth place, the proposed fund will embrace such arrangements as will hold out to employers strong inducements to aid the contributions of their clerks by the subscription of sums, larger or smaller, in aid of retiring allowances.

We must not be too impatient, however. If we fully satisfy ourselves that we are pursuing a right and prudent course, we must not defeat our own objects by prematurely clamoring for profits and advantages which there has not been time either to earn or to acquire. Lapse of time is necessary to the development of even the simplest schemes, and assuredly without lapse of time there can be no fair trial of any plan of insurance. It will be no mean success to set in motion a scheme which we have the fullest assurance will, under prudent management, become of the greatest utility to the class of persons for whom it is intended.

I have alluded several times to the support which it is not improbable might be extended to the contemplated measure by bankers and banking companies, if it could be shown to them that it was substantial and *bonâ fide*. The Council desire to speak in general terms on this subject, because they are not commissioned to make any specific announcements. Still they are not ignorant of the general tone of feeling on the point, and they cannot permit themselves to doubt such arrangements would be made under the contemplated plan as would hold out inducements to the presentation of donations. Nothing, for example, would be more easily accomplished under the proposed measure than for a firm or a company to arrange with the whole or a portion of their clerks for the securing of a deferred annuity as part of the salary arrangements of the office, and to carry out that arrangement by opening policies with the fund (combined, of course, with guarantee agreements) for the required amounts; and it is important to observe what would be the effect of such an arrangement. In the first place, the fund would be strengthened by the additional business; in the second place, a moral check of the strongest kind would be obtained over the clerk, and he would avoid misconduct, not only for the punishment it would bring, but also for the prospective advantages it would compel him to forfeit; and in the third place, both the employer and the clerk would have the certainty that any profits which might arise out of their particular transactions would be liberally bestowed on objects in which bankers' clerks only possessed an interest, so that even the losses of particular members of the profession would enrich the general body.

I have now said enough to convey, I hope, a clear idea of the general features and outline of the scheme; and I must repeat, that neither for the Council nor myself am I prepared on this occasion to attempt more than that. Details, and the infinite niceties of adjustment which make up the substance of such a plan, must be reserved for further and mature consideration. In this place I avoid all such questions purposely, because I don't wish to have to retract at some future time statements made at the present stage of the discussion. I must also say, that there is no desire on the part of the Council, to thrust this plan dogmatically on the members or on the profession. The Council conceive that they have taken an important first step, in so placing the question before this meeting that it can be considered in a tangible form; and I have only to add, that no one will rejoice more than myself to see, on all hands, an anxiety to examine with diligence and candor a proposal so closely connected with the efficiency and welfare of the intelligent body to whom it is addressed. In conclusion, I will endeavor to place before you a short and intelligible summary of the substance of what is proposed, in order that the gentlemen who, I dare say, will follow me in addressing you may have no difficulty in knowing precisely what they support or what they oppose.

First of all, they think it essential that any plan for improving the guarantee system should be combined with some efficient and simple means of accomplishing the larger object, of laying the foundation for an annuity or superannuation for bankers' clerks.

In the next place, they feel that under the most favorable circumstances there will be considerable difficulty in carrying out any such object, and therefore they have confined themselves at first to offering suggestions which are at least intelligible and safe, and which they have reason to believe admit of being reduced to practice, if bankers' clerks, as a body, afford a moderate degree of support.

In the third place, they have been studious so to frame their scheme that it may commend itself to the countenance and support of employers. The Council feel that, unless the employers of bankers' clerks can be induced to regard the proposed movement with favor, it can make but little if any progress; and as it is not the habit, nor is it desirable, that either bankers' or other servants should engage in rash experiments,

there is the stronger reason why we should err, if at all, on the side of prudence rather than of ingenious temerity.

In the fourth place, our proposed plan contemplates the establishment of a Bankers' Clerks' Guarantee Annuity Fund for, in the first instance, an experimental period, in connection with some insurance company of the highest standing, subject to such arrangements as shall secure to the bankers' clerks who support it the lowest possible scale of premiums for their guarantee policies, with an understanding that a proportion of any profits which may appear on the guarantee business shall revert to the fund for its benefit; and also that a portion of any profits which may appear in the annuity and insurance part of the scheme shall also revert to the fund for its benefit. It is also a prominent feature of the plan, that such provisions shall be introduced as will operate as inducements to employers to make contributions to the fund for the benefit of their own particular clerks, or for the general benefit of the profession.

And fifthly, it has been considered wise not to propose any complicated scheme of superannuation allowances, because it is felt that, having to deal with two or three thousand independent banking establishments of all degrees and magnitude, scattered all over the three kingdoms, and subject to the most different influences, it is at present quite hopeless to expect the harmony and closeness of action which could give consistency, vigor, and success to any scheme not in itself exceedingly accommodating and simple.

The paper was listened to most attentively by the meeting, and was frequently applauded during its delivery.

The GOVERNOR OF THE BANK then said he should be happy to hear the observations of gentlemen, who, from their connection with banking pursuits, might be able to illustrate the subject which had been so well introduced by Mr. Newmarch.

Mr. J. W. GILBART, General Manager of the London and Westminster Bank, said he was sorry that Sir Moses Montefiore, who had just been obliged to leave the meeting in consequence of a pressing engagement, had not been able to favor them with his views on the subject, because he was sure they would have been extremely valuable. (Hear, hear.) It appeared to him that the plan which had just been submitted to the Institute was intended in the first place to supersede, to a certain extent, the existing guarantee societies, as far as bankers' clerks were concerned; and secondly, to add to the guarantee system further advantages for the benefit of bankers' clerks. (Hear, hear.) The guarantee societies were of recent origin, and many bankers had had considerable objections to taking their bonds, from a fear that the societies would be too much under the influence of their solicitors, who might raise quibbles to evade their just liabilities, or refuse to accede to the wide and comprehensive terms which it was necessary for bankers to insert in the bonds in order to guard against fraud. Besides, it was thought that the moral check upon a clerk was more powerful when his own nearest relatives would be the victims of any misconduct on his part, than it would be when a public company, to which he paid £5 a year premium, would be the sufferers. However, the system of public guarantees was highly desirable, as enabling many clerks to obtain situations who would not succeed in doing so if they had to procure private sureties. (Hear, hear.) Bankers were now generally favorable to the guarantee societies; and he hoped they would never seek to avail themselves of any technical flaws to escape their responsibilities, otherwise they would be sure to create universal distrust, and thereby insure their own destruction. Now, Mr. Newmarch's plan proposed an improvement in the principle of the guarantee societies, — (cheers,) — because these societies at present guaranteed the fidelity, not of bankers' clerks alone, but of every description of clerks; and he thought that bankers' clerks were a class of a higher standing and position than other kinds of clerks, and defalcations were not so numerous among them as among clerks in other branches. (Cheers.) Therefore he thought that if the system was kept distinct for bankers' clerks exclusively as a class, the guarantee premiums might be reduced, and still there would be a considerable profit on the business. (Hear, hear.) Mr. Newmarch also suggested that the profits which were at present absorbed by the companies should be applied to the formation of an annuity fund for the benefit of the clerks, that annuity fund to be further augmented by contributions from the clerks themselves, or their employers. That was a very important advantage, and he believed it was based on a sound prin-

ciple, and fortified by experience. (Cheers.) This system would afford additional security for the good conduct of the clerk, because, in case of a defalcation, he would be liable to lose all his interest in the annuity fund to which he had subscribed. The plan was therefore worthy of the most mature deliberation, and ought to be strongly enforced on the attention of the profession at large. (Much cheering.)

Mr. LOWELL said he thought the proposal which had been brought forward was eminently deserving of the support of bankers' clerks, for whose benefit it was intended; and he trusted they would come forward and make it one support. (Cheers.) The plan proposed offered advantages which the existing guarantee societies could not give, from the nature of their constitution; it offered a banker's clerk the means of providing satisfactory security for his fidelity, while, by the plan of deferred annuities, to be paid out of the excess of premium, it gave him a return of his contributions, and offered him an assurance that he would not be compelled to die in harness. (Cheers.)

Mr. CHAMBERS said he should have been glad if Mr. Newmarch had entered more into statistical detail in the paper that had been read, for he was sure that the statistics of the question would be found to confirm conclusively the principles which it advocated. From calculations which he had made, he felt assured that 4*s*. per cent. would be found an ample premium for guarantee assurance. (Hear, hear.) The losses by fraud of bankers' clerks were comparatively of very small amount. From their position they were subject to a variety of checks which could not be applied to other parties who adopted guarantee insurance, and they were entitled to the advantages which their character and position justified them in claiming. (Hear, hear.) Mr. Knight, of the Guarantee and General Life Insurance Company, deserved much praise for the effort he had made to combine guarantee insurance with life insurance, and he believed that the plan of mutual insurance for bankers' clerks would be found highly advantageous. (Cheers.)

Mr. KNIGHT said, that, having for many years been engaged in banking, he could speak from experience in support of the statement, that bankers' clerks, as a class, were superior as "a risk" for a guarantee company to any other class of insurers, — (hear, hear,) — and it was his perfect knowledge of this fact which led him to propose the formation of a company for combining life insurances with guarantees. The plan had worked well, and the results to his company were highly satisfactory. (Hear, hear.) He then entered fully into details, showing the advantageous terms on which life insurance could be combined with guarantee, and expressed his conviction that the principle of public guarantee would ultimately supersede the present system of private suretyship. In the bonds issued by his company the insured were protected from loss by negligence as well as fraud, so as to combine all the advantages of private and public guarantees. With regard to the plan of deferred annuities, he was very desirous of seeing it carried out, but bank officers hitherto had not shown much anxiety to secure the benefits it was capable of conferring. He believed that the existing guarantee societies would willingly make bankers' clerks the subject of a special reduced rate of premium if a sufficient number offered themselves for insurance. (Cheers.)

Mr. BARNARD called attention to the manner in which the guarantee fund of the clerks in the Bank of England had worked. (Hear, hear.) Only two cases of defalcation had occurred since the fund was commenced in 1841, and there was a large accumulation annually for the benefit of the clerks. (Cheers.) They were required to pay only £ 5 in one payment, or £ 1 per annum for five years, and then they were insured to the extent of £ 1,000 each, with contingent advantages from the annual interest of the accumulated payments which already formed a considerable fund. (Hear, hear.) The checks against dishonesty in the Bank, and in banks generally, render it very difficult for any serious frauds to be perpetrated by bankers' clerks. (Hear, hear.)

Mr. DALTON, the Hon. Secretary, said it must be very gratifying to all who had taken a part in the formation of the Institute to see that it had been enabled to bring forward the subject of the guarantees for bank officers under such favorable circumstances; and he thought the earnest manner in which the subject had been taken up by the meeting a proof that it would be well received by bank officers throughout the kingdom. Professor De Morgan was the first who called attention to the fact, that if a thousand bank clerks associated together for mutual insurance, and paid only £ 1 per annum each, one of them might annually be a defaulter to the extent of £ 1,000, without any further payment being required from the insurers. (Hear, hear.) It

was well known, however, that no annual loss to such an extent was ever likely to occur; and this led to the formation of the Guarantee Society, of Birchin Lane, which had proved one of the most excellent associations of the present age. It had been the means of enabling a numerous class of deserving young men to obtain situations of importance, for which their abilities well qualified them, but which they would have been unable to accept without the aid of the society. The society had not only conferred individual benefits; it had also been the means of proving that the principle of guarantee insurance was sound, and had led to the formation of other excellent associations with similar objects to its own. He had a few days since been informed officially that the Guarantee Society had agreed to a reduction of the premiums on all their policies of twelve years' standing, of no less than 50 per cent. (Hear, hear.) An insurer who had paid £5 annually for the last twelve years would now be called upon for only £2 10*s.* per year. This showed very clearly that guarantee insurance could be worked profitably, and if a company that accepted risks that were obviously greater than those of bank officers could afford to return 50 per cent. to its insurers, surely a plan of mutual insurance for bank officers only might be expected to be successful. (Cheers.) They had heard of the success of the guarantee system adopted by the clerks of the Bank of England, and he was earnestly desirous that some of the benefits which they derived should be obtained by bank officers generally. This could be secured if they would unite for the purpose. (Hear, hear.) Mutual guarantee insurance would then take the place of private suretyship; and the former would become the rule, the latter the exception. Private suretyship was objectionable for a variety of reasons; and who liked to become surety even for his dearest friend? A serious loss brought immediate ruin on the surety; but it was divided into very small amounts amongst a body of mutual insurers. It was said that bankers preferred private suretyship, because it had a moral influence in insuring the honesty of the clerk, who would not willingly ruin his surety; while he might have no compunction in bringing loss on a public company. A dishonest man, however, would hardly be restrained by such considerations; the fear of certain punishment would be far more effectual; and if he knew that his father or brother, who had become his surety, would not prosecute him in case of fraud, while a guarantee company most assuredly would do so, the probability was that the dread of punishment would have more effect in preventing dishonest practices than any affection for his friends, who would suffer such practices to go unpunished. (Cheers.) The Directors of the Bank of England had very nobly assisted their officers in commencing their guarantee fund. (Cheers.) They had subscribed a large sum towards it; and he believed that, if the leading joint-stock banks and private banks throughout the country saw that a Bankers' Clerks' Guarantee Annuity Fund could be fairly established, they would liberally imitate the conduct of the Bank Directors. (Hear, hear.) He trusted that bank officers throughout the country would second the exertions which were being made by the Institute to establish the Guarantee Annuity Fund, as it rested with them to render it successful, — (hear, hear,) — and he had no doubt but that the proceedings of this evening would be warmly responded to as soon as they became known. (Cheers.)

The Governor of the Bank said he felt very great satisfaction in presiding over that meeting, and hearing the discussion of a subject of the deepest interest to him, and which had occupied a great deal of his attention. (Hear, hear.) It had always been to him a matter of extreme regret, that so numerous and highly respectable a class as the clerks connected with banking establishments were placed in a position in which they could not provide, out of the small salaries they received in their younger days, the means of carrying them through the contingencies which might happen to them in the later period of life. (Cheers.) It was, therefore, desirable, by some system of mutual insurance, to raise a fund for their benefit in their old age (hear, hear); and he thought this might be effected by the proposal which had been brought before them that evening. (Cheers.) Two funds had been mentioned that evening, — a guarantee fund and an insurance fund. There was little connection between the two; but they might both be combined in one society. With regard to the guarantee system, it appeared to him that the principle adopted in the Bank of England in 1841, by his predecessor, was capable of extension, with great benefit to the clerks, to many of the other banking institutions of the country. (Cheers.) The principle of that plan was, that a compulsory payment of £1 a year for five years, or £5 in one sum, was required from each clerk on entering the establishment. These payments accumulated until they amounted to a sum of £6,000, the interest of which was then to

be applied to another purpose for the benefit of the clerk; but in the mean while the fund was applicable to all losses at the Bank, which under ordinary circumstances would fall upon the private sureties. (Hear, hear.) Every clerk on entering the establishment was bound to give security to the amount of £1,000. Well, he believed the lowest premium the guarantee societies would take was 10s. per cent., or £5 for the £1,000, and this £5 premium had to be renewed every year. Now the amount of this £5 premium from each of the 700 clerks in the Bank of England would be £3,500 a year. Well, since the guarantee fund to which he had alluded had been established in 1841, the total defalcations in the Bank of England had only amounted to about £1,500. Now if the 700 clerks had paid the £5 a year each to the guarantee societies for the whole of that period, it would have raised nearly as much as £40,000, the whole of which would have gone into the pockets of the guarantee societies, with the exception of the £1,500 which would have been necessary to make good the defalcations. (Cheers.) Now, if £40,000 had been paid in premiums, and £1,500 had been the loss, it would require very little argument from him to show that the guarantee societies would have been very great gainers, at the expense of the clerks. (Hear, hear.) He did not say these societies were making enormous profits, — he only stated that the bulk of their business was connected with classes of an entirely different stamp from the class he had the honor of addressing. (Cheers.) With regard to the comparative merits of private sureties and the guarantee of a public company, he agreed with Mr. Dalton that the public guarantee was far more efficacious in its moral effect, because the friends of a delinquent were not so likely to prosecute him with the rigor of the law as a company would be. On principle he thought that private sureties were always less desirable than the security of a public company. Private sureties could not be depended on; they might be wealthy one day and poor another, and in case of loss it was always difficult to obtain satisfaction of claims upon them. (Hear, hear.) With regard to the proposal of Mr. Newmarch for negotiating with an existing insurance company of high standing, he entirely approved of that recommendation. (Hear, hear.) The combination of the two principles was most admirable; and the only difficulty with regard to the annuity part of the plan arose from the smallness of bankers' clerks' salaries (cheers); but that obstacle he thought might be overcome, for he believed that every banking firm would come forward to support a project that would afford additional security to the employer, as well as prove of incalculable advantage to the clerk. (Prolonged cheering.) The chairman concluded by moving a vote of thanks to Mr. Newmarch for his able and lucid paper.

THE BANK OF LONDON.

From the London Bankers' Magazine, February, 1852.

THE prospectus of a new bank for the metropolis has been forwarded to us, which proposes to unite, to a certain extent, the principle of life insurance with banking.

A proposal so novel cannot fail of obtaining a considerable share of attention; and, without discussing the merits of the plan, our readers will no doubt be glad to learn from us the manner in which it is proposed to be carried into effect. The arrangements at present are all preliminary, as, at the time of our writing, the names of the directors and officers have not been published; but we have been furnished with the general particulars of the manner in which the proposed bank will conduct its operations; and the objects and intentions of its projectors will be understood from the following brief enumeration of the principles of business on which the new bank will be conducted.

The capital is to be £200,000, in 2,000 shares of £100 each. The limited number of the shareholders is the first important feature in the new establishment, and it is thought that the share list may be filled up without much difficulty. One half of the capital is to be paid up at once, viz. £50 on each share, so that the commencing capital of the bank will be £100,000. Of this sum, £5 per share will require to be paid at the time of allotment, and a further sum of £5 when the deed of settlement is signed, the remaining £40 per share being called up as the directors may consider expedient, previous to the commencement of the bank's operations.

The management is to be intrusted to a board of sixteen directors, and we understand that several gentlemen of influence have agreed to become members of the board.

The business of the bank will include all the ordinary operations of banking; and it is intended to extend the branches of the establishment around the metropolis, so as to obtain the business of a large class of traders in the suburban districts.

The bank intends "to issue policies of insurance on the lives of the depositors to the full amount of their deposits, on a plan not hitherto adopted by any existing institution." This is the peculiar feature of the new bank, and as the prospectus does not contain a description of the *modus operandi* by which it is to be carried into effect, it may be useful to direct attention more particularly to this portion of the plan. It is intended, then, to grant life policies to depositors to the full amount of their deposits, on which no interest is to be paid, and the bank insures the depositor to the amount of his deposit while it remains in the bank's hands, without interest being claimed thereon. The interest on the amount of the deposits will, it is thought, provide a sufficient fund to meet the amount of losses by death, but we do not know in what manner the bank will provide that its depositors shall be persons of *healthy lives*. If the bank accepts deposits from persons in ill health, the losses will be considerable; and if a medical examination is required before accepting a deposit, there will be considerable difficulty in obtaining depositors. The plan is altogether new, and may work better than at present appears probable; but we must confess that we do not see how the insurance principle can be satisfactorily engrafted on the present banking system.

We shall notice the plan of operation of the proposed bank more fully hereafter, if the project is carried out. Our object at present is simply to direct attention to its peculiarities, in order that our readers may judge for themselves of its probabilities of success.

SALARIES OF BANK OFFICERS.

From the London Bankers' Magazine.

At the commencement of the past month (January), a report was current in the city, and was publicly noticed in the papers, to the effect that the clerks in the London office of the London Joint-Stock Bank had "struck" for an advance of salary, and that on the 4th of the month business had been suspended at the bank for some time, in consequence of the "strike." A notification was subsequently published in *The Times*, denying that the report had any foundation in fact; and to those who are acquainted with the general habits of bank officers, and the tacit obedience which they invariably pay to those who are placed in authority over them, it appeared very improbable that any act of insubordination like that referred to could have been committed. It was stated, however, that something very unpleasant *had* occurred at the bank, and that the officers had good reason to complain of the *liberality* of their directors. Every bank has an undoubted right to make its own terms with its officers, and the lower the rate of remuneration paid to the clerks, the larger will be the amount divisible amongst the shareholders, — provided that good officers are obtained at a low rate of salary. The public have, therefore, no business to inquire how this or that bank may manage its affairs in this particular; but attention has been more particularly directed to the subject in consequence of the very liberal and judicious course adopted by the London and Westminster Bank, which having been very successful in business during the past year, the directors *have presented their officers with a bonus of ten per cent. on each of their salaries.* The chairman, in announcing the decision of the directors at the half-yearly meeting of the proprietors, stated that it was considered advantageous to the interests of the bank that its officers should participate in its success; and as its general manager, Mr. Gilbart, has on more than one occasion urged the adoption of this principle on the attention of bank directors, we conclude that the gentlemen of the London and Westminster Bank may thank him for its having been carried out on this occasion.

We think the rule, that those who are concerned in the administration of a bank should participate in its success, as they must suffer by its losses, a sound principle of management. It gives an impetus to individual exertion, and promotes the active coöperation of every officer of the establishment in advancing the interests of the bank more than by any other means; and it is only just, when a bank, by the care and attention of its executive body, has realized a large amount of profits, that a small portion should be divided amongst those by whom it has been realized. We think this rule ought to be applied to directors and to the chief officers, as well as to all the staff. The directors and chief officers have an undoubted claim to some share in the extra profits secured by their prudent management, and the subordinate officers have an equal right to participate in the success of their establishment. We

hope this principle will be generally adopted by joint-stock banks. *Private bankers are liberal to their officers.* When they have a good year, the clerks share the advantage; and we hope that the example set by the directors of the London and Westminster Bank will be generally followed by all the other joint-stock banks in the kingdom. It will advance the social position of bank officers, and promote the interests of every establishment by which it is adopted.

The editor of the city article of the London *Observer* has made some very sensible remarks on the subject. He says: —

"It appears from rumors that have been current in banking circles, that there is a feeling among a large number of the clerks that they are inadequately paid. Some establishments are favorable exceptions, and go so far even as voluntarily to give presents to the most zealous in their employment, after a prosperous year. The London and Westminster Bank, we believe, adopts this excellent practice, and, we may rest assured, is none the worse served for it. There are private firms, likewise, that perform many grateful acts of consideration towards their officers. Some few years since, Messrs. Smith, Payne, & Smith insured, if we recollect rightly, the lives of their clerks, a praiseworthy stimulant to habits of providence. Many are under the impression that bankers' clerks, who from their standing in society and positions of trust have a certain appearance to maintain, are excellently remunerated; but if the instances brought under our notice daily are a fair example, the idea must be fallacious. A very respectable average seems to be £100 per annum, in many banks, after seven or eight years' service, and a gradation from the junior ranks to posts involving great responsibility, and demanding zeal, tact, and intelligence. At the same rate of promotion, a clerk must arrive at a mature age before he obtains a salary at all adequate to the support of a family in the most modest sphere, and the question naturally occurs, whether this policy is not as unsound as it is unjust."

THE OHIO LIFE INSURANCE AND TRUST COMPANY AT CINCINNATI.

The Court in Bank of Ohio, at its last session, appointed a commissioner — Judge Hitchcock — to make the annual examination of the Ohio Life and Trust Company of Cincinnati. After a thorough investigation of the affairs of the institution, the commissioner has reported. It appears by this report, that the trust department of the company had $1,962,981 62 of the capital stock loaned on bonds and mortgages upon real estate, valued at $5,338,433, to 1,692 individuals, residing in 74 different counties in the State; and held of real estate purchased to secure debts, $24,089.20. The loans in that department invested in stocks, in notes with personal security, and secured by mortgages and county bonds, $722,365.91, — all of which have been "prudently and safely made." — "The banking department is conducted with fidelity, prudence, and safety," and "the standing rules in relation to it are well observed." The active debts due that department of the company, in October last, amounted to $1,201,096.56. In addition, the due bills receivable, secured by mortgages and suspended debts and judgments, amounted to $144,914.32. Much of this suspended debt will be realized.

The commissioner closes his report with the following general remarks: —

"The Ohio Life Insurance and Trust Company was incorporated by act of the General Assembly of Ohio, on the 24th of February, 1834. At that time it was felt that there was a lack of capital in the State for the transaction of the business of the community, and it was believed the amount of capital might be increased by means of this corporation. Nor was this expectation disappointed. Most of the stock was subscribed by non-residents of the State, and consequently capital was introduced from abroad. It is not supposed that those who took the stock had particularly in view the public interest. The object with them was to make a safe and profitable investment of their capital.

"Hitherto the investment has been safe and the profits have been reasonable; still the stock has not been as productive as is generally supposed, nor as was probably anticipated. Dividends, when made, are made semiannually, in January and July. They have not, however, been uniformly made. Losses have been sustained which have prevented it. The highest semiannual dividend made, at any one time, is 4½ per cent., — the lowest, 3 per cent. The company commenced its operations in January, 1835, and in January last had been in operation seventeen years. The entire amount of dividends declared, including that of January last, had been 105¼ per cent. or an average of less than 6¼ per annum. The earnings of the company, as its affairs are now conducted, may be fairly estimated at 8 per cent. Its actual earnings would probably be something more than this; but prudence would dictate that no more than this should be divided. On the dividends declared, the company has uniformly paid a tax of 5 per cent. to the State.

"By an act of the General Assembly, of the 21st of March, 1851, a tax is levied upon this institution, nearly equal to three times the amount it has heretofore paid upon its dividends, and by the tax law lately enacted, and now in force, this tax will be very much increased. The company has declined to pay the tax levied under the law of 1851, and will decline to pay that which may be levied under the existing law, until its legal liability to make such payment shall have been ascertained by judicial determination.

"It claims that, by the terms of its charter, it is legally protected from such payment. The 25th section of its act of incorporation provides, that 'no higher taxes shall be levied on the capital stock or dividends of the company, than are or may be levied on the capital stock or dividends of incorporated banking institutions in this State.'

"It claims, that, aside from its charter, it is protected by express contract.

"This company, by its act of incorporation, had banking powers, and was authorized to issue notes and bills for circulation. By an act of the General Assembly, of the 14th of March, 1836, entitled 'An Act to prohibit the circulation of small bills,' the Auditor of State, in the first section, is directed to draw, in favor of the State Treasurer, upon the several banks of the State, for twenty per cent. upon the amount of their dividends, which the State Treasurer is required to collect. The section, however, contains this proviso: 'That, should any bank in this State, prior to the fourth day of July next, with the assent of its stockholders, by an instrument of writing under its corporate seal, addressed to the Auditor of State, surrender the right conferred by its charter, to issue or circulate notes or bills of a less denomination than three dollars, after the fourth day of July, eighteen hundred and thirty-six; and any notes or bills of a less denomination than five dollars, after the fourth day of July, eighteen hundred and thirty-seven, then and in that case the Auditor of State shall be authorized to draw on such banks only for the amount of five per cent. upon its dividends declared after the surrender aforesaid.'

"At the time of the enactment of this law, the Ohio Life Insurance and Trust Company had the power, under its charter, to issue bills of a less denomination than five or three dollars. In fact, it was not at all restricted in this respect. It was one of the banks of the State, and to it, as well as to others, was the proposition made.

"On the 20th of June, 1836, at a meeting of the stockholders of this company, it was resolved to consent, upon the consideration contained in the aforesaid act, to surrender the right to issue bills of a less denomination than three and five dollars, after the respective times specified in that act; in pursuance of which resolution the right was actually relinquished, in the form and manner prescribed in the act, on the 22d day of the same month of June, of which the Auditor of State was forthwith notified.

"It is claimed by the company, that there was a contract between the supreme power of the State and this corporation. The corporation had the right and the power to issue bills of a less denomination than five dollars. The State, through its General Assembly, say to it: Surrender this right, and in consideration thereof the Auditor of State shall draw upon you only for the amount of five per cent. upon your dividends declared subsequent to such surrender. The proposition is considered by the stockholders of the company, and is acceded to. The surrender is made as required, and the proper officer of State notified.

"Had this been a transaction between individuals, no one probably would have doubted that it was a contract, and a contract, too, upon sufficient consideration, performed by one of the contracting parties. Whether the fact that the State itself is a party to the transaction can make any difference, is a question for the judicial tribu-

nal of the country; and it would seem to be desirable to all interested that this question should be determined as soon as possible.

"Should it be determined that this company is liable to this additional taxation, the interest of its stockholders will require that the business of the concern should be closed as soon as possible. The capital invested will no longer yield a reasonable profit, and will, of course, seek investment in some more advantageous business. At least, such would seem to be the reasonable expectation. All of which is respectfully submitted.

"P. HITCHCOCK, *Special Master Commissioner.*

"*May* 19, 1852."

MISCELLANEOUS.

GOLD SEEKER. — Abram Bronson, of North Fairfield, Huron County, Ohio, has taken measures to apply for a patent for an improvement in machinery for digging or searching in the beds of streams for gold. The nature of this invention consists in displacing water within a tube or chamber by means of atmospheric air, forced and compressed within the tube by air-pumps, by which arrangement, in connection with a draught tube, workmen may descend the tube to the bottom of a river and send up matter from below, to be examined for the golden treasure. The compressed air is not permitted to escape while the workmen are below. — *Scientific American.*

NEW METHOD OF WEIGHING AT THE ROYAL MINT. — Among the changes consequent upon the remodelling of the Royal Mint, will be a total reformation of the weighing department, by the introduction of "Cotton's Patent Automaton Balances," which have been employed at the Bank of England for more than eight years past with great success. To meet the requirements of the Mint, a complete system of these balances is now in course of construction by Messrs. Napier & Son, engineers, of Lambeth, capable of weighing about 60,000 pieces per day; the mechanical arrangement is somewhat changed to suit for mint purposes. At the Bank of England it is necessary to divide the coin into two classes only, those that are too light and those of sufficient weight, the first being rejected and disfigured, and the last returned to circulation; but in the primary classification made at the Mint, those that are too heavy must also be detected, as a loss would accrue should such pieces be allowed to pass. The machines for the Mint are adapted to separate the pieces weighed into three classes, viz. the too-heavy, the medium, and the too-light. Those who have seen the machines at work at the Bank of England, or the one belonging to the Bank at the Exhibition, may remember that two hammers are employed to displace the coin from the scale after being weighed, one acting higher than the other, — the lower hammer striking first, and sending the coin, if heavy, to the box for heavy; but, if light, passing under, while the high hammer sends it to the receptacle for light pieces. Instead of these hammers, the weight of the piece is indicated by the beam, and is estimated by a brass finger, working in a slot made in the pendant attached to the bottom of the scale. This finger, being raised at each weighing by a cam movement, is allowed to descend immediately after the weighing is completed, and the pendant held fast until arrested in its downward progress by coming to the bottom of the groove made in the pendant. When at rest in this position, another movement, working in conjunction, brings a vibrating tube or channel against a stop, which the action of the finger has brought into position; the upper end of the tube being ready to receive the coin as it is displaced from the scale, which will be effected by the piece next coming on, and the lower end placed over one of three openings to subservient channels, according as the coin may be too heavy, medium, or too light, and thence into the compartment desired. As the medium pieces should not exceed certain limits, light or heavy, the descending pendant, whichever it may happen to be, is allowed to subtract from itself a piece of fine wire of the weight required, and leave it on a fixed support; but if the surplus or deficiency in the coin does not exceed this small weight, the beam will of course remain horizontal, or nearly so, and the piece weighed will be treated as medium. — *London Literary Gazette.*

THE FRENCH FUNDS. — The French government has recently taken advantage of the superabundant supply of money, by converting their five per cent. debt into a four and a half per cent. debt, — a movement which affects a capital of about seven hundred millions of dollars in the aggregate, and makes a saving of about three and a half millions of dollars per annum. The government guarantee 4½ per cent. for a period of ten years at least. The Minister of Finance, in his report to the President, says: —

"Several European powers have made conversions of their debt. By these successive conversions, effected from 1822 to 1844, England reduced from 5 to 3 per cent. the interest of her national debt, and thus diminished by two fifths the burden which that debt imposed on the treasury. In 1842 Prussia converted her four per cents into three and a half. In 1844 Belgium also reduced the interest of her debt, and converted her five per cents into four and a half. France has as yet done nothing of the kind. Three conditions now exist in France essential to the diminution of the government debt by conversion. The general rate of interest has successively diminished in all transactions; the Bank lends and discounts at 3 per cent.; and the interest at which the state can borrow, and consequently the interest which it ought to maintain for its debts, is under 5 per cent. The five per cents are only at 103f. 60c.; but that stock is depressed in consequence of the long admitted expectation of the conversion; and the three per cents, the value of which is the true standard of the credit of the state, are now at 68f. 60., which, deducting the portion of the interest already required, gives a little more than 4½ per cent. as the rate of interest offered to the holders. The treasury has no embarrassments; the budget of 1852, which will soon be published, will be settled without deficit; and the treaty which you authorized me some days since to make with the Bank has considerably diminished the burdens which anterior budgets imposed on our floating debt."

CURRENCY AND BANKING IN CALIFORNIA. — We have no institutions in California incorporated for the purposes of banking, and our financial matters are managed by private banking-houses. The basis of our circulation is gold dust, and paper money is unknown. In the early days of California gold, private coin was issued by several parties, among whom we remember Wright & Haight's Miners' Bank, Dunbar's, Baldwin's, Schultz's, and Moffat and Company's; — all of the issues finally fell to a discount of 5 to 10 per cent., except Moffat's, which has always been redeemed at par, and received at our banking-houses.

As these coins were not a legal tender, and gold dust would not be received at the custom-house, and United States gold was scarce, and silver also, it was often inconvenient to make payments. At one time silver was the only coin to be had; and in consequence of its scarcity, until lately, five-franc pieces and coins worth over 50 cents passed for a dollar, and those worth over 25 cents for 50 cents, and over 12½ for 25 cents. In fact, the size of the piece made its value. Gold dust at first passed current at sixteen dollars per ounce, until twelve months since it began to rise, and up to that time little distinction was made between good and poor. Now, however, it is an article of merchandise, and commands its price from being clean or otherwise. The finest brings from $17.25 to $17.50 per ounce, down to $14. While gold dust was bought at sixteen dollars the merchants universally shipped it for remittances, and the miners sent it home by express. At that price it was no inducement for the miner to be particular to wash out all the dirt, and when this fact was generally ascertained through the mines, none but poor dust came down. This soon cured itself; good dust commanded a premium.

Congress, a year ago, authorized fifty-dollar ingots to be struck, by Moffat & Co., under the supervision of Mr. Humbert, United States Assayer, which tended also to bring up the price of gold dust, as at sixteen dollars per ounce about six per cent. would be realized from clean dust, Moffat & Co. charging 2¾ per cent. for assaying and a week's delay; now, the charge for assaying is one per cent., and money returned in twenty-four hours. Remittances are now made by drafts almost exclusively, — the bankers shipping the dust; by arrangements with the steamship company they are enabled to ship at better rates than individuals.

They ship and insure hence to New York at from 3½ to 4 per cent., and the premium on the draft is expected to cover all expenses on the dust. Gold dust will not average at the Mint over $17.80 to the ounce, and when clean dust is bringing $17.50 here, the bankers have but a small margin for the risk. While merchants and bankers were indiscriminately bankers, brokers, and merchants, there was but little regularity,

and many found themselves frequently deceived in the quality of gold dust. In fact we know of one instance where a leading house engaged on joint account with a Baltimore banking-house in buying gold dust, and after shipping seventy-five thousand dollars, the net profits were ascertained to be one dollar each.

Messrs. Curtis, Perry, & Ward, successors to Messrs. Moffat & Co., have been recently authorized by the Secretary of the Treasury to issue twenty and ten-dollar pieces, under the direction of Mr. Humbert, which are received at the custom-house, and furnish a circulation needed; and as we consider the United States are and will be bound to receive them, consequently fear no depreciation if the coin is depreciated, of which we have no fear. Messrs. Wass, Molitor, & Co. have also issued coin bearing their own stamp, and we believe passes thus far current; with this exception, no other coin is issued.

Discount days are unknown in San Francisco. The bankers more or less all discount short notes, or make loans with security in hand. The ruling rate is now three per cent. per month; but it varies according to person and security, from two to ten per cent. per month. Adams & Co., the well known express house, have also a large business in exchange. Being favorably known throughout the mines, their bills are bought by the miners with perfect confidence. Their deposits are handsome, and we believe they do not discount. They still continue sending packages and gold dust to all parts of the world, charging five per cent. on dust to the Eastern States and insuring.

We will soon do business in San Francisco as well, and with as much system, as anywhere. Bankers are merchants no more; commission houses are ceasing to be jobbers; furniture warehouses no longer sell anchors and chains; silks and ribbons are no longer found forgotten under piles of over coats; and with the immense immigration on the way and to come, we are of the opinion that a better time is coming, and we bless the land where one need have no fear, if well, but the earth will yield enough to cover and to feed him. — *San Francisco Christian Advocate.*

The Old and the New Florin. — The new florin has not yet reached Manchester, and as yet probably only a few have left the Mint for preservation in favored cabinets. But with the full description of it in the *London Gazette*, and in the royal proclamation respecting it, now posted in front of our town-hall, and with the florin of 1849 before us, we have the means of pointing out the difference between the two coins. That difference is in the obverse only; the reverse of both pieces is the same. To begin with that coin in August, 1849, we thus described it in that month: — "The obverse has an exquisitely graceful bust of our gracious sovereign in left profile; the favorite side in all the coins of the present reign. But, unlike all the preceding coins of this reign, the effigy is crowned; the coronal 'round and top of sovereignty' of the United Kingdom being faithfully copied, with its borders of jewels, its rim of fleurs-de-lis and Maltese crosses; its transverse arches and surmounting globe and cross. Beneath the circlet of the crown, the hair, in a plain braid, falls below the ear, and is carried round to the back of the head. Another difference observable in the bust is, that it is not, as in all the previous coins of Victoria, 'couped' at the neck, but is more like a half-length profile; taking in more of the person, nearly to the waist, and showing the border or edging (round the bust) of what we take to be the Dalmatic robe of state. In the features we think it surpasses, in fidelity of portraiture, no less than in beauty and elegance of design and finish, any previous coin-portrait of her Majesty. The legend, in bold, broad capitals, is 'Victoria Regina, 1849.'" Some keen-sighted persons, ever ready to carp at the slighest change, speedily discovered that the new coin did not include in its legend the words, or their initials, "Dei Gratia" and "Fidei Defensor," and incontinently a storm of pious indignation arose, shaking Exeter Hall to its centre, and causing some worthy but weak-minded pietists to think that the kingdom was fast approaching destruction when such amulets of faith could be dropped in its coinage. It was of no use to tell these people that "Defender of the Faith," as a title given by the Pope to Henry VIII., when that monarch was believed to be a zealous Roman Catholic, from the defending the faith of the Church of Rome, ought to have little value in the eyes of good Protestants, and ought rather to be repudiated by them. The "unco guid" clung to their notions; and the coin gradually disappeared from circulation, and, so far as we can draw the inference, the decimal coinage of the United Kingdom was retarded, even in its first step, for years, — just as the transmission and delivery of post letters was for a time interrupted by the Sabba-

tarians, in consequence of the hubbub raised about it by the zealots. Well, the new coin is thus described in the Queen's royal proclamation, dated the 5th instant: — "On the obverse, our effigy, crowned with the inscription, 'Victoria, D: G: Brit: Reg: F: D:' and the date of the year." As the reverse is apparently the same in both coins, we need not describe it. But here we find the two terms restored by their initials; and now, as the florin about to issue from the Mint into general circulation contains the assurance that Victoria reigns "by the grace of God," and that she is the "defender of the faith" (though no particular faith be specified), we do hope that the good folk who have foreboded the ruin of the nation from the omission of these assurances will once more be able to sleep soundly in their beds, undisturbed by dreams of national wickedness and ruin. For our own part, we think now, as ever, that the use of such phrases on our money is a custom that would be "more honored in the breach than the observance." — *Manchester Guardian.*

NEW AUSTRIAN LOAN. — The following announcement, relative to the new Austrian loan of three millions and a half sterling, has been issued by Messrs. N. M. Rothschild & Sons: —

"FIVE PER CENT. AUSTRIAN LOAN FOR £3,500,000 STERLING. — His Majesty, the Emperor of Austria, having sanctioned by decree on the first of this month the proposal of his Excellency the Austrian Minister of Finance, Chevalier de Baumgartner, for the negotiation of a loan of £3,500,000, bearing interest at 5 per cent. per annum, Messrs. N. M. Rothschild & Sons beg to announce that they are authorized by M. Brentano, Aulic Councillor in his Imperial Majesty's service, for the negotiation of the said loan, to receive subscriptions for £2,250,000 thereof in London, the remaining £1,250,000 being reserved for subscription at Frankfort-on-the-Maine.

"The subscription price is £90 for every £100 stock, payable as follows: — £10 per cent. on allotment; £15 per cent. on 1st July; £15 per cent. on 1st September; £15 per cent. on 10th November; £15 per cent. on 10th January, 1853; £20 per cent. on 10th March. Interest will be allowed to the 1st July next on the first instalment of 10 per cent. subscribed. The interest on the bonds will commence from the 1st of July next, and will be payable in pounds sterling half-yearly, on the 1st of January and the 1st of July, at the counting-house of Messrs. N. M. Rothschild & Sons of London, or at the option of the holders in Paris at the exchange of 25f. 50c. per pound sterling, or at Frankfort at the exchange of 12fl. per pound sterling. To subscribers who should prefer payment in full in anticipation of the above terms, a discount at the rate of three per cent. per annum will be allowed.

"As it is essential that the times of payment should be punctually observed, should any of the instalments not be paid on the day appointed, the party making default shall forfeit the instalments previously paid, and shall not be entitled after the day to claim any bonds on dividend warrants in respect of that or any subsequent instalment. The dividend warrants due on the 1st of January, 1853, will be deducted from the instalment payable on that day. The bonds will be for £100 each, numbered from No. 1 to 35,000; those issued in London will bear the Nos. 1 to 22,500. They may be divided into half bonds of £50 each.

"The reimbursement of this loan will take place by means of a sinking fund of 1 per cent. per annum, to be applied to the payment off at par of the proportionate part of the bonds to be drawn by lot; the first drawing will take place on the 1st of January, 1853, and the payment of the said drawn bonds on the 1st of July following, and so on each succeeding half-year. The Austrian government reserves to itself the faculty of increasing the sinking fund to five per cent. per annum after 1862. Subscriptions will be received at Messrs. N. M. Rothschild & Sons, on Monday, 24th May, and each succeeding day until Saturday evening, the 29th instant, when the list will be closed."

BANKING IN EUROPE. — A new banking institution is to be established at Turin, under the name of the Sardinian Bank. It is to have a branch at Genoa, and the capital is fixed at 16,000,000f. By its statutes it is under the obligation of advancing money to the government upon treasury bonds, or other public securities, to the amount of 5,000,000f., at three per cent., without limiting the time of payment. It is to lend, upon deposits of silks, sums not exceeding three quarters of the real value; and upon public securities or city bonds, sums not exceeding the nominal value For discounts upon commercial paper, the bank is to require three signatures; the time not to exceed three months. 1,500,000f. is to be devoted to loans upon mortgage, much on the plan of the banks of *credit foncier* in France.

THE JENNINGS ESTATE. — This long litigated case has, we learn, been this week settled by the Court of Chancery. The property connected with the estate lies, we believe, principally in the county of Suffolk, and at one period was estimated at £7,000,000, but only one half of that amount has been divided in the late decision. Two claimants reside in this town, and others are scattered about this and other counties; but the only fortunate one living in this district is a journeyman painter named Langham, in the employ of Mr. Howard, of Maldon. By the recent decision we understand that the property is divided into seven portions, and that Langham's share will be £500,000. — *Chelmsford Chronicle.*

NEW BOOKS.

New Varieties of Gold and Silver Coins, Counterfeit Coins, and Bullion, &c. By J. R. Eckfeldt and W. E. Du Bois, Assayers of the Mint of the United States. *To which is added a Brief Account of the Collection of Coins belonging to the Mint.* By W. E. Du Bois. New York: G. P. Putnam. 1 vol. 8vo. Price One Dollar. — Messrs. Eckfeldt and Du Bois's book may be compared to some of their other labors. It contains the pure metal of much rough ore, separated from all the rubbish, while all the value of the whole is stated in a few figures. It supplies an analysis and value of many new coins, information equally useful to the bullion-dealer, the merchant, and the assayist; it puts the world on its guard against various recent counterfeit coins, some of which — as the doubloon of Bogota and the imitations of the gold coins of the United States — are executed at a great cost and so mean a profit that the ingenious artists must have been very ill-advised to waste their talents on such work. . . . . The description given of the various kinds of ores obtained from California, and the proportion of metal extracted from them, is extremely valuable, but too long for us to extract. For numismatists the description of ancient coins in the Mint will be interesting, and the book is interesting to men of letters as well as men of business. It contains a series of plates representing the new American coins, the counterfeit coins, &c., and supplies a great deal of novel, correct, and valuable information, on several important practical subjects. — *London Economist, March 27.*

The Book of Gold and Silver Coins and Bullion, prepared by Messrs. Eckfeldt and Du Bois, of the principal Mint at Philadelphia, published by Mr. Putnam, is a manual that should be in the hands of all money-brokers, bankers, and foreign merchants. It is made up with a degree of care and research that reflects the highest credit on the authors; and the account of the various coins in the Mint is illustrated by handsome plates. — *New York Daily Times.*

The Decimal System, as applied to Coinage and Weights and Measures of Great Britain. By Henry Taylor. 8vo. London. Price 1s. 6d.

Observations on the Effect of the Californian and Australian Gold; and on the Impossibility of continuing the present Standard in the Event of Gold becoming seriously depreciated. 8vo. London, 1852. Price, 1s.

An Attempt to ascertain the Magnitude and Fluctuations of the Amount of Bills of Exchange, Inland and Foreign, in Circulation at one Time in Great Britain, in England, in Scotland, in Lancashire, and in Cheshire, respectively, during each of the Twenty Years 1828-47, both inclusive; and also embracing in the Inquiry Bills drawn upon Foreign Countries. By Mr. Newmarch. 8vo. London, 1852.

A Treatise on the Circumstances which determine the Rate of Wages and the Condition of the Laboring Classes. By J. R. McCulloch. 8vo. London, 1852. — Mr. McCulloch has not published any other book which in the same compass contains so much sound philosophy, clear argument, and good sense as this. It is a book at once for those who know little and for those who know much of the complex questions of which it treats; and, if read with care, it will be of great service to both parties. — *Athenæum.*

The London Bankers' Magazine, March, 1852, contains an essay read before the Banking Institute, on "The Probable Effects of the Recent Gold Discoveries in Australia and California."

Periodical Savings and their Application to Provident Purposes, containing Observations on Friendly Societies, Savings Banks, Freehold Land Societies, Building Societies, Indisputability of Life Policies, Self-Protecting Life Insurance, &c. By Alexander Robertson. 8vo. London, 1852. Price, 1s 6d.

The Gold Valuer; with a Familiar Explanation of the Art of Assaying Gold and Silver. By James H. Watherston, Goldsmith. London, 1852. — Mr. Watherston suggests the possibility that the present discoveries of gold will lead to the establishment all over the globe of a gold coinage of a uniform and fixed value.

The Assayer's Guide; or Practical Directions to Assayers, Miners, and Smelters, for the Tests and Assays, by Heat or Wet Processes, of the Ores of all the Principal Metals, and of Gold and Silver Coins and Alloys. By Oscar M. Miller, late Geologist to the State of Mississippi. Philadelphia: Published by Henry Carey Baird. Baltimore: Sold by Wm. Minifie & Co.

De Bow's New Orleans Review of the South and West. — De Bow for May contains, besides much miscellaneous information, a leading article on "The Straits Settlements and Indian Archipelago," a well-written and carefully compiled paper; and an examination of the subject of "Railroad Prospects and their Progress" in the United States. The latter is given as a lecture, delivered by the editor in the Legislative Halls of Tennessee, in October last, and is really valuable for its deep research, and the correctness of information which it imparts. The *Review* also contains an article on "Negro Mania," "Southern Wines and Vineyards," and a paper on the "Commercial Progress of Pennsylvania."

BANK ITEMS.

BANK DIVIDENDS. — *New York.* — Bank of the Republic, 3½ per cent.; City Bank, 5 per cent.; Greenwich Bank, 5 per cent.; People's Bank, 3½ per cent.; Hanover Bank, 4 per cent.; Bank of North America, 3½ per cent.; Metropolitan Bank, 4 per cent.; Chemical Bank, 6 per cent.

Baltimore. — Mechanics' Bank, 5 per cent.; Bank of Baltimore, 3½ per cent.; Patapsco Bank, Ellicott's Mills, 3½ per cent.

Savannah. — Marine and Fire Insurance Bank, 6 per cent.; Bank of Savannah, 5 per cent.

Charleston. — Planters and Mechanics' Bank, 6 per cent.

NEW HAMPSHIRE. — The Francistown Bank, at Francistown, commenced business in April last. Daniel Fuller, Esq., President; Paul H. Bixby, Esq., Cashier. Capital, $ 60,000.

VERMONT. — The South Royalton Bank, at South Royalton, Vermont, has commenced business under the new free bank law of that State. President, D. Tarbell, Esq.; Cashier, S. H. Stowell, Esq. The notes are secured by a deposit of mortgages and State stocks, but are not taken by the Suffolk Bank at Boston. This is the only bank at present established under the new law of that State.

MASSACHUSETTS. — Edward Mott Robinson, Esq. was, on the 12th of June, elected President of the Bedford Commercial Bank, to supply the vacancy caused by the death of George Howland, Esq.

Manufacturers' Bank. — We learn from the Haverhill papers that the Manufacturers' Bank at Georgetown, which is closing up its concerns, and which a few weeks since paid out to its stockholders a dividend of 90 per cent., is now paying another dividend of 10 per cent., making $ 100 per share, it being the par value of the stock. A handsome surplus yet remains, which will be divided among the stockholders after the redemption of the outstanding bills.

NEW YORK. — The charter of the Bank of America will expire on the 1st of January next. We learn that the bank will continue business under the general banking law of that State. The following list comprises the names of all those banks whose charters will expire in January, 1853: —

Name of Bank.	*Date of Charter.*	*Capital authorized.*	*Circulation, April* 1, 1852.	*Loans, Mar.*, 1852.
Bank of Geneva, New York, . . .	1829, April,	$ 422,000	$ 313,000	$ 660,000
Bank of Troy, ...	" "	440,000	104,000	832,000
Catskill Bank, ...	" "	125,000	141,000	226,000
Farmers' Bank of Troy, ...	" "	278,000	194,000	655,000
Mechanics and Farmers' Bank of Troy, .	" "	442,000	214,000	1,005,000
Mohawk Bank, ...	" "	165,000	76,000	258,000
Butchers and Drovers' Bank, New York, .	1830, "	500,000	298,000	1,508,000
Bank of America, New York, . . .	1831, Feb.,	2,001,200	182,000	3,888,000
Bank of New York, ...	" Jan.,	1,000,000	383,000	2,550,000
Union Bank, New York, ...	" Feb.,	1,000,000	320,000	2,900,000
Total, ...		$ 6,373,200	$ 2,215,000	$ 14,482,000

Buffalo. — The Farmers and Mechanics' Bank of Genesee, hitherto located at Batavia, has been removed to Buffalo. President, E. G. Spaulding, Esq.; Cashier, Corneal R. Ganson, Esq.

MARYLAND. — James Harvey, Esq. was, on the 4th of June, elected Cashier of the Western Bank of Baltimore, in place of Robert M. Proud, Esq., who has accepted the agency of the General Mutual Insurance Company of New York.

KENTUCKY. — An election for directors and officers of the new Commercial Bank of Kentucky was held at Paducah, on Monday, May 24. L. M. Flournoy, Esq. was elected President, and J. M. Dallam, Esq., Cashier.

Northern Bank. — Matthew T. Scott, Esq. was, on the 3d of June last, elected President of the Northern Bank, at Lexington, Ky. Augustus F. Hawkins, Esq. was at the same time elected Cashier, in place of Mr. Scott.

Bank of Kentucky. — The *Louisville Courier* of the 3d of June states that the genuine plates of the Bank of Kentucky, of the denomination of *tens*, have recently been stolen, and a large batch of the notes printed. Of course they will be put in circulation. The theft was managed so adroitly that no clew can be obtained to its discovery, or to lead to the detection of the perpetrator. The plates were stolen from the engraver in Cincinnati.

CANADA. — Noah Freer, Esq., Cashier of the Quebec Bank, has resigned on account of ill health, and is succeeded by Charles Gethings, Esq., of the Branch City Bank at Quebec.

ILLINOIS. — The *St. Louis Union* warns the public against the notes of a new banking concern at Quincy, Illinois, — the Farmers and Merchants' Exchange Company. It states that a person in St. Louis forwarded by a messenger some $ 400 for redemption, and that the messenger was informed that the bank was then out of funds, but probably would get together the amount presented in a week or so.

FREE BANKS IN ILLINOIS. — The following are all of the banks projected or in operation under the new free banking law of Illinois, official, 24th May, 1852: —

Merchants and Mechanics' Bank of Chicago. — Certificate filed, December 24, 1851; amount of capital stock, $100,000; organized December 15, 1851, to terminate January 1, 1875.

The Bank of Peru. — Certificate filed January 14, 1852; amount of capital stock, $200,000; organized December 2, 1851, to terminate December 2, 1876.

The Illinois River Bank of Taylor and Coffing, Peru. — Certificate filed January 16, 1852; amount of capital stock, $250,000; organized November 17, 1851, to terminate November 17, 1876.

Marine Bank of Chicago. — Certificate filed January 19, 1852; amount of capital stock, $50,000; organized January 20, 1852; to terminate January 19, 1876; filed securities and obtained $49,875 circulating notes.

The Belvidere Bank, Belvidere, Boon Co. — Certificate filed February 11, 1852; amount of capital stock, $75,000; organized May 1, 1852, to terminate December 30, 1876.

The Prairie State Bank, Washington, Tazewell Co. — Certificate filed March 20, 1852; amount of capital stock, $500,000; organized March 10, 1852, to terminate March 10, 1877.

The Quincy City Bank, Quincy. — Certificate filed April 12, 1852; amount of capital stock, $1,000,000; organized January 1, 1852, to terminate May 31, 1877.

Commercial Bank, Chicago. — Certificate filed April 17, 1852; amount of capital stock, $52,000; organized May 1, 1852, to terminate March 31, 1877.

Clark's Exchange Bank, Springfield. — Certificate filed April 26, 1852; amount of capital stock, $100,000; organized April 1, 1852, to terminate April 1, 1877; filed securities and obtained $45,000 circulating notes.

Geneva Bank, Geneva, Kane Co. — Certificate filed May 12, 1852; amount of capital stock, $100,000; organized May 10, 1852, to terminate May 9, 1877.

Farmers and Mechanics' Bank of Quincy, Adams County. — Certificate filed May 15, 1852; amount of capital stock, $500,000; organized January 1, 1852, to terminate January 1, 1877.

Stephenson County Bank, Freeport. — Certificate filed May 19, 1852; amount of capital stock, $50,000; organized January 1, 1852, to terminate May 31, 1877.

Clark's St. Louis Bank-Note Reporter.

DETECTION OF COUNTERFEITERS. — At a meeting held at the Bank of Commerce, in Boston, on the 15th of June, 1852, to take into consideration a resolve of the legislature granting aid for the suppression of counterfeiting bank-bills and coins, at which the banks of Boston and other places in the State were represented, Mr. J. B. Congdon, Cashier of the Merchants' Bank of New Bedford, was chosen President, and Mr. George Atkinson, Cashier of the State Bank of Boston, Secretary.

A committee was appointed, consisting of the following gentlemen: — J. B. Congdon, Cashier of the Merchants' Bank, New Bedford, Chairman; E. P. Clark, Cashier of the New England Bank, Boston; C. G. Nazro, Director of the North Bank, Boston; E. Baldwin, President of the Shoe and Leather Dealers' Bank, Boston; L. Baldwin, Cashier of the Bank of Brighton, Brighton; John Clarke, President of the Holyoke Bank, Northampton; Edward C. Bates, President of the Bank of Commerce, Boston; Alexander De Witt, President of the Mechanics' Bank, Worcester; Andrew T. Hall, President of the Tremont Bank, Boston; George W. Crockett, President of the Bank of North America, Boston, — to draw up articles of an association for the detection and suppression of counterfeiting, and to invite a delegate from each of the Banks in the Commonwealth to a convention to take the same into consideration, to be held at such future time as the committee may designate.

It was voted that the committee report in print, and distribute their report with the invitations.

Also that the proceedings of the meeting be published, signed by the President and Secretary.

The meeting was then adjourned.

BANK CHECKS. — We furnish in our present No. (from the *New York Commercial Advertiser*) a full report of the late case of "The Metropolitan Bank *vs.* Curries" This decision involves various points of law and usage in relation to certified checks, with which bank tellers and other bank officers should be familiar.

SUFFOLK BANK DEFALCATION. — Charles H. Brewer, the late Receiving Teller of the Suffolk Bank, having substituted a plea of "Guilty," for his former plea of "Not guilty," was sentenced on the 19th of June to one day's solitary confinement and three years' hard labor in the State prison. Mr. Rand, his confederate, has not yet been arrested.

EARLY BANKING IN THE UNITED STATES. — Our present No. contains a sketch of the first bank established in Massachusetts. This will be followed by similar sketches of the banking institutions of Baltimore, Providence, Albany, Charleston, Hartford, Alexandria, New London, and New Haven, established during the first ten years after the Revolution. Of these, as well as of all those incorporated up to 1812, we have given an authentic list in our first volume, pp. 119-121.

NOTICE TO CORRESPONDENTS. — We will endeavor at an early day to furnish for the benefit of "A Young Bank Officer," some practical details respecting a system of book-keeping adapted to country banks: — suggesting, at the present moment, that he should visit New York or Philadelphia, if practicable, and compare, by personal observation, the different modes in use in either of those cities. One day's careful examination of such methods will do him more good than all the treatises or remarks that can be prepared for the press on this subject.

Notes on the Money Market.

BOSTON, JUNE 24, 1852.

Exchange on London, 60 days, 10 a 10¼ premium.

MONEY continues very abundant, and at rates favorable to the borrower. We hear of occasional loans, on demand, at 4 *a* 4½ per cent., and business paper of a fair character is readily negotiated at 6 *a* 7, outside the banks. Business men find all the requisite facilities for obtaining money for legitimate operations, and the banks of the Atlantic cities are enabled to take all the acceptable paper that offers.

The abundance of money has had its effect upon stock movements, and a rise in the prices of almost every description of public securities has taken place. The cheapness of capital has brought forward numerous large borrowers among railroad and manufacturing corporations and on the part of several of the States. Among these new operations we mention the following as having occurred during the present month: —

1. The State of Pennsylvania, new loan of $850,000 for the completion of the North Branch Canal. Bids to the amount of $7,000,000 were made at prices ranging from par to 103 for a five per cent. stock. The accepted bids were on the part of Charles H. Fisher of Philadelphia, Duncan, Sherman, & Co. of New York, and George Peabody of London; namely, $200,000 at 4½ per cent., and $650,000 at 5 per cent. interest, at an average of 1.90 premium for a five per cent. loan. It is understood that the whole loan is taken for foreign account.

2. Boston and Concord Railroad bonds, $195,000. The terms were 95.45 *a* 96 for seven per cent bonds, and 86.26 *a* 89 per cent. for bonds bearing six per cent. interest.

3. Brunswick Canal and Railroad Company of Georgia, $200,000 seven per cent. bonds, at an average of 73.42 for the whole loan.

4. Indiana Central Railroad Company bonds, $200,000 at seven per cent. The prices offered were from 95.10 *a* 97.72 per cent., and an average obtained of 95.53, — which is the best price yet obtained for a Western railroad loan.

5. New York city five per cent. stocks, $525,000, at 101.30 *a* 103.11, and an average obtained of 102.42 on the whole loan. These stocks are of four descriptions, or for four several purposes, but all bear the same rate of interest and are redeemable at different periods; viz. $200,000 Dock and Slip Stock, payable 1873-76; $150,000 Public Building Stock, redeemable in 1860-62; $150,000 Croton Water Stock, payable in 1880, for part of which 103.11 was bid; $25,000 Building Loan Stock, redeemable 1870.

The aggregate bids were $1,280,000; showing the full confidence felt by capitalists in the credit of New York city. Some sales of this stock have since been made at 4 per cent. premium.

6. New Orleans city stock (First Municipality) six per cents, $216,000, belonging to the estate of the late John McDonough. This sale was effected at New Orleans, at an average rate of 82.46. By a recent law of Louisiana, the three municipalities of New Orleans (hitherto under separate organizations) and Lafayette have been united under one corporation. The present debt of the city is about $7,200,000, with an annual interest of $458,000. The principal will be liquidated at the rate of $187,000 annually. The city is now in the market for the procurement of two millions of dollars, to be applied to the liquidation of that portion of the public debt which is now due. A tax of $650,000 will be levied next year, according to the new charter, for the purpose of paying the annual interest and the first annual reduction above mentioned.

7. The Illinois and Evansville Railroad Company $350,000 seven per cent. bonds, interest payable semiannually in New York, and convertible into stock of the company, at the option of the holder, — net proceeds 86.75 per cent.

8. Jersey City six per cent. bonds, $300,000, water stock, obtained an aggregate premium of $6,018, or about two per cent.

9. Tioga Railroad Company seven per cent. mortgage coupon bonds, $300,000, at 90 *a* 94.50, net proceeds $271,011, or an average of 90.34 per cent.

10. Central Railroad and Banking Company of Savannah, Georgia, 2,330 additional shares at $100 each; premium obtained, 1.23 per share, or $2,870 in the aggregate.

Several additional propositions are before the community for railroad, city, and county loans, which will absorb a large portion of the surplus capital of the present time.

A lot of Virginia State six per cent. bonds, which were purchased a year since, at a fraction above par, were bought last week at 112 per cent. for the use of one of the Chicago banks. A sale was also made last week of Georgia State six per cent. bonds at 98½. Late sales of leading State stocks have been made, viz.: —

United States six per cent.,	1868,	115¾ *a* 116	Indiana State five per cent.,	. .	99 *a* 100
New York " "	1865,	116 *a* 117	Indiana Canal preferred five per cent.,		47 *a* 47½
Ohio " "	1860,	105¾ *a* 106	Arkansas six per cent.,	. . .	60 *a* 61
Kentucky " "	1871,	109¾ *a* 110	Tennessee five "	. . .	90 *a* 91
Pennsylvania five per cent., . . .		96¼ *a* 96¾			

The Erie Railroad Company of New York last week declared a dividend of three per cent. This is doing very well for a road that has absorbed so much capital and that has been in full operation less than one year. The stock, under this favorable prospect of a large business, is firm at 87½ *a* 88¼, and their income bonds in demand at par.

A sale of San Francisco ten per cent. bonds was made a few days since at 95 cents per dollar. This can certainly be only a temporary depreciation.

Some further and more strenuous efforts will be made to lessen the evil arising from the excessive amount of counterfeit paper afloat in this vicinity. A meeting of bank officers was held in Boston, on Tuesday, June 15, to take into consideration various suggestions to remedy this matter, and a committee was appointed to draw up articles of association. They invite the coöperation of the interior banks of all New England, at a convention to be held at an early day, to adopt measures for the detection and suppression of counterfeiting. We think much may be done by combined efforts and liberal offers. The best security at present is unquestionably to employ the most competent artists and engravers for bank plates. Hitherto a spirit of ill-judged economy has induced many of our banks to employ second-rate engravers, whose work has been so successfully imitated that neither bank officers nor the community could discriminate between the genuine and the false issues. More than half the bank paper now afloat in New England and some other States is totally unfit for circulation. It is known, too, that the same injudicious economy has led banking institutions to employ second or third rate printers, and irresponsible engravers, whereby a saving of a few dollars in the outlay could be made. It was in consequence of this, that one of the New Haven banks had a large amount of genuine notes surreptitiously issued, with false signatures, the plates having been left in the engraver's possession. Another case occurred a few weeks since, when the plates of the Bank of Kentucky were abstracted from the engraver's possession, and a large amount of their bills were issued fraudulently by parties who are not yet detected.

The comparative value of the cotton crop for several years past is clearly represented in the following table of receipts and exports from the 1st of September to the first week in June.

	1852.	1851.	1850.	1849.
Receipts at all the ports, . . .	$ 2,912,000	$ 2,241,000	$ 1,957,000	$ 2,622,000
Exports to Great Britain, . . .	1,484,000	1,216,000	845,000	1,440,000
Exports to France, ...	394,000	288,000	249,000	337,000
Exports to other foreign ports, . .	309,000	225,000	153,000	293,000
Total exports, ...	2,187,000	1,729,000	1,247,000	2,070,000
Stock on hand, ...	275,000	399,000	390,000	232,000

Exchange on England remains as at former quotations, viz. 10¼ *a* 10½ premium. The specie movement for the present year may be summed up as follows: —

Deposited at the Mint, Philadelphia, ...	$ 21,000,000
" at Branch Mints, ...	2,500,000
Foreign Coins received, ...	3,500,000
Total, 5½ months, ...	$ 27,000,000
Exported from New York, $ 10,500,000; other ports, $ 2,000,000, ...	12,500,000

DEATHS.

At Charleston, S. C., on Thursday, May 6, Robert L. Stewart, Esq., in the 54th year of his age, Cashier of the Bank of Charleston since February, 1850.

At New Bedford, Mass., on Friday, May 21, George Howland, Esq., in the 72d year of his age, President of the Bedford Commercial Bank since its establishment forty years ago. Mr. Howland bequeathed $ 50,000 for the establishment of a female seminary at New Bedford, and the further sum of $ 50,000, conditionally, if his executors deem it advisable, for the same purpose. Also the sum of $ 100,000 to his widow; $ 100,000 to each of his children, and $ 2,000 to each of his grandchildren. The total amount of his bequests is $ 965,000.

At Saco, Maine, on the 7th of June, Col. Thomas W. Shannon, in the 63d year of his age, recently Cashier of the Manufacturers' Bank at Saco.

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BANKING IN NEW YORK.

THE METROPOLITAN BANK CASE.

Decision of Judge Parker, of the Supreme Court, at Chambers, Albany, July 9, 1852.

THE PEOPLE OF THE STATE OF NEW YORK vs. THE METROPOLITAN BANK.

THE defendant moved on the 3d instant to vacate an injunction granted by Justice Watson, on the 21st of June last, restraining the Metropolitan Bank from buying or receiving on deposit bank paper, at an amount less than purports to be due on its face, and from redeeming bank paper at less than par, except where it is the redemption agent of the bank issuing such paper.

At the same time the plaintiff, having served an order to show cause, applied for a further injunction, restraining the defendant from transacting any longer any kind or description of banking business. Both motions were argued at the same time. The facts sufficiently appear in the opinion of the Court to show what questions were decided.

L. S. Chatfield, Attorney-General, N. Hill, Jr., and Chas. O'Conor, for plaintiff.

Jas. L. Graham, Edward Sandford, and Daniel Lord, for defendant.

PARKER, J. — I must leave entirely out of consideration the transactions of Edward Belknap, on whose complaint the information in this cause was filed, the relation of which, in detail, has occupied so much space in the defendant's affidavits. Whether or not this suit has grown

out of a controversy between the brokers and the defendant, as is alleged, or however unworthy may have been the conduct or the motives of the complainant, in deciding these motions I can look only at the question whether the business transactions of the defendant are or are not authorized by law.

Objections have been taken on both sides to the sufficiency of the pleadings. As I intimated to the counsel on the argument, I shall hold the allegations to be sufficiently specific. Either party desiring a more particular statement could have resorted to a demurrer. But on this motion, as on a trial, the facts alleged are put in issue, and the objection that the allegations are too general is not tenable.

The defendant objects that Edward Belknap ought to have been joined as one of the plaintiffs, under § 434 of the Code, which provides that, when an action shall be brought by the Attorney-General, on the relation or information of a person having an interest in the question, the name of such person shall be joined with the people as plaintiff. In this case, Edward Belknap made the affidavit annexed to the complaint, on which the injunction was allowed. He was probably the informant, on whose suggestion or solicitation the action was commenced; but he appears to have no interest in the result, except that the defendant interferes with his business as a broker, and particularly in compelling redemption of the bills of his Government Stock Bank at Ann Arbor. Every other broker in Wall Street may have a similar, and perhaps some of them an equal interest. But that is not an interest that makes it necessary to name him as one of the plaintiffs. Nor does the fact that he is one of the stockholders in the Metropolitan Bank affect this question. That interest is probably on the side of the defendant. The section of the Code above cited is applicable only to a case in which the action is substantially for the benefit of the relator, as when it is brought to establish a claim to a public office. Section 480 gives ample power to the Attorney-General to commence the suit in the name of the people only, on leave granted by the Supreme Court, or a judge thereof, which leave was duly obtained in this case.

Another objection made by the defendant's counsel is, that the subject is not a proper one for the exercise of equitable jurisdiction; and they cite the case of The Attorney-General *vs.* The Utica Insurance Company (2 Johns. Ch. Rep. 371), where, on an information filed by the Attorney-General, it was held that the Court of Chancery had no jurisdiction to restrain persons from carrying on the business of banking in violation of the statute, and an injunction for that purpose was refused. That case was decided in 1817, and afterwards, by the 17th section of an act passed on the 21st of April, 1825, entitled "An Act to prevent fraudulent bankruptcies by incorporated companies, to facilitate proceedings against them, and for other purposes," jurisdiction was conferred upon the Court of Chancery, to restrain by injunction, on the application either of the Attorney-General or of any creditor of an incorporated bank, whenever it should be shown to the court that the bank was insolvent or had violated any of the provisions of its charter. Under that act the power was exercised. (Attorney-General *vs.* Bank of

Chenango, Hopk. Ch. R. 598.) This jurisdiction was retained by the Revised Statutes (2 R. S. 3d ed. 558, § 37), which provide that, on a bill filed by the Attorney-General in the Court of Chancery, the Chancellor shall have power to restrain by injunction any corporation from assuming or exercising any franchise, liberty, or privilege, or transacting any business, not allowed by the charter of such corporation. This section is now in force, except that the jurisdiction has been transferred from the Court of Chancery to this court; and it is under this section that this application for an injunction is made. It is not necessary in such case to show specifically that the commission of the act sought to be restrained *pendente lite* would produce injury to the plaintiff, under § 219 of the Code. In a suit by the people, the public wrong arising from a violation of the statute implies an injury during its continuance. If, therefore, it is shown that the defendant has assumed or exercised franchises, or transacted any business, not allowed by its charter, this is a proper case for restraining it by injunction.

These motions come before me on complaint and answer, and on additional affidavits read on both sides. It is shown that the defendant is a banking association, organized in April, 1851, under the "Act to authorize the business of banking," passed April 18, 1838, and the amendments thereto. The defendant's place of business is in the city of New York, and its capital, originally $ 250,000, has been increased to two millions of dollars.

It is charged in the complaint, that the defendant has employed its capital in buying, at a price less than the sums payable on their faces respectively, the bills and notes, intended for circulation as money, issued by banks, banking associations, and individual bankers of this State and other States, which, at the place of such buying, are not current or redeemable at par, and disposing of the same by sale or return thereof for redemption to the bank, banking association, or individual banker issuing the same respectively. The defendant in its answer admits that it has received, from the depositors and dealers with the Metropolitan Bank, such bills and notes issued in this State, at a discount or abatement by way of exchange of not more than one fourth of one per cent., and at no greater discount or abatement than that at which the banks and banking associations issuing such bills and notes were allowed by law to redeem or pay the same at the city of New York; and the defendant admits that it has received, from depositors and dealers with the Metropolitan Bank, such bills and notes of other States, at a discount or abatement not exceeding the current, reasonable, and true rate, or difference of exchange, between such bills and bills payable in the city of New York; and the defendant denies that it has bought or received said bills and notes, either of this State or of other States, otherwise than as thus admitted.

No evidence is produced before me of any act of the defendant beyond what is thus admitted. There is then no controversy as to the fact that the defendant has been in the practice of receiving uncurrent bank-notes at a discount; and the principal question presented for decision is as to the legality of such practice. This question is to be examined on

the facts as admitted by the defendant; viz. that the defendant has been in the practice of receiving such bills or notes from its depositors and dealers, and that it has not otherwise purchased them. But I do not see how a right to so receive them can be distinguished from the right to buy them generally at a discount. To receive them on deposit would probably be the manner in which the business would be transacted in either case; or at least it might be such. If the notes are received at a discount on deposit, the avails may be afterwards applied in payment of a note falling due at the same bank, or they may be drawn out on the check of the depositor. The notes may thus be received by the bank in payment of a debt, or they may be bought by the bank. How the avails are to be applied may perhaps be uncertain at the time of the deposit. And the question, after all, is whether a bank has the right to receive such uncurrent bank-notes at a discount. If they may be so received, the avails may be disposed of by the bank in any lawful way. If, however, a legal distinction can be taken between buying such uncurrent notes at a discount and receiving them from depositors and dealers, the defendant is to have the benefit of it, as the facts admitted present only the latter case.

The defendant can exercise no powers except those expressly granted, or such as are incidental to the execution of the granted powers. (Bank of Augusta *vs.* Early, 13 Peters's R. 587.) These powers are defined in the 18th section of the "Act to authorize the business of banking," as follows: — "Such association shall have power to carry on the business of banking, by discounting bills, notes, and other evidences of debt; by receiving deposits; by buying and selling gold and silver bullion, foreign coins, and bills of exchange, in the manner specified in their articles of association, for the purposes authorized by this act; by loaning money on real and personal security; and by exercising such incidental powers as shall be necessary to carry on such business." Then follows the authority to appoint and remove officers.

Is the receiving of uncurrent notes at a discount authorized under the power to "discount bills, notes, and other evidences of debt"? It is said that that clause of the 18th section is only applicable to the discounting of paper not yet due, and that the discount intended is the taking out of the interest for the time that the note has to run before due. But even in the case of discounting bank paper not due, the fair rate of exchange, as well as the interest, may be deducted, when the note is payable at a different place. Although uncurrent bank-bills are due upon their face, yet they are payable at a distant place, and distance imports time. So far, therefore, as the ability of the person taking them to realize the avails is concerned, they stand upon the same footing as a note not due. They are not available to the holder till he can have time to present them to the bank issuing them for payment, and the expense of transmitting them is equivalent to the exchange deducted on discounted bank paper payable at a distant place. Taking such uncurrent bank-bills at less than their face, may be properly termed discounting them. It is taking them at a "discount." Such is the language employed in the complaint to denote such deduction. The word "discount" is also

used in the same sense in the 8th section of the "Act relating to the redemption of bank-notes," passed May 4, 1840, and in the 4th section of the "Act to amend the several acts relating to incorporated banks, banking associations, and individual bankers," passed April 17, 1851. I think the transactions complained of were a discounting within the language and meaning of the statute.

There can be no doubt that the description of paper permitted to be discounted is broad enough to include bank-bills. Even if a limited signification is to be given to "bills," as meaning bills of exchange, and to "notes," as meaning bank paper on time, — to which I do not assent, — the other clause, viz. "other evidences of debt," is too general to admit of question. A bank is authorized to discount any evidence of debt. There is nothing in the statute showing any intention to distinguish between paper on demand and paper on time. On the contrary, another statute on the subject of banking has declared, that "the term 'evidence of debt' shall be construed to embrace every written instrument or security for the payment of money, importing on its face the existence of a debt, whether under seal or otherwise." (1 Rev. Stat. 3d ed. 731, § 67.)

It weighs nothing in the argument to say that the purchase of uncurrent bank-notes has generally been the business of bill-brokers, any more than it would to argue that the discounting of bank paper on time was not legitimate banking business, because it had been generally done by individuals. The question of power depends entirely on the statute, under which, I think, banking associations are at liberty to receive uncurrent bank-bills at a discount. And such, it appears, has been the practical construction heretofore given to the statute. It is proved before me by the affidavits of persons long engaged in the business of banking, that on this subject the custom and practice of bankers has been uniform, and hitherto unquestioned. On this point no contradictory affidavits are produced.

The right to receive bank-notes, issued by a distant bank, at a discount which shall reduce them to their current value at the place where taken, seems indispensable to the transaction of business. Such notes must either be taken at their actual value, or they cannot be taken at all. It is not expected they will be taken by banks at par, when they are worth less than par in market. It might, for a short time, best promote the circulation of the country banks thus to exclude their bills from banks in the city of New York; but it would tax heavily the commercial and industrial interests of society, and bring about a state of things not contemplated by our present system, and one that, to prevent great mischief, would demand an entire and immediate change of legislative policy.

The statutes regulating banking seem to imply that a bank may receive depreciated bank-bills at their current value. The third section of the "Act concerning foreign bank-notes," passed May 7, 1839, prohibits any banking association from lending or paying out, for paper discounted or purchased by them, any *bank bill or note or evidence of debt*, which is not received at par by the said association for debts due

to the said association. This fairly implies that bank-bills may be received below par. It is only the paying out that is prohibited, — it being expected that the bank so taking them will return them to the bank issuing them, or to its agent, for redemption. It is here worthy of remark, that, in the section last referred to, the words "*bill*, *note*, *or evidence of debt*" are used to include uncurrent bank-bills, in the same sense I have given them in my construction of the first clause of the eighteenth section of the general banking law of 1838, where the same words are used.

The statutes regulating the redemption of bank-notes at a discount, by agencies established in New York, Albany, or Troy, have no bearing upon the question I am discussing. These statutes make it obligatory on each of the country banks to establish an agency, and authorize each to redeem, through such agency, at one fourth of one per cent.; and they forbid the purchase by any bank of its own notes at an amount less than what purports to be due thereon, at any other place than at and through such agency. The objects of these provisions were twofold; — first, to prevent a depreciation of such bank-bills below one fourth of one per cent.; and secondly, to prevent a bank making a profit out of the depreciation of its own paper. The statute in no way interferes with the purchase or receiving of such paper by other banks, at its current value, which, under the present system, cannot be at a discount of more than one fourth of one per cent.

It was charged in the complaint, that the defendant had been engaged in redeeming country bank-notes of this State for banks for which it was not the legally appointed redeeming agent. But that charge is fully denied in the answer, and is entirely unsupported by evidence. Redemption implies more than a mere purchase or receiving of the notes at a discount. It implies that it is done in behalf of, and, to some extent at least, for the benefit of the bank whose notes are so purchased or received; in other words, that it is an agent of the bank, though unauthorized by law, for such purchase.

The question I have discussed is the important and controlling one in the controversy out of which this action has arisen. Another point was, however, made in behalf of the plaintiff on the argument; viz. that the defendant is not a bank of circulation, and that no organization can be complete, so as to confer banking powers on an association, unless it is a bank of circulation as well as of discount and deposit. This point, if properly before me, presents two questions for determination; — one of fact, viz. whether the defendant is a bank of circulation; and one of law, viz. whether it must necessarily be a bank of circulation to enable it to enjoy the franchise of banking. It is evident this point was not in contemplation by the parties when they prepared for these motions. Nothing is said on the subject in the pleadings, or in the affidavits served for the purpose of these motions. In an affidavit, sworn to on the day of the argument, Edward Belknap states, that within the last preceding twenty-four hours he had made inquiry at the Bank Department, and learned that the defendant had not received from the Comptroller or from the Superintendent of the Bank Department any circulating

notes. This affidavit, not having been served on the defendants, cannot be used on the application for a further injunction. It can only be used, if at all, in answer to the other motion to vacate the injunction now in force. And I am by no means certain that it would be available for that purpose; for the plaintiff ought not now to be permitted, in answer to the application made to vacate the injunction, to make a new point entirely different from any thing suggested in the complaint or in the affidavit on which the injunction was allowed, and inconsistent with the grounds there taken. The injunction was allowed on the ground that the defendant, being a bank, was transacting other than banking business. The additional point now made is, that the defendant is not a bank, and therefore has no right to transact banking business.

On the argument, however, an affidavit made on the same day by James McCall, the President of the Metropolitan Bank, was read, by which it was shown that, immediately after the organization of that bank, the sum of one hundred thousand dollars was deposited by it with the Comptroller as a security for the circulating notes which should be issued by said bank, and that an order had been given by the bank to the head of the Bank Department for an issue of the bills of said bank, and that, as soon as they could be got ready for such purpose, they would be put in circulation. It is not stated when the order was given, or what has been the cause of the delay.

By a statute passed April 12, 1848, amendatory of the act authorizing the business of banking, it was enacted that all banking associations shall be banks of discount and deposit, as well as of circulation. The evil this statute was designed to remedy was not that banks of discount and deposit were established which were not banks of circulation, but the contrary, viz. that banks of circulation only were in existence which had no banking-house, and transacted no business of discount or deposit. The object of the statute was to break up the practice of issuing circulation merely for the purpose of redeeming it at a discount that afforded a profit. I do not myself see the evil of allowing the establishing of banks of discount and deposit only, which are not banks of circulation. The language of the statute may, perhaps, be broad enough to sustain the legal position taken by the plaintiff's counsel. If so, however, some fixed amount of circulation ought to be specified, so that a mere nominal circulation should not be deemed a compliance with the requisition.

But whatever may be the true construction of the statute, I cannot feel warranted, on the facts before me, and on a mere chamber motion, to issue an injunction that shall entirely suspend all business operations of the defendant. I am not satisfied that, even under the construction claimed, the defendant is amenable to any such severe penalty. It seems the requisite sum was deposited with the Comptroller immediately on the organization of the bank, as security for its circulation, and that such circulation is now to be issued. If there has been a misapprehension of the law, hitherto, in this respect, from which no one has suffered, the correction can be readily made. The neglect does not vitiate the previous organization. It could in no way promote the public inter-

ests, but would be greatly to their detriment, to close the doors of the bank, and wind up its affairs, because of the inadvertent omission of an act not jurisdictional, and which the defendant is ready to remedy, when those concerned in it would have the right at once to reorganize as a new institution. I shall not, therefore, award the injunction prayed for on this motion, but shall leave the plaintiff to claim such an injunction on the trial of the cause, when the facts can be more fully developed and the question more fully examined, if, by amending the pleadings or otherwise, the question can be then properly raised.

The motion to vacate the injunction must be granted, and the motion for a further injunction denied.

NOTE. — This opinion was followed on the same day by the annexed notice: —

METROPOLITAN BANK. — SPECIAL NOTICE.

The *ex parte* injunction issued by Hon. Malborne Watson, at the instance of L. S. Chatfield, Attorney-General, (on the affidavit of Edward Belknap,) having been dissolved by the Supreme Court, on hearing a statement of facts, this bank hereby gives notice, that it has recommenced taking uncurrent money, at a discount, as heretofore, including bills of the Government Stock Bank.

The rates will be the same as before the injunction was served, namely, ¼ per cent. on bills of this State, New Jersey, and Government Stock Bank, and one fifteenth of one per cent. (or 6⅔ cents on each $100) on New England money.

It will no longer be necessary for dealers to furnish a descriptive list of the money deposited.

New York, July 10, 1852. J. E. WILLIAMS, *Cashier.*

THE GOVERNMENT STOCK BANK, ANN ARBOR.

Decision of the Supreme Court of Michigan, July, 1852.

THE PEOPLE, &c., *ex rel.* D. BETHUNE DUFFIELD, *v.* BERNARD C. WHITTEMORE, STATE TREASURER, &c.

THE PEOPLE, &c., *ex rel.* DONALD MCINTYRE, *v.* BERNARD C. WHITTEMORE, STATE TREASURER, &c.

THESE were two applications for writs of mandamus to the State Treasurer, commanding him to give notice that the notes of the Government Stock Bank, at Ann Arbor, would be redeemed at the State Treasurer's office. Section seventh of the charter of said bank provides as follows: —

"If said corporation shall at any time, *or under any pretence*, refuse on demand at its office, during the usual and regular banking hours, to pay any of its notes in the lawful currency of the United States of America, the holder of said note may make and file his affidavit of that fact with the State Treasurer, *who shall* THEREUPON *give notice that the notes of said bank will be redeemed at his office.*"

The State Treasurer is then required to sell, within twenty days, so much of the stocks deposited with him as shall be necessary to redeem any notes of the bank.

The applications were founded on affidavits, which were very long, and detailed the facts involved very minutely. But in substance it ap-

peared: That on the 28th of June last, the relator Duffield filed an affidavit with the State Treasurer, and on the 1st of July the relator McIntyre filed another affidavit with the same officer. These affidavits showed that the relators had, at numerous times, from the 1st of June to the 28th of the same month, presented various amounts of notes of said bank at its office during regular banking hours, and demanded payment of the same; that the mode of redemption adopted by the officers of the bank was, when a package of bills was presented, to take up one bill at a time, separate it from the rest, examine it, step back to a table and pick up the requisite amount of coin, and pay it over to the relators, and so proceed, paying the notes one by one, till banking hours expired, when the bank refused to make any further redemptions for the day. The bank at various times tendered to the relators bags of coin, at the sums marked thereon, but only on condition that there should be no recourse to the bank for correction of errors, but the relators should only have recourse to those from whom the bank itself received the coin. The sums presented by the relators in any one day rarely exceeded $ 5,000; in a few instances, sums as large as $ 10,000 were presented in a day, but notice was generally given the bank of such presentment on a previous day. The bank refused to count the money and redeem in the usual manner; refused to employ more than one person to redeem; insisted on redeeming the notes one by one; and made nearly all its redemptions in gold dollar pieces. The amount redeemed in this manner averaged about $ 3,000 per day. Large amounts of notes presented were refused redemption, under the pretence that the bank was unable to make any further redemptions during its banking hours. The officers of the bank were, however, always studious and careful to say that they would redeem as fast as they could.

On these facts the relators demanded of the State Treasurer that he should give public notice that the bills of the bank would be redeemed at his office. The Treasurer said he would consult the Attorney-General. On the third day of July, about four o'clock, P. M., the attorney of the relator received a letter from the Treasurer, saying that Messrs. Frazer and Van Dyke, counsel for the bank, had addressed him a communication requesting time to prepare and file with him counter affidavits; that the said Treasurer thought it reasonable to grant such time (reserving the question of the competency of such affidavits), and that he would give a decision the following week, probably on Saturday, the 10th of July. The attorney of the relators at once called on the Treasurer, and demanded that he should at once give the public notice; but he refused, and referred the attorney to his aforesaid letter.

The relators treated this as a refusal on the part of the Treasurer to perform the duty prescribed by law, and at once gave notice that they should apply for a writ of mandamus.

Geo. V. N. Lothrop, counsel for relators, cited 3 Mason's U. S. Circ. C. Rep. 1; 8 Cowen's Rep. 1.

William Hale, Esq., Attorney-General, and A. D. Fraser, Esq., counsel for respondents, read an affidavit of Mr. Hale, to show that the delay of the State Treasurer was not unreasonable. To this affidavit

was annexed the communication of Messrs. Fraser and Van Dyke, counsel for said bank, to said Treasurer.

The case was heard July 6th, and now on the 7th day of July the judges delivered their opinions *seriatim*. The opinions were delivered orally, but the following notes are believed to be substantially correct.

WING, *Presiding Judge.* It is clear from the papers, that the bank has refused to redeem according to law. But the counsel for the respondent rest their opposition to the application on the ground that there has been no refusal by the State Treasurer to give the public notice required by law. Now it appears that one of the affidavits had been in the Treasurer's hands about a week, and the other two or three days. He then writes to the relators' attorney a letter, which seems drawn with care, stating that he shall postpone action for a week more, in order to enable the bank to file counter affidavits. This is the main reason for delay. Delay for such a purpose was in effect a refusal. The Treasurer had no right to receive such affidavits: delay for such a purpose was delay for the purpose of going out of the line of his duty. And the relators had a right to regard it as a refusal. I think the applications of the relators should be granted.

PRATT, *J.* The meaning and object of the law is clear. The State Treasurer is merely an agent under the law. His function is to carry it out. If he has made a mistake, this is the tribunal, and an application for a mandamus the mode for the correction of the mistake. The affidavit on which the Treasurer is called to act should certainly clearly show that there has been a refusal to redeem by the bank. Yet it is no objection that the affidavit shows the facts which constitute such refusal. The sole question for the Treasurer to decide was, whether the affidavit showed a regular presentation of the bills to the bank, and a refusal to redeem. If it did, his duty was to give the notice required by law. Now I look on the affidavits as clearly showing a refusal to redeem on the part of the bank. A bank may be generally entitled to banking hours, but it does not follow that it is entitled in all cases to stop redemptions at once when banking hours expire. Exceptions may be put; it is the duty of a bank to redeem its notes promptly and in good faith. The Treasurer was bound to act on the affidavit promptly. If it showed affirmative facts of delay or evasion in redeeming, that was sufficient for him to act on, and he was bound to act. He should, indeed, have reasonable time to examine the affidavits. And if his delay stood on that ground, I might hesitate. But he had no right or power to give the bank a hearing. And when the reason of delay is an illegal one, the delay amounts to a refusal. On the merits of this motion I have no difficulty. The motion should be granted.

JOHNSON, *J.* I concur entirely with the Presiding Judge. The affidavits clearly show a refusal of the bank to redeem its notes. In this the Court is unanimous. There was evasion by the bank, which is equivalent to refusal. Now if it was clear and obvious on the face of the affidavits that there was evidently a refusal, the Treasurer could as readily perceive it as any one else. It was the purpose of the law that there should be a speedy relief, — a prompt remedy, — and this without

litigation. This litigation to enforce bank redemption was an evil we had all felt. I think the form of the affidavit proper. It should present the facts, and not merely a conclusion. It was the duty of the Treasurer to act at once. I think twenty-four hours would have been a reasonable time for the examination of the affidavits. If there was a refusal by the bank to redeem clearly shown, the Treasurer should have said so; if this was not shown, he should have said so. His proposition to delay and receive counter affidavits was tantamount to a refusal to act.

DOUGLASS, *J.* I concur entirely in opinion with the Presiding Judge. The bank unquestionably refused to redeem its notes. This is clear on the affidavits, and it required nothing but plain sense to enable any one to come to this conclusion. I think this was not a case which required long deliberation. The Treasurer could have given his answer at once, after a careful reading of the affidavits. He had no right to wait for affidavits from the bank. It is not necessary that there should be an absolute refusal to act by the State Treasurer, to entitle a party to come to this Court for a mandamus. Delay might amount to a refusal, and in this case delay was tantamount to a refusal.

WHIPPLE, *J.* I have not come to the same conclusion with the Presiding Judge. We differ only in one point; and that is, whether the delay of the State Treasurer amounted to a refusal. I think it did not. I think, under the circumstances, he had a right to take time for further consideration, as he proposed to do. On the other point I have no doubt. The affidavits show unequivocally that the bank had refused to redeem its bills. But as I am of opinion that the Treasurer has not unreasonably delayed action, I think the application should not be granted.

MARTIN, *J.* I agree with Judge Whipple. I have also one other view in which I differ from my associates. I think the affidavit should in form be absolute, — that is, directly and affirmatively aver a refusal of the bank to redeem. It is not sufficient to set forth facts which amount to a refusal, or from which a refusal arises by construction. This I think to be the rule in all cases of special proceedings. There should be a direct and positive affirmation of a refusal. If facts are presented, the Treasurer must consider and decide whether such facts amount to a refusal, and this converts his functions from ministerial into judicial. I do not, however, doubt but the facts stated in the affidavits amount to a refusal of the bank to redeem.

Mr. Fraser then insisted that the mandamus should be *alternative* in the first instance, and counsel were heard on the point.

But the Court held, that it appeared that all the material facts which could come before the Court on an answer from the State Treasurer had been substantially conceded in the case; that the bank could not become a party to these proceedings; and that the truth of the facts set forth in the affidavits filed with the Treasurer could not be put in issue by any return of the State Treasurer. The Court were therefore of opinion, that the relators were entitled to writs of peremptory mandamus. Granted accordingly.

Judges Whipple and Martin gave no opinion on this last point. Judges Green and Copeland were not present.

THE BANKS OF NEW JERSEY.

Redemption Agencies.

The banks of the State of New Jersey have appointed the following agencies for the redemption of their circulating bills, according to a further supplement to the act entitled "An Act to authorize the business of banking," approved March 28, 1852, the said agencies having been approved by the Bank Commissioners: —

State Bank at Elizabeth. — $ 5 and upwards, at the Merchants' Bank, city of New York; under $ 5, Carpenter & Vermilyea, 44 Wall Street, New York.

Mechanics' Bank at Newark. — M. W. Day, at the counter of the bank, and at the Merchants' Bank, in the city of New York.

Belvidere Bank. — At the Metropolitan Bank, in the city of New York.

Trenton Banking Co. — T. J. Stryker, Trenton; also at the Manhattan Company, in the city of New York, and Philadelphia Bank, Philadelphia.

Newark Banking and Insurance Co. — Jacob D. Vermilyea, at the counter of the bank, and at the Merchants' Bank, in the city of New York.

Orange Bank. — The Newark Banking and Insurance Company, under $ 5. $ 5 and upwards, at the American Exchange Bank, in the city of New York.

Union Bank at Dover. — Carpenter & Vermilyea, 44 Wall Street, New York.

Princeton Bank. — The Trenton Banking Company. $ 5 and upwards, at the Mechanics' Bank, Philadelphia.

Sussex Bank. — $ 5 and upwards, at Merchants' Exchange Bank; under $ 5, by Morford & Vermilyea, 173 Greenwich Street, New York.

Salem Banking Co. — $ 5 and upwards, at the Commercial Bank, Philadelphia; under $ 5, at the State Bank at Camden.

Farmers and Mechanics' Bank at Rahway. — $ 5 and upwards, at Metropolitan Bank; under $ 5, at Carpenter & Vermilyea's, 44 Wall Street, New York.

Somerset County Bank. — State Bank at Newark.

Farmers and Mechanics' Bank at Brunswick. — Ocean Bank, city of New York.

State Bank at Newark. — Jos. Heath, at the counter of the bank. $ 5 and upwards, at the Manhattan Company, New York.

State Bank at New Brunswick. — The State Bank at Newark for notes under $ 5; $ 5 and upwards, Phœnix Bank of New York and the Commercial Bank of Phila.

Farmers' Bank at Wantage. — $ 5 and upwards, Merchants' Exchange Bank; small, by Morford & Vermilyea, 173 Greenwich Street, New York.

State Bank at Camden. — A. McCalla, at the counter of the bank, Camden, N. J.

Mechanics and Manufacturers' Bank at Trenton. — Jonathan Fisk, at their banking-house in the city of Trenton.

Bank of America, Cape May C. H. — Drexel & Co., South Third Street, Phila.

Atlantic Bank at May's Landing. — Trenton Banking Co.

City Bank, Cape Island. — Trenton Banking Co.

Newark City Bank. — Charles S. Graham, at the counter of the bank.

Central Bank, Hightstown. — $ 5 and upwards, at the Manhattan Bank, N. Y.; under $ 5, Trenton Banking Co.

Farmers' Bank at Freehold. — Weeks, Kelly, & Co., 43 Wall Street, New York.

American Exchange Bank, Cape May C. H. — Drexel & Co., South Third Street, Philadelphia.

Delaware and Hudson Bank, Tom's River, — Trenton Banking Co.

Passaic County Bank at Paterson. — F. P. James, 62 Wall Street, New York.

Merchants' Bank at May's Landing. — Garret Schenck, Trenton.

Public Stock Bank at Belvidere. — Farmer & Co., 70 Wall Street, New York.

Merchants' Bank at Bridgeton. — Drexel & Co., South Third Street, Philadelphia.

Atlantic Bank, Cape May C. H. — Drexel & Co., South Third Street, Phila.

Tradesmen's Bank at Flemington. — Weeks, Kelly, & Co., 43 Wall Street, N. Y.

Wheat-Growers' Bank at Newton. — Weeks, Kelly, & Co., 43 Wall Street, N. Y.

R. M. Smith, *Treasurer.*

Treasurer's Office, Trenton, 24th July, 1852.

LAWSON'S HISTORY OF BANKING.

CHAPTER XI.

ON SCOTCH BANKING.

Heads of Monasteries the first Bankers in Scotland. — Heriot, Banker to King James. — Paterson, the Founder of the Bank of England, establishes the Scottish Darien Company. — Jealousy of the English, and consequent Ill-Success of the Project. — State of Scotland, before and after the Union. — Early Coinage of Scotland. — Holland's Account of the Formation of the Bank of Scotland. — Abstract of the Act of the Scottish Parliament establishing the Bank. — Comparison between this Act and that for establishing the Bank of England. — Proposals made to the Bank to issue stamped Brass Coin or Wooden Tallies. — Issue of One-Pound Notes by the Bank in 1704. — Union of Scotland with England. — The Equivalent Fund. — The Commissioners for the Disposal of this Fund petition for a Charter of Incorporation as a Bank, which was subsequently granted under the Title of the Royal Bank. — Jealousy of the Bank of Scotland, who soon after suspend Payments. — Arrangements made with their Note-holders. — The Bank called the British Linen Company established. — The Pretender and the Edinburgh Banks. — Establishment of Private Banks in Scotland. — Optional Bank-Notes suppressed. — Details of Scotch Banking. — Amount of Deposits in Scotch Banks. — Attempt to withdraw the One-Pound Note Circulation of Scotland. — Sir Walter Scott's Opposition to the Measure under the Signature of Malachi Malagrowther. — His Arguments answered. — The Attempt abandoned in Consequence of the Report of a Committee of the House of Commons. — Small Amount of Gold in Circulation in Scotland. — Account of the Failure of Scotch Banks. — Laws relating to Bills of Exchange peculiar to Scotland. — Conclusion.

Prior to the formation of the Bank of Scotland, our researches have not furnished us with many materials bearing on the subject of banking in Scotland.

It appears that the first considerable traders in Scotland were the heads of monasteries, as they alone possessed the spirit of commercial enterprise and sufficient funds for promoting speculation. To them belonged the principal ships; they had at first the exclusive privilege of fishing; and they were the chief bankers of the time.

Previously to the suppression of Catholicism, a few goldsmiths were established in Edinburgh, who exercised the calling of bankers, but their business was confined to the lending of money on the deposit of substantial security. With the exception, however, of Heriot, who was banker to Mary Queen of Scots, and subsequently to her son, James the First of England, there were none of any note; neither do we find that their affairs attracted any public attention, or that, like the bankers of London and Dublin, they issued paper money.

Heriot, who may justly be regarded as the first of his craft, has left an imperishable name behind him. By his will he bequeathed to the ministers and magistrates of Edinburgh all that portion of his property that should remain after his debts, legacies, &c. had been paid, to be applied by them in the erection and endowment of a hospital for the

maintenance of as many fatherless children as the funds would admit. By the fulfilment of the benevolent intention of the testator, the sum received by the trustees, as appears by the statement of accounts, was £23,625 10*s.* 3½*d.*, the legacies, bad debts, &c. having been previously settled.

About the close of the seventeenth century, the celebrated Law, a native of Mid Lothian, published at Edinburgh several pamphlets, in which for the first time a new system of conducting monetary affairs was advocated, and which has since been gradually corrected and expanded into those theories of commerce and banking of which it is our present purpose to treat.

The most important era in the commercial history of Scotland was the year 1694, when the ill-fated project of the Darien Company, founded by William Paterson, received the sanction of the Scottish Parliament. Some account of this undertaking and its founder may not perhaps be considered foreign to our subject.

After Paterson had completed the arrangements for the formation of the Bank of England, and had put that corporation fully and fairly in motion, he met with the fate that usually attends the projectors of any great work; for, to use his own words, "he was defrauded of his just recompense by those who adopted his plans."

He appears to have been a man of most enterprising spirit, and, nothing daunted by the ingratitude he met with, he directed his attention to the plan of establishing an emporium on each side of the Isthmus of Darien for the trade of the opposite continents.

Accordingly, he set about forming a company, to be called the African and Indian Company of Scotland. This scheme was patronized by almost all the power, wealth, and talent of Scotland, and consequently Paterson found no difficulty in obtaining an act of Parliament and royal charter.

Sir John Dalrymple in his Memoirs of Great Britain and Ireland relates, that "the frenzy of the Scots to sign the Solemn League and Covenant never exceeded the rapidity with which they ran to subscribe to the Darien Company. The nobility, the gentry, the merchants, the people, the royal burghs, without the exception of one, and most of the other public bodies, subscribed. Young women threw their little fortunes into the stock, widows sold their jointures to get the command of money for the same purpose. Almost in an instant £400,000 were subscribed in Scotland, although it is now known that there was not at that time above £800,000 cash in the kingdom."

Paterson's project, which by many had been looked upon with suspicion, now appeared on the wings of public favor; and the English, although jealous of the supposed advantages, subscribed £300,000, and the Dutch £200,000. Paterson had made a contract with the company that he should get two per cent. on the capital subscribed, and three per cent. on the profits of the undertaking. Neither of the contracting parties supposed, when this agreement was made, that the subscriptions would be taken up so spiritedly. Paterson was so elated with the success of the project, that in the fulness of his heart he gave a discharge

to the company for both claims, which imprudent step he long lived to repent.

The success attending this scheme roused the jealousy of the English House of Commons, who, on the 16th of December, 1695, and without any previous inquiry or reflection, presented an address to the king, in which they were joined by the House of Lords, requesting his Majesty would suppress the Darien Company, on the plea that it was detrimental to the interests of the East India Company.

The king, William the Third, ever willing to attend to the wishes of his English Parliament, in preference to those of the Irish or Scottish Parliaments, replied, "that he would do all they required, and that he had been ill advised in Scotland." He soon after sent orders to his resident agent in Hamburg to present a memorial to the Senate, in which he disowned the company, and warned them against all connection with it.

The Senate sent the memorial to the assembly of merchants, who returned it with an answer worthy of a free people. They said, "We look upon it as a very strange thing that the king of England should offer to hinder us, who are a free people, to trade with whom we please; but we are amazed to think that he would hinder us from joining with his own subjects, to whom he has lately given such large privileges by so solemn an act of Parliament." This spirited language, however, was not permitted to take root, and ultimately the Hamburg merchants withdrew their subscription, as did also those of London.

The Scots, in spite of this opposition and oppression, determined, with their diminished means, to carry out their original design. They fitted out ships and sent settlers; but they little dreamed of the length to which that opposition would extend. Orders it appears were sent out from England to the governors of the several colonies to issue proclamations against giving assistance, or even holding correspondence, with the new settlers. The emigrants, trusting to far different treatment, and to the supplies which they expected from the colonies, had not brought sufficient provisions with them. They therefore suffered numerous hardships, and many of them died from starvation. The subsequent proceedings of this ill-fated colony were attended with a succession of misfortunes, solely attributable to the jealousy of the English.

Poor Paterson could not withstand the torrent which had set so strong against him; he was seized with an attack of lunacy on his passage home, but recovered in his native country. In a letter dated 19th of December, 1699, he thus describes his situation: "When the rest were preparing to go away, I was left alone on shore in a weak condition: none visited me except Captain Drummond, who with me still lamented the thoughts of leaving the place, and prayed to God that we might but hear of our country before we left the coast."

Paterson survived many years, and resided in Scotland, pitied, respected, but neglected. After the Union, he claimed reparation for his losses from the Commissioners for managing the Equivalent Fund, a portion of which was appropriated to the subscribers of the Darien Company; but in consequence of his having surrendered his original agreement he was unsuccessful.

Thus ended the colony of Darien; and England, by her imprudence in ruining that settlement, lost the opportunity of gaining and keeping for herself the greatest commercial empire that probably ever will exist upon earth.

Scotland suffered so much from the ill-success of this project, that we do not find that she ever again attempted any similar scheme. England, however, was soon doomed to experience a far greater derangement in her financial condition than Scotland, or perhaps any other country, ever suffered. We allude to the celebrated South Sea bubble, which burst about the year 1720, and which did not reach Scotland.

The manufactures of Scotland, prior to the union with England, appear seldom to have advanced beyond the domestic supply; consequently there was little scope for banking operations. As an instance of her backwardness at that period, it is recorded that on one occasion the letter-bags arrived from London with only one letter. There was only one stage-coach in Scotland, with the exception of those from Edinburgh to Leith, which left Edinburgh once a month for London, and was from twelve to fifteen days on the road.

The great increase of the public revenue in Scotland since the Union will appear from the following statement:—"In the year 1706 the income of the Post-Office was not more than £1,194 per annum; that arising from the Excise, £33,500; and that from the Customs, only £34,000; making a total of £68,694. In 1801 the revenue of the Post-Office amounted to £89,817 per annum; that from the Excise, to £883,000; and that from the Customs, to £578,000; making a total of £1,500,817. Thus the annual income of these three sources of public revenue alone had, in less than one hundred years, increased £1,432,123." (Chalmers's Caledonia.)

Connected with the commerce of Scotland are its coins, weights, and measures. From 1293 to 1355 the coins of England and Scotland were of the same weight and purity. But at the last-mentioned epoch the standard of Scotch money was, for the first time, sunk below that of England, and by successive depreciations the value of Scotch money at the union of the crowns in 1600 was only a twelfth part of the value of English money of the same denomination.

It remained at this point till the union of the two kingdoms in 1706 cancelled the separate coinage of Scotland, so that the coins are now the same, both in England and Scotland; but the Scotch money of account was for some time afterwards continued, and, when a payment was to be made, it was usual to state, so many pounds Scot, or so many pounds sterling. The pound Scot was equal to 1*s.* 8*d.* English.

The coined money of Scotland at the Union was estimated at one million pounds sterling, a large amount considering that Scotland at that period was comparatively a poor country. When we consider the unsettled state of Scotland under the reigns of the three last Stuarts, of King William, and even much later, it is not to be doubted that a great portion of that coin must have been hoarded in concealment for security; and that therefore the one million of coin held the place both of that part of the wealth of the country which is now represented by

bankers' notes, and also of that which is now deposited in the banks at interest.

The weights and measures of Scotland still differ from those of England. The troy pound in Scotland was to be the same as the French pound, or 7,560 grains; but by a mean of the standard kept by the dean of guild in Edinburgh, it weighs 7,600 grains.

Very soon after the completion of the arrangements for the formation of the Bank of England, and before it was possible to judge of its practical results, many highly influential individuals suggested the propriety of forming similar establishments for Ireland and Scotland. The attempt, as far as regarded Ireland, was unsuccessful, caused probably by a laxity on the part of its supporters. The persevering industry, however, of the parties interested in the formation of the Bank of Scotland was crowned with success, as appears by the following account of the establishment of the bank, which we have extracted from a scarce work, called "The Ruine of the Bank of England and all Publick Credit inevitable"; published in the year 1715, and written by John Holland.

"In the autumn of the year 1695, an honest and ingenious friend of mine, a Scotch gentleman, importuned me one day to think of a bank for Scotland. I told him I had done with framing of schemes for banks, and all other public societies, and resolved, as in some measure I had done a few years before, to lead a country life. He replied that I should have an act of Parliament upon my own conditions. Upon this I immediately drew up so much of the constitution as was necessary to be in the act, and in three or four days he brought me a formal bill drawn up in the Scotch style, and he told me that he had spoken to most of his nation that were in town, and that he had good reason to believe the bill would pass that session (he being then going to Scotland) according to the draught, which it did accordingly.

"Upon this subscriptions were taken for twelve hundred thousand pounds Scot, which is one hundred thousand pounds sterling, and I agreed to go down, stay there, and return upon my own charge; but they generously ordered a noble present to be made to my wife, more than my charge amounted to; and though they were utter strangers to a bank, and all the time I was there the Bank of England could not pay their bills, and although we had many enemies, we obtained in about two months' time a strange credit upon our bills.

"And although not hardly one of the rules that I offered for the management and carrying on the bank was at first understood, but objected against, yet they were all upon debate agreed to, and, to the honor of those gentlemen, I must say I don't remember I met with more than one that made any objection out of humor, but purely to find out the best way for carrying on the thing, which to this day has been greatly to the advantage of the subscribers, and a very advantageous influence it has had upon the nation in general."

The following is an abstract of the act passed by the Scotch Parliament in the year 1695, entitled "An Act for the Establishment of a Publick Bank": —

"Our Soveraign Lord considering how usefull a publick bank may be in this kingdom, according to the custom of other kingdoms and states, and that the same can only be best sett up and managed by persons in companies with a joynt stock, sufficiently endowed with those powers, and authorities, and liabilities, necessary and usual in such cases,

"Hath therefore allowed, and with the advice and consent of the estates of Parliament allowes, a joynt stock amounting to the soume of twelve hundred thousand pounds money, to be raised by the company hereby established for the carrying on and manageing of a public bank."

"Provides, that Mr. William Erskine, Sir John Swinton, Sir Robert Dickson, Mr. George Clark, junior, and Mr. John Watson, merchants of Edinburgh; Mr. James

Foulis, Mr. John Holland, Mr. David Nairn, Mr. Walter Stuart, Mr. Hugh Fraser, Mr. Thomas Coutis, and Mr. Thomas Deans, merchants in London, or any three of them, shall have power to receive subscriptions from the 1st of November, 1695, to the 1st of January, 1696.

"Provides, that no one shall be permitted to subscribe more than two thousand pounds Scot, nor less than one thousand pounds Scot, the said company to be one body corporate and political under the name of the Governor and Company of the Bank of Scotland, under which name they shall have perpetual succession and a common seal. The affairs to be conducted by a governor, deputy-governor, and twenty-four directors.

"Provides for the election of the first governor, deputy-governor, and directors, and fixes the qualification for such officers, and orders that before entering into office they each of them take an oath that he is possessed of the requisite qualification in his own right; and all such officers to be elected annually.

"Provides, that the governor, deputy-governor, and seven directors may call meetings of the adventurers, and that the governor, deputy-governor, and directors may make by-laws, provided that such by-laws be not contrary to, but consistent with, the laws of the kingdom.

"Provides, that if any of the subscribers refuse or neglect to pay up the amount of the subscription when called upon by the governor, deputy-governor, and directors, they shall forfeit for the behoof of the company what they have already subscribed.

"Provides, that persons may by their latter will and testament dispose of the stock, without the necessity of confirmation or formality whatever.

"Provides, that the joint stock of the company be free from all burdens to be imposed upon money for the space of twenty-one years from this date, and that during this space it shall not be lawful for any other persons to establish a distinct company or bank in this kingdom, besides those persons in whose favor this act is passed.

"And, for preventing the breaking of the said joint-stock company contrary to the design, it is hereby declared that the sums of the foresaid subscriptions and shares may only be conveyed and transmitted by the owner to others who shall become partners of the company in their places, so that the foresaid sums of subscription may neither be taken out of the stock, nor parcelled among more persons by legal diligence of any sort, to the diminishing of the stock of the said company and good order thereof.

"Provides, that previous to the declaration of dividends such dividends shall be by consent of the shareholders at a general meeting.

"Directs, that if any shareholder commit any crime punishable by confiscation or forfeiture of his shares, the governor, deputy-governor, and directors may expose by public roup such shares to those who bid the highest price.

"Provides, that it shall not be lawful nor allowable for the said company, the governor, deputy-governor, directors, or managers, on any pretence whatever, to follow any other trade with the joint stock to be employed in the said bank, or any part thereof, or profits arising therefrom, excepting the trade of lending or borrowing money upon interest and negotiating bills of exchange.

"Provides, that should the said governor, deputy-governor, or directors consent, agree, or approve of advancing or lending any money to his Majesty, any of them so agreeing and approving, and being found guilty, shall be liable for every such fault to triple the value of the money so lent; whereof one fifth part shall go to the informer, and the remainder be disposed of towards such public use as shall be appointed by Parliament, and not otherwise.

"And it is likewise hereby provided, that all foreigners who shall join as partners of this bank, shall thereby be and become naturalized Scotsmen to all intents and purposes."

It is curious to compare the above act with that passed the previous year in the English Parliament for the erection of the Bank of England. In the latter case it was expressly stipulated that any persons, natives or foreigners, who shall advance to his Majesty the sum of £1,200,000 sterling, shall have the exclusive privilege of banking in England for the term of *twelve years*, whilst the former obtained the exclusive privilege of banking for *twenty-one* years without any consideration whatever; in short, the Bank of Scotland was prevented by a heavy penalty from lend-

ing money at any time and under any circumstances to the king, a prohibition which, we imagine, the Bank of Scotland has had no reason to regret.

Soon after the establishment of the Bank of Scotland the directors began to issue notes, or, as they were then called, bills or tickets, for £100, £50, £20, £10, and £5.

Previously to 1704, the directors and proprietors of the bank had received several proposals for the issue of tickets, stamped brass coin, or wooden tallies, for remedying the wants of a circulating medium of coin under £5 in value; these proposals were all rejected by the proprietors; they were probably conscious of their want of experience, and refrained for a time from so novel an expedient, being prudently apprehensive and uncertain of the result.

In 1704, however, the measure was again brought forward, and one-pound notes were issued for the first time, and have continued to be issued to the present day. The evil which these notes were intended to remedy was, the restraint upon the industry of the country consequent on the want of a circulating medium for carrying on its manufactures, agriculture, and trade, and for facilitating numerous small transactions. The notes formed the most useful accommodation which can be afforded to the poor but industrious inhabitants of a rising country.

John Law, who subsequently introduced his celebrated banking scheme to Louis the Fourteenth of France, thus writes respecting the Bank of Scotland: "This bank is safer than the Bank of England, because the lands of Scotland, on the security of which most of the cash of that bank is lent, are under a register. It is more national than either the Bank of England or that of Amsterdam, because its notes, many of which are as low as twenty shillings sterling, pass in most payments throughout the country, whereas those of the Bank of England are of little use but in London."

The Court of Directors of the African Company, soon after the formation of the Bank of Scotland, came to a resolution to carry on the business of banking; this was done by the advice of Paterson, who was one of the directors.

At this period the Bank of Scotland possessed the exclusive privilege of banking in Scotland, and they no doubt would have exercised their right of suppressing this innovation on their monopoly, had they considered themselves sufficiently established in public favor to make any stir in the matter; but, in consequence of the bank's indifference on the subject, the African Company issued notes to a considerable amount; and, in order to obtain a circulation for their notes, and to suppress those of the bank, they lent money on securities which ultimately they were not enabled to realize. This, coming to the knowledge of the public, lessened the value of their stock so much that they ultimately gave up the banking business.

One of the most important transactions that was ever effected in Great Britain was finally and legally completed at the close of the year 1706, namely, consolidating the union of England with Scotland, after their crowns had been united 104 years.

So far back as the year 1290 the union would have been effected, had not the unexpected death of the Maid of Norway, or Queen of Scots, in a moment destroyed the hopes of tranquillity in both kingdoms. De Foe infers that the union of the two kingdoms was proceeding upon the very same principles upon which, four hundred years afterwards, it was settled, and in his appendix has printed the documents on which he formed that opinion.

Sir Walter Raleigh, in his History of the World, remarking on the effects of the junction of Scotland with England, on the accession of James the First, expresses his conviction that, "as England, with Scotland for an enemy, ever ready to form alliances with the French, in the hope of molesting England when the flower of her army was absent on remote expeditions, was nevertheless sufficiently powerful to conquer France and frustrate the attempts of all her enemies, she would in after times by the auspicious event be enabled to defeat any antagonist, however powerful, even if all Europe were to combine against her." These prophetic words have in our times been realized.

Previous to the union, the Parliament of Scotland was, like that of England, composed of peers and representatives of counties and burghs, with this distinction, that they met in one house. James the First of Scotland endeavored to establish two separate chambers, in imitation of England, but his subjects maintained the most firm resistance to such a measure.

The first meeting of the commissioners appointed to treat of a union with the two kingdoms took place on the 10th of November, 1702, but the preliminaries were not finally agreed upon until the 25th of June, 1706, on which day the commissioners agreed to certain resolutions and recommendations to the crown.

Among others it was resolved, "That, in consequence of Scotland consenting to pay the same duties of customs and excise as England, and as an equivalent for what Scotland would be liable for towards payment of the debts of England, the sum of £398,085 10*s.* should be paid to Scotland as an equivalent." It was further resolved, "That commissioners be appointed for disposing of the said sum of £398,085 10*s.*, out of which all the public debts of Scotland should be paid, and also the capital stock or fund of the African and Indian Company of Scotland, commonly called the Darien Company, together with interest at five per cent., should be discharged, and that immediately upon such payment the said company should be dissolved and cease to trade or give license to trade."

Thus justice was at last done to the unfortunate shareholders in this scheme, which, as we have before stated, was sanctioned by act of Parliament and royal charter.

The surplus of this fund, if any, after discharging the aforesaid claims, was to be appropriated, first, in paying losses occasioned by the assimilation of the coin of Scotland to that of England, and also in encouraging and supporting the fisheries and such other improvements in the trade of Scotland as might conduce to the general good of the United Kingdom.

The Bank of Scotland is the only Scotch bank established by act of Parliament. The directors began at a very early period to receive deposits and allow interest thereon, also to grant cash credit accounts; a minute of the directors respecting the mode of keeping the latter being dated so far back as 1729.

After the expiration of the exclusive privileges of the Bank of Scotland, they made no effort to have them renewed, thinking that they had by that time been so fully established in public favor that no other bank would stand any chance of succeeding; they, however, at last found a rival, which ultimately proved a very formidable one.

The commissioners and managers of the fund called the Equivalent Fund had been some years previously created into a society or body corporate by letters patent, which enabled them to manage their stock, and to receive and distribute an annuity of £ 10,000, as interest on the principal sum of £ 250,000, until the government paid it off.

Most of the commissioners resided in London, and it appears that they laid the draft of a charter for a new bank for Scotland before the directors of the Bank of England, but the latter declined to give any positive opinion thereon. This proceeding coming to the knowledge of the Bank of Scotland, they instructed their correspondents in London to enter a caveat at the proper office, in the name of the Bank of Scotland, against granting the charter.

To explain more fully the nature of the Equivalent Fund it is necessary to observe that, previously to the Union, great numbers of people of every class were creditors of the public in Scotland, and the sum stipulated by the treaty of union to be paid to such creditors fell short of the amount due to them. No Parliamentary provision was made to discharge these claims till 1719, when an act was passed appropriating to that purpose a yearly fund of £ 10,000 sterling, payable out of the revenues of customs, excise, &c., preferable to all payments except the civil list.

Before the passing of this act, many of the creditors, being doubtful whether any provision would be made for them by Parliament, and others from necessity, disposed of their debentures — these were legal documents setting forth the debts due to the persons named in them, or to their assigns — as they best could, and to the highest bidder. Many of them were purchased by persons in London, but a very considerable portion still remained in the hands of the Scots proprietors.

The king, George the First, by letters patent in 1724, incorporated all persons who then were or thereafter should be proprietors of the debentures, whereby that public debt was constituted, "to the end they might receive and distribute their annuity." And by the same letters patent, and agreeably to the above-mentioned act of 1719, "His Majesty covenants and agrees with the corporation from time to time at the request of that corporation to give and grant to them such other *powers, privileges, and authorities*, which he could or might lawfully grant."

In a petition which was presented to the king by the debenture-holders, for granting a charter with *banking powers*, it was stated "that the granting thereof would be of great use and advantage to that part of the

kingdom called Scotland." The petitioners adverted to the power reserved to the crown for granting them other powers, privileges, "and authorities," and also to the circumstance of the exclusive privileges of the old bank having expired.

The jealousy of the Bank of Scotland at seeing a rival about to enter the field broke out at last into open hostility; although they had no grounds for complaint, their monopoly having ceased, yet they considered that, although the time was limited to twenty-one years, they were a company with exclusive privileges in perpetuity. They argued, "If two banks will be of advantage to Scotland, surely more banks than one would be of benefit to England; but those of England know that the erecting a second bank there would be prejudicial, not only to the present bank, but also to the whole nation; that the stock of the new bank would be made up with debentures and not money; and that the stock to be subscribed may be redeemed by government."

Many other objections were raised by the directors of the Bank of Scotland; and at a meeting of proprietors it was unanimously agreed that it was most proper and necessary to petition the king against granting a charter, and by a memorial to lay before his Majesty what was then thought needful to be said on the subject. Accordingly the Governor of the Bank, David Earl of Leven, for and on behalf of the Governor and Company of the Bank of Scotland, laid a petition before the king, George the Second, which among other things set forth: —

"That your Petitioners, having been informed that the Equivalent Society did apply to your Majesty's royal father for a charter, giving them powers of banking in Scotland, we addressed his Majesty by humble petition and memorial to prevent the giving thereof, which were most graciously received, and we were in hopes of a hearing on the merits of the case.

"But the charter was signed by his Majesty among other papers, immediately before his Majesty's going abroad, and directed to pass the seal of Scotland, by which we were disappointed of a hearing upon it That before the charter passed the seals, your Majesty's royal father's demise intervened, and of course it must stop unless your Majesty's royal warrant be given for passing thereof: which affords us this opportunity of addressing your Majesty against it, for the reasons contained in a humble memorial hereunto annexed.

"Your Petitioners, therefore, humbly hope that your Majesty may be graciously pleased to stop the granting any powers of banking to the said Equivalent Company, as tending to the prejudice of your Petitioners' old and legal establishment, and the general detriment of this part of your Majesty's United Kingdom.

"And your Petitioners will ever pray."

This conduct on the part of the Bank of Scotland only tended to rouse the energies of their rivals, and they at last succeeded in obtaining a charter of incorporation, which passed the great seal the 8th of July, 1727, by a warrant from the king.

This charter is a very lengthy document; it enacts that the name of the bank shall be "The Royal Bank of Scotland"; to have perpetual succession and a common seal; that the capital of the bank shall consist of subscriptions from the Equivalent Fund, which shall henceforth be managed by a board of directors, with a governor and deputy-governor: the qualification for governor to be £2,000 stock, of deputy-governor £1,500 stock, and of directors £1,000 stock: the governor,

deputy-governor, and directors to be chosen annually at a general meeting of proprietors of the said fund and stock on the first Tuesday in March; and no person to be capable of voting in such, or any other general courts, who shall not at the time have £300 or upwards of the capital stock of the said corporation. The stock to be considered personal estate, and not liable to any arrestment or attachment that should be laid thereupon.

Immediately on the passing of this charter the Bank of Scotland refused to grant any loans; they called in a tenth further capital, which the directors were empowered to do; they threatened to proceed against all their debtors for portions, and in some cases for the full amount, of the debts: their revenge was levelled against every one who had the least relation, alliance, friendship, or connection, with the proprietors of the new bank.

By persevering in such conduct it was naturally to be expected that, when an opportunity offered, the Royal Bank would place every obstacle in their way; and the first important step taken by the Royal Bank on its commencing business, in December, 1727, was to secure the distribution of the sum of £20,000, which was ordered by the government to be laid out in improving fisheries and manufactures in Scotland. This sum the Bank of Scotland was desirous to have the management of, but was unsuccessful, it having been placed in the hands of its rival.

On the receipt of this money, for which the Royal Bank agreed to pay interest, they bought up a large amount of the notes of the Bank of Scotland, and then demanded *instant payment for them in gold.* This unexpected demand on the Bank of Scotland caused them to stop payment, and this stoppage of payment was attributed by the friends of the bank to two causes;—one, the rivalship of the new bank; and the other, that the trustees for appropriating the loan of £20,000 had placed in the hands of their rival the very power to oppress the bank.

The expedient which the Bank of Scotland had recourse to in this emergency was the issuing of five-pound notes, payable six months after date, bearing interest at the rate of five per cent. per annum, in exchange for those payable on demand; and on the 12th of December, 1732, they adopted a similar plan with their one-pound notes, and even with notes under that amount, which plan, being subsequently adopted by other banking companies throughout Scotland, occasioned a great scarcity of silver in the country, and generated many abuses in the banking business.

The British Linen Company was incorporated in 1746, for the purpose, as its name implies, of undertaking the manufacture of linen; and after carrying on that trade for some years, they found, to use their own words, "that it would be of more utility and better promote the objects of their institution by enlarging the issue of their notes to traders and manufacturers, than by being traders and manufacturers themselves." They therefore relinquished all mercantile and manufacturing operations in the year 1763, confining themselves to the discount of bills, advances on accounts, and other banking transactions.

In the year 1806, the company presented a petition to King George

the Third, stating the nature of the alteration which had taken place in the manner of conducting their business, and praying his Majesty, in approbation thereof, to authorize the company to increase their capital stock to £200,000 when a new charter was granted; and in 1813 a third charter was granted for increasing the capital to £500,000.

This bank has its head-quarters in Edinburgh, with several branches throughout Scotland.

Soon after the suppression of the notes of the African Company, which during their circulation had given great uneasiness to the Bank of Scotland, the directors, with the consent and approbation of the shareholders at a general meeting, established branches at Glasgow, Aberdeen, Dundee, and Montrose, for the purpose of circulating their notes through the greatest part of the kingdom; but so little encouragement was given to these branches, the expenses far exceeding the profits arising from them, that the directors determined to close them, and confine their operations exclusively to Edinburgh.

In 1731, another attempt was made, and agencies were established at Glasgow, Aberdeen, and Dundee; but after a trial of two years they were discontinued.

Branches were again established in 1774, when the Bank of Scotland passed the following resolution: —

"That it would be not only for the interest of the bank, but also of advantage to the country, that the bank should lend out money in such sums as should for the time be judged proper, and upon good security, in certain parts of the country distant from Edinburgh, particularly in and about Dumfries and Kelso."

Agents were accordingly appointed in these towns, and shortly after others were appointed at Kilmarnock, Inverness, Ayr, Stirling, Aberdeen, &c.

In the month of September, 1745, the banks of Edinburgh, in consequence of the approach of the Pretender, removed with all their valuables to the Castle of Edinburgh. On his entrance into the city, he issued a proclamation, which, among other things, stated that "the money lodged in the banks should be entirely secure under his protection, and free from all contributions to be exacted by him in any time coming, so that the banks might return to their former business with safety, and that he himself would contribute so far in the restoration of public credit as to receive and issue bank-notes in payments."

This "royal" assurance did not have the effect of bringing the bankers and their treasures out of their stronghold; they continued in the Castle till perfect order was restored, and recommenced business on the 20th of November, 1745.

We first trace the establishment of private banks in Scotland to about the period of their introduction in England. In the 14th volume of Scots' Magazine for the year 1753, the following passage occurs: "Within these few years banks have been set on foot by some private companies in Scotland. The first was at Aberdeen. Afterwards two were opened at Glasgow, one about the beginning and the other about the end of the year 1750." The Glasgow notes circulated to a considerable extent,

and were current for some time in Edinburgh, each company having appointed an agent in that city to pay these notes on demand.

These private banks adopted the plan of issuing optional notes as low as 5*s.*, and, about the year 1760, public meetings were held in all the principal towns and cities in Scotland to petition against such issues. The following is a copy of an optional note for 5*s.*: —

"Dundee, 8th August, 1763.

£0 5 0

"I Robert Jobson, cashier to George Dempster, Esq. and Company, bankers in Dundee, by virtue of powers from them, promise to pay to Andrew Pitcairn or the bearer on demand at the Company's office here Five Shillings sterling, or, in the option of the directors, a note of the Royal Bank or Bank of Scotland for four such notes; and these presents are signed by me and by Alexander Greenhill and John Guthrie, partners in the said company.

"R. Jobson.

"Alex. Greenhill,
John Guthrie."

The further issuing of these notes was prevented by an act passed in the 5th George III. c. 39.

By the 14th George III. c. 32, the Governor and Company of the Bank of Scotland were empowered to double their original capital of £1,200,000 Scots; and such capital was, by successive acts, increased till the 44th George III., which act, after authorizing an addition to the capital of £500,000, enacted, "That from and after the passing of this act the stock of the Governor and Company of the Bank of Scotland, and all sums of money relating to the affairs of the said bank, shall be reckoned and stated in sterling money of Great Britain; and that the division of the stock of the said company into shares of 1,000 pounds Scot, or £83 6*s.* 8*d.* sterling, shall be discontinued, and that the same shall be allowed to be transferred, transmitted, or conveyed to others, or retained by the bank, but under the condition before specified, in any sums or parcels, without regard to the above division."

The last clause in the act for establishing the Bank of Scotland was introduced for the avowed object of encouraging foreigners to take shares in the bank by a bonus of naturalization; it was recognized by five subsequent acts of the Parliament of Great Britain; yet it remained almost for a century without any advantage being taken of its privilege. In the early part of the year 1818, however, large amounts of stock were purchased by foreigners.

On the 9th of June, 1818, Lord Sidmouth in the House of Lords moved the first reading of a bill to prevent aliens for a time to be limited from becoming naturalized, or being made or becoming denizens, except in certain cases. The object of the bill was to prevent any alien from becoming a denizen under the Scots Act of 1695, for establishing the Bank of Scotland.

After considerable discussion and petitions by parties interested against the measure, the privilege was abolished.

The Bank of Scotland was, as we have before stated, established by act of Parliament. The Royal Bank and British Linen Company are chartered companies, and the proprietors of their stock are not respon-

sible beyond the amount or value of the shares which they may respectively hold. None of the other banking establishments in Scotland are chartered companies with limited liabilities. The charters granted to the Commercial Banking Company of Scotland, and the National Bank of Scotland, do not limit the responsibility of the shareholders; but they are all jointly and severally liable for the debts of the bank to the utmost extent in value of their property. Some of the Scotch banks, such as the National, the Commercial, and the Dundee and Perth Banking Company, have very numerous bodies of proprietors. Their affairs are uniformly conducted by a board of directors annually chosen by the proprietors. The business of these banks, with few exceptions, is conducted on the same principle as that of the Bank of Scotland, whose regulations are founded on the several acts passed by the Scotch and English Parliaments, and by subsequent resolutions of the board of directors.*

All the Scotch banks have an original subscribed capital of their own; they receive deposits from the public, for which they allow interest, and they issue notes of all denominations from one pound and upwards. With the means thus in their power they discount bills and grant cash credit accounts, giving at the same time the usual facility in banking operations to the whole community. They draw bills on London, transfer money from one place to another, and carry on the general business of banking.

That branch of their business which consists of deposits is divided into two parts. There is first what is called a running account, when the party pays in from day to day the whole surplus funds in his hands, for which he has not an immediate use in his business, and on which he receives interest. These depositors generally consist of merchants and shopkeepers. The second branch of deposits consists of small sums placed in the hands of the banks at interest, which are generally the savings of industrious mechanics, servants, &c., and which are placed in the banks to accumulate, and on which the parties may operate, not in the nature of a current account, but may receive a partial repayment whenever they please.

This branch of their business appears to be an extension of our savings banks. The depositors go to the bank half-yearly or quarterly, and deposit the savings of their labor, which, with the interest that has accrued from their previous deposits during the preceding half-year or year, is added to the principal. In this way it goes on without being at all reduced, excepting in very rare instances, accumulating until the sum reaches the amount which the depositor has calculated will be sufficient to effect the object for which the deposit was first begun, when the whole is withdrawn.

A deposit is often laid up as a provision for old age, and many instances are to be met with in the humble classes of society of persons saving a portion of their scanty earnings to give their children what in Scotland is valued above all the advantages of wealth; namely, the benefits of an intellectual and religious education.

* See Circular of the Bank of Scotland, 6th November, 1818.

One of the witnesses examined before the committee of the House of Commons, in 1826, bears testimony to the above, and adds, "I have had many opportunities, both professionally and in various situations in which I have been placed, of observing the effects of these deposits, and I do think the system of the Scotch banks, allowing the rate of interest which they have done upon their small deposits, has influenced very considerably the moral character of the people." It has also no doubt tended to diffuse a spirit of economy among the mass of the people that in all probability would not otherwise have existed.

When the first two banking companies were established, the commerce of Scotland was considerably less than at present, and those banks would have done but little business if they had confined their operations to the discounting of those bills of exchange which that commerce created; they therefore invented another method, that of issuing their promissory notes by granting cash credits.

A cash credit is conferring a power or privilege upon an individual to draw upon the funds of a bank to the extent named in the license, and they are generally granted to industrious tradesmen; before, however, the account is opened, the strictest inquiry is made as to the character and habits of the applicant, to the purposes to which he can beneficially apply his cash credit, and more especially to the means which he has of promoting the circulation of the notes of the bank, particularly of the twenty-shilling and guinea notes. The security given to the bank is usually that of approved personal security, consisting of two persons besides the applicant, and in some instances there are three, four, or five co-obligants, who all enter into a bond, binding themselves conjointly and severally. A copy of such bond will be found in the Appendix.

When the customers apply to the bank for assistance through the cash accounts, they invariably advance it to them on their own promissory notes. The notes are paid away to the farmers, merchants, or manufacturers for goods. The farmers pay them to their landlords for rent, the landlords repay them to the traders for conveniences and luxuries with which they supply them, and the traders again return them to the bank in order to balance their cash accounts, or to replace what they have borrowed of them; and thus almost the whole money business of Scotland is transacted by means of bankers' notes.

As regards the losses sustained by the banks of Scotland through the system of cash credits, the amount may be collected from the following answer to a question on this subject put to a gentleman of the name of Blair, who was examined by the Parliamentary Committee on Promissory Notes in 1826. "I literally have hardly ever heard of a bad debt by cash accounts. The Bank of Scotland, I am sure, lost hardly any thing in an amount of receipts and payments of *hundreds of millions; they may have lost a few hundred pounds in a century.*"

Credits of a similar kind are commonly granted by banks and bankers in different parts of the world; but the easy terms on which the Scotch banking companies accept of repayment are peculiar to them, and have, perhaps, been the principal cause both of the large increase of business transacted by them, and of the benefits which the country has derived from the system.

The Scotch bankers have a practice, which is rigidly adhered to, namely, of exchanging each others' notes something like the system adopted at the clearing-house in London; but instead of daily exchanges the exchange is only twice a week; and it is an understanding among the bankers, that none shall present to the other any of its notes for payment in cash upon the intermediate days.

A bank having upon every exchange day a certain portion of the notes of the other banks, instead of paying for the whole amount of the demands upon it, presents in its turn to every other bank that certain portion of its notes, and then the bank against whom the balance turns pays that balance only. It cannot, however, fail to be observed, that, although the bank against whom the exchange turns thus pays for part of its returned issues only, namely, that part which formed the excess of its notes presented for payment over those which it held of the banks so presenting them, yet the remaining part it had in effect previously returned by cash, or something equivalent to cash, in Edinburgh, because it could not have acquired possession of the notes of that other bank without having given for them an equivalent.

The aggregate annual amount of the notes thus exchanged by the banks in Scotland is believed to be not under £ 100,000,000 delivered, and £ 100,000,000 received. The Bank of Scotland alone deliver £ 10,000,000 per annum, and receive in exchange as much. The system of exchanging notes began in 1752 between the Bank of Scotland and the Royal Bank, under certain rules then agreed upon.

The following is a copy of the regulations of the banks for exchanging each others' notes, dated Edinburgh, 29th June, 1835: —

1. The exchange shall continue to be settled twice a week, on Tuesdays and Fridays, and for Glasgow on Wednesdays and Saturdays; the notice and amount of the description of notes held to be given by the respective banks at half past nine o'clock, A. M., and the balances to be paid before one o'clock the same day.

2. The payments shall be made in Exchequer bills, Bank of England notes of the value of £100 or upwards, or gold, at the option of the payer, it being understood that Bank of England notes shall only be employed to pay the fractional parts of £1,000.

3. The Exchequer bills shall be filled in favor of the bank which may be the original holders, and shall bear the distinguishing mark of "Edinburgh Exchange Bill," showing that they belong to the Edinburgh exchanges, and are not intended to be used for any other purpose, and shall be received and paid at par, with the interest that may be due when the transfer takes place.

4. The amount of Exchequer bills to be kept in the circle is fixed at £400,000, to be applied as follows: —

Bank of Scotland,	£63,000
Royal Bank,	62,000
British Linen Co.,	50,000
Sir William Forbes and Co.,	50,000
Commercial Bank,	50,000
National Bank,	50,000
Leith Bank,	15,000
Glasgow Union Bank,	35,000
Western Bank,	25,000

And each bank so to arrange their transactions as to maintain their quota in the circle at all times.

5. The Exchequer bills to be of the value of £1,000 each.

6. The amount of Exchequer bills held by each bank shall be stated every exchange day, in the clearing-room.

7. As the Exchequer bills may be expected to accumulate with some of the banks and to be wanted by others, it shall be imperative on the parties so situated to sell or buy Exchequer bills; that is to say, the party holding the greater amount of Exchequer bills shall be bound to sell to the party in want of them what may be required for the legitimate purposes of the exchanges; but it shall not be imperative on that party to sell a greater amount than what will reduce their stock to the original quota.

8. Interest shall be paid for eight days, equal at present to one shilling per cent. upon the purchase and sale of Exchequer bills from the banks, by a draft on London at five days' date, the purchaser also paying the stamp.

9. The bills put in circulation are to be nearly of the same date, so far as is consistent with these regulations, and to be sent up for exchange before due, and new ones are to be provided, of a later date, so as to keep up the stock in the circle, and no advertised bills are to be used in the exchanges.

10 The Exchequer bills, within a week after the government notice appears in the Gazette, are to be given up to the original holders, upon receiving other bills, not advertised, with a draft on London, Bank of England notes, or gold, at the option of the holders of the advertised bills.

11. The seventh regulation will tend, in a great degree, to equalize the amount of Exchequer bills among the different banks; but if Exchequer bills should nevertheless accumulate in the hands of a party, so as to exceed their original quota by more than one third, they shall have the power to call upon the party holding the smallest amount to purchase the excess; that is to say, the excess above their quota *plus* one third. But it shall not be imperative on any party to take more than is required to bring up their stock to two thirds of the original amount. In this way the fluctuation in the amount of Exchequer bills among the different banks, which is an essential part of this arrangement, need never permanently exceed one third more and one third less than the original quota of each. The terms of purchase to be the same as in the eighth article.

12. The exchanges are to be made at the Bank of Scotland and Royal Bank alternately, who reciprocally undertake to pay to those banks who are creditors in the exchange the Exchequer bills, bills of exchange, Bank of England notes, or gold, received from those banks who are debtors in the exchange. But the Bank of Scotland and the Royal Bank shall not, nor shall either of them, be in any way responsible for the exchange transactions or otherwise soever.

13. The statement of balances, after they are struck, to be sent to the respective banks, from the clearing-room, by their clerks, and the clerks of the bank creditors to be in waiting to receive the amount due to them at twelve o'clock. The British Linen Company shall send to the Bank of Scotland and Royal Bank alternately a statement of their exchange transactions, signed by the manager. The clerk to bring over Exchequer bills, Bank of England notes, or gold, for payment of any balance that may be due by them, and to receive Exchequer bills, Bank of England notes, or gold, for such balances as may be due to them on the day's transactions.

14. Any bank party to this agreement to have the power of withdrawing from it, and receiving back their Exchequer bills at par, upon giving three months' notice.

15. A copy of this agreement to be forwarded to the Leith Bank, Glasgow Union Bank, and Western Bank.

Formerly it was not the practice to include checks and due-bills in the exchanges, but these are now introduced; in short, it is a general settlement of all banking transactions which are afloat in the interval between each cash exchange. (*Vide* Report of the Committee on Banks of Issue, 1841.)

The circulation of bank-notes in Scotland is very different from the circulation in this country; it varies very materially, from different causes, not only at different periods of the year, but at different periods of the week; it fluctuates from day to day. The two great periods of the year are Whitsuntide, in May, and Martinmas, in November, at which times all the considerable periodical transactions take place, such as payment of interest on mortgages and annuities. It is also usual for

the country people to go to the bank and receive interest on their deposit money; these few pounds, when not added to their original fund, they take with them into the country for their expenditure during the ensuing half-year. The servants receive their wages at those periods; and there are frequently very large transfers of property by mortgage. There are four other certain periods of the year of minor consequence; and in Aberdeenshire, in the town of Aberdeen, there are the 20th of June and 20th of December, which are called the Aberdeen terms.

A bill drawn by an Edinburgh banker on a London banker at ten days' date is, at Edinburgh, more valuable than gold; for the net value of a large sum of gold is its produce at the price of the day, deducting the expense of its transmission to London, and, as we have observed, gold will not circulate in Scotland.

We have shown that, when the branches of the Bank of Scotland were first formed, so little encouragement was given to them, that after a few years' trial they were closed. Now, however, in many cases, the branches far surpass the parent bank in the magnitude of their transactions, and the consequent amount of profit. We are assured by a manager of one of those branches, that the parent bank in Edinburgh scarcely pays its expenses; this no doubt arises from the circumstance, that the metropolis of Scotland is not an emporium of either foreign commerce or manufactures.

There is a regulation with respect to the management of their branches which is peculiar to the Scottish banks; for when the branch bank is of considerable magnitude the manager is required to give a bond with one or more securities for £2,000 up to £20,000, and he is made responsible in his own individual capacity for all the bills he discounts, and the losses, whenever they occur, on overdrawn accounts; so that his discretionary power on these two heads is fettered only by his responsibility, which naturally induces him to adopt the utmost caution in the exercise of his judgment.

As regards the cash credits the managers have no discretion; this part of their business entirely rests with the directors, who, however, are more or less influenced by the reports they receive from the managers. The persons generally selected to fill the important part of bank managers are generally such as, in addition to their knowledge of banking, have a local influence in the towns to which they are appointed.

In 1825 there were 167 banks in Scotland, of which 133 were branch banks. The population being then 2,200,000, there was one bank to every 13,170 individuals. There are now about 380 bank-offices in Scotland, of which 343 are branches.

The estimated total amount of deposits at present in the banks throughout Scotland is supposed to be £27,000,000; and the average amount of the banking profits is supposed to be £600,000 per annum. The Bank of Scotland pays about £3,000 per annum to government for licenses.

The Bank of Scotland, the Royal Bank, and the British Linen Company, are specially exempted from making returns of the number and names of their proprietors to the Stamp Office, as is required of all the

other joint-stock banks, to entitle them, under the 7th George IV., to sue and be sued.

During the discussion in Parliament in the year 1826, respecting the propriety of suppressing the small-note circulation of Scotland, and establishing a conformity in the system of Scotch banking with that of England, public attention was drawn to a series of letters bearing the signature of Malachi Malagrowther, which appeared in an Edinburgh newspaper, and written, as was subsequently proved, by Sir Walter Scott, from whence we extract the following: —

"It is surely enough to plead we are well; our pulse and complexion prove it. Let those who are sick take physic. But the opinion of the English ministers is widely different; for, granting our premises, they deny our conclusions. The peculiar humor of a friend whom I lost some years ago is the only one I recollect which jumps precisely with the reasoning of the Chancellor of the Exchequer. My friend was an old Scottish laird, a bachelor and a humorist, wealthy, convivial, and hospitable, and of course having always plenty of company about him. He had a regular custom of swallowing every night one of Dr. Anderson's pills, for which reasons may readily be imagined. But it is not so easy to account for his insisting on every one of his guests taking the same medicine; and, whether it was by way of patronizing the medicine, — which is in some sense a national recipe, — or whether the mischievous old wag amused himself by anticipating the delicate embarrassment which the dispensation sometimes produced in the course of the night, I really cannot even guess. What is equally strange, he pressed this request with a sort of eloquence which succeeded with every guest. No man escaped, though there were few who did not make resistance. His powers of persuasion would have been invaluable to a minister of state. 'What, not one *leetle Anderson* to oblige your friend, your host, your entertainer?' He had taken one himself, he would take another, if you pleased; surely, what was good for his complaint must of course be beneficial to yours. It was in vain you pleaded your being perfectly well, your detesting medicine, your being certain it would not agree with you; none of these apologies were received as valid. You might be warm, pathetic, or sulky, fretful or patient, grave or gay, in testifying your repugnance, but you were equally a doomed man, — escape was impossible. Your host was in his turn eloquent, authoritative, facetious, argumentative, pathetic; above all, pertinacious. No guest was ever known to escape the *leetle Anderson*."

—

Sir Walter was also particularly facetious in describing the danger of sending chests of gold through the Highland glens, and the probability of its creating a new race of Rob Roys.

These letters were noticed by almost every periodical of the day; but the greatest honor paid to them was the notice taken of them, even in Parliament, as "dangerous productions." The jokes of Sir Walter were actually treated as incentives to rebellion; and some member gravely averred in the House of Commons, that, "if such letters had appeared a few years back, they would have subjected the author to condign punishment."

Even the Chancellor of the Exchequer thought himself bound to notice them. On opening the budget on the 19th of March, 1826, after describing the alterations of the Board of Customs and Excise in Scotland, he concluded by saying, "So long as I am armed with the consciousness of seeking to diminish the burdens, and increase the happiness, of the people, I can look without terror upon the flashing of the Highland claymore, though evoked from its scabbard by the incantations of the first magician of the age."

The following remarks on the same subject are extracted from a pamphlet which among many others issued from the press at that time.

"Are your Scotch banks really so solid? This is a delicate question, and one which I am sorry that you, and those who agree with you, have stirred, and stirred with so much pretension as to make it a necessary ingredient in even the most cursory consideration which can be given on the subject.

"I shall deal with it as tenderly as I can. I begin by admitting, and that is as much as I suppose can be asked of me, that the banks, and the individuals who compose them, are 'abundantly opulent,' and possessed in the aggregate of property sufficient to answer all the engagements they may make.

"I further admit that such a foundation is quite solid and sufficient for the general business of trade, and for all the highest transactions of commercial intercourse; but, on the other hand, I would ask, what defence do they afford against an unreasonable panic, which, in matters of paper currency, is the evil most likely to occur, and most necessary to be guarded against? In the late panic in London, firms possessed not merely of land and hereditaments, and such like inconvertible property, which you represent as being the most satisfactory foundation of the credit of the Scotch banks,—firms, I say, possessed of stock and Exchequer bills to more than the amount of their engagements, were unable to convert them into cash for immediate use.

"You say, that only two or three Scotch banks have failed in a long series of years. I admit the fact, and might say something of the apologue of the 'Pitcher and the Well'; but I think I can, without the aid of allegory, explain the causes, and consequently the precariousness, of their exemption from accidents of that nature.

"The first cause of their uninterrupted credit is no doubt their position, wealth, and the great stake which the partners visibly have in the country; but this cause, as we have just seen in England, is not conclusive against a panic.

"The second I take to be, that the Scotch banks 'hold together'; that, conscious that not one of them could stand what is called in England 'a run,' they help one another, for the sake of what is a common cause. When a run takes place on a banker in Scotland, how is it met? By paying these notes 'in specie'? If that were the case, you might well boast of the solidity of the Scotch banks. But I fancy that no such thing as a payment in coin was ever heard of. The threatened bank glorifies itself if it is able to pay its notes by the notes of one of its neighbors; and thus, by a mutual interchange of support, two banks, which were objects of suspicion in their respective districts, might weather the panic by the help of the notes of each other.

"This, as I conclude, from facts supplied by yourself, is the real cause that there has been no loss by the failure of any Scotch banks. And as long as this confidence exists, and the public is satisfied with this kind of joint-stock security,—so long as the ice continues strong enough to bear you, all is well, and your operations glide away with smoothness and rapidity. But if an unlucky accident should happen,—if one or two should fall in,—is it possible to calculate how many they might drag after them, or what number might perish in the attempt to save this original sufferer? And who can pretend to say when or where a general panic may be excited? such a panic, I mean, as should affect any considerable quantity of the paper circulation, and occasion a second run on any of the banks 'at once'? And who, still wiser, can tell what the disastrous consequences of such a panic might be?"

We have quoted largely from this pamphlet, because the author embraces nearly all the arguments of the other writers on the subject. He admits "that the banks and the individuals who compose them are abundantly solvent, and possessed in the aggregate of property sufficient to answer all the engagements they may make."

It has been well said, that one ounce of fact is worth a ton of argument; and the above admission must at once put an end to all doubts and apprehensions; for what more can be required of a bank than its ability *at all times honorably to fulfil all its engagements.*

There is no institution on earth that can be called perfect; and it is on this account, we presume, that the author indulges in a frightful con-

templation of what would happen if the banks failed to do what he admits they can do on all ordinary occasions. And the only ground for his fears is the probability that the payment of all their notes and other debts will be, at some time or other, simultaneously demanded; when they — the banks — will be unable to discharge them.

Now, this is just as likely to happen as that all the parties who have insured their lives in the Equitable Life Office, numbering upwards of nine thousand individuals, were, on a given day, to meet at one time and in one place and be all killed on the spot, and the life office in question to be called upon to pay, on the instant, the large amount that would be due to the representatives of the deceased. Such a case is not within the pale of probability, any more than it is probable that the people of Scotland would set about ruining their banks, while at the same time they would be involving themselves in ruin.

Almost every individual throughout Scotland, who has by trade or otherwise accumulated capital, becomes a partner in the banking establishment in his immediate neighborhood, or otherwise interests himself in its success; this is, in truth, the foundation of the unlimited credit enjoyed by the Scotch banks; it is the basis of that undoubting confidence which the public repose in their stability. In short, it may justly be stated, that the surplus wealth of England has been invested in the national debt, and that of Scotland in her banks.

That which the author seems to consider faulty in the Scotch system of banking, namely, the payment of their notes with the notes of other banks, is eminently advantageous to the public as well as to the banks. Was it ever made a charge against the London bankers, that, instead of paying their acceptances and the drafts daily drawn on them with bank-notes or gold, they pay them with the drafts, &c., held by them on other bankers? If not, where is the inconsistency of the plan adopted by the Scotch banks of paying each other's notes by exchange?

The most persevering opposition was offered by the people of Scotland to the introduction of the measure for suppressing their small-note circulation. The Earl of Lauderdale, in noticing the large public meetings which had been held in Edinburgh to petition against the alteration of their currency, stated that the only dissentient voice was that of a former "goldsmith, who, from his former habits, had been unable to forget his intimate acquaintance with the precious metals, and who had thus acquired an unconquerable attachment to metallic currency."

In the early part of the year 1826, committees of both houses of Parliament were appointed to inquire into the Irish and Scotch system of banking. They summoned before them, not only Scotch bankers, but merchants and other gentlemen of the first intelligence and respectability in the country; and, in order to render the investigation as ample and satisfactory as possible, both committees examined the governor and deputy-governor of the Bank of England, as to the effects produced on the paper circulation of England by the small-note currency of Scotland. In this manner a mass of very valuable evidence was collected; and, after a comprehensive and laborious investigation, both committees were satisfied that the small-note circulation of Scotland should remain undisturbed by legislative interference, and reported accordingly.

The report of the committee of the House of Lords, after reverting to the various circumstances detailed in the evidence respecting the currency of Scotland, states that "it is proved by the evidence and by the documents, that the banks of Scotland, whether chartered joint-stock companies or private establishments, have, for more than a century, exhibited a stability which the committee believe to be unexampled in the history of banking; that they supported themselves from 1797 to 1812 without any protection from the restriction by which the Bank of England and that of Ireland were relieved from cash payments; that there was little demand for gold during the late embarrassments in the circulation in 1825–26; and that, in *the whole period of their establishment*, there are not more than two or three instances of bankruptcy." What follows is particularly worthy of attention: "As during the whole of this period a large portion of their issues consisted almost entirely of notes not exceeding £1 or £1 1*s*., there is the strongest reason for concluding, that, as far as respects the banks of Scotland, the issue of paper of that denomination has been found compatible with the highest degree of solidity, and that there is not, therefore, while they are conducted on the present system, sufficient ground for proposing any alteration with the view of adding to a solidity which has so long been sufficiently established."

The report concludes that, "unless some new circumstances should arise to derange the operations of the existing system in Scotland itself, or materially to affect the relations of trade and intercourse between Scotland and England, they were not disposed to recommend that the existing system of banking and currency in Scotland should be disturbed."

It was in evidence before the above committee, that the banks of Scotland always keep a small amount of gold by them to meet any demand, but it is seldom asked for; and that in Scotland a sovereign is seldom seen except in the card-purse of an old maid, or in the cabinet of some recluse virtuoso; and that in one instance a bank was established whose foundation was a large amount of guineas, but they remained in the coffers of the bank undiminished, and were only taken out and exchanged for sovereigns at the time of the new coinage.

It is generally admitted that, for the rapid advance which Scotland has made within the last century in wealth and prosperity, it is very largely, if not mainly, indebted to its banking system, previous to the introduction of which the poverty of Scotland was proverbial. Adam Smith mentions, that, at the time of the publication of his work on the "Wealth of Nations," "there was a village in Scotland so poor that it was customary for a workman to carry nails as money to the baker's shop or alehouse."

In Sir James Stuart's "Principles of Political Economy," we find the following assertion: — "That it is to the banks of Scotland the improvement of that country is entirely owing, and that all commercial countries by imitating them will reap advantages of which they are at present deprived."

"The case of Scotch banking," says Sir Henry Parnell, "is, perhaps, the most perfect and satisfactory illustration of a science that has

ever existed; it leaves nothing to be desired in order to establish beyond dispute the conclusion, that, if bankers are restricted from issuing for less than twenty shillings, and are subjected to the obligation of an immediate and unconditional payment of their notes as soon as presented, the trade of banking may, with safety to the public, be rendered in all respects free." (Sir H. Parnell on Paper Money, p. 151.)

These accumulated facts and opinions prove, that gold is not required as a medium of circulation for internal commerce in Scotland, and that the people of that country are perfectly content to rely on the stability of their banks.

It is only by comparison that the advantages of any system can be fully understood; and in comparing the Scotch with the English system of banking, it will be no difficult task to determine to which the preference is due. The confidence in the Scotch banks is unbounded. The public never contemplate losing by the breaking of the banks, most of them being joint-stock companies with extensive proprietors.

So far back as the year 1819, when "Peel's Bill," as the currency measure of that day is called, was discussed, the minister was told that a certain remedy was at hand which would for ever remove the doubts respecting the solvency of the English country banks, and that was the Scotch system of joint-stock banking.

Why, it may be asked, was such an opportunity permitted to pass without placing the circulation of bankers' notes in England on so solid a basis? The answer is ready. There was a clause in an act obtained so far back as the reign of Queen Anne, prohibiting any number of persons, except the proprietors of the Bank of England, from establishing themselves as bankers in England and Wales exceeding the number of six persons. This monopoly of exclusive banking, which we have adverted to in its proper place, was granted to the Bank of England *for a valuable consideration*, under the apprehension that large copartnerships might affect the permanent influence of the Bank in its pecuniary transactions with the government.

And this was thought by successive Parliaments a sufficient justification, in addition to the *valuable consideration paid for the monopoly* on every renewal of the charter, for adhering to the engagement with the Bank. And it was not until a panic or a universal mistrust in the banks came upon the nation, so as to "fright the isle from its propriety," that the government, upon the earnest solicitation of men who had studied the advantages of the Scotch system of banking, consented to introduce a measure to Parliament that would not only enable the English private banks to increase the number of their partners, but permit the formation of joint-stock banks with an unlimited number of partners, after having been suppressed for nearly a century and a half.

There have been only three considerable failures among the joint-stock banks in Scotland within the space of one hundred and thirty years, and these failures were ultimately attended with little or no loss to the public, but, from the nature of their constitution, to the partners only who had become shareholders, as the following case will prove.

In the year 1778, the proprietors of the bank of Douglas, Herring, and

Company, better known by the name of the Ayr Bank, having lost the whole of their paid-up capital, a call was made on each shareholder for £300. This sum many of them refused to pay, upon the plea that they were not liable for more than their stock, and that a great part of the loss was occasioned by the directors borrowing money on annuities, which they had no power to do.

To this it was replied, that the directors had full power to borrow money for the use of the company; but, at any rate, the creditors of the bank must be paid, in whatever manner the directors and proprietors might settle the matter between themselves afterwards. The question of liability was subsequently brought before the Court of Sessions of Scotland, and the court unanimously condemned the proprietors to pay the additional call of £300 per share, together with costs of suit.

Nothing can be more just than this decision, and it has served as a guide to the shareholders of all banks established since that period. The extent of the liabilities of the partners in a banking company cannot be disputed, and although such liabilities are nominal when the joint-stock company is prosperous, it may be far otherwise should any thing go wrong.

One of the witnesses examined before a committee of the House of Commons, in 1841, on Banks of Issue, in answer to the question 2367, as to what portion of the people of Scotland receiving notes employ bankers, said, "We have been inquiring into that since we came together. One of the gentlemen here, who is at the head of a bank with a large number of branches, informs me that the number of creditors of his bank is 20,000. In our own case I have a return since I came to town, making the number in our bank 13,770; and one of the gentlemen who is here, and who is at the head of a bank without branches, says that he has 7,000 people holding his obligations." This statement, though extremely limited, shows how deeply the people of Scotland are interested in their banking system.

Banking, as practised in Scotland, although undoubtedly possessing numerous advantages, which we have in the preceding pages amply displayed, is not without its defects, and we now proceed to point out one of those defects, which, however, may not appear such to the parties interested. It is, the absence of all official information as to the true state of the affairs of the bank.

The returns made by the banks, in compliance with the 8th and 9th Victoria, c. 38, are simply confined to the average amount of notes circulating within a given period, and the average amount of coin held by the banks during the same period; they do not convey any information as to the amount of assets and liabilities of the bank; the note-holder is therefore entirely in the dark as to the real condition of the bank.

It does not appear that any printed or other report of the state and affairs of any of the banks is ever issued to the public.

It is true that they have their periodical assemblies of proprietors, at which the directors enter into explanations respecting the affairs of the company, and declare a dividend; but whether such dividends are paid out of the actual profits annually accruing, and never out of the capital

invested in the concern, no one but the parties immediately interested can tell; the proprietors, having confidence in the discretion and integrity of the directors, are generally satisfied with such statements.

The Scotch are proverbial for caution in monetary affairs. It appears therefore almost incredible, that for upwards of a century and a half the Bank of Scotland should have been able to command such unlimited confidence in its stability, without ever laying before the public a statement of its affairs. These remarks are alike applicable to the other banks, two of which have been established for upwards of a century.

A bank, however high it may stand in public estimation, which seeks the protection of the crown, and obtains the important privilege not only of issuing promissory notes payable to the bearer on demand, but of securing its members against any liability beyond the amount of its joint stock or fund, ought not to content itself by satisfying the scruples, if any, of its own members, when assembled at a meeting to which the public have no access; but should for its own sake annually publish an account of its assets and liabilities, verified by two auditors of known character and standing, so that the public may be fully satisfied that the rules and regulations for the efficient management of the affairs of the bank are strictly complied with by those intrusted with the direction of its affairs.

On the following points the law of Scotland differs from that of England and Ireland. The holder of a dishonored bill of exchange in Scotland is entitled to a privilege which, singularly enough, is a remnant of an old law established during the time that Catholicism was the acknowledged religion of the country. The clergy of that day were empowered to determine civil pleas as well as ecclesiastical. The names of all the parties who refused or neglected to pay the clergy dues or other debts were registered in an office called the register-office, and after a certain number of days the creditors were empowered to seize either the person or the property of the debtor.

By the law of Scotland all heritable property, lands, and houses, may be seized in satisfaction of their debts. As this is not the case in England, where personal or movable property can alone be taken by creditors, it would not be possible to establish banks in the south part of the island on the principle of the Scottish banks, till the law touching heritable property underwent alteration. (Chambers's Information for the People, article Commerce, Money Banks, p. 511.)

The Court of Sessions of Scotland now exercises the power originally belonging to the ecclesiastical court. The holders of all unpaid bills that have been duly protested may, at any time within six months after their dishonor, produce such bills and protest, when the same will be registered in the court books, and in six days from the registration execution may be issued against the debtor without any further process. See act of the Scottish Parliament, 3 Charles II. c. 21.

To entitle the holders of dishonored bills to this privilege, there must be no alteration, interlineation, erasure, or ambiguity, on the face of the bill. Notice of non-acceptance or non-payment to the parties implicated on the bill must be strictly attended to.

The bill must be duly protested, and the protest be extended and recorded. If for non-acceptance, against the drawer and indorser; if for non-payment, against the drawer, indorser, and acceptor.

Action on bills of exchange is cut off by limitation in England, and by prescription in Scotland, after the lapse of six years. In the former case an acknowledgment in writing, or a partial payment, will interrupt the limitation, but prescription cannot be so interrupted. It can, however, be interrupted by an action, and after it has run against the bill, the simple debt may be proved from other sources.

The act of the 8th and 9th Victoria, c. 38, confers a privilege upon the Scotch banks, which we imagine, from the opposition made to it on its first promulgation, was not remarked. Although it does not prevent the issue of one-pound notes, but only limits the maximum amount of circulating paper, it absolutely confers a monopoly upon the existing banks, by preventing the formation of any future banks of issue. This in our opinion is one of its most objectionable points, and the only one that made the law palatable to the banking interest of Scotland.

CONCLUSION.

In closing our historical account of Banking in England, Ireland, and Scotland, we will briefly remark on the question which has frequently occupied public attention; namely, Whether it would not be prudent to create one bank of issue for paper money for the United Kingdom, and that bank to be the Bank of England. This plan, according to the opinions of many men eminent for their long practical experience, is the only remedial measure for placing the currency of this country on a secure and solid basis. The opinions of such men are undoubtedly worthy of attention. It does not, however, become us to oppose either this or any other measure which may be thought conducive to the public weal; but thus much we trust we may be permitted to state, that the true method by which the issues of a bank, such as the one proposed, should be regulated, is not by attention to isolated facts or opinions, but by taking a comprehensive view of the following subjects.

The quantity of the bullion in their coffers.

The probable amount of bullion in circulation throughout the United Kingdom.

The amount of notes in circulation.

The amount of bills of exchange in circulation.

The amount of their deposits.

The amount of securities in their possession.

The collection of the revenue and probable assistance required by government.

The prices of wheat and other grain.

The amount of imports and exports, and particularly the American trade.

The state of the exchanges in its most extended application.

The prices of British and foreign funds.

The state of the public mind in the United Kingdom, whether turbulent or pacific.

The state of our foreign relations.

The season of the year, together with numerous other considerations, the above being but a tithe, — such as the quantity of cotton on hand, and its price in relation to previous periods, and so forth.

It may be said that to do all this would entail considerable expense on the Bank, and that it is more than the public have a right to expect. The answer is ready. Where extraordinary trust is reposed, and enormous profits are awarded to the exclusion of others, the nation have a right to look for consummate talent.

Let the Bank at least make the attempt. Let them cast aside all antiquated prejudices, all considerations of personal aggrandizement; let the corporation be content with less profits, if the public service demand such a sacrifice; let their activity be indefatigable, and their exertions ceaseless; let them be cautious in deciding, prompt in acting, and in all most prudent; let them pursue steadily this course for a series of years, and then will be seen the good effects of a reasonable and judicious system in the comparative rarity or entire annihilation of panics.

But whatever may be the difficulties in the way of the settlement of this complicated question, let us hope that neither the government nor the Bank will be discouraged from doing their utmost to bring about by every means in their power some change whereby the confidence of the public in the circulating medium may be equal to the confidence of the government itself, and when as a consequence the conceived hobgoblins, frightful monsters, and horrid spectres called Panics, shall vanish, cease, and be no more.

American Gold. — The stock of gold in the Bank of England is not higher than it has been at recent periods anterior to the Californian influx; the price of silver, as measured in gold, is not sensibly higher than it was, and the prices of commodities, far from being higher, are decidedly lower. What, then, is the explanation? The explanation seems to be very simple, viz.: — There has been immense absorption of gold into the currencies of America and of France; and that in France at least there has been an enormous liberation of silver from the currency in consequence of the introduction of gold. In both America and France the standard is what is called "double," — that is to say, both gold and silver coins are legal tender according to a certain scale of proportion established by law between the two metals. In America a gold eagle is declared to be equal to so many silver dollars, and in France a gold Napoleon to so many silver francs. The consequence is this: all debtors pay their debts in the cheapest metal. If gold bears an agio, silver of course is used, and gold coins are scarce. If the agio on gold disappears, and is transferred to silver, then gold coins are used, and silver coins are melted into bullion. This is precisely what has taken place both in France and in America during the last two years to a very great extent. The increased supply of gold has first removed the agio from gold, and then silver has been rapidly abandoned as currency, and gold introduced. We are not able to state in figures the extent to which the substitution has been carried in America; but some returns have been published from the French Mint which strikingly show the effect of the change in France. We learn from these returns, that, while the coinage of gold in France was less than a half-million sterling for some years previous to 1848, it rose in that year to one and a half millions sterling; in 1849, to two millions; in 1850, to three and a half millions; and in the first ten months of 1851, to no less than ten and a quarter millions. In America, the facts, we imagine, would be still stronger. We are enabled, therefore, with this evidence before us, to account pretty satisfactorily for the twenty millions of gold already yielded by California. — *London Athenæum.*

THE MONT DE PIÉTÉ AT PARIS.

From "A Faggot of French Sticks, or Paris in 1851. By Sir Francis Head."

In the yard of that portion of the building appropriated for the reception of pawned goods, "engagemens," there appeared before me four covered hand-carts, just trundled in, laden with effects that had been pledged at the branch establishments.

On entering the portion of the department headed "engagemens," I proceeded up stairs, and along a rather crooked passage, to its "bureau," a little room in which I found a stove, a large open sort of window with a broad counter before it, and round the other three sides of the apartment a wooden bench, on which were sitting in mute silence, with baskets or bundles on their laps, ten very poor people, of whom the greater portion were women. As I entered I was followed by an old man with a parcel in his hand; and without noticing or being noticed by any of those who had come before us, we sat down together side by side on the bench, where we remained as silent as if we had been corpses.

Before me was the back of a poor woman, looking upwards into the face of an *employé* wearing large, long mustachios, who was untying the bundle she had humbly laid on the counter before him. In about a minute, like a spider running away with a fly, he disappeared with it; very shortly, however, after the poor woman had returned to her hard seat, he reappeared, looking as if he had forgotten all about it, and received from a man a parcel of old wearing apparel, — "most probably," said I to myself, "to be converted into food for a starving family!" The scene altogether was so simple and yet so sad, that I felt anxious to decamp from it; however, before doing so I was determined, whatever might be the penalty, I would peep into the window; and accordingly, walking up to it, and to the broad counter before it, I saw on the right of the gentleman in mustachios a large magazine fitted up from ceiling to floor with shelves, upon which were arranged the heterogeneous goods as fast as they were pledged. In hurrying from the scene of misery I had witnessed, I almost ran against a man in the passage holding in his hand a frying-pan he was about to pledge, and into which I managed to drop a small piece of silver, which fortunately for him happened to be lying loose in my waistcoat pocket.

In an adjoining, still smaller room, the furniture of which also consisted solely of a stove and wooden benches against the walls, and which was devoted, I believe, entirely to "bijouterie," or jewelry, I found a similar window and broad lattice, at which a poor woman was pledging a ring. After she had left it, there walked up to the pawning hole, leading a thin dog by a very old bit of string, a young girl, who deposited a spoon. There were four or five other women, all of whom, as well as myself, became cognizant of every article that was brought to be pawned.

Within the window before me, as well as within that of the chamber

I had just left, there existed, out of sight of us all, an appraiser, whose duty it is to estimate every thing offered, in order that the regulated proportion, namely, four fifths of the value of gold and silver articles, and two thirds of that of all other effects, might be offered to the owner of each.

"Huit francs, Madame!" ("Eight francs, Ma'am!") said the man at the window who had received the ring; the poor woman, whose heart had no doubt erred in over-estimating its value, began to grumble a little. Without a moment's delay a voice from within called the next number (for every article as it is taken is numbered), and the clerk in the window briefly informed the woman to whose property it had applied the amount of money she might obtain. Those satisfied with the sums they were to receive had to appear before a little door on which was written the word "Caisse" ("Cashier's office"), and underneath it, "Le public n'entre qu'à l'appel de son numéro" ("No one to enter until his number is called"). Accordingly, on the calling out of each number, I saw a poor person open it, disappear for a few seconds, and then come out with a yellow ticket, an acknowledgment by the Mont de Piété of the effects held in pawn, and for which, from the hands of the cashier within, at a wire-work grating, covered with green dingy stuff, upon which is inscribed, "Parlez bas, S. V. P." ("Speak softly, if you please"), she received her money. There exist several bureaux similar to those above described.

Having very cursorily witnessed the manner in which, with the assistance of one "succursale," two other auxiliary offices, and twenty-two commissions, established in different quarters of the city, the Mont de Piété of Paris has received, on an average of the last fifteen years, 1,313,000 articles, on which it has advanced per annum 22,860,000 francs, averaging 17 francs 40 centimes for each, I proceeded to a different part of the building, upon which is inscribed "Comptoir de la Deliverance" ("Delivering Department"), in which I entered a large gloomy room, full of benches, separated by an iron rail from a narrow passage leading close round the walls of two sides of the apartment to a small window. By this simple arrangement no one can take his seat on the parterre of benches until he has received from this little window, in acknowledgment of the repayment of the money he had borrowed, a small ticket, on which is inscribed his "numéro," and which forms his passport through a narrow wicket-gate, sufficient only for the passage of one person to the benches, in front of which is a long square opening, which can be closed by a sliding shutter.

On the right of the benches, on which were seated in mute silence about twenty persons, many of whom were very respectably dressed (one was a poor woman with a baby fast asleep on her lap, or rather, on the brink of her knees, for although her eyes were fixed upon it, she did not touch it with either of her hands), was inscribed on the walls the following notice: —

"Toute personne qui aura attendu pendant trois quarts d'heure la remisse d'un nantissement est priée de se plaindre de ce retard à Messieurs les Chefs du Service du Magasin." ("Any person who shall have waited three quarters of an hour for the restoration of his pawned goods is requested to make a complaint of the same to the Superintendents.")

At the large open window stood an *employé* who successively called out the *numéro* of each person seated before him. In obedience to his voice, I saw one respectably dressed woman rise from a bench, walk up to him, produce her *numéro*, in return for which he handed over to her a bundle of clothing and a cigar-case. To another woman, on the production of her numéro-paper, he professionally rolled out upon the counter about a dozen silver spoons; in short, as in the case of the act of pawning, every body saw what every body received.

One respectable-looking woman of about forty, dressed in deep mourning and in a clean cap, on untying the bundle of linen which she had just redeemed, and which, in the moment of adversity, she had negligently huddled together, carefully folded up every article, and then packed it in a clean basket, the lid of which was held open for the purpose by a nice little girl at her side; — the storm had blown over and sunshine had returned!

As soon as each transaction was concluded, the recipient of the goods departed with them through a door pointed out by the words, "Dégagemens sortie." In the vicinity is another hall, similar to that just described.

For the redemption of articles of jewelry a rather different arrangement is pursued. At the end of a long passage I observed written upon the wall the words, "Délivrance des effets" ("The delivery of articles.") Close to this inscription appeared three windows, over which were respectively written, — 1ere Division, 2me Division, 3me Division. To prevent applicants from crowding before these windows there had been constructed in front of them a labyrinth of barriers reaching to the ceiling.

By this simple sort of sheepfold management, characteristic of the arrangements which at Paris in all congregations for business or amusement are made to insure the public from rude pressure, every person in the order in which he arrives successively reaches the line of windows, from which, on the presentation of his number-paper, is restored to him the articles of jewelry he had pledged. There exist seven bureaux of this description.

In another portion of the building, on the ground-floor, I visited the department for "Renouvellemens," in which in a number of very little rooms I found a quantity of mustachioed clerks writing. The approach to this department, the principal duty of which is to renew the duplicates of those unable to redeem goods according to their engagements, is guarded from pressure by a series of barriers such as have just been delineated.

There are throughout France forty-five Monts de Piété, conducted on the principles above described. In 1847 there were pledged therein 3,400,087 articles, valued at 48,922,251 francs.

A system of such extensive operation must, of course, be liable to error, and occasionally to fraud. I must own, however, that although the interior of the Mont de Piété was repulsive to witness, I left its central establishment with an impression which reflection has strengthened rather than removed, that that portion of the community of any country

whose necessities force them occasionally to pawn their effects have infinitely less to fear from an establishment guided by fixed principles, and open every day from nine till four to the public, than they would be — and are in England — in transacting the same business in private, cooped with an individual who, to say the least, may encourage the act which nothing but cruel necessity can authorize.

THE PRODUCTION OF GOLD AND SILVER.

From the London Times, May 21.

THE statistical tables and remarks on the annual supply of gold throughout the world, in the years 1846 and 1850, by which the following letter is accompanied, will be regarded with considerable attention. They appear to have been prepared with much industry and care: —

GUMLEY LODGE, *Little Ealing, May* 19.

SIR, — I beg to inclose tables, for insertion in the *Times*, of the produce of gold and silver for the years 1846 and 1850, which I have drawn up from original authentic sources. I have been investigating the subject during the last four years, and have consulted every accessible authority, both English and foreign.

The subject is now exciting such intense interest, that I believe the information would be generally appreciated. I am, Sir, your obedient servant,

WILLIAM BIRKMYRE.

Comparative Table, showing the Annual Produce (approximate calculation) in Value of Fine Gold and Silver for 1846 *and* 1850, *the first being two Years before the Discovery of the rich Deposits of Gold in California; the latter two Years after the Discovery.*

1846.

	Gold.	*Silver.*	*Total.*
California,	. . .	. . .	. . .
United States,	£ 237,366	£ 1,864	£ 239,230
Mexico,	249,753	3,457,020	3,706,773
New Granada,	252,407	42,929	295,336
Peru,	98,241	1,000,553	1,096,894
Bolivia,	60,337	460,191	520,528
Chili,	145,585	297,029	442,614
Brazil,	259,871	2,003	261,874
Total, North and South America,	£ 1,301,560	£ 5,261,619	£ 6,563,179
Russia,	3,414,427	167,831	3,582,258
Norway,	. . .	32,346	32,346
North Germany,	357	138,022	138,379
Saxony,	. . .	198,200	198,200
Austria,	282,750	282,654	565,404
Piedmont,	17,841	7,444	25,285
Spain,	2,498	227,499	229,997
United Kingdom,	. . .	109,989	109,989
Africa,	203,900	1,056	204,956
Borneo,	306,900	1,584	307,484
Ava,	100,000	517	100,517
Malacca,	72,240	374	72,614
Sumatra,	63,719	330	64,049
Aanan, or Tonquin,	30,585	53,460	84,045
Various countries, *	50,975	33,000	83,975
Total of Europe, Africa, and Asia,	£ 4,545,192	£ 1,254,306	£ 5,799,498
Total of North and South America,	1,301,560	5,261,619	6,563,179
Total,	£ 5,846,752	£ 6,515,925	£ 12,362,677

1850.

	Gold.	*Silver.*	*Total.*
California,	£ 12,000,000	£ 62,068	£ 12,062,068
United States,	115,430	11,444	126,874
Mexico,	382,901	5,383,333	5,766,234
New Granada,	252,407	42,929	295,336
Peru,	96,241	1,000,653	1,096,894
Bolivia,	60,357	460,191	520,548
Chili,	145,585	297,029	442,614
Brazil,	299,068	2,227	291,295
Total, North and South America,	£ 13,341,989	£ 7,259,824	£ 20,601,813
Russia,	4,175,860	171,817	4,347,477
Norway,	. . .	35,607	35,607
North Germany,	357	138,022	138,379
Saxony,	. . .	198,200	198,200
Austria,	288,708	286,971	575,679
Piedmont,	17,841	7,444	25,285
Spain,	2,498	440,210	442,708
United Kingdom,	. . .	160,000	160,000
Africa,	203,900	1,056	204,956
Borneo,	305,850	1,634	307,484
Ava,	100,000	517	100,517
Malacca,	72,240	374	72,614
Sumatra,	63,719	330	64,049
Annan, or Tonquin,	30,585	53,460	84,045
Various countries,*	50,975	33,000	83,975
Total of Europe, Africa, and Asia,	£ 5,312,533	£ 1,528,592	£ 6,840,975
Total of North and South America,	13,341,989	7,259,824	20,601,813
Total,	£ 18,654,522	£ 8,788,416	£ 27,442,788

Those marked thus (*) are exclusive of China and Japan, which produce large quantities of gold and silver, the amount of which is quite unknown to Europeans.

At the beginning of the nineteenth century Baron Humboldt's estimate (*Essai Politique*, Tom. II. p. 633) of the annual produce of North and South America was 17,291 kilogrammes (46,331 lbs. Troy) of gold, and 795,581 kilogrammes (2,131,770 lbs.) of silver; value of both metals in dollars, $ 43,500,000, equal to £ 9,243,750; the produce of Europe and Northern Asia at the same time was 4,916 lbs. gold, £ 250,593; and 199,298 lbs. silver, £ 657,683. Total value of the precious metals raised in America, Europe, and Northern Asia, £ 10,152,026.

In 1801 the quantity of pure gold produced in America was 46,331 lbs.; in Europe and Northern Asia (exclusive of China and Japan) 4,916 lbs.; total produce, 51,247 lbs. = 55,910 lbs. British standard gold = £ 2,612,200.

In 1846 the quantity of pure gold produced in America was 25,503 lbs.; in Europe, Africa, and Asia (exclusive of China and Japan), 89,171 lbs.; total produce, 114,674 lbs. = 125,108 lbs. British standard gold = £ 5,846,772.

In 1850, the quantity of pure gold produced in America was 261,731 lbs.; in Europe, Africa, and Asia (exclusive of China and Japan), 104,219 lbs.; total produce, 365,950 lbs. = 399,247 lbs. British standard gold = £ 18,654,322.

The following table is similar to the above, with the exception that quantities are substituted for value: —

	1846.		1850.	
	Pure Gold.	*Pure Silver.*	*Pure Gold.*	*Pure Silver.*
	Lbs. Troy.	Lbs. Troy.	Lbs. Troy.	Lbs. Troy.
*California,	. . .	. . .	235,409	18,814
United States,	4,625	565	2,253	3,165
Mexico, in 1846, by the gold washings, 980 lbs. fine gold, In 1846, by operation of parting, 3,920 lbs. fine gold,	4,900	1,047,562	7,509	1,631,313
New Granada, in 1846, by the English Colombian Gold Company, 343 lbs fine gold, In 1850, by the English Marmota Gold Company, 576 lbs. fine gold and 350 lbs. fine silver,	4,954	13,009	4,954	13,009
Peru,	1,888	303,207	1,888	303,207
Bolivia,	1,184	139,452	1,184	139,452
Chili, in 1850, by the English Copiapo Company, about 13 lbs. fine gold, and 7,000 lbs. fine silver,	2,856	90,009	2,856	90,009
*Brazil, in 1846, by the English St. John del Rey Gold Company, 1,425 lbs. gold, containing 20 per cent. silver, 1850, by do., 2,517 lbs. gold, containing 20 per cent. silver, 1846, by the English Imperial Brazilian Gold Company, 314 lbs. of gold, containing about 14 per cent. silver, 1850, by do. 379 lbs. gold, containing about 14 per cent. silver, 1846, by the English National Brazilian Gold Company, 89 lbs. gold, containing about 14 per cent. silver, 1850, by do., 120 lbs. gold, containing about 14 per cent. silver,	5,096	607	5,668	675
Total of North and South America,	25,503	1,594,431	261,731	2,199,644
Russia, 1846: — By private mines in the Ural, 8,125 lbs. Public " " " 5,672 lbs. Private Siberian mines, 57,235 lbs. Public " " 2,555 lbs. Total, 73,587 lbs. (nine per cent. alloy.)	66,995	50,858	81,919	52,053
Norway (Kongsberg silver mines),	. . .	9,802	. . .	10,790
North Germany (Harts Mountains),	7	41,895	7	41,895
Saxony,	. . .	60,606	. . .	60,606
Austria, in 1846, by private mines, about 4,100 lbs. pure gold, and 34,400 lbs. pure silver. By government mines, about 1,400 lbs. pure gold, and 51,200 lbs. pure silver,	5,549	86,653	5,663	86,961
Piedmont,	350	2,256	350	2,256
Spain,	49	68,953	49	133,397
United Kingdom,	. . .	33,330	. . .	48,484
*Africa,	4,000	320	4,000	320
*Borneo,	6,000	480	6,000	480
*Ava,	1,961	157	1,961	157
*Malacca,	1,420	113	1,420	113
*Sumatra,	1,250	100	1,250	100
Annan, or Tonquin,	600	16,200	600	16,200
Various countries,	1,000	10,000	1,000	10,000
Total of Europe, Africa, and Asia,	89,171	390,653	104,219	463,743
Total of North and South America,	25,503	1,594,431	261,731	2,199,644
Grand total,	114,674	1,975,084	365,950	2,663,386

Those countries marked thus (*), in the above table, have no silver

mines at work; the silver stated is estimated as having existed in the native gold, to the average amount of 8 per cent.

The above quantities are probably less than the actual production. The duties on gold in Russia, on the produce of the private mines, are heavy, varying from 12 to 24 per cent.; in Austria they amount to 10 per cent., in Brazil to 5 per cent., and are understood to lead to a great deal of smuggling. In other countries, such as the United States, where there are no duties, the gold and silver stated in the table are only the quantities brought to the mints to be coined, there being no means of determining the quantity used in jewelry and other arts and manufactures.

The above tables, imperfect though they be, will suffice to show that the produce of gold in the world has greatly increased in the last few years. It would appear that it has risen from 114,674 lbs., in 1846, to 365,950 lbs., in 1850. In those five years the increase has been at the rate of 219 per cent., while silver has only increased from 1,979,084 lbs., in 1846, to 2,663,386 lbs., in 1850, or 34½ (34.5) per cent. The former metal is, therefore, apparently increasing at the rate of 44 (43.8) per cent. per annum, and the latter at 7 (6.9) per cent. The greater part of the increase in silver is in Mexico, which is doubtless owing to a variety of circumstances, such as restored tranquillity, richer mines, and greater skill. It would not, therefore, be safe to count upon such an increase every year, but we are certainly not exaggerating in saying that silver is now regularly increasing throughout the world. It may be estimated at an average of two and a half per cent. per annum.

It is a remarkable fact, however, and worth recalling, that, in the country where the greatest increase of silver has taken place, there was concurrently a loss of thousands of pounds of English capital by the various English silver-mining companies; so much so, that none of all the silver-mining companies projected to work mines in Mexico between 1824 and 1830 have been successful. Some of them were being wound up during the very time when mining was prosperously conducted by the Mexicans. This seems to have been owing to a want of knowledge, or of control, or to the mischief of share-jobbing in the English companies; but, whatever may have been the cause, the natives of that country have found silver mining to be profitable. The enormous profit of £240,000 a year obtained by the old Spaniards from the Valencianna mine, a profit larger than all the tin and copper mines of England put together, is generally looked upon more as a fable than a reality by those who have heard casually of silver mining as conducted by English mining companies. The English gold-mining companies have done better, and probably had they some twenty years ago had the skill and knowledge of the present day, they would have been highly successful.

The quantity of gold produced in America at the beginning of this century was, according to Humboldt, 46,331 lbs. Troy, and that of silver 2,131,770 lbs. In 1846 the produce of gold in America had fallen to 25,503 lbs. Compared with the silver then produced, viz. 1,594,431 lbs., the gold was, therefore, sixty-two times less than the silver. In 1850

the yield of gold, in consequence of the great discoveries in California in 1848, had risen to 261,731 lbs., being in weight only eight times less than the weight of the silver.

The annual produce of gold in the whole world (excepting Africa and some parts of Asia), at the commencement of the century, was in a somewhat greater ratio, being 1 lb. of gold to 45 lbs. of silver; in the year 1846 the produce of gold (including Africa, but excepting China and Japan) was at the rate of 1 to 17. In 1850 the produce of the same countries had risen to 1 of gold to 7 of silver.

As regards the produce of gold last year in California, it would appear that it must have amounted to about $ 82,118,500, equal to £ 17,339,544. The yield of the newly discovered gold-mining region at Bathurst, New South Wales, and at Mount Alexander and Buninyong, Victoria, may be stated at fully £ 1,000,000. Hence there is an increase to the production of 1850 of 124,382 lbs. Troy of fine gold, the total produce of gold in 1851 being, therefore, 490,332 lbs.; at £ 50 19*s.* 5½*d.* per lb. pure gold, equal to £ 24,994,066. There is much reason to believe (*vide* the comparative table) that the annual produce of silver is now steadily increasing, say at the very low rate of 2½ per cent. The yield of silver in 1851 will thus be 2,729,970 lbs. Troy, equal to £ 9,008,900. Consequently, the total value of the produce of gold and silver last year is £ 34,002,966.

But, large as the produce of gold is thus shown to have been last year, in California and Australia, it is likely to be greatly increased this year, it being confidently expected by the Americans that the recent discoveries of very rich deposits in various districts of California will raise the exports for the twelve months to $ 100,000,000, equal to £ 21,041,666. This, moreover, is a very moderate allowance, as the exports alone, in the first three months, are known to have amounted to $ 3,900,000 more than those of the corresponding three months of 1851; while, as regards Australia, late news from that quarter makes it probable that the produce there will at least amount to one half of the yield of California in 1850, or £ 6,000,000. The exports merely, from Australia, up to January 15th (although gold dust was selling as low as £ 2 17*s.* per ounce), have amounted to 284,000 ounces, equivalent to £ 1,000,000, a part of the yield of about four months' digging. Should other countries only yield at the same rate as in 1850 or 1851, viz. £ 6,654,522, this, added to the produce of California and Australia, will amount to £ 33,696,188, or 661,032 lbs. Troy. Estimating the increase in the yield of silver at 2½ per cent., the amount of silver for this year is 2,798,219 lbs.; at £ 3 6*s.* per lb., equal to £ 9,234,122. The total value of both gold and silver for the present year is, therefore, £ 42,930,310.

The average yearly coinage of gold during the first thirty years of this century was, in Great Britain, £ 1,700,000; in France, £ 1,300,000; in the United States, £ 550,000;—total, £ 3,550,000. The following is a statement of the recent gold coinage in the same countries, beginning with the year in which the gold discovery was made in California:—

	Great Britain.	*France.*	*United States.*	*Total.*
1848,	£2,451,999	£1,144,473	£786,555	£4,473,036
1849,	2,177,000	1,084,382	1,875,158	5.136,540
1850,	1,491,000	3,407,691	6,662.854	11.561,545
1851,	(10 months)	10,677,252	12,919,695	. . .

The gold coinage last year in the United States exceeded by £3,398,927 the largest coinage of the same metal ever made in the United Kingdom. And the coinage in France during the first ten months exceeded by £556,494 the memorable coinage in this country of £9,520,758 in the year 1821.

The annual consumption of the precious metals (exclusive of coinage) in Europe and America is supposed to be about £4,840,000, to which there may be added, for the other quarters of the globe, £1,660,000; total, £6,500,000. It is important, but difficult, to determine how much of this sum consists of gold. Mr. Jacob, about twenty years ago, estimated the annual consumption of gold in Great Britain at £1,636,000. The other countries of the globe would at least consume half as much more, making £2,454,000, to which the annual gold coinage has to be added. Comparing this total with the quantity of gold produced at the beginning of the century, or even for many years after, it then appears that gold from the mines was not raised in amount equal to the entire consumption; besides which, it seems to have been used relatively in a greater proportion than silver, and accounts for the premium in France of 12 francs per mille over silver, which gold not unfrequently commanded, till the recent discoveries; for a pound Troy of gold in France, in 1802, was found to be exactly equal to 15 lbs. 6 oz. of silver, but afterwards became equal to 15 lbs. 8 oz. Now, however, the premium is likely to be reversed most materially, for, deducting the £2,454,000 of gold consumed in the arts from the supposed yield of the gold mines in the present year, viz. £33,696,188, leaves £31,242,188 to be converted into coin; being a larger sum by £5,239,053 than the total circulation of gold coin in Great Britain in the year 1780. The general inference that specie must be accumulating is further borne out by the fact, that, notwithstanding discounts are unusually low in the three principal cities of the world, yet there is in each city a notable increase of bullion, compared with 1848, as the following table will show: —

Bank of England, week ending May 6, 1848,	£12.826,108
" " " May 8, 1852,	20.231,037
Bank of France, week ending May 4, 1848,	3,534,165
" " (last return,) April 8, 1852,	23,506,204
Banks of New York, quarter ending March, 1848,	1,404,125
" " " March, 1852,	2,029,448

Summary of the quantity of bullion in the above-named banks in 1848, and the nearest corresponding period in 1852: —

	Bank of England.	*Bank of France.*	*Banks of New York.*	*Total.*
1848,	£12,826,108	£3,534,165	£1,404,125	£17,764,398
1852,	20,231,037	23,506,204	2,029,448	45.766 689
Increase of bullion in 1852,				£28,002,291

By the last return of the Bank of England, the specie appears to the value of £20,231,037, — being the largest amount she has ever held,

and £3,592,722 above her highest accumulation previous to the development of the wealth of California.

It may be stated generally that there was, in 1850, five times as much gold produced in North and South America as in any of the most productive years of the American mines under the Spanish government. At the same time, the silver mines of America were yielding quite as much silver as at the beginning of the century, when they were nearly as productive as at any former or later period under the Spanish dominion.

Yet, notwithstanding the great increase in the produce of gold relative to silver, it is a curious fact that the price of silver has not risen; on the contrary, it has fallen in value. In the course of the week ending April 17, 1852, £580,000 worth of silver was sold at 5*s.* an oz., British standard, which is only equivalent to 64*s.* 9*d.* per lb. Troy for pure silver. At that rate, 1 lb. of pure gold is worth 15¾ (15.74) pounds of pure silver. In January, 1851, gold was only 15¼ (15.3) times more valuable than silver.

The following is the estimated produce of the precious metals, in tons, in 1801, 1846, 1850, 1851, and the probable amount of 1852:—

Year.	*Gold. Tons.*	*Silver. Tons.*	
1801,	19	856, or 1 lb. of gold to 45 lbs. of silver.	
1846,	42	727, " " 17 " "	
1850,	134	978, " " 7 " "	
1851,	180	1,002, " " 5 " "	
1852,	242	1,027, " " 4 " "	

Although the 242 tons is an increase of no less than twelve times the quantity produced at the beginning of the century,—a quantity of the glittering treasure that is fraught with the mightiest consequences to society,—yet as respects bulk it sinks into perfect insignificance; for, if it were melted into bars, a closet nine feet high, eight long, and eight broad, would hold it all. It would require 21,713 times as much space to hold all the iron that is now smelted in Great Britain.

William Jacob.—Died in London, December 17, 1851, aged 89, William Jacob, Esq., F. R. S., formerly Comptroller of Corn Returns to the English Board of Trade. Mr. Jacob was formerly a London merchant, engaged in the South American trade. In 1810 he was elected one of the aldermen of the city, and also served as a member of Parliament from the year 1808 till 1812.

During a residence of six months in Spain, in 1809–10, he wrote "Travels in the South of Spain," a work published in a quarto form in 1811.

He afterwards published "Considerations on the Protection required by British Agriculture, and on the Influence of the Price of Corn on Exportable Productions." Also, a sequel to the same work, with Remarks on the Publications of Mr. Ricardo, Col. Torrens, &c., 1815. 2. An Inquiry into the Cause of Agricultural Distress, 1816. 3. A View of the Agriculture, Manufactures, Statistics, and state of Society of Germany, and parts of Holland and France, in 1819. 4. Tracts relative to the Corn Trade and Corn Laws. But the work for which Mr. Jacob has been better known in England and the United States is his "Historical Inquiry into the Production and Consumption of the Precious Metals," 2 vols., 8vo, 1831, of which a second edition was afterwards issued.

THE GOVERNMENT STOCK BANK, MICHIGAN.

From the New York Journal of Commerce.

THIS institution is chartered by the State of Michigan, and located at Ann Arbor in that State. Its bills are chiefly issued and put in circulation in New York. The charter of the bank, and the laws of the State of Michigan, require the institution, upon demand, during the usual and regular banking hours, to pay its notes in specie.

On the 31st of May last, as we learn on good authority, a citizen of the State of Michigan called at the banking-house of the Government Stock Bank, at Ann Arbor, and presented its notes to the amount of $ 25,000, and demanded payment thereof, in specie, after having made an offer to take a draft upon New York for the amount, which was declined.

The officers of the bank then insisted upon their right to pay *each bill separately*. The first package taken contained $ 200 in two-dollar bills. The President took one bill at a time from the receiving counter, examined it, and then carried it to a table near by, on which was a box containing coin, and from thence took two one-dollar gold-pieces and returned to the receiving counter, and delivered them to the creditor. The same process was repeated with each bill. This occupied until twelve o'clock noon, when the bank was closed until two P. M. At the opening of the bank, the creditor again presented the bills of the bank for payment. They were taken up in the same manner, and at four o'clock $ 700 more had been paid by the bank, in gold dollar-pieces, and the bank then closed for the day.

On the 1st of June the remaining bills were again presented, and the officers of the bank took them up in the same manner, and during the whole of the day paid $ 3,200 of the bills. Upwards of $ 20,000 of the bills presented remained unpaid at the close of the second day, and it is probable that the bank will occupy about ten succeeding business days to pay the remainder. The bills redeemed, it is supposed, are sent to New York immediately, to be again put in circulation, and to raise means to continue payments.

It appears to us that this subterfuge of the bank is plainly illegal, and ought not to be tolerated. The holder of the bills of the bank is a creditor of the institution for the amount of their notes in his possession, which he presents for payment. The bank owes him in specie *an entire sum* equal to the aggregate amount of the notes. They are entitled to examine the notes, to count them, and ascertain their amount; but they have no right to make *partial payments* to him of his debt, without his consent. After the amount is ascertained, he has a right to have an equal amount of money counted down in specie by the bank; and if its officers refuse to do it, the creditor should treat it as a refusal of payment of their notes, and take his proceedings accordingly.

If any person doubts the correctness of these views, let him read the following report of a case tried in the Circuit Court of the United States for the State of Maine, May, 1821, before Judges Story and Parris. We copy from Mason's Reports, Vol. III.

ASSUMPSIT. — This action was brought for the recovery of about $ 3,000, together with the additional damages of two per cent. per month, authorized by the laws of Massachusetts in cases where any bank shall refuse or neglect to pay its bank-bills in specie on demand. The facts were as follows. A runner or agent from the Suffolk Bank, established at Boston, presented at the banking-house of the Lincoln Bank, at Bath, their bank-bills to the amount above stated for payment, and early in the morning, and very soon after the commencement of the usual banking hours. The cashier immediately offered to pay the amount in bills of the banks in Boston, and, among others, partly in those of the Suffolk Bank, or by a check or draft on a bank in Boston; both of which proposals were declined by the agent, who demanded payment in specie. The cashier then began to count out small pieces

of silver change. It occupied him until near the hour of closing the bank, to count in this way about five hundred dollars. He tendered no gold, and no silver of a larger denomination than one quarter of a dollar, and no more of that than would have amounted in the whole to one thousand dollars, which could not have been counted, at the rate at which the cashier was counting, within the bank hours of the day, which were from nine o'clock, A. M. until one o'clock, P. M. The agent offered to take the specie at the count of the bank, but the cashier declined so to deliver it; and the agent, being unable to procure the specie, left the bank with his bills a very short time before the closing of the bank. The Suffolk Bank treated these facts as a case of refusal or neglect to pay the bills, and commenced the present action accordingly.

The cause was argued by Longfellow, for the plaintiffs, and Ames and Whitman, for the defendants.

Story, J., in summing up to the jury, said: — The act of Massachusetts (Stat. 1809, ch. 38), under which this suit is brought, declares, that, "if any incorporated bank shall *refuse or neglect* to pay on demand any bill or bills by such bank issued, such bank shall be liable to pay to the holder of such bill or bills after the rate of two per cent. per month on the amount thereof from the time of such neglect or refusal, to be recovered as additional damages in any action against the bank for the recovery of the said bill or bills." It is the duty of every bank to pay its bills *in specie on demand*, if such demand is made at the bank within the usual banking hours, and *the omission* to pay under such circumstances is a neglect or *refusal* within the meaning of the act. There is no pretence to say, that a bank has a right to delay the holder of its bills, day after day, while the officers can count out change so as to make up the amount in the smallest species of coin in their own way. Every bank is bound either to have its specie counted or weighed, and ready for delivery, or to have servants sufficient to count and weigh it, and pay it out for all demands made during the usual banking hours. I do not say, that, if a very large demand be made just before the closing of a bank, so that a reasonable time may not exist to count, weigh, or deliver it, an omission to pay until the next day would, under such circumstances, be unjustifiable. Perhaps it may be, as the business of banks requires that they should be closed at certain hours, in order to preserve regularity and correctness in their books and proceedings, that the law would, if the banking hours were reasonably extensive, allow some indulgence in this particular. But on this point I give no opinion, as it is not necessary in the present case, and there may be strong ground to assert the strictness of the general law as to demands and payments.

Then what are the circumstances of the present case? A demand was duly made at the bank by the agent, for payment at an early hour, and quite early enough, if the cashier or banking officers had used ordinary diligence, to have enabled them to pay any sum, however large, which the bank could be called upon to pay (for the bank hours must be presumed to be regulated by such considerations), and certainly to pay so small a sum as that now in controversy. It is said, in the first

place, that the cashier offered to pay the amount in Boston bills, or by a draft on Boston. But this constitutes no legal excuse. *Every bank is bound to pay specie for its bills, and nothing else is a good tender.* Every other arrangement is a matter of courtesy, and not of right. The Suffolk Bank was not bound even to have received its own bills in payment, if such bills to the full amount had been (and they were not) offered. It might have been unkind and harsh treatment; but still the law does not compel the Suffolk Bank to receive its own bills in payment of bills which it holds of another bank, at least not under circumstances like the present.

In the next place, it is said that there was in fact no delay or refusal to pay, because the cashier was employed in counting the specie, and he had a right to full time for such a purpose. Now as matter of prudence, it may have been proper for the cashier to count his specie before delivery; but as a matter of right, his conduct cannot be justified, if his intention was thereby unreasonably to delay payment to the agent, and thus to create an impossibility of his receiving the amount on that day. I go farther, and hold, that if in fact, by such conduct, the payment of the amount on the day of demand was necessarily defeated, it comes within the provision of the act, whether there was a wrongful intention or not. It was a neglect to pay, and occasioned by the want of due diligence on the part of the officers of the bank. The jury will consider, if necessary, in their view of the case, whether the cashier did not intentionally count over the small change for the mere purpose of delay, and to avoid payment. The circumstances are so strong to lead to this conclusion, that little more is necessary than to recapitulate them.

But this point is the less necessary to be considered, because, by the laws of the United States, foreign gold and silver coins are not a tender except by weight. The cashier therefore has no authority to make a tender of them by the bank count; and it is obvious, that, if payment had been made by weight, the whole business might have been transacted in a very few minutes.

But what seems decisive in the case is, that, in point of fact, no tender was made of the amount of the bills. The demand was of the whole amount, $ 3,000; there was no count of any specie even to the amount of $ 1,000. It has been intimated, that each bank-bill should have been separately presented for payment, and separately paid. But there is no foundation in law for that suggestion. The holder had a right to demand the whole at once, as an aggregate sum, and the bank was bound to pay the whole. Then, as there was a due demand, and no money to the amount paid, or tendered in payment, what ground can there be to say that the bank has not refused or neglected payment of its bills?

The agent did not waive the receipt of the money, but, on the contrary, offered to receive it at the count of the bank, and was suffered to depart without payment.

These are the views of the law as applicable to the facts, which I deem it proper to present to the jury. But I am willing to put the case as it was put in the argument, upon somewhat narrower grounds; —

first, whether the sum in controversy might not have been reasonably paid within the banking hours of the day on which it was demanded; secondly, whether there was not an unreasonable delay of payment on the part of the officers of the Lincoln Bank; and thirdly, drawing the legal conclusion from the other points, whether, under all the circumstances, there was not, on the part of the Lincoln Bank, a refusal or neglect to pay the bills within the true sense of the act.

Verdict for the plaintiffs, with the two per cent. damages.

THE ROYAL MINT OF FRANCE.

A Sketch of the Hôtel des Monnaies. From "A Faggot of French Sticks." By Sir Francis Head.

In ancient times the Royal Mint of France existed somewhere in the Royal Palace of the "Ile de la Cité"; it was next domiciled in a part of the metropolis which still bears the name of "Rue de la Monnaie"; and was finally established on the site of the Hôtel de Conti in its present structure, the foundation stone of which was laid on the 30th of April, 1768, by the Abbé Terray, Comptroller-General of the Finances, under whose direction it was completed in 1775.

This vast building, including no less than eight courts, is situated on the Quai Conti, between the Pont Neuf and the Pont des Arts, and consequently nearly opposite to the museum of the Louvre. Its principal façade, which looks upon the Seine, is composed of three stories, 360 feet in length and 78 feet in height, containing 27 windows in each. In the centre is a projecting mass of five arcades on the ground floor, forming a basement for six columns of the Ionic order, supporting an entablature and an altar, ornamented with festoons and six statues.

The front facing the Rue Guénégaud is 348 feet in length. Two pavilions rise at its extremities, and a third in the centre, surmounted by a square cupola. On the altar are to be seen four statues, representing a "happy family," namely, fire, air, earth, and water.

The establishment of the Hôtel des Monnaies is composed, — 1st, of the laboratory, workshops, and machinery of the Mint, for permission to see which it is only necessary for a foreigner to address a letter by post to the "Président de la Commission des Monnaies"; and 2dly, of a museum of coins, &c., open to the inhabitants of France, and to strangers, on Tuesdays and Fridays, from twelve to three, besides which, on their merely producing their passports, the museum most liberally again opens its doors to foreigners on Mondays and Thursdays during the same hours.

On arriving at the Hôtel at a few minutes before noon, with my passport, I found assembled there about half a dozen other persons, each of whom, I observed, had dangling in his hand a printed authority, and accordingly, as soon as twelve strokes of the clock announced to us all that our brother traveller the sun had finished one half of his daily work

before we had begun ours, and, indeed, before many people in Paris had had their breakfast, the door of the museum was opened, and in we all walked.

In a suite of rooms, the principal one of which is called the Musée Monétaire, I found admirably arranged a most interesting series of copper, silver, and gold coins, detailing chronologically the principal events of the world in general, and of France in particular. There were, also, most valuable specimens of the coins of different countries which had been current in various ages, but at which the stranger now gazes with astonishment. For instance, there was Mexican money, composed simply of square lumps of gold, their value being that of the weight stamped upon them; Turkish money, of almost pure gold; specimens of rude money of the United States of America; of some money roughly stamped by Napoleon during the seige of Cattaro, &c., &c.

These moneys and historical coins were beautifully arranged in glass cases, lying on a series of low, narrow tables in each room; and as every apartment was brimful of light, the study, to any one competent to appreciate it, must be highly gratifying: for instance, in brown copper history I observed a series of the most remarkable events, chronologically arranged in cases as follows: —

1. From Charlemagne to Francis I.
2. Reigns of Henry II. and Charles IX.
3. To Henry III. and Henry IV.
4. To Louis XIII.
5. Ditto.
6. Supplement to ditto.
7. To Louis XIV.
8. Suite to ditto.
9, 10, 11, 12. Ditto.
13. Louis XV.
14. Ditto.
15. Louis XVI.
16. Louis XVI. and Republic.
17. Republic.
18. Louis XVIII.
19. Charles X.
20. Particular Medals of Louis XVIII. and Charles X.
21. Ditto of Louis Philippe I.
22. Do. (The largest in this lot is one of Louis Philippe I., Roi des Français.)
23. Particular Medals of Louis Philippe.
24. Ditto.
25. Ditto, down to case 34.

In glancing over these historical medals, as well as those in the succeeding rooms, there were some which for a few moments particularly attracted my attention; for instance, in Table No. 17, which concludes the history of the French Republic, the details of which, even when represented to me in cold copper, I found it difficult to recall to mind without one or two involuntary shudders, I observed on the last medal of the lot inscribed, of all words in the dictionary of this world, —

"Innocence Reconnue." *

Again, on the largest medal of the twelve tables full, commemorative of the history of that poor exiled monarch who died last year at Claremont, there had been inscribed by him those fatal words, which he had vainly hoped would have raised him to distinction, —

"Louis Philippe I., Roi des Français."

And yet, after having tried seventeen cabinets, and after having escaped

* Innocence acknowledged.

from nine deliberate attempts upon his life, with only five francs in his pocket he fled from the Palace of the Tuileries; muffled up, disguised with spectacles, and under the assumed name of M. Lebrun, he hurried through France; and with an English passport, and under the appellation of "Mr. William Smith," he, queen, children, and grandchildren, finally fled from "the French *People*" to seek protection from the Sovereign of "GREAT BRITAIN AND IRELAND."

As, gazing at his features embossed on the large round medal, I recalled to mind his miserable career, I could not help saying to myself, "O Louis Philippe, when every male inhabitant of France was nobly priding himself upon being a Frenchman, how could *you*, as a king, surrender your royal title to a country, which, after you had disowned it, as if in retributive scorn, disowned and for ever discarded YOU!"

In another room, full of medals commemorative of "the Emperor," who, with all his faults, was twice over

"Deserted at his utmost need
By those his former bounty fed,"

there is inscribed on the concluding one of the series, —

"À LA FIDÉLITÉ."

On one medal I remarked, beautifully embossed, a portion of the terrestrial globe, above which hung two wreaths of laurel and the word "France." To the westward appeared the sun shining upon the world, with the sarcastic inscription, —

"BONHEUR AU CONTINENT."*

In another room, "Galerie Métallique des Grands Hommes Français" (Metallic Gallery of the Great Men of France) was inscribed over a table, on and close to which were two large series of beautiful medals illustrative of the campaigns and reign of Napoleon.

An adjoining table contained medals entitled "Suite des Campaignes et du Règne de l'Empereur" (Conclusion of the Campaigns and Reign of the Emperor). Above it on the left stood, most admirably executed, a colossal figure in white marble of Napoleon, a strong likeness, but, as a matter of course, purposely flattered. Beneath, on a plain bronze cushion, lay uncovered the celebrated brass cast taken from the very plaster of Paris which in a liquid state had been poured over the pale features of Napoleon immediately after his death; and as there was at all events no flattery in *this* representation, I gazed upon it for some time with intense interest, for it may truly be said every portion of the countenance of this extraordinary man was of itself unusual. The features were so remarkably regular, that the nose, neither leaning a hair's breadth to the right or to the left, appeared with mathematical precision to bisect the face. The upper lip, although it had evidently become slightly swelled after death, was unusually short, the cheek-bones very high; the breadth behind the temples was also astonishing; in short, although the forehead was not nearly so much developed as in the bust above it, and although a slight cast of anguish appeared to flit over

* Happiness for the Continent.

the whole countenance, I could not help feeling how much more striking and handsome was the real image of his death than the much-admired marble representation of the living man.

On leaving this beautiful museum of coins I proceeded to that department of the Hôtel des Monnaies which contains the laboratory, workshops, and machinery of the Mint.

On entering a large rectangular room, the ceiling or rather roof of which is composed principally of glass windows, through which was streaming a profusion of light, I saw steadily laboring before me, without the smallest apparent desire either to hurry or rest, two large, sturdy steam-machines of 32-horse power. At every pulsation each of these mountains in labor produced, I observed, an exceedingly little mouse, or, to speak without metaphor, at each stroke they punched out what appeared to be a small copper button.

Near the engine I perceived, strewed on the ground, a quantity of thin, white, metallic bars, about two feet long; and lying about in various directions were baskets full of very large, round, white, dull, stupid-looking ploughmen's buttons, which, in fact, were five-franc pieces. The bars were of silver of the exact thickness of a five-franc piece, rather more than twice its breadth, and rather more than twelve times its length. From each bar, therefore, were formed twenty-four pieces of a total current value of 120 francs.

As fast as these large basketfuls of white buttons were punched into life they were carried off to an adjoining table, to be — like jockeys starting for the Derby — weighed. Those that caused the scale in which they were tossed to preponderate were again chucked into the basket, while every one that proved to be too light was sent back to the foundry to undergo the uncomfortable operations of being re-melted, re-cast into bars, re-rolled to the proper thickness, re-punched by one of the steam-engines, — in short, by main predestined force, utterly impossible to resist, to be born again as a button.

As I proceeded through the great hall I came to a table covered with a heap of those large silver buttons which had caused the weighing scale to preponderate. The workmen to whom they had been handed over, taking them up one by one, scrubbed each, rubbed each, or filed each, — in fact, teased it in all sorts of ways until it became exactly of the proper weight, when off it and its comrades were despatched to be coined.

While I was witnessing this operation, which reminded me a good deal of the way in which all our great statesmen, divines, lawyers, generals, and admirals were dealt with, when boys at school, there passed me in a wheelbarrow a quantity of what appeared to be brass busks for ladies' stays, — thin plates of gold, going to be punched.

On reaching that part of the building in which the operation of coining is performed, I came first of all to a machine the strong arm of which was slowly, without intermission, ascending and descending. Beside it stood an attendant whose sole and simple duty was every now and then to feed or drop into a small upright pipe a handful of very small copper buttons, which, just as the head of a man who is guillo-

tined falls neatly into the canvas bag placed on purpose to receive it, kept dropping out through a spout into a little sack, into which they arrived coined on both sides, also beautifully milled round the edges. The rate at which they fell I counted to be one per second. There were in the room before me thirteen of these machines. The largest and stoutest, which stood eight feet high, were for coining five-franc pieces; the rest, only five feet, were for smaller gold and copper money.

At the time I visited the Mint it had refrained for about a fortnight to coin silver, in consequence of the National Assembly not having decided as to the new coinage; they had, however, been stamping about a million of francs in gold per day, and a trifling quantity of small copper money, the form and impression on which are to be altered as soon as the Assembly can devise the means of overcoming the inconvenience that would arise from the necessity of calling in all the old copper of the monarchy. In fact, like the population of France, a republic of bags of buttons, gold, silver, and copper, are quietly waiting to know, if possible, which way the political cat of their destiny next intends to jump.

The Hôtel des Monnaies, which has the exclusive privilege of coining medals, gained by the monopoly, in 1848, the sum of 25,637 francs.

In that year it coined, —

Gold medals, ...	563	Copper or bronze, ...	17,118
Silver, ...	76,029		
Platina, ...	2		93,712

Besides the above the Mint has coined, —

Medals of Saints, ...	212,000

At the Hôtel are also performed the various operations for assaying articles of jewelry, of gold and silver, which, until duly stamped, are not allowed to be offered for sale.

On quitting the Hôtel des Monnaies I found my mind so uncomfortably full of a confused mass of rumbling, indigestible, windy recollections of all I had witnessed; of gold busks; silver bars; of conjuring machines, which stood swallowing buttons, and handing out bullion; of long histories in copper, of battles, conquests, revolutions; of military government, civil government, glory, and all of a sudden no government at all; in short, a series of chronological events, —

> "Never ending, still beginning,
> Fighting still, and still destroying," —

that, to change the subject, turning to my right, I stood with my face to a dead wall, to look at a quantity of cheap prints and pictures hanging on strings upon it; and as among them was one the subject of which I had often before observed, and had wished to obtain, I managed, without rudely pushing any of my fellow-gapers, to get before it. As soon, however, as I began to copy what I wanted, so many eyes were fixed upon me, that, shutting up my little book, I went away. In a few minutes the crowd I had left, having been satiated, were replaced by another set of idlers; accordingly, as a stranger to them all, I walked up to the old man that owned the pictures, and who, like a spider watching

his net, was sitting concealed in a little wooden shanty just big enough to hold his chair, and, describing to him the one I wished to look at, I gave him half a franc for permission to turn him out of his habitation, and to occupy his chair; in short, for a few moments to reign in his stead. The proprietor was quite delighted with the reckless liberality of my proposal; and accordingly I had scarcely been seated a minute when I saw him at the door with the print in question, entitled as follows: —

"TABLEAU DES PRINCIPAUX
GRANDS HOMMES
Qui se sont illustrés dans toutes
Les Parties du Monde
PAR LEURS BELLES ACTIONS, LEUR
GENIE, OU LEUR COURAGE." *

Beneath this heading was of course a large picture of the Temple of Fame, upon the pediment of which there appeared inscribed, —

On both sides of this temple was an alleged portrait or likeness, with a short history, of each of the following list, which had tickled my fancy, not so much for the names it contained as for those it *omitted*: —

Moses.	Charlemagne.	Bayard.
Solomon.	Haroun.	Gustave Wasa.
Romulus.	Guillaume le Conquérant.	François I.
Confucius.	Saladin.	Jules II.
Thémistocle.	Richard Cœur de Lion.	Charles Quint.
Léonidas.	Genkiskan.	Sixte V.
Cyrus.	Louis IX.	Henry II.
Périclès.	Guillaume Tell.	Cromwell.
Socrate.	Edward III.	Turenne.
Alexandre.	Dugueselin.	Condé.
Annibal.	Tamerlan.	Louis XIV.
Constantin le Grand.	Charles le Téméraire.	Pierre le Grande.
Bélisaire.	Christophe Colomb.	Charles XII.
Kosrou le Grand.	Gonsalve de Cordoue.	Cook.
Mahomet.	Ferdinand V.	Washington.
Omar 1er.	Gama.	Napoleon Buonaparte.
Arame.	Leon X.	

* Table of the principal Great Men who have made themselves illustrious in all Parts of the World by their great Actions, their Genius, or their Courage.

THE SALEM SAVINGS BANK.

REMINISCENCES OF THE HISTORY OF THE SAVINGS BANK AT SALEM, MASSACHUSETTS. COMMUNICATED TO THE SALEM REGISTER.

Of all the benevolent institutions which exist in our community, none can compare in importance with the Salem Savings Bank. The history of this institution is one of deep interest. It commenced with a few individuals, thirty years ago, one only of whom survives in our city. Of the twenty-one names, recited in the act of incorporation, his name stands alone as a resident of Salem at the present time, and the names of three others, only, residing elsewhere. The gentleman alluded to is our fellow-citizen, John W. Treadwell.

The growth and consequent importance of this institution may be seen from the following letter, which we have recently met with, in a pamphlet published in New York, in the year 1819, written in answer to inquiries made of him with a view to the incorporation of a savings bank in the city of New York, — which bank was incorporated and has now in deposits above four millions of dollars.

Extract of a letter from J. W. Treadwell, Esq., Secretary of the Institution for Savings in the town of Salem and vicinity, to John E. Hyde, Esq., of New York, dated December 30th, 1818: —

"Having experienced the salutary effects of our own institution, and feeling confident that the condition of the poor classes in the community will be ameliorated, and their interests essentially advanced, by their establishment, more particularly in our large towns and cities, I most cheerfully comply with your request. Inclosed you will find the first report of a committee of our board of trustees, made after our institution had been in operation six months; by that you will see that the whole amount of money deposited during that period was $ 26,254. This sum was deposited by one hundred and eighty-four persons. Of those depositors, nearly three fourths are females, generally domestics in families, nurses, &c. The reason of the small number of male depositors is to be found, I think, in the nature of our commerce, and in the local situation of the town. The greatest part of our poor male population are mariners, engaged in navigating our Indiamen; a class of people little disposed to deposit their earnings, which, if husbanded at all, can be turned to greater advantage when taken with themselves as adventures on their voyages. Our ships also being navigated principally by inhabitants of the town, and the town not being a mart for foreign ships, we are not encumbered with that mixed and destitute species of population, who earn a livelihood by various precarious callings in our large cities, and for whose benefit banks for savings seem peculiarly adapted.

"Since the period when the inclosed report was made, our deposits have increased to the sum of $ 31,774, and our depositors are becoming more and more that class of people for whose benefit the bank was established, viz. depositors of $ 10 and $ 5, and less.

"Our rate of interest, as at present established by our by-laws, is five per cent., and there is no doubt we shall be able to raise it to six per cent.; even this will leave a handsome extra dividend at the end of five years, to those deposits which remain that period in the bank.

"The moral effects of institutions like this must be apparent, when the intemperate laborer can be shown the difference between spending his shillings at the dram-shops, and placing them in the savings bank; and when he can be persuaded so to place them, what blessings will not his otherwise suffering family derive from their establishment?"

The depositors in the Salem Savings Bank now number over seven thousand, owning about one million three hundred thousand dollars. Mr. Treadwell, at the annual meeting on Wednesday last, resigned his office as chairman of the finance committee, and the following vote was unanimously passed by the corporation: —

"*Voted*, That the thanks of the corporation be specially presented to the Hon. John White Treadwell, for the interest he has manifested in this institution from its commencement to the present time, — a period of more than thirty years; for his able and important services in its organization, and successful establishment; for his zealous and efficient aid in the management of its finances, and for that general and faithful supervision of its concerns, which has eminently contributed to place the institution on a firm basis, to gain for it the confidence of the community, and to promote the beneficent objects for which it was founded.

"*January* 17, 1852."

THE TELLER'S SONG OF THE BANK.

From the Hartford (Conn.) Times.

I.

Work, work, work!
And stand at the desk all the day;
Work, work, work!
And bid an adieu to all play;
Work, and be constantly driven;
Wear the flesh from your bones and your face;
The outsiders think banking is heaven,
But it 's more like the opposite place!

II.

Count, count, and write!
Count money all day long,
And on taking your balance at night,
Have the cash come provokingly wrong.
Then look till you 're nervous and cross,
And hunt till you almost fear
You must charge it to "profit and loss,"
And at last find it on the Cashier.

III.

Post and compare and post!
Post and compare and check!
And work till you are almost
Of your former self a wreck.
Post and check and compare!
Check and compare and foot!
Till you 're driven almost to despair
By the work which upon you is put.

IV.

Leger and Journal and Cash,
And Blotter and Register too, —
And the whole of that blue edged trash,
Which it takes one so long to write through, —
I wish they could all be turned back
To rags, real dirty and rank,
And be stuffed down the mouth of that jack-
Ass who first invented a bank!

V.

Sign, sign, sign!
And in nervous agony writhe,
Till you 're forced at length to resign,
By that bony old chap with a scythe.
Would you be a good banker? then work,
And commit neither error nor fault;
Spend your days at a desk like a clerk,
And be laid after death in the vault.

LIFE INSURANCE COMPANIES IN NEW YORK.

Extract from the Report of the Comptroller of the State, January, 1852.

THIS is a business of a more serious character, as it is necessarily of longer duration than insurance against fire and marine disasters, and fortunately it is reduced to almost the certainty of mathematical demonstration. These demonstrations, however, being only attained by great labor and mathematical skill, are seldom attempted by those most immediately interested, the assured. Hence the propriety of reasonable legislative provisions, for compelling those who undertake the business of insurance on lives to conduct their affairs on such tried and safe principles as will enable them, with certainty, to fulfil engagements, to be consummated perhaps at a distant future day.

The act of the 8th of April last required these companies to deposit with the Comptroller $ 50,000 by the 1st of August then next, and a further sum of $ 50,000 by the 1st of February, 1852.

Eight of the companies have complied with the requirements of this act, as follows:—

The New York Life Insurance and Trust Company has deposited $ 100,000 in United States 6 per cent. stocks.

The New York Life Insurance Company, New York, has deposited $ 50,000 in United States 5 per cent. stocks.

The United States Life Insurance Company, New York, has deposited $ 56,500 in bonds and mortgages.

The Mutual Life Insurance Company, New York, has deposited $ 100,000 in a bond and mortgage.

The Manhattan Life Insurance Company, New York, has deposited $ 49,500 in bonds and mortgages, and $ 500 in United States 6 per cent. stocks.

The Mutual Life Insurance Company, New Jersey, $ 50,000 in Brooklyn city bonds.

The Albion Life Insurance Company, London, $ 100,000 in United States 6 per cent. stocks.

The New England Life Insurance Company, Boston, $ 50,000 in Albany city stocks; afterwards withdrawn and exchanged for $ 60,000 in bonds and mortgages, substituted for the Albany city stocks.

The property covered by the mortgages has in all cases been examined by James Horner, Andrew Carrigan, and J. W. Allen, Esquires, of New York, or a majority of them, who have certified that it is worth, in their judgment, at least fifty per cent. more than the sum for which it is mortgaged; and the certificate of Jonathan Miller, Esq., of New York, is filed with the papers in each case, setting forth, that, upon diligent search and investigation, he is satisfied of the soundness of title, and that there are no prior conflicting encumbrances.

A few companies in other States are hesitating whether they will make their deposits. If the true construction of the act of the 8th of April last is given to the circular of the Comptroller, viz. that these deposits would be held "only for the benefit of those holding policies in

this State," they deem the law severe on foreign companies. This may or may not be the true legal construction of the act, so far as regards companies organized in this State. These companies may be discontinued, and their affairs closed, by order of court, under the sixth section of the act, in such manner as to extend the benefits of this fund to persons in other States, holding policies from such company; but in regard to foreign or domestic companies, "desiring to relinquish business," the Comptroller is satisfied his first impression of the meaning of the act was correct. Such companies cannot receive back their deposits till all the claims of persons in this State against them are fully settled and paid.

No insurance has come to the knowledge of the Comptroller, where new policies for life, or for a time shorter than life, have been issued since the 8th day of August last, by companies either foreign or domestic, other than those who have made the required deposit; that all companies should continue to receive premiums and pay losses on policies made prior to that time, admits of no doubt.

Edmund Blunt, Esq., a gentleman of high mathematical attainments, and familiar with the subject of life insurance, has consented to undertake the examination, when required to do so, of the companies doing business in this State. The Comptroller deems it fortunate for all concerned, that Mr. Blunt's services are secured for that purpose.

This is a subject upon which our citizens feel an increasing interest. The law of last spring was as well considered as was practicable, under the pressure of other legislative duties. Its execution, thus far, has unfolded no objections that appear serious. The companies which have complied with the provisions of that law do not perceive any unexpected difficulties attending it; and if the Comptroller may be permitted, in view of his short experience of its operation, and his imperfect knowledge of the subject, to advance an opinion, it is that the measure is a wise and just one, which should not, certainly at present, be departed from or essentially changed.

New Orleans. — The city debt of New Orleans, which has been consolidated and renewed by a new coupon loan for $ 2,000,000, amounts, altogether, to $ 7,702,229; the annual interest to $ 458,182. By a recent report from the Board of Fund Commissioners it appears: —

"The annual income of $ 650,000 will — allowing $ 5,000 for the yearly charge of collection — pay this interest, and leave a surplus of $ 186,817.81 applicable to the principal annually. If applied to the purchase of bonds, at par, it will save, after the first year, $ 11,209.06 in the payment of interest; and the annual savings, with similar reductions of interest, will, according to the compilation of the Commissioners, make a reduction of the principal of the debt of $ 1,053,109.22, within the first five years, and $ 1,409,297.58 in the next five years, making an aggregate of reduction of $ 2,462,406.80 in the first ten years."

BANK STATISTICS.

Banks of the City of New York.

The Location, Capital, Par Value of Shares, Discount Days of each, and Time of Declaring Dividends.

Banks.	*Location.*	*Capital.*	*Par.*	*Discount Days.*	*Dividends.*
American Exchange,	50 Wall,	$1,500,000	$100	Tues. and Frid.,	May and Nov.
Astor Bank,	720 Broadway,	200,000	50	Tues. and Frid.,	Jan. and July.
Bank of America,	46 "	2,001,200	100	Tues. and Frid.,	Jan. and July.
" of Commerce,	32 "	5,000,000	100	Tues. and Frid.,	Jan. and July.
" of New York,	48 "	1,000,000	500	Tues. and Frid.,	May and Nov.
" of N. America,	27 "	1,000,000	100	Wed. and Sat.,	Jan. and July.
" of the Republic,	1 "	1,000,000	100	Tues. and Frid.,	Feb. and Aug.
" of the State N. Y.,	30 "	2,000,000	100	Tues. and Frid.,	May and Nov.
Bowery,	153 Bowery,	356,650	25	Mon. and Thur.,	May and Nov.
Broadway,	336 Broadway,	500,000	25	Wed. and Sat.,	May and Nov.
Butchers and Drovers',	194 Bowery,	500,000	25	Wed. and Sat.,	Feb. and Aug.
Chatham,	Chatham Sq.,	300,000	25	Tues. and Thur.,	. . . .
Chemical,	270 Broadway,	300,000	100	Daily,	Jan. and July,
Citizen's,	64 Bowery,	300,000	25	Tues. and Frid.,	Feb. and Aug.
City,	52 Wall,	800,000	100	Tues. and Frid.,	May and Nov.
Empire City,	682 Broadway,	250,000	25	Mon. and Thurs.,	. . . .
Fulton,	268 Pearl,	600,000	30	Wed. and Sat.,	May and Nov.
Greenwich,	402 Hudson,	200,000	25	Tues. and Frid.,	May and Nov.
Grocers',	59 Barclay,	300,000	50	Wed. and Sat.,	Jan. and July.
Hanover,	105 Pearl,	500,000	100	Tues. and Frid.,	Jan. and July.
Irving,	273 Greenwich,	300,000	50	Tues. and Frid.,	Jan. and July.
Knickerbocker,	141 8th Avenue,	200,000	25	Wed. and Sat.,	Jan. and July.
Leather Manufacturers',	45 William,	600,000	50	Tues. and Frid.,	Feb. and Aug.
Manhattan,	40 Wall,	2,050,000	50	Mon. and Thur.,	Feb. and Aug.
Mechanics',	33 "	1,440,000	18	Wed. and Sat.,	May and Nov.
Mech. Banking Assoc.,	38 "	632,000	25	Tues. and Frid.,	May and Nov.
Mech. and Tradesmen's,	398 Grand,	200,000	25	Mon. and Thur.,	May and Nov.
Mercantile,	182 Broadway,	600,000	100	Wed. and Sat.,	Jan. and July.
Merchants',	42 Wall,	1,490,000	50	Wed. and Frid.,	June and Dec.
Merchants' Exchange,	173 Greenwich,	1,235,000	50	Wed. and Sat.,	Jan. and July.
Metropolitan,	54 Wall,	2,000,000	100	Tues. and Frid.,	Jan. and July.
National,	36 "	750,000	50	Tues. and Frid.,	April and Oct.
New York Dry Dock,	139 Avenue D,	420,000	30	Tues. and Frid.,	Jan. and July.
New York Exchange,	187 Greenwich,	250,000	100	. . . . .	Jan. and July.
North River,	187 "	655,000	50	Tues. and Frid.,	Jan. and July.
Ocean,	223 Fulton,	1,000,000	50	Wed. and Sat.,	Jan. and July.
Pacific,	461 Broadway,	422,000	50	Mon. and Thur.,	Jan. and July.
People's,	173 Canal,	412,500	25	Tues. and Frid.,	Jan. and July.
Phœnix,	45 Wall,	1,200,000	20	Wed. and Sat.,	Jan. and July.
Seventh Ward,	234 Pearl,	500,000	50	Tues. and Frid.,	Jan. and July.
Tradesmen's,	177 Chatham,	400,000	40	Tues. and Frid.,	Jan. and July.
Union,	34 Wall,	1,000,000	50	Tues. and Frid.,	May and Nov.
Total capital, ...		$36,364,350			

Banks of New York.

A List of the Several Banks of the State of New York, July 1, 1852, their Location and Post-Office, Name of Agent and Residence. From the Official Report of the Superintendent of the Bank Department, made pursuant to Chap. 203, Sec. 1, Laws of 1851. To which are now added the Names of New Banks established in July, 1852, and the Amount of Capital reported by each Bank; — also the Dates at which the Charters of the Several Chartered Banks will expire.

☞ Those marked with a star (*) are chartered banks, with the dates at which their charters respectively expire.

Name of the Bank.		*Location and P. O.*	*Agent.*	*Residence.*	*Capital.*
Adams Bank,		Ashford,	Washburn & Co.,	Albany,	
Agricultural Bank,		Herkimer,	Albany City Bank,	do.	$ 100,500
Amenia Bank,		Leedsville,	George Jones,	do.	10,000
American Bank,		Mayville,	Washburn & Co.,	do.	None.
Ballston Spa Bank,		Ballston Spa,	Albany City Bank,	do.	125,000
Bank of Albion,		Albion,	Albany City Bank,	do.	75,905
Bank of Attica,		Buffalo,	New York State Bank,	do.	160,000
Bank of Auburn,		Auburn,	New York State Bank,	do.	200,000
Bank of Bainbridge,		Penn Yan,	Albany City Bank,	do.	6,700
Bank of Cayuga Lake,		Painted Post,	Amasa S. Foster,	New York,	5,000
Bank of Central New York,		Utica,	Albany Exchange Bank,	Albany,	100,200
Bank of Chemung,		Elmira,	Thomas Adams & Co.,	New York,	68,152
*Bank of Chenango,	1856,	Norwich,	New York State Bank,	Albany,	120,000
Bank of Corning,		Corning,	Mechanics and Farmers',	do.	104,600
Bank of Dansville,		Dansville,	New York State Bank,	do.	150,250
Bank of the Empire State,		Burton,	New York Exchange Bank,	New York,	5,687
Bank of Fishkill,		Fishkill,	Metropolitan Bank,	do.	120,000
Bank of Fort Edward,		Fort Edward,	Commercial Bank of Troy,	Troy,	122,043
Bank of Genesee,		Batavia,	Bank of Albany,	Albany,	100,000
*Bank of Geneva,	1853,	Geneva,	Henry Dwight, Jr.,	New York,	400,000
Bank of Havana,		Havana,	Commercial Bank of Troy,	Troy,	66,683
Bank of Kinderhook,		Kinderhook,	American Exchange Bank,	New York,	125,000
Bank of Lake Erie,		Buffalo,	New York State Bank,	Albany,	53,000
*Bank of Lansingburg,	1855,	Lansingburg,	Pepoon & Hoffman,	New York,	120,000
Bank of Lowville,		Lowville,	Albany Exchange Bank,	Albany,	102,450
Bank of Malone,		Malone,	Union Bank of Troy,	Troy,	100,000
Bank of Newburgh,		Newburgh,	Merchants' Exchange Bank,	New York,	300,000
*Bank of Orange County,	1852,	Goshen,	S. Van Duzer,	do.	105,660
*Bank of Orleans,	1854,	Albion,	Mechanics and Farmers',	Albany,	200,000
*Bank of Owego,	1856,	Owego,	Henry Dwight, Jr.,	New York,	200,000
Bank of Pawling,		Pawling,	Leather Manufacturers',	do.	126,000
*Bank of Poughkeepsie,	1858,	Poughkeepsie,	Merchants' Exchange Bank,	do.	100,000
*Bank of Rome,	1852,	Rome,	New York State Bank,	Albany,	100,000
Bank of Rondout,		Rondout,	North River Bank,	New York,	100,000
*Bank of Salina,	1852,	Salina,	Commercial Bank of Albany,	Albany,	150,000
Bank of Saratoga Springs,		Saratoga Springs,	New York State Bank,	do.	60,000
Bank of Silver Creek,		Silver Creek,	Albany City Bank,	Albany,	92,850
Bank of Syracuse,		Syracuse,	New York State Bank,	do.	200,000
Bank of the Union,		Belfast,	Taylor Brothers,	New York,	5,000
Bank of Utica,		Utica,	Albany City Bank,	Albany,	600,000
Bank of Vernon,		Vernon Village,	New York State Bank,	do.	100,000
Bank of Watertown,		Watertown,	Bruce & Young,	do.	48,479
Bank of Waterville,		Waterville,	New York State Bank,	do.	120,000
Bank of West Troy,		West Troy,	Mercantile Bank,	New York,	200,000
Bank of Whitestown,		Whitestown,	Commercial Bank of Albany,	Albany,	120,000

Name of the Bank.	Location and P. O.	Agent.	Residence.	Capital.
Bank of Westfield,	Westfield,	Drew, Robinson, & Co.,	New York,	50,000
*Bank of Whitehall, 1859,	Whitehall,	Mercantile Bank,	do.	100,000
Black River Bank,	Watertown,	New York State Bank,	Albany,	125,000
*Broome County Bank, 1855,	Binghamton,	Mechanics and Farmers',	do.	100,000
Camden Bank,	Camden,	Commercial Bank of Troy,	Troy,	120,000
Canal Bank of Lockport,	Lockport,	Albany Exchange Bank,	Albany,	62,390
*Catskill Bank, 1853,	Catskill,	American Exchange Bank,	New York,	125,000
*Cayuga County Bank, 1853,	Auburn,	New York State Bank,	Albany,	250,000
*Central Bank, 1855,	Cherry Valley,	Mechanics and Farmers',	do.	120,000
Champlain Bank,	Ellenburg,	George Jones,	do.	None.
*Chautauque County Bank, 1860,	Jamestown,	Bank of Albany,	do.	100,000
*Chemung Canal Bank, 1863,	Elmira,	Commercial Bank of Troy,	Troy,	100,000
Chester Bank,	Chester,	S. Van Duzer & Son,	New York,	100,400
Citizens' Bank,	Ogdensburg,	Delany, Dunlevey, & Co.,	do.	75,000
City Bank, Oswego,	Oswego,	Albany Exchange Bank,	Albany,	150,000
Commercial Bank of Alleghany Co.,	Friendship,	Charles Colgate & Co.,	New York,	5,000
Commercial Bank of Clyde,	Clyde,	Albany Exchange Bank,	Albany,	56,687
Commercial Bank of Lockport,	Lockport,	Mechanics and Farmers',	do.	Closing.
Commercial Bank of Rochester,	Rochester,	New York State Bank,	do.	330,000
Commercial Bank of Whitehall,	Whitehall,	Commercial Bank of Troy,	Troy,	108,200
Cortland County Bank,	Ashford,	Washburn & Co.,	Albany,	Closed.
Crouse Bank,	Syracuse,	Albany City Bank,	do.	New.
Cuyler's Bank,	Palmyra,	Albany City Bank,	do.	25,000
Delaware Bank,	Delhi,	Albany City Bank,	do.	149,500
Drovers' Bank of St. Lawrence Co.,	Ogdensburg,	Albany Exchange Bank,	do.	10,000
Duchess County Bank,	Amenia,	Washburn & Co.,	do.	50,000
Dunkirk Bank,	Dunkirk,	John Thompson,	New York,	14,100
Eagle Bank,	Rochester,	Washburn & Co.,	do.	100,000
*Essex County Bank, 1862,	Keeseville,	Mercantile Bank,	New York,	100,000
Excelsior Bank,	Meridian,	Washburn & Co.,	Albany,	25,000
Exchange Bank of Buffalo,	Buffalo,	Albany City Bank,	do.	24,000
Exchange Bank of Genesee,	Batavia,	Albany City Bank,	do.	100,000
Exchange Bank of Lockport,	Lockport,	New York State Bank,	Albany,	150,000
Fallkill Bank,	Poughkeepsie,	Metropolitan Bank,	New York,	150,000
Farmers' Bank of Amsterdam,	Amsterdam,	Albany City Bank,	do.	116,000
Farmers' Bank of Hamilton Co.,	Arietta,	Bernard & Crommelin,	do.	3,500
Farmers' Bank of Hudson,	Hudson,	Mechanics' Bank,	do.	200,000
Farmers' Bank of Mina,	Mina,	Amasa S. Foster,	New York,	5,000
Farmers' Bank of Onondaga,	Onondaga,	John Thompson,	do.	New.
Farmers' Bank of Saratoga Co.,	Crescent,	Albany Exchange Bank,	Albany,	110,600
Farmers and Drovers' Bank,	Somers,	Merchants' Exchange Bank,	New York,	111,150
*Farmers and Manuf. Bank, 1864,	Poughkeepsie,	Phœnix Bank,	do.	300,000
Farmers and Mech. B. of Genesee,	Buffalo,	New York State Bank,	Albany,	51,456
Farmers and Mechanics' Bank of	Rochester,	Albany City Bank,	do.	50,000
Fort Plain Bank,	Fort Plain,	New York State Bank,	do.	100,000
Fort Stanwix Bank,	Rome,	New York State Bank,	do.	110,000
Franklin Bank of Chautauque Co.,	Marvin,	John Thompson,	New York,	5,000
Franklin County Bank,	Malone,	Groesbeck Brothers,	Albany,	Closed.
Freemen's B. of Washington Co.,	Hebron,	George Jones,	do.	20,000
Frontier Bank,	Potsdam,	Troy City Bank,	Troy,	50,000
Genesee County Bank,	Le Roy,	Albany City Bank,	Albany,	100,000
Genesee Valley Bank,	Geneseo,	Albany City Bank,	do.	120,000
Glen's Falls Bank,	Glen's Falls,	Merchants and Mechanics',	Troy,	112,000
Goshen Bank,	Goshen,	Ocean Bank,	New York,	110,000
Hamilton Exchange Bank,	Hamilton,	Commercial Bank of Troy,	Troy,	20,000
Hartford Bank,	Hartford,	Phelps & Scovel,	Albany,	25,000
Henry Keep's Bank,	Watertown,	Albany Exchange Bank,	do.	Closing.
*Herkimer County Bank, 1863,	Little Falls,	Albany City Bank,	do.	200,000
*Highland Bank, 1864,	Newburgh,	Phœnix Bank,	New York,	200,000
H. J. Miner's Bank of Utica,	Fredonia,	Nelson Robinson,	do.	50,000

Name of the Bank.		*Location and P. O.*	*Agent.*	*Residence.*	*Capital.*
Hollister Bank of Buffalo,		Buffalo,	Albany Exchange Bank,	Albany,	200,000
*Hudson River Bank,	1855,	Hudson,	Metropolitan Bank,	New York,	150,000
Hungerford's Bank,		Adams,	Bank of Albany,	Albany,	50,000
*Jefferson County Bank,	1854,	Watertown,	Albany City Bank,	do.	200,000
*Kingston Bank,	1836,	Kingston,	Bank of the State of N. Y.,	New York,	200,000
Kirkland Bank,		Clinton,	Albany City Bank,	Albany,	50,000
Knickerbocker Bank,		Genoa,	Washburn & Co.,	do.	None.
*Lewis County Bank,	1853,	Martinsburg,	Washburn & Co.,	do.	100,000
*Livingston County Bank,	1855,	Genesee,	New York State Bank,	do.	100,000
Lockport Bank and Trust Co.,		Lockport,	Mechanics and Farmers',	do.	110,300
Lumberman's Bank,		Wilmurt,	J. Lewis Taylor,	New York,	3,500
Luther Wright's Bank,		Oswego,	New York State Bank,	Albany,	160,000
McIntyre Bank,		Adirondac,	New York State Bank,	do.	Closing.
*Madison County Bank,	1853,	Cazenovia,	New York State Bank,	do.	100,000
Marine Bank,		Buffalo,	Mechanics and Farmers',	do.	170,000
Mechanics' Bank of Syracuse,		Syracuse,	Albany City Bank,	do.	140,000
Mechanics' Bank of Watertown,		Watertown,	New York State Bank,	do.	40,000
Merchants' Bank of Canandaigua,		Naples,	Groesbeck Brothers,	do.	Closing.
Merchants' B. of Chautauque Co.,		Mina,	Phelps & Scovel,	do.	10,000
Merchants' Bank of Erie County,		Lancaster,	New York State Bank,	do.	50,000
Merchants' Bank in Poughkeepsie,		Poughkeepsie,	Phœnix Bank,	New York,	150,000
Merchants' Bank in Syracuse,		Syracuse,	Mechanics and Farmers',	Albany,	158,700
Merchants' B. of Washington Co.,		Granville,	F. P. James,	New York,	None.
Merchants and Farmers' Bank,		Ithaca,	Albany Exchange Bank,	Albany,	60,000
Merchants and Farmers' Bank,		Carmel,	Albany Exchange Bank,	do.	86,600
Middletown Bank,		Middletown,	North River Bank,	New York,	100,000
*Mohawk Bank,	1853,	Schenectady,	Mechanics and Farmers',	Albany,	165,000
Mohawk Valley Bank,		Mohawk,	Bank of Albany,	do.	150,000
*Montgomery County Bank,	1857,	Johnstown,	Albany City Bank,	do.	100,000
New York Bank of Saratoga Co.,		Hadley,	F. P. James,	New York,	10,000
New York Security Bank,		Hope Falls,	Sather & Church,	do.	5,000
New York Stock Bank,		Durham,	John Thompson,	do.	None.
N.Y. Traders' B. of Washington Co.,		North Granville,	Henry C. Tanner,	do.	3,000
Northern Bank of New York,		Madrid,	Houghton & Co.,	do.	None.
Northern Exchange Bank,		Brasher Falls,	Houghton & Co.,	do.	5,000
Northern Canal Bank,		Fort Ann,	William L. Shardlow,	do.	5,000
*Ogdensburg Bank,	1859,	Ogdensburg,	Albany City Bank,	Albany,	100,000
Oliver Lee & Co.'s Bank,		Buffalo,	Albany City Bank,	do.	160,000
*Oneida Bank,	1866,	Utica,	Albany City Bank,	do.	400,000
Oneida Valley Bank,		Oneida,	New York State Bank,	do.	52,267
*Onondaga County Bank,	1854,	Syracuse,	New York State Bank,	do.	150,000
*Ontario Bank,	1856,	Canandaigua,	Albany City Bank,	do.	200,000
*Ontario Branch Bank,	1856,	Utica,	Albany City Bank,	do.	300,000
*Otsego County Bank,	1854,	Cooperstown,	Mechanics and Farmers',	do.	100,000
Oswego County Bank,		Meridian,	Washburn & Co.,	do.	None.
Palmyra Bank,		Newark,	Albany City Bank,	do.	25,000
Patchin Bank,		Buffalo,	New York State Bank,	do.	100,000
Phœnix Bank of Bainbridge,		Bainbridge,	Charles Sanford,	New York,	1,698
Pine Plains Bank,		Pine Plains,	Henry Sheldon & Co.,	do.	100,000
Powell Bank,		Newburgh,	American Exchange Bank,	do.	174,592
Pratt Bank,		Buffalo,	Bank of Albany,	Albany,	60,000
Prattsville Bank,		Prattsville,	American Exchange Bank,	New York,	50,000
Putnam County Bank,		Farmers' Mills,	Washburn & Co.,	Albany,	220,350
Putnam Valley Bank,		Peekskill P. O.,	Washburn & Co.,	do.	80,234
Quassaick Bank,		Newburgh,	Merchants' Exchange Bank,	New York,	130,000
Rochester Bank,		Rochester,	Mechanics and Farmers',	Albany,	100,000
*Rochester City Bank,	1866,	Rochester,	Albany City Bank,	do.	400,000
Rome Exchange Bank,		Rome,	New York State Bank,	do.	100,000
*Sacket's Harbor Bank,	1865,	Sacket's Harbor,	New York State Bank,	do.	200,000
Salt Springs Bank,		Syracuse,	Henry Dwight, Jr.,	New York,	125,000

Name of the Bank.	*Location and P. O.*	*Agent.*	*Residence.*	*Capital.*
*Saratoga County Bank, 1857,	Waterford, .	Pepoon & Hoffman,	New York,	$100,000
*Schenectady Bank, . . 1832,	Schenectady,	Commercial Bank of Albany,	Albany,	150,000
Schoharie County Bank, . .	Schoharie, .	Bank of Albany,	do.	New.
*Seneca County Bank, . 1853,	Waterloo, .	Albany City Bank,	do.	200,000
State Bank at Sacket's Harbor, .	Sacket's Harbor,	Henry Dwight, Jr.,	New York,	New.
State Bank at Saugerties, .	Saugerties, .	Anthony Lane,	do.	10,000
*Steuben County Bank, . 1852,	Bath, . .	John Thompson,	do.	150,000
Suffolk County Bank, . .	Sag Harbor, .	Metropolitan Bank,	do.	20,000
Sullivan County Bank, . .	Monticello, .	North River Bank,	do.	21,212
Syracuse City Bank, . .	Syracuse, .	Albany City Bank,	Albany,	110,000
*Tanners' Bank, . . 1850,	Catskill, . .	American Exchange Bank,	New York,	100,000
*Tompkins County Bank, . 1856,	Ithaca, . .	Albany City Bank,	Albany,	250,000
*Ulster County Bank, . 1851,	Kingston, . .	Merchants' Exchange Bank,	New York,	200,000
Unadilla Bank, . . .	Unadilla, .	William Watson & Co.,	Albany,	153,100
Union Bank of Sullivan County, .	Monticello, .	Morford & Vermilye,	New York,	115,000
Utica City Bank, ...	Utica, . .	New York State Bank,	Albany,	200,000
Valley Bank, ...	Boonville, .	Washburn & Co.,	do.	None.
Village Bank, ...	Randolph, .	Palmer & Co.,	New York,	Closing.
Walter Joy's Bank, ...	Buffalo, . .	Mechanics and Farmers',	Albany,	Failed.
Washington County Bank, .	Greenwich P. O.,	Commercial Bank of Troy,	Troy,	150,075
Warren County Bank, . .	Johnsburg, .	Washburn & Co.,	Albany,	Closing.
Watertown Bank and Loan Co.,	Watertown, .	Albany City Bank,	do.	100,000
*Westchester County Bank, 1853,	Peekskill, .	Bank of North America,	New York,	200,000
Western Bank of Lockport, .	Lockport, .	Commercial Bank of Troy,	Troy,	50,000
Western Bank of Washington Co.,	Cambridge, .	George W. Robinson,	New York,	5,000
White Plains Bank, . .	Naples, . .	Phelps & Scovel,	Albany,	5,000
White's Bank of Buffalo, . .	Buffalo, . .	New York State Bank,	do.	60,000
Williamsburg City Bank, .	Williamsburg,	Bank of the State of N. Y.,	New York,	200,000
Wooster Sherman's Bank, . .	Watertown, .	Bank of Albany,	Albany,	50,000
Wyoming County Bank, . .	Warsaw, .	John Thompson,	New York,	50,000
*Yates County Bank, . 1859,	Penn Yan, .	Mechanics and Farmers',	Albany,	100,000

A list, similar to the above, of the banks in 1850, was published in our September No., 1850, p. 229.

*Banks in Brooklyn, Albany, and Troy.**

	Capital.		*Capital.*
*Atlantic Bank, Brooklyn, 1866, .	$500,000	New York State Bank, Albany, .	$250,000
*Brooklyn Bank, do. 1850, . .	150,000	*Mechanics and Farmers', Troy, 1853,	442,000
Long Island Bank, do. . . .	400,000	*Bank of Troy, . . 1853, . .	440,060
City Bank, do.	250,000	*Farmers' Bank of Troy, 1853, .	278,000
*Albany City Bank, . 1864, .	500,000	Commercial Bank, Troy, . . .	200,000
Albany Exchange Bank, . . .	311,100	Union Bank of Troy, ...	250,000
*Bank of Albany, . 1855, .	240,000	*Troy City Bank, . . 1863, . .	300,000
Commercial Bank, Albany, . . .	300,000	State Bank at Troy, ...	250,000
*Merch. and Mechanics', Albany, 1854,	300,000	Manufacturers' Bank, Troy, . . .	200,000

Bank Paper at Par in New York City.

Albany City Bank, Albany, . . .	100's.	Farmers' Bank of Hudson, Hudson, . .	all.
Albany Exchange Bank, Albany, . . .	all.	Farmers and Drovers' Bank, Somers, . .	all.
Bank of Albany, Albany, . .	50's and 100's.	Farmers and Manufacturers', Poughkeepsie,	all.
Bank of Fishkill, Fishkill, . . .	all.	Hudson River Bank, Hudson, . . .	all.
Bank of Newburgh, Newburgh, . . .	all.	Highland Bank, Newburgh, . . .	all.
Bank of Kinderhook, Kinderhook, . .	all.	Kingston Bank, Ulster County, . . .	all.
Bank of Pawling, ...	all.	Merchants' Bank, Poughkeepsie, . .	all.
Bank of Poughkeepsie, Poughkeepsie, .	all.	Mechanics and Farmers', Albany,	50's and 100's.
Bank of Rondout, Rondout, ...	all.	Powell Bank, Newburgh, ...	all.
Bank of Troy, Troy, . .	50's and 100's.	Prattsville Bank, Prattsville, . . .	all.
Catskill Bank, Catskill, ...	all.	Tanners' Bank, Catskill, ...	all.
Commercial Bank, Albany, . . .	all.	Ulster County Bank, Kingston, . . .	all.
Farmers' Bank, Troy, ...	all.	Westchester County Bank, Peekskill, .	all.

* The banks at Albany, Troy, Brooklyn, and New York city redeem at their own counters.

New Hampshire.

A Statement of the Condition of the several Banks in New Hampshire, as they existed on the first Monday of June, A. D. 1852.

Bank.	*Capital.*	*Loans.*	*Specie.*	*Circulation.*
Ashuelot Bank, Keene,	$100,000	$172,318.43	$4,314.10	$67,471
Amoskeag Bank, Manchester,	150,000	283,566.40	4,555.48	149,800
Belknap County Bank, Meredith Bridge,	80,000	142,718.42	5,630.59	67,636
Cheshire Bank, Keene,	100,000	190,473.50	5,229.98	84,996
Claremont Bank,	100,000	179,456.57	3,693.04	86,000
Connecticut River Bank, Charlestown,	90,000	163,746.04	8,028.49	54,906
Cocheco Bank, Dover,	100,000	161,046.65	4,302.63	66,482
Carroll County Bank, Sandwich,	50,000	76,747.12	3,252.25	41,525
Dover Bank,	100,000	181,744.94	3,377.12	72,566
Francestown Bank,	60,000	57,478.17	2,195.07	29,182
Granite State Bank, Exeter,	125,000	220,598.26	7,323.28	99,941
Great Falls Bank, Somersworth,	150,000	220,849.46	4,686.46	74,087
Indian Head Bank, Nashville,	100,000	184,826.63	6,008.41	98,921
Lancaster Bank,	50,000	92,312.57	1,807.69	39,008
Lebanon Bank,	100,000	142,697.18	8,181.43	75,753
Mechanics' Bank, Concord,	100,000	203,880.33	9,193.68	97,511
Merrimack County Bank, Concord,	80,000	150,421.06	13,383.73	78,023
Manchester Bank,	125,000	231,380.18	5,111.40	124,585
Mechanics and Traders' Bank, Portsmouth,	141,000	308,158.81	6,969.21	124,200
Monadnock Bank, Jaffrey,	50,000	90,048.39	3,085.16	48,775
Nashua Bank,	125,000	251,440.40	9,011.42	124,934
New Ipswich Bank,	100,000	157,124.64	5,313.01	81,404
Piscataqua Exchange Bank, Portsmouth,	200,000	351,162.41	8,236.00	126,003
Pittsfield Bank,	50,000	73,103.02	2,182.49	42,213
Rochester Bank,	120,000	164,323.77	6,032.46	50,344
Rockingham Bank, Portsmouth,	160,000	299,746.50	11,964.83	104,888
Strafford Bank, Dover,	120,000	206,205.04	3,481.44	68,798
Salmon Falls Bank, Rollinsford,	50,000	67,636.75	2,190.90	35,236
Warner Bank,	50,000	88,199.85	2,538.13	46,845
Winchester Bank,	100,000	150,029.89	3,051.97	55,622
White Mountain Bank, Lancaster,	50,000	50,309.09	855.31	10,788
Total,	$3,076,000	$4,313,750.47	$165,217.16	$7,754,363

Bank of British North America.

Report of the Directors of the Bank of British North America, to the Proprietors, at their Sixteenth Yearly General Meeting, on Tuesday, June 1, 1852.

Your Directors have satisfaction in stating that the increase in the business of the bank, which was noticed by them in their last report, continued to the end of the year, and has resulted in a considerable improvement in the profits of the corporation.

This is the more gratifying since it is evidently based on the prosperous condition of the commercial and agricultural classes in the Colonies, which has all the appearance of being of a sound and permanent character.

The active state of trade in the Colonies has called into profitable employment the entire capital of the bank at its branches, with the ex-

ception only of such reserves at London and New York as the Directors deem it expedient to maintain, with a view to the general interests of the establishment.

This bank has for many years suffered inconvenience and loss from the operation of a clause in the charter of incorporation, by which it has been prohibited from issuing notes of a smaller denomination than twenty shillings currency, while the other banks in Canada have enjoyed that privilege. Feeling strongly the injustice of this restriction under such circumstances, your Directors have never ceased to urge its removal, although until now without success. They have pleasure in stating, however, that the difficulties have at length been removed; and they have no doubt that, henceforward, the corporation will be placed on the same footing in this respect as other banks.

Your Directors have, as they believe, made ample provision for all bad and doubtful debts; and they have been enabled out of the profits of the past year, after payment of the dividend of 5 per cent., to add £15,679 3*s.* 3*d.* to the rest, or undivided net profit of the bank, which, consequently, amounted to £75,221 13*s.* 6*d.* on the 31st of December, 1851.

The accounts received from the branches, down to the 30th of April last, show an increase of profit over those for the corresponding period of the previous year, and your Directors have every reason to believe it will be maintained.

They have therefore felt themselves justified in declaring a dividend for the half-year, at the rate of six per cent. per annum, which will be payable at this office on and after the 5th of July next, and at the branches, to the Colonial shareholders, on and after the 26th of July.

Bank of British North America, Balance Sheet, December 31, 1851.

Liabilities.	£	s.	d.	Assets.	£	s.	d.
Capital,	1,000,000	0	0	Specie and cash at bankers',	207,374	0	0
Circulation,	298,396	16	8	Bills receivable, and other securities,	1,949,326	0	3
Deposits,	331,148	13	6	Bank premises,	51,500	0	0
Bills payable and other liabilities,	478,432	16	7	Total assets,	£208,200	0	3
Reserve for Christmas dividend,	25,000	0	0				
Undivided net profit,	75,221	13	6				
Total liabilities,	£2,208,200	0	3				

Profit and Loss Account from the 1*st of January to the* 31*st of December*, 1851.

	£	s.	d.		£	s.	d.
Dividends declared as follow:—				Balance of undivided net profit to the 31st of December, 1850,	59,542	10	3
At Midsummer, 1851, £25,000				Net profit for the year 1851, after deduction of all current charges, and providing for bad and doubtful debts,	65,679	3	3
At Christmas, 1851, 25,000							
	50,000	0	0				
Undivided,	75,221	13	6				
Total,	125,221	13	6	Total,	£125,221	13	6

Branches of the Bank of British North America.— Quebec, Montreal, Kingston, Toronto, Hamilton, and Brantford, Canada; Halifax, Nova Scotia; St. John, New Brunswick; St. John's, Newfoundland.

Drafts on the Colonies, and on the United States, with approved indorsements, are purchased on terms which may be known on application addressed to the Secretary. In like manner, bills are collected at maturity; dividends on stock payable in the United States, or in the Colonies, are purchased or received; and other descriptions of banking agency are transacted.

Letters of credit on the several establishments in the Colonies, and New York, are granted upon payment of the amount at the London Office; and will be paid on presentation, together with the current premium of exchange on bills at the customary usance, without any charge.

Parties in the country may obtain them in the course of post, by forwarding a bank order for the amount to the Secretary at the London Office; and they are also issued at all the branches of the Provincial Bank of Ireland, the National Bank of Scotland, and of the Manchester and Liverpool District Bank.

Circular notes for the use of emigrants and travellers are granted in sums of 20, 50, or 100 dollars each, at 4*s.* 2*d.* per dollar, payable in all parts of America at the rate of exchange on New York current on the day of presentation; and may be obtained by personal application, or on application through any London or country banker.

NOTICE OF PROTEST.

A CORRESPONDENT propounds the following questions: —

Can a note be protested on the 3d of July, which the bank has notified the drawer is payable on the 5th? Can a protest, made on the 3d of July, be held back by the notary until the 6th? or can a protest, drawn up and served on the 6th, be dated back three days? The writer is one of four indorsers on a note payable on the 5th at the . . . . . Bank. As the bank was closed on the 4th and 5th, payment was tendered in gold on the 6th, and pushed back by the teller. After 3 o'clock on the 6th, protest was served on each of the indorsers, dated back three days, i. e. July 3. And on each notice of protest, it was falsely stated that the note was due on the 3d of July.

The following law exists in New York: —

The following days, viz. the first day of January, commonly called New Year's Day, the fourth day of July, the twenty-fifth day of December, commonly called Christmas Day, and any day appointed or recommended by the Governor of this State, or the President of the United States, as a day of fast or thanksgiving, shall for all purposes whatsoever as regards the presenting for payment or accordance, and for 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.

The observance of the National Anniversary on the 5th of July was not contemplated by the statute framers, and we consider that a protest made on the 3d, of a note due on the 5th, is entirely informal. Bank officers must submit in cases of this kind to a little inconvenience, and be prepared to receive payment of notes on the 5th day of July.

MISSOURI STATE BONDS. — Proposals were received yesterday by the Pacific Railroad Company for $ 100,000 of the bonds of the State of Missouri, to aid in the construction of the Pacific Railroad. These bonds bear an interest of six per cent., and the interest is payable in New York. The several bids were as follows: Lucas & Simonds, 106¾; E. W. Clark & Bro., 104¾ to 106½; John J. Anderson & Co., 106. Fifty thousand dollars were sold to Lucas & Simonds, at their bid; the remainder was withheld from sale. — *St. Louis Republican, July* 19.

NEW BANKING LAWS OF MASSACHUSETTS.

Wilful Injury of Bank-Bills.

Chap. 64. *An Act to prevent the Wilful Injury of Bank-Bills.*

Be it enacted, &c., as follows:

Any person who shall be convicted of wilfully and maliciously tearing, cutting, or in any other manner damaging and impairing the usefulness for circulation, of any bank-bill or note of any bank in this Commonwealth, shall be punished by a fine not exceeding ten dollars for each offence, to be recovered by complaint before any justice of the peace or police court; *provided*, that the possession or uttering of any bill so injured shall not be considered evidence of its having been so injured by the person in whose possession it is found, unless connected with other circumstances tending to prove that the bill was so injured by the person holding or uttering the same. *Approved, March* 27, 1852.

Savings Banks and Institutions.

Chap. 132. *An Act concerning Savings Banks and Institutions for Savings.*

Be it enacted, &c., as follows:

Sec. 1. The treasurer of any savings bank, or of any institution for savings, which has been or shall hereafter be incorporated in this Commonwealth, shall, upon the written request of any overseer of the poor of any city or town of the Commonwealth, signed by him, inform such overseer of the poor of the amount, if any, which may be deposited in the savings bank or institution for savings, of which he is the treasurer, to the credit of any person named in the written request aforesaid, who may be at the time a charge upon the Commonwealth, or upon any city or town of the Commonwealth, as a pauper.

Sec. 2. The treasurer of any savings bank, or of any institution for savings as aforesaid, shall, upon the written request of any assessor of any city or town of the Commonwealth, signed by him, inform such assessor of the amount, if any, exceeding one hundred dollars, deposited in the savings bank or institution for savings, of which he is the treasurer, to the credit of any person named in his written request aforesaid, who may be at the time a resident of the city or town of which he is an assessor.

Sec. 3. If any treasurer of any savings bank or institution for savings, as aforesaid, shall unreasonably refuse to give the information required by this act, or shall wilfully render false information, he shall forfeit and pay the sum of fifty dollars for every such offence, to the use of the city or town upon which such pauper may be a charge, or to the Commonwealth, if such pauper is a charge upon the same, or to the city or town of any such assessor.

Sec. 4. This act shall take effect from and after its passage. *Approved, April* 20, 1852.

Business of Banking.

Chap. 236. *An Act in addition to an Act entitled "An Act to authorize the Business of Banking."*

Be it enacted, &c., as follows:

Sec. 1. Any number of persons not less than ten may become a body corporate in pursuance of the act entitled "An Act to authorize the business of banking," passed in the year one thousand eight hundred and fifty-one.

Sec. 2. No banking corporation organized under said act shall circulate bills exceeding its capital stock in amount, nor be taxed upon that part of its capital stock invested and transferred to the Auditor in pursuance of the seventh section of said act; *provided, however*, that the proportion of the capital of any bank thus exempted from taxation shall in no case exceed three fourths of said capital. *Approved, May* 18, 1852.

Counterfeit Bills.

Chap. 76. *Resolve granting Aid for the Suppression of Counterfeiting Bank-Bills and Coins.*

Resolved, That a sum not exceeding two thousand five hundred dollars be granted and paid annually for the period of five years after the passage of this resolve, out of the treasury of the Commonwealth, to any association of officers of the banks in this Commonwealth, for the purpose of the prevention and detection of the crimes of making or tendering in payment, as true, counterfeit bank-bills, or counterfeit gold and silver coins; and that the Governor be authorized to draw his warrant accordingly, from time to time, for such sums, not exceeding two thousand five hundred dollars in each year, as shall be equal to half of the sum which such association shall certify and prove to the Governor to have been raised and judiciously expended by such association for the purposes above specified. *Approved, May* 18, 1852.

THE INCREASED SUPPLY OF GOLD AND SILVER.

By M. Michel Chevalier.

From the London Athenæum, May 15, 1852.

The amount of metallic money in France has for the last two hundred years been enormous. It is not necessary in this place to refer to the computations of Necker before the first Revolution. In 1843, however, one of the greatest living authorities in France on such questions, M. Léon Faucher, in his work "Recherches sur l'Or et sur l'Argent," estimated the metallic money *at that time* in circulation in France thus:—

Gold Coin,	£14,000,000
Silver Coin,	120,000,000
	£134,000,000

Now, in France both these metals are a legal tender, according to a certain relative value which the law fixes between them; and it depends on the general circumstances affecting the relative value of gold and silver to each other in the markets of the world, whether gold coins or silver coins are most extensively used in France. Until about the end of 1850 *silver* was the *cheaper* metal, and the tendency was therefore to send silver to the French Mint to be coined, instead of gold; and to withdraw the French gold coin from circulation as soon as it was issued by the Mint. Since 1850 this state of things has disappeared. The

agio on gold has quite passed away; and it is the fact, that during nearly the whole of 1851 *gold* has been at a *discount* (instead of a premium as formerly) in Paris, as compared with silver. Hence has arisen the enormous increase in the French gold coinage, referred to above; — in other words, *silver*, having become the *dearer* metal, is being gradually withdrawn from circulation as coin, and is converted into silver bullion; and *gold* bullion is converted into coin: and it is very important to observe, that this process of substitution will proceed with all the force of a natural law, so long as the present Mint law in France remains unchanged. It is sometimes said, hastily, that France and other countries having a similar Mint legislation "*cannot afford*" to substitute gold for silver. The truth is, that there is no affording in the matter; the gold will take the place of the silver quite independently of any aid from the respective governments, so long as the present system is preserved.

Precisely the same observations apply to the United States. In that country, since the act of Congress in 1834, *gold* has been *overvalued* as compared with silver; and hence there has been and is a strong tendency to introduce gold into the United States currency in place of silver.

There are no trustworthy estimates of the amount of the metallic circulation of the United States. Until recently, however, it has not been considerable. The bulk of the currency has been a very inferior kind of bank paper; and it has been the policy of the Federal, and of some of the State governments, to encourage by all means the introduction of metallic money into general use.

In Germany and other parts of Europe a state of things prevails similar to that which has been described as existing in France.

The conclusion, therefore, is this: —

That so long as the process, which has been going on so extensively since 1849 in the United States and in France, of introducing a gold coinage in replacement of silver and paper, continues, the effect will be to lessen very much the effect of the new supplies, both (1.) upon the relative values of gold and silver, and (2.) upon the general state of trade and prices.

And this position is readily illustrated. For if, instead of 24 millions sterling of gold having been absorbed for coin (out of 30 millions produced) since 1848, — leaving only *six* millions of gold to operate by way of positive addition to the previous stock of that metal, — the whole 30 *millions* had been left so to operate, it is tolerably plain that the effects would have been much more serious and startling than any which have hitherto been observed.

We may perhaps reckon with certainty on the continuance of the present absorption of gold as coin, at the rate of 20 *millions* a year, for some time to come; but then no change must take place in the Mint legislation of the countries at present having a double standard.

It is then to be considered what will be the probable future annual supplies of gold and silver; — and on this question there are the most opposite opinions and conjectures.

It is stated on the authority of very high names, that the produce of gold in Australia in the course of the present year will be not less than

£10,000,000; and perhaps it is not an exaggeration to say, that at this moment the new gold produce of 1852 may be reasonably estimated at about twenty millions sterling, — meaning, that California and Australia together will probably yield such a quantity.

It only remains to point out, that to some extent it seems to be established that one of the first effects upon commercial affairs of the increased supplies of gold will be to lower the rate of interest; — and in this way. The gold (as coin or bullion) accumulates in banks, — as in the Bank of England; the bankers desire to employ the deposits so placed in their hands; and to insure such employment, they lower the rate of interest, and offer greater facilities to borrowers.

It must also be pointed out, that all seasons of cheap money are perhaps the certain precursors of seasons of financial collapse and difficulty; and it is not improbable that, in spite of present flourishing appearances, it may not require a long period to produce a most marked change in the condition of the money market.

It is important to observe, that there is nothing in this view inconsistent with the doctrine which on general and solid grounds draws a marked distinction between an abundance of capital and an abundance of money, — meaning by capital all those accumulations of the former industry of a country which may be employed either to support human existence or to facilitate further production, — and meaning by money either actual coin, or a paper circulation at once convertible into coin at the will of the holder; and further, there is nothing in the view to which we have above alluded inconsistent with the doctrine which — proceeding on the distinction between capital and money just pointed out — teaches that the rate of interest is very much less under the influence of changes in the quantity of money, than under the influence of the demand for the use of capital on the one hand and the supply of it on the other.

These general modes of reasoning may be admitted, perhaps, to the full extent, without at all impairing the accuracy of the immediate conclusion to which we are led by present appearances and present events. At some future time, when the increased supplies of gold, commencing in 1848, shall have been thoroughly distributed over the markets of the world, and have produced whatever effects may flow from that distribution, it is certain, perhaps, that the immediate connection between those supplies and the rate of interest will have disappeared. In the mean time, however, that connection appears to be, and is, of an intimate kind. We are, at present, in only what may be called the second stage of the distribution of the new supplies. The first stage of that distribution may be supposed to be the conveyance of the metal from the country of its production to the great seats of commerce. The second stage is to introduce the new gold into active use or circulation in those seats of commerce; and this process will be carried out to a considerable extent by bankers, — and in the manner we have described, through the operation of the rate of interest. It is erroneous to suppose that one of the earliest effects of the new supplies of gold will be an effect on the prices of commodities in the direction of advance. It is

perhaps certain, that the prices of commodities may be rendered lower for some time before they are rendered higher, in consequence of the new supplies of gold. This is a view which is entertained by some practical men of the highest eminence and ability, and it appears to be essentially sound. The lower rate of interest and the increased facilities given to borrowers will prolong, extend, and stimulate production in an infinitude of modes and directions; and unless it should happen that the demand for the commodities produced proves to be of a large and unusual character, there may be to a greater or less extent a repetition of one of those periods of glut and low prices of which we have seen so many since the war. The difficulty or inconvenience with which we are now struggling is the difficulty or inconvenience of changing the new gold from the form of "capital" into that of "money" (implying by these words the definitions given above). The practical effect of the new supplies is at present to increase the magnitude of the funds in an immediately available form which are seeking employment in the money market. When the new supplies shall have passed into general use and circulation, the difficulty as regards the rate of interest will, as far as they are concerned, have disappeared; and the effect on the prices of commodities and rate of wages will commence.

But the purpose of this mere memorandum has been more than completed, and it may now conclude, not inappropriately, perhaps, with a moral, — and to this effect. It behooves us to remember that all seasons of very low rates of interest — or, as the same meaning is generally expressed in phraseology neither elegant nor accurate, "all seasons of cheap money" — are, perhaps, the certain precursors of commercial difficulty and financial pressure; and in spite of the new supplies of gold, it is by no means improbable that a comparatively short period may suffice to bring about a total change in the present state of the demand in the market for capital, and the supply of it.

BANK KEYS STOLEN. — A month or two since, a duplicate set of keys to the safes of one of our banks, which were deposited in the safe of another bank, for safe keeping, disappeared. Late developments tend to show that these keys were abstracted from the vault, for the purpose, probably, of robbery, which by a timely discovery has thus been frustrated. In connection with the late arrests for forgery, we hear the following story: — Some weeks ago a forged check for $ 2,300 was presented at the counter of one of our banks by an express-man, and paid. The money was given by the express-man to the New York party who employed him, but he, instead of sharing the spoils with his roguish compeers in this city, incontinently departed for California. — *Boston Traveller.*

We learn that the facts contained in the above items are correct. The duplicate keys of the Tremont Bank are deposited in the vault of the Shoe and Leather Dealers' Bank. The rooms of the bank last named are never left without a guard. Two weeks since, the keys of the Tremont Bank were stolen from the place where they were deposited. They were in the usual place when the cashier made his daily examination, Saturday noon; the succeeding Monday they were gone, and have not yet been returned. The Tremont Bank officers were immediately apprised of the loss, and by watchmen and new locks insured their vaults from robbers.

The forged check was paid through a New York express-man. The forgery was not discovered till the bank received information through certain parties in New York; the disclosures made in that city confirming, in a striking manner, the facts elicited by watching the movements of the parties who have since been arrested in this city. The extent and boldness of the conspiracy formed to rob two of our banks are unparalleled. The circumstances by which it has been frustrated are very peculiar indeed. — *Boston Atlas.*

MISCELLANEOUS.

National Debt and Capital.— It has never been doubted that, so long as national faith is maintained, the national debt forms an investment for capital which to the *individual* proprietor of stock is not only a source of income, but also a *security* on which he can raise capital, either by borrowing or by selling. The question is, Does the national debt constitute national capital, or would the national capital be either more or less, if by a revolution or any other cause the national debt were either diminished in its intrinsic value or obliterated altogether? It is plain it would not. As we have always maintained, it would be like debts between individuals, which if one portion of the community lost, another would gain. The amount of "*loanable capital*" which affects the rate of interest (for that was the special point at issue) would be the same as before.

But our chief object is to correct a confusion of ideas which we fear is very prevalent as to the character of different securities. No two things can be more unlike in their character than an expenditure for railways and the expenditure out of which arose the national debt. In both cases, true, the capital was expended. But in the one case there is nothing left but an obligation to pay an annuity out of the future taxes of the country, while in the other case there is a valuable and profitable property, to facilitate production and economize time. In the one case, the debt represents capital expended in powder, shot, payment of troops, and other expenses of a war; and in the other case, it represents a valuable and profitable property. The difference of the two cases is the same as that of two individuals, the one of whom incurs a large debt in eating, drinking, and riotous living, and pays the interest out of his future salary or earnings; while the other incurs a debt to build a house, or to improve his land, the interest of which would be secured upon and paid out of the rents of the property. In both cases the capital would be equally expended; but in the former case nothing whatever would be left to represent it, while in the latter case it would have its full representative in buildings or in the improvements effected in the land. — *London Economist.*

Use of Gold.— It has been said, that no further use was likely to be found for gold than existed before California was discovered; but if by that was meant that no greater quantity of gold would be used for coin, it is a mistake. The establishment of a mint at California, and the proposition to establish one at Sydney, show conclusively at once a great and additional demand for gold. The facts just quoted lead to the same conclusion. Fifty-two millions of dollars coined in one year, in double-eagles, eagles, half-eagles, and dollars, show a great increase of demand for gold throughout the States. Gold has, to a great measure, superseded silver, as less bulky and less inconvenient. It has also in a great degree supplied the place of the small notes that circulated in the States, being universally current and everywhere of equal value. In France, too, the abundance of gold has caused the substitution of gold for silver. We may expect such a substitution to take place to a great extent throughout the whole commercial world, creating a new demand for gold, and lessening the demand for silver, and thus preserving more than is generally expected the present relation between the rates of the respective metals.

In comparing the effects of the former discoveries of the precious metals in lowering the value of the currency of Europe, it ought, perhaps, to be noticed, that at the period of the discovery of America the predatory principle was much more than now the rule of society. Then there was little or no other means thought of to get wealth than rifling and plundering other people. Time has taught all the world that the quiet pursuits of industry bring more gold into a nation than the possession of the richest mines. England, which till now has had no mines of the precious metals in her dominions, has become full of wealth, including gold and silver; and Spain, long the mistress of the chief mines of precious metals, has sunk into poverty and decay. All the world now, therefore, is comparatively industrious and productive, and more intent on obtaining gold by honestly and laboriously extracting it out of the earth than by plundering those who already possess it. The change carries with it a much more rapid multiplication of people, extension of trade, and demand for the precious metals, than at the former period. We must not, therefore, anticipate from the present discoveries precisely the same effects as occurred formerly. — *London Economist.*

THE BANK ROBBERY AT PORTSMOUTH. — The Directors of the Portsmouth Branch of the Bank of Virginia have offered a reward of $ 5,000 for the discovery of the robbers of the bank and recovery of the money, and have given notice that, as $ 18,900 were stolen of bills of the denomination of $ 100, of which $ 1,100 only were in circulation, the bills of that description would not be redeemed, without satisfactory proof that they had been *bonâ fide* issued from the bank, and were not stolen. The whole amount of money stolen was $ 66,309, of which $ 27,000 was in American gold. The robbery was accomplished between Saturday night and Monday morning, and it is supposed that the perpetrators were at work all day on Sunday. The banking-house is a small building, strongly built, opposite to the Court-House, and apart from any other building. No person slept in it. The *Norfolk Herald* says: —

"That the entrance into the building was made at a back window, the fastenings of which gave them but little trouble; and having thus gained admittance they deliberately commenced their operations upon the vault, which was built of hard bricks, to a thickness of about two feet, and completely surrounded on the inside by a grating of iron bars. Having picked a hole through the brick wall, they applied their drills to the iron-work, and succeeded in making an aperture sufficiently large to admit a man. They then had access to the money, and helped themselves to all the notes and gold they could find, leaving the silver scattered about on the floor, together with some of their tools."

BALTIMORE SAVINGS INSTITUTION. — Mr. Joseph Cushing has resigned the office of President of the Savings Bank of Baltimore, — a place which he has filled from the earliest days of the institution to the present time with a zeal, devotion, and faithfulness that rarely find a parallel. Under his wise and upright administration of its affairs the Savings Bank has proved a blessing to thousands, all of whom will heartily unite in ascribing to him the well-earned title of a *public benefactor*. The Board has chosen Archibald Stirling, Esq., late Treasurer, to fill the vacant Presidency. Mr. Stirling has been long and very intimately identified with the institution as its Treasurer, and a better or more appropriate choice, in all respects, could not have been made. The new Treasurer, J. Saurin Norris, Esq., has been for years a faithful clerk in the bank, and his promotion is a well-merited recognition of his worth.

LARCENY OF ILLEGAL ISSUES NO FRAUD. — In the United States Circuit Court at Richmond, a few days since, Peter B. Hoge, late a clerk in the post-office at Scottsville, Virginia, was tried on two indictments, charging him with having stolen bank-notes and promissory notes from letters. He had previously been convicted on one of the indictments, but his counsel moved for a new trial on the ground that the only note of any real value taken from the letters by the defendant was a one-dollar note of Selden, Withers, & Co., of Washington, the issuing of which was prohibited by act of Congress, and the passing and receiving of which were prohibited by the statutes of Virginia. The court granted the motion for a new trial on this ground, and the second trial resulted in an acquittal, under the ruling of the court, "that the notes stolen had no such value as the law will recognize and protect." In the second indictment, in which a similar note was charged as the matter stolen, a *nolle prosequi* was entered, and the prisoner discharged.

BANK SAFES. — We have seen an ingenious and most securely constructed bank safe at one of the manufactories of wrought-iron in this city, which, upon close examination, proves too interesting, as a specimen of design and rare skill in execution, to be passed without particular notice.

The safe has a main top, bottom, and side frame-work of wrought-iron, three inches wide by half an inch thick, supported at the corners by heavy stanchions of wrought-iron. These stanchions are covered and their rivets concealed by heavy boiler-iron on one side, and by bars of steel and wrought-iron on the other side, which run perpendicular throughout the safe; then follows another plate of iron.

The *door* is secured in front by six heavy bolts, which are all firmly held locked by one of Bacon's (Yale's Patent) valuable locks. One would think the acme of security had now been attained; but be patient, gentle reader, for there is yet another door an inch thick, made of a case of *hardened cast-steel*, which is placed between two heavy plates of boiler-iron, all being firmly riveted together.

Upon this door are six massive bolts, two of them being of hardened steel, to prevent the possibility of sawing off. These bolts are held fast by another of Mr. Bacon's

large revolving tumbler locks. The door is hung upon hardened pivots, and is further secured in the rear by heavy dogs, as they are termed, — compared to which, for security, the fabled Cerberus shrinks to a puny cur, — which catch into the inside of the frame-work, so that, if by possibility the hinges were cut out, it would still be impossible to get the door open.

The safe was built for one of the recently chartered banking institutions in the State of Maine, by Messrs. Denie & Roberts, of Causeway Street. This safe is made also strictly *fire-proof.* Its dimensions are 7 feet high, 5 feet 6 inches wide, and 3 feet deep, and it weighs nearly four tons. — *Boston Traveller.*

THE SUFFOLK BANK DEFALCATION. — It was ascertained by a committee of Directors of the Suffolk Bank, that this institution has suffered a loss of $ 205,718 through Mr. Charles H. Brewer, the Receiving Teller, and Mr. Rand, the Book-keeper, which sum will be reduced in some measure by the bonds of these officers, when collected. Mr. Rand escaped on the 24th of March, and has not been arrested. Mr. Brewer, having substituted a plea of "Guilty" for a prior plea of "Not guilty," was brought up for sentence before the Municipal Court of Boston on Saturday, June 19, 1852, for sentence for embezzlement of the funds of the Suffolk Bank.

B. F. Hallett, Esq, counsel for Brewer, addressed the court for mitigation of the sentence. He stated that Brewer had been employed in the bank four years up to the 23d of March last, and to that time his conduct had been of the most exemplary character. He possessed admirable qualifications for the discharge of the duties of the office which he held, and enjoyed the confidence of his employers. The Suffolk Bank was in the practice of receiving and paying out from $ 100,000 to $ 300,000 daily, and the circumstances in connection with the loss of money extended far back, and had their origin with Rand, the book-keeper, who had escaped to a foreign land. It was Rand who led Brewer into the difficulties, and the latter, finding himself becoming more and more involved, refused to go further in the matter. On his return from New York, where he was arrested, and up to the present time, he had been diligently engaged in doing every thing in his power to make restitution, and to remedy the wrong which had been done. This fact would be relied upon in mitigation of sentence, more especially since it had been but a few years that the offence he was guilty of was looked upon and punishable by the statute as other than a breach of trust; and even under that law the case would not have been made out without a specification of the money taken, or actual proof of its being taken. Mr. Hallett cited the case of Mr. Wyman, President of the Phœnix Bank, as illustrative of the operation of the old law. The temptation he also urged as a matter to be considered in the case. Many young men, like Brewer, were tempted, in the matter of speculations, to use the funds of banks, without the slightest intention of keeping possession of them, or of wronging the institution with which they were connected. Another strong consideration was his disposition to make a clean breast of the whole matter, to restore all in his power of the money taken, and exhibit a humble and contrite spirit for his offence. He had made more restitution than was here charged upon him, and afforded to the bank officers much information relative to this affair, and that which will be of great service in detecting and preventing such occurrences in future. Mr. Hallett here submitted a certificate from the committee of investigation of the Suffolk Bank, signed by Wm. W. Tucker, which stated that Brewer had thrown open every thing to them relative to the matter; also, that his character for honesty and as a diligent officer had been always good and never doubted up to the 27th of March, and that he had made restitution of all the property in his possession, had made disclosures, and proposed further to disclose, all which it may be in his power to make.

Mr. Hallett proceeded to speak of his accuracy and honesty in his business relations in the bank, and cited cases where money had been overpaid to the banks, and Mr. Brewer had notified the parties and passed it to their credit. His domestic habits also had been unexceptionable, not living above his income, but conducting himself in a modest and becoming manner. Under such circumstances it became a question whether the good of the community demanded any severe punishment; the case was one of peculation rather than larceny, and a leniency exercised would prove beneficial in inducing others so situated to make restitution. When so much was doing to educate and elevate the race, it was of some importance, if possible, to restore to society those who have erred and are penitent, else they become abandoned and prey upon the community. There were, in his opinion, different grades of punishment as affecting different individuals. There were instances in which sending a man to the house of correction would make him better off, and a man of sensibility might suffer more in one day's imprisonment than others would in a year. In this connection Mr. Hallett suggested to the court its option of sentencing Brewer to imprisonment in jail, and stated that he might be made exceedingly useful there in performing certain duties of superintendence in the kitchen.

Sheriff Crocker was placed upon the stand to testify to the need of some one to do the duties proposed, which he said would be sufficiently laborious to partake of the nature of punishment.

Several witnesses were called to show the former character of Brewer for ability and faithfulness. The court did not object, but thought it unnecessary, since it was evident those qualities must be required to obtain situations of great responsibility. The witnesses all testified favorably to his ability, accuracy, economy, and unexceptionable domestic habits; one of them saying, he believed he had been led away, and was heartily penitent, and so much confidence had he in him, that, could he leave now, he believed he would become a good citizen, and, were a good situation offered him, requiring bonds, he would himself become bondsman. These remarks quite sensibly affected the feelings of the prisoner.

Mr. Park, the prosecuting attorney for Suffolk County, in a few remarks, said he was not desirous of a hard sentence, but he thought some consideration should be had to the good of multitudes of young men in responsible situations, and that no encouragement should be given to this species of crime, out of regard to the former good qualities of Brewer. He was aware that many cases of the kind did not originate in extravagance, but in a desire to make money by speculation, and then replace the money so used. Yet the good of the community required as a safeguard that such offences should be punished.

Judge Wells said he freely admitted there was much in the evidence which had been offered which was in favor of Brewer, and that the course of the prosecuting officer in moving only for sentence on a single indictment was fully warranted by the facts in the case. The sentence affected the case of an individual placed in a confidential and very responsible situation, and yet it wanted those traits of premeditation and design which make up the character of many crimes. There were, however, considerations which could not be overlooked, and which would not allow the court to have such regard for Brewer, or sympathy for his family, as it might otherwise be disposed to exercise.

Judge Wells spoke of the offence, now made embezzlement, which received that character a few years since, from the greater tendency to its commission. In this case, the embezzlement in amount equalled that of all the larcenies in this city during the year. The temptations were great, from the vague hope of restoring the money used. Where the temptations are so great, the guards against them should be proportionally strong. The community are aware of this thing, and the offence in England and in this country had come to be ranked as larceny. It has about it all the crime of robbery, with the addition of taking the articles without the consent of the owner, and it is an aggravation of the matter, in that it is a breach of confidence. The court was called upon to look at the case in two aspects. In the first it was asked, to sentence lightly. Could this matter be terminated in a manner in which nothing of it would ever be known, it would give a chance for the indulgence of feelings agreeable to the desires of the court; but the case involves a precedent, and the safety of the property of the whole community. It would not be consistent with duty to the whole community to leave property so exposed.

Then there is a large class of young men in responsible positions who need protection. How shall they be treated, so as to deter them from the commission of similar acts? It would not do to encourage them in the belief that they may commit such offences and be allowed to escape with a slight punishment, while others are condemned to a harder punishment for the commission of a less crime. The young man needs every guard to deter him from meddling with property which does not belong to him. And as the law now regards embezzlement as larceny, so should public sentiment be made to regard it, and that public sentiment should deter men from falling as others have done before them. The court, then, had a duty to perform to the public, to protect property, to deter others from crime, and no room was left for the indulgence of such feelings as might be wished. The sentence would, however, be tempered with as much mercy as the court was at liberty to use, at the same time regarding the welfare of the community.

The sentence awarded was one day solitary and three years' hard labor in the State prison.

The statute of this Commonwealth applying to cases of this kind is as follows: —

"If any cashier or other officer, agent, or servant of any incorporated bank shall embezzle or fraudulently convert to his own use, or shall fraudulently take or secrete, with intent to convert to his own use, any bullion, money, note, bill, obligation, or security, or any other effects or property belonging to and in possession of such bank, or belonging to any person, and deposited therein, he shall be deemed, by so doing, to have committed the crime of larceny in such bank, and shall be punished by imprisonment in the State prison, not more than ten years, or by fine not exceeding one thousand dollars and imprisonment in the county jail not more than two years." (Chap. 126, sec. 27, page 724, Revised Statutes.)

By a subsequent act, the above is made to apply "to all prosecutions of a similar nature, against presidents, directors, cashiers, or other officers of banks." (March 25, 1845, Revised Statutes, chap. 215.)

THE BANK OF FRANCE. — The administration of the Bank of France is becoming considerably excited on the subject of the counterfeit pieces of five francs which are found every day, in large numbers, in their metallic deposit. The pieces can hardly be called counterfeit, however, as the two dies are the government's own handiwork, the interior having been removed, and the space filled with some inferior composition. They contain but one fifth of the legal weight of silver. It was at first supposed that the manufactory of this bogus coin was established in Belgium, just across the frontier, but the police, who have ransacked the territory, have found no traces whatever of the contrabandists. It is now thought that the seat of this criminal enterprise is either at Madrid or at Barcelona, large quantities of the adulterated coins being in circulation in those cities. A body of detective police has been despatched to Spain, and the offenders will find it difficult to elude their vigilance. — *Paris Correspondent of the New York Commercial Advertiser.*

NATIONAL DEBT AND GOLD. — In proportion as gold increases in quantity, so as to reduce its intrinsic value, the public debt and the annual interest, which represent so much gold, will follow the same depreciation of intrinsic value. The amount of the capital of the debt, and of the interest payable annually, will remain nominally the same as now, and the amount of taxes required for that purpose will also be nominally the same, but they will represent a smaller quantity of labor and of other commodities. Therefore, though the nominal amount of the national debt will remain the same, its intrinsic value will sink in proportion as gold may become depreciated. — *London Economist.*

GOLD IN ENGLAND. — In consequence of the various arrivals of specie from New York, St. Petersburg, and Australia, the Bank of England returns published to-night (June 18) show again an increase of about £ 350,000 in the accumulation. These returns, however, reach only up to the end of last week, and since that time further receipts have taken place which are little short of half a million sterling. It is to be remarked, that while this great increase has been going on during the past few months, nearly £ 2,000,000 of gold coin has been shipped from England to Australia, so that there has been a counteracting circumstance in operation, but for which the augmentation would have been much greater. Henceforth, however, it will gradually cease. The supply of coin already sent to Australia will most probably nearly suffice for the currency requirements of the various colonies, and consequently for the future we shall be receiving gold from them without having to return much of it in the shape of sovereigns. — *London Correspondent of the Commercial Advertiser.*

THE LATE FORGERY ON THE SHOE AND LEATHER DEALERS' BANK. — In the Court of Common Pleas, holden at Concord yesterday, Judge Mellen presiding, the indictments against Ebenezer Smith, Jr., late counsellor, 20 Court Street, and John L. Coe, late clerk in the Shoe and Leather Dealers' Bank, both of which defendants are implicated in the forgery of a check on the Shoe and Leather Dealers' Bank for $ 1,000, were called up. Both Smith and Coe are on bail, as has been previously stated in the Journal, and, both failing to appear, they were defaulted.

No assurance being given that either of them would appear for trial at any future day, Nelson Felt, the person who was arrested for having said forged check in his possession, and leaving the same with the cashier of the Cambridge Market Bank for collection, and who was probably the informant against Smith and Coe, was liberated on his own recognizance. It is stated that telegraphic despatches relating to the matter have passed between Smith and Coe since their arrest. It is generally believed, so far as we can ascertain, that the defendants intend to avoid trial. — *Boston Journal, July* 21.

FREE BANKING. — The South Royalton Bank commenced operations under the free bank law of Vermont, some weeks since; but no arrangement has yet been made for the redemption of its bills at the Suffolk Bank. This is a fatal flaw in the policy of any new banking institution in New England, with limited means. It is said that a second bank under the same law will shortly go into operation at Northfield.

Connecticut. — The features of the free bank law of Connecticut do not differ much from those of other States where this system has been adopted. It authorizes any number of persons not less than twenty-five, residents of the State, to form associations for banking purposes, with capitals of not less than fifty thousand or more than one million dollars each. The securities to be deposited with the State Treasurer are stocks of the United States, of any of the New England States, New York, Pennsylvania, Ohio, Virginia, and Kentucky, or of the cities of New York and Boston, or of any incorporated city of Connecticut. Said stocks to be made equal to six per cent. stocks, and not to be taken at more than their par value.

Shareholders of the associations are individually responsible to the amount of the stock held by them. The Treasurer and School Fund Commissioner are required to examine monthly the value of the securities held, and to demand additional deposits, where they deem those in hand an insufficient security. In case of the refusal of an association to redeem its notes on demand, the Treasurer is vested with summary powers to sell the securities by auction, at ten days' notice, and to assume the work of redemption. Holders of notes which have been refused payment are authorized to demand interest thereon at the rate of twelve per cent. per annum, until they shall be paid. The banks are required to make an annual statement of their affairs, under oath, and as much oftener as the Treasurer shall direct.

The act expressly requires that the banks organized under it shall be institutions of discount and deposit as well as of circulation, and that their business shall be transacted in the place of location, and not elsewhere. The twenty-eighth section of the act provides that

"It shall be lawful for any corporation formed under this act to make any bills or notes of the denomination of five hundred dollars and upward, to be put in circulation as money, payable at any other place than at the office where the business of the association is carried on and conducted, which bills or notes shall be countersigned and registered as hereinbefore provided."

BANK ITEMS.

VERMONT. — A. L. Catlin, Esq. has been elected President of the Merchants' Bank at Burlington, and William J. Odell, Esq., Cashier.

Northfield. — It is stated that a new bank, under the free banking law of Vermont, is about to be established at Northfield. President, James C. Dunn, Esq., of Boston.

MASSACHUSETTS. — We furnish in another part of this No. the late law of this Commonwealth appropriating $ 2,500 annually, for the period of five years, for the suppression of counterfeiting. We hope that judicious measures and strenuous exertions on the part of the new association will lead to beneficial results in the abatement of the growing evil of counterfeit bank-notes.

Haverhill. — William H. Hewes, Esq. was, on the 19th of June, elected President of the Essex Bank, Haverhill, in place of J. A. Brodhead, Esq., resigned.

RHODE ISLAND. — John P. Meriam, Esq. has been elected President of the State Bank, Providence, in place of William W. Hoppin, Esq., resigned.

CONNECTICUT. — S. K. Satterlee, Esq. has been appointed Cashier of the Stamford Bank, to fill the vacancy occasioned by the resignation of Charles G. Rockwood, Esq.

NEW YORK. — A sale of the property occupied by the City Bank, at No. 52 Wall Street, was effected early in June. The price paid was eighty thousand dollars. Public notice is given that the stockholders will be paid, on demand, forty-five dollars per share (being the par value), the charter having expired on the 1st July, 1852; and a new bank of the same name has been organized under the general law of the State, with a capital of $ 800,000.

Sacket's Harbor. — The Sacket's Harbor Bank has been removed to Buffalo, in pursuance of an act of the Legislature of New York, passed at the late session, and commenced business there on the 15th of June.

Watertown. — A new bank has been organized under the general banking law, by the name of the Union Bank of Watertown (Jefferson County). The capital is $ 100,000 paid in, and the securities consist of stocks of the United States and of the State of New York. Henry Keep, Esq., President; George Goodale, Esq., Cashier.

Poughkeepsie. — The Fallkill Bank has commenced operations under the general banking law of New York. The capital is $ 130,000, and the circulation secured by a deposit of New York State and United States stocks. President, William C. Sterling, Esq.; Cashier, John F. Hull, Esq., recently Cashier of the Pine Plains Bank.

Syracuse. — The Crouse Bank will commence operations at Syracuse in a few days, with a capital of $ 110,000. President, John Crouse, Esq.; Cashier, Henry S. Lansing, Esq., lately Cashier of the Syracuse City Bank.

Syracuse City Bank. — William W. Teale, Esq. has been elected Cashier of the Syracuse City Bank, in place of H. Seymour Lansing, Esq., who is now Cashier of the Crouse Bank.

Troy. — The State Bank at Troy will commence business in a few days, with a capital of $ 200,000.

Troy. — A new banking association has been formed at Troy, under the name of the Manufacturers' Bank of Troy, with a capital of $ 200,000. Arba Reed, Esq., President; John S. Christie, Esq., Cashier. This will make the eighth bank in this flourishing place, with an aggregate bank capital of $ 2,368,000.

Onondaga. — The Farmers' Bank of Onondaga has filed its securities under the free bank law of New York, and has commenced the issue of its bills. President, H. Frizell, Esq.

Farmers' Loan and Trust Company, Office No. 28 Exchange Place, New York City. Capital, $ 2,000,000. — This Company are now prepared to receive deposits in trust and allow interest thereon, and make other contracts involving the interest of money. D. D. Williamson, President; Geo. P. Fitch, Secretary.

Williamsburg. — The Farmers and Citizens' Bank will commence business early in August, at Williamsburg.

PENNSYLVANIA. — Charles T. Yerkes, Esq. was, on the 10th of June last, elected Cashier of the Kensington Bank, Philadelphia, in place of Charles Keen, Esq., resigned.

SOUTH CAROLINA. — In March last, J. K. Sass, Esq. and John Cheesborough, Esq. were respectively elected as Cashier and Assistant Cashier *pro tem.* of the Bank of Charleston, in consequence of the then ill-health of Mr. Stewart. On the 12th of May these appointments were made permanent.

GEORGIA. — A sale of 2,330 additional shares of stock in the Central Railroad and Banking Co. at Savannah was made in June by the Company, at an aggregate premium of $ 2,870.61, or nearly 1¼ per cent.

Lagrange. — The Lagrange Bank, having elected directors on the 27th of May last, will soon commence operations.

INDIANA. — The Bank of Connersville will soon commence operations under the Free Banking Law of Indiana, — being the first institution organized since the adoption of the law by that State. The securities will consist of Indiana bonds.

MICHIGAN. — Edwin C. Litchfield, Esq. has been elected President *pro tem.* of the Farmers and Mechanics' Bank at Detroit, and J. C. W. Seymour, Esq., Cashier of the same, in place of Messrs. Samuel Barstow and Powers L. Green.

At a meeting of the stockholders of this bank, held at their banking-house, in Detroit, June 9, Samuel Barstow, Esq., President, Frederick Townsend, Esq., Vice-President, and Powers L. Green, Esq., Cashier, having resigned their offices, on motion of Henry Ten Eyck, Esq., it was unanimously

Resolved, That the thanks of the stockholders of this bank be presented to Mr. Barstow, the President, Mr. Townsend, the Vice-President, and Mr. Green, Cashier, for the able and diligent manner in which they have discharged the duties of their several offices.

OHIO. — The Dayton Bank, one of the Independent Banks of Ohio, with a capital of $ 91,000, is about to close its business, in consequence of the new law of that State, which levies a tax upon the loans of the several banks.

BANK OF UNITED STATES. — The District of Moyamensing, Philadelphia County, owed the United States Bank $ 38,000 when the institution made its assignment, and for the payment of the interest has offered certain coupons issued by the bank, which the assignees refused to receive. The Court of Common Pleas has decided that the tender was legal, and that the coupons should be received.

SEMIANNUAL DIVIDENDS, JULY, 1852.

New York. — Tradesmen's Bank, $3 per share (7½ per cent.). Bank of America, 4 per cent. Seventh Ward Bank, 4½ per cent. Merchants' Exchange Bank, 4 per cent. Irving Bank, 3½ per cent. Ocean Bank, 4 per cent. Phœnix Bank, 4½ per cent. North River Bank, 5 per cent. Mercantile Bank, 5 per cent. New York Dry Dock Co., 4 per cent. New York Exchange Bank, 5 per cent. Merchants' Bank, 4 per cent. Knickerbocker Bank, 4 per cent. Grocers' Bank, 3½ per cent. Bank of Commerce, 4 per cent.

Baltimore. — Union Bank of Maryland, 3½ per cent. Farmers and Planters' Bank, 4½ per cent. Chesapeake Bank, 4 per cent. Franklin Bank, 3 per cent. Citizens' Bank, 4 per cent. Merchants' Bank, 4 per cent. (*and an extra dividend of* EIGHT PER CENT.).

Philadelphia. — Bank of North America, 5 per cent. Bank of Pennsylvania, 4 per cent.

Virginia. — The Bank of Virginia, the Farmers' Bank of Virginia, and the Exchange Bank of Virginia, 4 per cent. each, free of deduction for account of State tax.

Kentucky. — Bank of Louisville, 4½ per cent. Northern Bank of Kentucky, 5 per cent. Bank of Kentucky, 4½ per cent., and an extra dividend of 4½ per cent. out of the assets of the Schuylkill Bank.

Notes on the Money Market.

BOSTON, JULY 28, 1852.

Exchange on London, 60 days, 10 a 10½ premium.

THE principal feature in the money market for the last two or three months has been an increased disposition for heavy public undertakings. This is one of the results of the present cheapness of money and the unprecedented facilities for borrowing. We find that the money markets of London and New York both exhibit a tendency to embark in new companies for manufacturing, real estate operations, railroad projects, &c., and a more active spirit of speculation in all kinds of public loans.

The arrivals of gold at English and American ports are larger at present than at any previous period. While the receipts from California, at the Atlantic ports, are at the rate of nearly $ 6,000,000 per month, the same amount is received at London and Liverpool from Australia. Not less than £ 1,250,000 reached England from her Australian colonies during the three weeks ending July 2, with assurances of further arrivals. The stock of gold in the Bank of England had reached the enormous sum of twenty-two millions sterling, and in the Bank of France a still larger sum, being equivalent to £ 24,030,000 sterling; while in the banks of New York city, upwards of $ 12,000,000 are reported on hand on the 1st instant, against $ 7,000,000 in September, 1851.

The export of gold from California during the month of June was $ 5,300,000, according to official statements; in addition to large sums in private hands, which are not reported, and can only be estimated.

The principal stock operations of the month have been as follows:—

I. St. Louis County (Missouri) seven per cent. bonds, $ 100,000 taken by Messrs. Page and Bacon, at two per cent. premium.

II. New Orleans consolidated loan of $ 2,000,000 at six per cent., taken by Messrs. James G. King and Sons, at a net premium of 37-100 of one per cent. The terms of payment were, one fourth in cash, and the remainder in equal instalments of thirty, sixty, and ninety days, with six per cent. interest, or the purchaser has the right to pay the whole at once. The bonds are in sums of one thousand dollars each, redeemable in forty years, interest payable semiannually. This sale will enable the city to cancel the debt which matures this year. The bonds are issued under the provision of a late act of Louisiana to consolidate the three municipalities of New Orleans and the city of Lafayette as one city government. The finances of Louisiana and New Orleans have been badly managed of late years. At present the treasury of the State is empty, and no provision has been made for its current expenses.

III. Scioto and Hocking Valley Railroad bonds, $ 200,000, bearing seven per cent. interest, at 87 *a* 91.20 per cent.; net proceeds, $ 177,602, or an average of 88.88.

IV. Dauphin and Susquehanna Coal Co. bonds, $ 700,000, at 90 per cent.

The seven per cent. bonds of the State of California, which were selling a few months since at 64 *a* 65, are now in demand at 82 *a* 83 per cent., and the ten per cent. bonds of San Francisco, which were dull last year at 50, are now worth 76 *a* 77 in that market, and 86 *a* 90 in this quarter.

The private advices from Europe confirm prior information as to the superabundance of capital there. Mr. Rothschild in his late address to the citizens of London says that the new wealth from California and Australia must make a material change in commercial matters, and lead to a great increase of production and of wants. Further efforts have been recently made on the Continent for a resuscitation of the Pennsylvania Bank of the United States. A letter dated at Amsterdam, June 15th, from a gentleman who represents a large proportion of the European and American stockholders, says, "There are still some very valuable assets in the bank, and the only difficulty consists in uniting the claimants, with a view to realize as soon as possible."

A special agent of the State of Pennsylvania left New York for Europe a few days since, for the purpose of negotiating with the foreign holders of State five per cent. stock, due between the years 1853–1870, and to substitute therefor a four per cent. coupon stock, redeemable in thirty-five years, and free from State taxation. He will also invite proposals for a new five per cent. loan to the amount of $ 5,000,000, to liquidate that portion of the State debt now past due.

The Eastern Railroad Company of this city has negotiated with Messrs. Baring Brothers & Co., London, for $ 500,000 of their bonds, at par, payable in ten years, with interest at the rate of five per cent. The directors were authorized to fund the floating debt of the company to this amount, by vote of the stockholders, at the annual meeting in Newburyport.

This is to enable the company to build the part of the road which comes into the city near the Grand

Junction Depot, to be located in the immediate vicinity of the Boston and Maine Railroad Station. Workmen are now engaged in constructing this line of road, and it will probably be finished early in October.

Congress has passed a law authorizing the establishment of a branch mint in California, to be located at the discretion of the Secretary of the Treasury. The law creates the offices of Superintendent and Treasurer with a salary of $4,500 each; one coiner, one assayer, and one melter and refiner (three offices), $3,000 each; clerks, 2,000 each. San Francisco will probably be the location of the new branch, and if the machinery of the present branches at New Orleans, Dahlonega, and Charlotte could be removed to the new branch, the public service would be benefited.

The propositions for a branch mint at New York, and for a new silver coinage, have not yet been finally acted upon by Congress.

The increased supply of the precious metals has infused a new spirit into every branch of productive industry. Real estate and stocks have advanced largely under the increased volume of circulation and coin, and will probably still further advance with the additional banking facilities of the country. Holders of real estate and of sound stocks reap a great advantage in the increased values created by the accumulation of capital; while business men and office-holders and persons with fixed incomes derive little or no advantage from the immense and rapid changes now going on.

Exchange on England does not vary from rates quoted in our last No. Bills at sixty days, drawn by banking houses, are firm at 10¼ *a* 10⅜ premium.

The quarterly statement of the banks of the City of New York for June 26, 1852, shows an aggregate indebtedness of $120,236,000, including capital. This is fully equal to the entire liabilities of all the banks in that State less than seven years since, viz. November, 1845. The leading features of the banks of the city at this time, as compared with prior dates, are as follows:—

New York City Banks.	28 *Banks.* *June* 29, 1850.	38 *Banks.* *June* 21, 1851.	41 *Banks.* *June* 26, 1852.
Capital,	$27,300,000	$33,093,000	$35,528,000
Profits,	4,302,000	5,093,000	6,107,000
Circulation,	6,210,000	7,118,000	8,138,000
Deposits,	36,065,000	41,350,000	50,400,000
Bank balances,	17,380,000	18,170,000	19,582,000
Loans,	60,076,000	71,950,000	81,820,000
Stocks, bonds, and mortgages,	3,373,000	4,650,000	5,430,000
Specie on hand,	10,740,000	7,985,000	12,150,000

These returns indicate a rapidly increasing business, commensurate with the increase of banking throughout the State.

The same enlargement is observable in the New England and Western country banks, which the late returns from Maine, for instance, will demonstrate.

Banks in Maine.	*May*, 1850.	*May*, 1852.
Capital,	$3,148,000	$3,623,000
Circulation,	2,301,000	3,254,000
Deposits,	884,000	1,525,000
Loans,	5,350,000	7,042,000
Specie,	424,000	623,000

We learn that a loan for the city of Boston has been negotiated with Barings & Co., of London, through their agents, Messrs. Blake, Ward, and Co., of this city, to the amount of £200,000, at par; the bonds redeemable in twenty years, bearing interest at 4½ per cent. payable in London. This is probably the lowest rate at which any American loan has been negotiated in England. The present sum is for the purpose of funding the existing floating "Water debt" of the city. The existing funded debt of Boston is about $2,000,000, at an average annual interest of about 5¾ per cent., besides the Water-Works debt, which amounts to about $5,000,000, at an average interest (heretofore) of 5.55 per cent.

DEATH.

At Elizabeth City, N. C., on Sunday, June 20, William Biddle Shepard, Esq., aged 53, President of the Branch State Bank of North Carolina at that place. Mr. Shepard served as a member of the United States House of Representatives from the year 1829 till 1837, and in the State Senate from 1838 till 1852, with the exception of the winter of 1838.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

Vol. II. New Series. SEPTEMBER, 1852. No. III.

GOVERNMENT FINANCES.

Receipts and Expenditures, — Tariff, — Sub-treasury Funds, — Duties.

There is an inseparable connection between the finances of the general government and the welfare and financial condition of the community at large. The operations of the federal government affect but slightly the business of individuals, but their immediate, as well as permanent, effects upon the general interests of the country can be readily traced. It has been said that the laws of a nation will always adapt themselves to, or be adapted for, the common interests of the people. Unfortunately for this country, we find that this rule will not always be confirmed, and that legislation frequently conflicts with the best interests of the people.

We allude more particularly to the financial policy of the general government in the years 1832 – 33, when the moneyed interests of the whole country were thrown into confusion; and to the subsequent action of Congress, in adopting a tariff which sacrifices American industry by its direct and indirect encouragement of foreign labor.

The scheme of a Sub-treasury, too, one of the greatest follies of the age, has had its effect in obstructing the free intercourse between the government and the people, and has rendered troublesome and difficult that which would otherwise be harmonious and easy.

The action of the government at Washington, in 1832 – 33, dictated by the Executive in defiance of the good sense of a majority in Congress, and in direct opposition to the wishes of the people, led to a

sudden and unfortunate expansion of the banking system, and to gross frauds in many places. That expansion was too rapid for the commercial affairs of the country, and led to results which were foretold at its outset; namely, a suspension of specie payments by the banks and general bankruptcy among merchants. It gave rise, too, to the Sub-treasury system, which is now so fastened upon the community that our merchants are almost reconciled to it, notwithstanding its direct conflict with their convenience and interests.

If the financial operations of the general government are to be always carried on independently of the banks, a far wiser system than the Sub-treasury would be the issue of a government currency, in the shape of Treasury-notes. The issue of this description of currency, payable to bearer, to the extent of the ordinary annual receipts of the Treasury, would conduce to the interests of the whole people, and restore to the business community an immense amount of coin now hoarded in the government vaults.

The present tariff has destroyed almost entirely the Iron interest of the country, and has retarded the growth of our domestic manufactures; thereby making us debtors to Europe for many articles of domestic consumption which the labor of the American people could provide, and the profit from which would inure to the benefit of our common country, instead of contributing to the wealth of Great Britain and other portions of Europe.

A slight improvement has taken place in the commercial affairs of the United States for the past year, as compared with the fiscal year ending June 30, 1851. A late official statement from the Treasury enables us to show the results of these as well as former years. The receipts and expenditures for the past year (to June 30, 1852) were as follows: —

Receipts.		*Expenditures.*	
Customs,	$47,320,326	Civil,	$17,361,164
Public Lands,	2,043,240	Interior,	5,198,828
Military contributions in Mexico,	102,818	War,	8,225,247
Treasury-notes funded,	49,300	Navy,	8,928,236
Miscellaneous,	229,915	Public debt,	6,022,116
		Surplus,	4,010,007
Total receipts,	$49,745,598	Total expenditures,	$49,745,598

The balance of public funds on hand at the close of the month of July, 1852, was distributed at the following points: —

Place.	*Amount.*	*Place.*	*Amount.*
New York Sub-treasury,	$3,834,000	Jeffersonville, Ind.	$60,000
Philadelphia "	1,236,000	Richmond, Va.	48,000
" Mint,	5,631,000	Baltimore, Md.	31,000
Boston Sub-treasury,	966,000	Mobile, Ala.	31,000
New Orleans "	1,292,000	Nashville, Tenn.	26,000
Washington "	402,000	Wilmington, N. C.	14,000
Charleston "	55,000	Little Rock, Ark.	13,000
St. Louis,	472,000	Chicago, Ill.	18,000
San Francisco,	309,000	Charlotte, N. C., Mint,	32,000
Norfolk, Va.	130,000	Dahlonega, Ga.	26,000
Cincinnati, O.	86,000	New Orleans,	1,100,000
Buffalo,	62,000	Other places,	26,000
Savannah, Ga.	60,000	Total, July 26, 1852,	$15,960,000

The Custom-House receipts, imports and exports, average annual expenditure, and population, for the last few years, have been as follows: —

Year.	*Imports.*	*Duties.*	*Exports.*	*Average Gov. Expenditure.*	*Population.*
1830,	$70,000,000	$22,000,000	$73,000,000	$13,000,000	12,866,000
1836,	190,000,000	23,400,000	128,000,000	29,000,000	15,260,000
1840,	131,000,000	13,500,000	104,000,000	23,000,000	17,063,000
1844,	108,000,000	26,100,000	111,000,000	20,000,000	19,225,000
1846,	121,000,000	26,700,000	113,000,000	26,000,000	20,400,000
1848,	155,000,000	31,700,000	154,000,000	42,000,000	21,640,000
1849,	147,000,000	28,346,000	145,000,000	41,000,000	22,295,000
1850,	178,000,000	39,668,000	137,000,000	43,000,000	23,144,000
1851,	225,000,000	50,000,000	175,000,000	40,000,000	*23,840,000
1852,	*212,000,000	47,320,000	*200,000,000	40,000,000	*24,550,000

We annex a table showing the aggregate receipts for each period of ten years; the population by census; the average population in each period; the average annual increase; and the average annual government receipts per head for previous ten years: —

Year.	*Receipts 10 Years.*	*Aggregate Population.*	*Average 10 Years.*	*Average Increase.*	*Receipts per Head.*	*Public Debt.*
1800,	$64,680,000	5,306,000	4,067,000	137,600	$1.59	$82,000,000
1810,	128,052,000	7,240,000	5,500,000	193,400	2.52	53,000,000
1820,	206,380,000	9,638,000	7,490,000	239,800	2.76	91,000,000
1830,	212,836,000	12,867,000	9,961,000	323,000	2.13	48,000,000
1840,	279,900,000	17,063,000	13,286,000	419,600	2.11	5,000,000
1850,	267,673,000	23,144,000	17,671,000	608,100	1.51	64,000,000

The comparative receipts of duties at the various ports have been as follows: —

Ports.	*Year 1850-51.*	*Year 1851-52.*	*Ports.*	*Year 1850-51.*	*Year 1851-52.*
New York,	$31,756,000	$28,771,000	†Detroit, Mich.,	$28,000	$34,000
Boston,	6,577,000	6,250,000	Astoria, Oregon,	21,000	33,000
Philadelphia,	3,667,000	3,715,000	Providence, R. I.,	47,000	32,000
New Orleans,	2,296,000	2,280,000	†Niagara, N.Y.,	17,000	23,000
San Francisco,	719,000	2,191,000	Middletown, Conn.,	15,000	21,000
Baltimore,	1,047,000	1,064,000	Gloucester, Mass.,	23,000	21,000
Charleston, S. C.,	600,000	566,000	Eastport, Me.,	23,000	20,000
St. Louis, Mo.,	213,000	283,000	†Ogdensburg, N. Y.,	20,000	21,000
Portland, Maine,	209,000	266,000	Pittsburg,	8,000	20,000
Savannah, Ga.,	209,000	141,000	Portsmouth, N. H.,	10,000	19,000
Cincinnati, Ohio,	105,000	128,000	†Cape Vincent, N. Y.,	6,000	19,000
Salem, Mass.,	156,000	123,000	Georgetown, D. C.,	21,000	19,000
Mobile, Ala.,	76,000	121,000	New Bedford, Mass.,	17,000	18,000
New Haven, Conn.,	102,000	101,000	Apalachicola, Fa.,	15,000	17,000
†Buffalo, N. Y.,	67,000	91,000	New London, Conn.,	15,000	16,000
†Oswego, N. Y.,	91,000	87,000	Bristol, R. I.,	23,000	15,000
†Sandusky, Ohio,	20,000	82,000	Rochester, N. Y.,	15,000	13,000
†Cleveland, Ohio,	55,000	85,000	Newport, R. I.,	13,000	13,000
Nashville, Tenn.,	20,000	76,000	†Sackets' Harbor, N. Y.,	6,000	12,000
Richmond, Va.,	70,000	67,000	Bangor, Me.,	15,000	12,000
Plattsburg, N. Y.,	49,000	64,000	†Chicago, Ill.,	2,000	11,000
Petersburg, Va.,	30,000	72,000	Bath, Me.,	14,000	9,000
Norfolk, Va.,	67,000	46,000	53 other ports,	53,000	126,326
Louisville, Ky.,	66,000	57,000	Total, 103 ports,	$48,788,000	$47,320,326
Alexandria, Va.,	18,000	42,000			
Alburg, Vt.,	76,000	37,000			

The rapid increase of receipts at Lake ports (marked †) indicates a growing business with the English Provinces, especially Canada West.

* Estimated.

BANKING IN VIRGINIA. — RECENT LAWS.

An Act to amend the Act passed March 29th, 1851, entitled "An Act to incorporate the Bank of the Old Dominion, the Bank of Commerce at Fredericksburg, and the Mechanics and Trader's Bank of the City of Norfolk." Authorizes the Bank of the Old Dominion, from time to time, whenever it shall deposit with the Treasurer of the State certificates of debt or guaranteed bonds, in sums of not less than ten thousand dollars, to issue notes to the full amount of the stock deposited; and requires the Treasurer, upon the application of the bank, to receive and cancel any of its mutilated or defaced notes, and in lieu thereof countersign other notes of like denomination or of equal amount. The Treasurer is authorized to retransfer State stocks or bonds upon receiving and cancelling an equal amount of notes, and when the principal of the stocks or bonds is paid, he shall give notice to the bank, and may pay the money received therefor to the bank, upon the delivery to him of an equal amount of its notes, which he shall cancel, or he may invest such money, wholly or in part, as he may deem necessary for the security of such notes, in other stocks or bonds, but he is not to make such retransfer or payment so as to reduce the capital below the minimum amount required by its charter, except upon notice of the intention of the bank to wind up its affairs. And when the bank ceases to transact business, the Treasurer is required to retransfer the stocks and bonds upon receiving from at least five of its stockholders bond and security to pay the amount of its unredeemed notes, and judgment may be rendered and execution issued thereon, upon ten days' notice, for the benefit of the holder of such notes. The bank is not to divide on its capital paid in for the first year more than six per cent., until its contingent fund arising from profits shall be at least one per cent. thereof, nor for any subsequent year, until an additional one per cent. shall have been added to said fund for such year, until such fund shall amount to five per cent. of the capital paid in, nor shall any dividend be made by which such fund shall at any time be reduced.

The act reduces the minimum capital of the Bank of Commerce from $ 150,000 to $ 100,000.

An Act amending and reënacting the Act incorporating the Independent Bank of Portsmouth. Establishes the said bank with a capital not less than $ 100,000 nor more than $ 500,000, to be raised by subscription in shares of one hundred dollars each. The subscriptions may be in money, or in State stocks or guaranteed bonds. The bank is subjected to the regulations and provisions of chapters 57 and 58 of the Code, but the stockholders have authority to appoint their directors when the bank transfers to and deposits with the Treasurer of the State State stocks or guaranteed bonds to the amount of its minimum capital; it may issue bank-notes to the amount of said stock, the said notes having been countersigned by the Treasurer, and numbered and registered on his books, and having on their face the words, "Secured by pledge of State securities." And in like manner additional notes may

be issued not exceeding the maximum capital, by the deposit of additional stocks or bonds of not less than $5,000. And the Treasurer may cancel any mutilated or defaced notes, and issue others in their stead. Authority is given the bank to draw the interest and dividends on the stocks or bonds deposited. Upon failure of the bank to redeem its notes on demand, the holder may have the same protested, and if not then paid, the Treasurer shall give notice that all the notes of the bank will be redeemed out of the trust fund in his hands, and shall apply such fund to that purpose accordingly. Authorizes the Treasurer to retransfer stocks or bonds upon cancelling an equal amount of its notes, and when the stocks or bonds are paid off, he may pay the amount to the bank by cancelling notes in like manner, or may reinvest the same. It is made felony for the Treasurer to countersign notes illegally, or to reduce their securities, and he is punishable by fine and by imprisonment in the penitentiary; and the officers of the bank who aid him in issuing notes illegally are liable to the same punishment. The stockholders are made liable, ratably, out of their private estate, for the circulation and the excess contract debts of said bank to the amount of stock held by them upon a failure of the bank to pay its debts or to redeem its notes. The paper circulation of the bank is not to exceed five times its coin.

The charter is limited to twenty years, and is liable to repeal or modification.

New Banks authorized by Acts of Legislature, 1851–52.

	Name.	*Location.*	*Minimum Capital.*	*Maximum Capital.*
1.	Farmers and Mechanics' Bank,	Hampton,	. . .	$ 200,000
2.	Bank of Scottsville,	. . .	$ 50,000	200,000
3.	Farmers' Bank,	Fincastle,	50,000	300,000
4.	Bank of Rockbridge,	. . .	50,000	200,000
5.	Farmers' Bank of Culpeper,	. . .	50,000	300,000
6.	Mechanics' Bank,	Parkersburg,	50,000	150,000
7.	Merchants and Farmers' Bank,	Clarksburg,	50,000	300,000
8.	Bank of Wytheville,	. . .	. . .	. . .
9.	Bank of Marion,	Smyth Co.,	50,000	300,000
10.	Fairmont Bank,	. . .	. . .	. . .
11.	Manufacturers' Bank,	Kanawha,	100,000	300,000
12.	Central Bank of Virginia,	Staunton,	100,000	500,000
13.	Merchants' Bank of Virginia,	. . .	100,000	900,000
14.	Branch Bank,	Salem, Roanoke Co.,	100,000	200,000
15.	" "	Christiansburg,	100,000	200,000
16.	" "	Newbern, Pulaski Co.,	100,000	300,000
17.	" "	Marion, Smyth Co.,	100,000	200,000
18.	" "	Moorfield, Hardy Co.,	. . .	. . .
19.	Branch Farmers' Bank of Virginia,	Lewisburg,	. . .	. . .
20.	Branch Bank,	West Columbia, Mason Co.,	70,000	200,000
21.	" "	Weston, Lewis Co.,	100,000	150,000
22.	Bank of Commerce,	Fredericksburg.	. . .	. . .
23.	Mechanics and Traders' Bank,	Norfolk.	. . .	. . .
24.	Independent Bank,	Portsmouth.	. . .	. . .

For the details of the charter of "The Bank of the Old Dominion," which nearly corresponds with the provisions of the above new charters, the reader is referred to Vol. V. pp. 940–942.

CURIOUS FACTS RELATING TO GOLD.

From the London Bankers' Magazine, June, 1852.

AT a time like the present, when the extraordinary discoveries of gold in California and Australia promise to render the precious metal available for a variety of uses to which it has not hitherto been generally applied, we think the following summary of curious facts connected with its use, both as money and for purposes of art and utility, will be interesting. We have condensed it from one of the very able treatises on "The Curiosities of Industry,"* by Mr. George Dodd, a writer well known for his intimate acquaintance with every branch of the arts and manufactures.

AMONG the many modes of practically applying gold, *money* is not the least curious and interesting. The substances of which money is composed are more numerous than many persons imagine. When society rises above the level of mere bartering transactions, any substance which is equally valued by buyer and seller may become money; and there then arises simply a question of degree, as to the fitness of one or another material. One of the earliest kinds of money was *cattle*, an article being valued at so many oxen; but this is obviously a coin that is inapplicable to small purchasers, for it would puzzle the seller to give change out of an ox. *Shells* are used to a great extent as money in India, the Indian Islands, and Africa; the cowry shells of India have a value of about thirty-two to an English farthing. *Cocoa-nuts*, *almonds*, and *maize* have all had to do duty as money, in certain times and countries. In hunting countries, *skins* are a very common kind of coin; and stamped pieces of *leather* are said to have been used in England in the time of Edgar. In some regions, *salt* is used as money, cut into convenient brick-shaped pieces. In countries where rents and wages are estimated in given quantities of *corn*, corn may be said to be money. *Dried fish* is often the money of Iceland and Newfoundland; *sugar* has at times been a West-India money; and Adam Smith tells us of a Scotch village in which *nails* were a current coin at the ale-house and the baker's. But metals supersede all the above heterogeneous list, in a more advanced state of society. *Brass* money was made in Ireland during the time of the Tudors; and at the same period *lead* was used for small coins in England. Charles the Second had farthings of *tin*; and his successor had small coins of *pewter* and of *gun-metal*. *Iron* was used by some of the early nations; and *platinum* is used at the present day in Russia.

It appears, therefore, that, besides silver and copper, gold has many rivals as materials for coins. All yield precedence to it, however; for no other metal possesses at once so many qualities fitted for this purpose. It is very solid and dense; it is divisible or separable in an extraordinary degree; it is very little affected by air or moisture, or ordinary usage; its supply is (relatively) very limited; and its value presents a remarkable approach to uniformity, in different countries and different times.

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* *Gold: in the Mine, the Mint, and the Workshop.* By George Dodd. London: Charles Knight. 1851.

Our modern potentates, in England at least, have no trouble to obtain gold for coining; bullion-dealers, in the ordinary course of their trade, voluntarily bring gold to the Mint to be coined. But such was not always the case, in earlier times, nor is it now always the case, in other countries; for the rulers thought it incumbent on them to place some check upon the locomotive propensities of gold. Sometimes gold was not allowed to be sent out of the country; sometimes a bonus was offered to the holders of gold, to permit it to be coined; and sometimes an interdict was put against the use of gold for trinkets and ornaments.

Perhaps the most intense gold fever the world has known — not so widely spread, perhaps, but more deep than that of California — was *alchemy*. When men thought that common cheap metals might be transmuted into gold, no wonder that they racked their brains to discover the chemical means of effecting the transmutation. The world possessed many Oldbucks and many Dousterswivels, the deceived and the deceivers, among the alchemical craft. How the ardent students of this mystery carried on their researches, sober history or pleasant romance has made familiar to most readers; but it is not, perhaps, so generally known, that, among our English monarchs, Edward the Third, Henry the Fourth, Henry the Sixth, Edward the Fourth, and Henry the Eighth all showed a tendency to believe in the transmuting power of alchemy; and they looked with a longing eye to the possible enrichment of their exchequer by these means. Edward the Third encouraged the alchemy of Raymond Lully, until hopes were dashed by failure. Henry the Fourth seems rather to have feared the art than to have relied on it as a state engine. Henry the Sixth "patted on the back" certain alchemists, who promised him a golden return; but on their failure he appointed a commission of inquiry, as strangely constituted as any known in our country; for it consisted of two friars, the queen's physician, a schoolmaster, an alderman of London, a fishmonger, two grocers, and two mercers. Mr. Ruding, who notices this commission in his "Annals of the Coinage," was not able to discover any record of the results of the inquiry. That this goodly cluster of Henrys and Edwards failed to make gold by the transmuting process was, perhaps, after all, more a subject of regret than of surprise to them; for it is no easy matter to detect the cheaters from the cheated among the worshippers of the "philosophers' stone"; and these worshippers (or at least some of them) may possibly have belonged quite as much to the former as to the latter class.

Bullion, *sterling*, *standard*, all are terms employed in connection with gold as a coined metal, or as a metal about to be coined; and they let us into some curious facts concerning gold coinage. When a bullion-dealer or an accountant speaks of *standard* gold, or a jeweller praises his goods as being made of *fine* gold, what is meant by these terms? And what is *sterling*? And are "standard," and "fine," and "sterling," three names for the same quality? Perhaps these questions have not been put exactly in this form, but the subject of them must have occurred to many persons. The word *sterling* has now very little other meaning than as a name for English coined money; so that a pound sterling

means an English pound coin; but originally it had a little wider meaning. A pound in money was, Mr. Ruding tells us, in early times in England, equivalent to a pound of silver, that is, lb. (silver) and £ were equivalent; but when this equality was, from various causes, disturbed, the word *sterling* was used to designate the coined silver money, whether of pure silver or not; and the same name became afterwards applied to gold. *Standard* expresses the degree of fineness in gold. For coining purposes, gold is almost invariably alloyed with a little silver and copper, which render it less flexible and more durable. A *carat*, in gold-assaying, is an imaginary weight or rather ratio; any piece of gold is supposed to weigh twenty-four carats, and the fineness is expressed by the number of carats of pure gold; it is in fact only a peculiar mode of expressing the purity of a gold alloy. At different times the *standard* of English gold coins has varied greatly; but for a long period back it has uniformly been "twenty-two carats fine"; that is, out of every twenty-four parts by weight, twenty-two are fine or pure gold, the remaining two being copper and silver. The *fine* gold of the jeweller is as nearly pure as can conveniently be wrought into durable forms; but ordinary *jewellers'* gold is much alloyed.

Although gold coin, for this country, is made only at the Mint, yet Birmingham is in some respects the head-quarters of the coining art in modern times, chiefly through the famous establishment of Boulton and Watt, at Soho. Birmingham produces an immense quantity of stamped work in brass and other metals; and the die-makers who make the stamps for this process are merely a humbler grade of those who make the dies for coins. The dies are cut in hard steel by hand, a laborious and tedious operation. In the last century, the famous Soho establishment not only coined copper money for the English government, but money of various kinds for foreign governments. The dies were produced by men very eminent in that line; men who, indeed, have rightly obtained a niche among artistic worthies. The great establishment, which had suffered much decline, as one after another wealthy partner retired from it, was finally broken up by an auction sale in April, 1850; and on that occasion the lots exemplified the former extent of the coining arrangements. There were some of the most celebrated medals which had appeared in various European countries during the reign of George the Third; the dies by which these medals had been stamped; British copper coins, and the dies for them; many varieties of French copper coins, with the dies; and a great variety of other coins, medals, and tokens. Birmingham still makes copper coins, by the ton-weight at a time, for various countries. When Boulton and Watt commenced coining in 1787, they had eight cutting-out presses, and eight coining processes. On one occasion the firm coined many tons of five-shilling pieces for the British government, of the silver obtained by the capture of a Spanish galleon; a troop of soldiers guarded the premises while the coining was in operation.

But it is only of gold — the shining tempter, gold — that we have here to speak. The actual processes of coining are too minute and technical to be described here: they fittingly find a place in the cyclopædias,

where the alloying, the melting, the casting, the rolling, the cutting, the stamping, the milling, the assaying, the weighing, all come under notice in their proper order. But there is one curious matter relating to the career of gold coins, after they come into the hands of the public, which is worth a little attention.

The wearing away of gold coin, by the constant friction to which it is exposed, is a curious matter, both mechanically and financially. No one can say whither the worn particles go: the pocket, the purse, the skin of the hand, the wooden till, the metal cash-box, — all must rob the golden sovereigns of something of their weight; but we cannot see the process of diminution, nor catch the truant particles as they fly. Then, when gone, somebody must bear the loss; and who shall this be? A baker who takes a sovereign one day, and pays it away to his miller the next, does not pay the veritable sovereign itself; it is a little lighter than when he received it; and, although even Mr. Cotton's exquisitely delicate apparatus might not be able to detect the amount of deficiency, yet deficiency there is, and several repetitions of it amount to an appreciable quantity.

From very careful investigations made by the officers of the Mint, towards the close of the last century, it was found that $78\frac{1}{10}$ silver shillings, taken as a fair average from all those then in circulation, were required to make 1 lb. Troy; whereas 62 is the number when new. Eleven years afterwards another fair average was taken, and another examination made, when it was found that $82\frac{2}{10}$ shillings were required to make a pound. But this diminution of weight is excessive, and is not likely to be exhibited by the less-worn and more frequently renewed silver coinage of the present day. Still it is unquestionable, that the gold and silver coins are exposed to daily wear and diminution. The government requested Mr. Cavendish and Mr. Hatchett, two distinguished Fellows of the Royal Society, to make an extensive investigation respecting the power of metals to resist friction; and their results are highly curious. They made various alloys of silver, copper, platina, iron, tin, lead, bismuth, manganese, nickel, cobalt, zinc, antimony, and arsenic, with gold; they rubbed plates of different kinds of metal over each other half a million times, to determine which resist friction best; and they rotated similar pieces among each other in a barrel. The effects were such as to reflect no little credit on those, whoever they were, who established the standard of English gold coin; for the English standard (22 gold to 2 alloy) and the quality of the alloy (silver and copper combined) were found about the best of all the combinations subjected to experiment.

In 1807, the Mint officers, wishing to ascertain how much the current coin had actually lost by wear, selected at random one thousand good guineas from a banker, and found that they had lost on an average 19*s.* per cent. in value. A hundred guineas from a shopkeeper's till had lost 22*s.* per cent. Two hundred half-guineas exhibited a loss of 42*s.* per cent., the smaller coins being subjected to more severe wear than the larger. Mr. Jacob, a great authority on the subject of the precious metals, has stated it as his opinion, that, taking the average of all the

gold coins in this country, and an average of all the hard usage to which the coins are exposed, each one bears an *annual* loss of about $\frac{1}{300}$ by friction, which is a little more than a farthing in the pound. In silver coins the loss is supposed to be five or six times greater, owing to the more unceasing circulation of silver than gold, and to the less fitness of the metal to bear friction. The matter may be stated thus: put 900 new sovereigns and 900 new shillings into average ordinary circulation; in twelve months' time the former will be worth about 899, and the latter about 894.

Of all the substances on which man exercises his manufacturing ingenuity, gold is perhaps that which admits of being brought to the most extraordinary degree of fineness. Many of the productions in this department of industry are really "curiosities." Is not a solid, unbroken, uniform sheet of gold, less than one five-hundredth part the thickness of a sheet of ordinary printing-paper, a curiosity? Is it not a curiosity to know that one ounce of gold may be made to cover the floor of an ordinary sitting-room; that one grain of gold will gild thirty coat-buttons; and that the covering of gold upon gold lace is very far thinner than even leaf-gold? Let us glance a little at these remarkable productions.

And first for goldleaf and the goldbeating processes whereby it is produced. Goldleaf, in strictness, it certainly is not: for it is found that a minute percentage of silver and of copper is necessary to give the gold a proper malleable quality, — a percentage of perhaps one in seventy or eighty. The refiner manages this alloy, and brings the costly product to a certain stage of completion; he melts the gold and the cheaper alloys in a black-lead crucible; he pours the molten metal into an ingot-mould, six or eight inches long; he removes the solidified and cooled ingot from its mould, and passes it repeatedly between two steel rollers, until it assumes the thickness of a ribbon; and this ribbon, about one eight-hundredth of an inch in thickness, and presenting a surface of about five hundred square inches to an ounce, passes next into the hands of the goldbeater.

The working tools, the processes, and the products of a goldbeater are all remarkable. That puzzling material, "goldbeaters' skin," is an indispensable aid to him; it is a membrane of extreme thinness and delicacy, but yet tough and strong, procured from the intestines of the ox; eight hundred pieces of this skin, four inches square, constitute a packet with which the goldbeater labors, and thus he proceeds: — A hundred and fifty bits of ribbon-gold, an inch square, are interleaved with as many vellum-leaves four inches square; they are beaten for a long time with a ponderous hammer, on a smooth marble slab, until the gold has thinned and expanded to the size of the vellum. How the workman manages so as to beat all the pieces equally, and yet beat none into holes, he alone can answer; it is one of the mysteries of his craft. The gold is liberated from its vellum prison, and each piece cut into four; the hundred and fifty have thus become six hundred, and these are interleaved with six hundred pieces of goldbeaters' skin, which are then packed into a compact mass. Another beating then takes place,— more careful, more delicate, more precise than the former, — until the

gold, expanded like the silkworm, as far as its envelope will admit, requires to be again released. The leaves are again divided into four, by which the six hundred become twenty-four hundred; these are divided into three parcels of eight hundred each, and each parcel is subjected to a third beating. Heavy as the hammers are, there are yet degrees of heaviness; first, a sixteen-pounder gives its weighty thumps, then a twelve-pounder, and in this last operation a hammer of ten pounds is employed.

Now, if we exercise a little arithmetic, we shall find that the thin ribbon of gold has become thinner in an extraordinary degree; in fact, it is reduced to about $\frac{1}{180}$th part of its thickness. A sheet of paper is equal in thickness to 800 gold ribbons, but one gold ribbon is equal to 180 gold leaves; thus the little ingot of two ounces becomes spread out to a very large area. An apartment twelve feet square might be carpeted with gold for six or eight guineas; a thin carpet, it is true, but one of sound honest gold, purer than even standard gold.

The applications of this exquisitely fine substance are numerous and varied. In the edges of books, in picture-frames and looking-glasses, in the gorgeous decorations of the House of Lords and other sumptuous apartments, in gilt leather, we see some among the many applications of leaf-gold. In all these cases the gold is applied and secured by the aid of a particular kind of cement or gold size; and this cement differs in character, according as the gold is or is not to be burnished with a smooth piece of agate or flint. The whole of the accompanying processes are full of ingenious "Curiosities," both in the effects produced and in the modes of producing them; but we must hasten to glance at one of the other forms of extremely delicate attenuation of gold.

Gold-lace is *not* gold-lace. It does not deserve this title, for the gold is applied as a surface to silver. It is not even silver-lace, for the silver is applied to a foundation of silk. Therefore, when we are admiring the glittering splendor of gold-lace, we should, if "honor be given where honor is due," remember that it is silk-lace, with a silver-gilt coating. The silken threads for making this material are wound round with gold wire, so thickly as to conceal the silk; and the making of this gold wire is one of the most singular mechanical operations imaginable. In the first place, the refiner prepares a solid rod of silver, about an inch in thickness; he heats this rod, applies upon the surface a coating of gold-leaf, burnishes this down, applies another coating, burnishes this down, and so on, until the gold is about one-hundredth part the thickness of the silver. Then the rod is subjected to a train of processes, which brings it down to the state of a fine wire; it is passed through holes in a steel plate, lessening step by step in diameter. The gold never deserts the silver, but adheres closely to it, and shares all its mutations; it was one hundredth part the thickness of the silver at the beginning, and it maintains the same ratio to the end.

As to the thinness to which the gold-coated rod of silver can be brought, the limit depends on the delicacy of human skill; but the most wondrous example ever known was brought forward by the late Dr. Wollaston, a man of extraordinary tact in minute experiments. This is

an example of a solid gold wire, without any silver. He procured a small rod of silver, bored a hole through it from end to end, and inserted in this hole the smallest gold wire he could procure; he subjected the silver to the usual wire-drawing process, until he had brought it to the finest attainable state; it was, in fact, a silver wire as fine as a hair, with the gold wire in its centre. How to isolate this gold wire was the next point: he subjected it to warm nitrous acid, by which the silver was dissolved, leaving the gold wire one thirty-thousandth of an inch in thickness, — perhaps the thinnest round wire that the hand of man has yet produced. But this wire, though beyond all comparison finer than any employed in manufactures, does not approach in thinness the film of gold on the surface of the silver in gold lace. It has been calculated that the gold on the very finest silver wire for gold lace is not more than *one third of one millionth of an inch* in thickness; that is, not above one tenth the thickness of ordinary leaf-gold! The mind gets not a little bewildered by these fractions; but we shall appreciate the matter in the following way: — Let us imagine that a sovereign could be rolled or beaten into the form of a ribbon, one inch in width, and as thin as this film; then this ribbon might form a girdle completely round the Crystal Palace, with perhaps "a little to spare."

Iron. — Political economists tell us that the intrinsic value of the whole production of iron in the world exceeds ten times the value of the gold and silver produced, and one half the aggregate values of all other metals. The magnitude, therefore, of the iron interest is of no secondary character. It is the real basis of the world's material property, — the instrument by which its wealth is created. It is the sword, the axe, the ploughshare, the railway, the loom, the steam-engine, the trowel, the winged burden-bearer of the ocean. It has to do with every avocation. It is the protector to our commerce, — holds our vessels in safety amid winds and waves, is the mariner's beacon by day and his lantern of safety by night. What does not iron accomplish? How can it be dispensed with? It civilizes, — levels forests, — locks water-courses for inland navigation, — binds continents, — perforates mountains. It brings up the streams which silently percolate through the bowels of the earth, to quench the thirst of cities, and makes verdure to spring up in sterile places.

It is not a mere theory on which we speculate, but a fixed reality. We have but to perceive the unexampled effects of this mighty instrument in the order of civilization, to feel that, were iron to be withdrawn from the uses of man, he would retrograde to the condition of the savage, who points his arrows with bone and flint. That nation which encourages its employment increases rapidly in civilization and refinement; while that which leaves its use to caprice, or chance, or absolute necessity, makes no progress in arts, or science, or any kind of intellectual or physical well-being.

Should not, then, a due regard to that manual labor which brings iron to its perfected state — be that state the production of the raw material from the furnace, or the manufacture of the axe or the steam-engine — be one of the first considerations of a government? Iron bears such an intimate relation to all the various branches of domestic industry, that to deny this axiom were to deny that a nation, remaining inert and idle, and wholly purchasing its necessities from another nation, would not ultimately decay.

The annual consumption of iron in the United States is about 100 pounds to each individual. Until 1829, the consumption averaged about 25 pounds. Our industrial branches require a million of tons per annum, and of this amount we can, and perhaps do, at present, produce about 400,000 tons. As the ratio of consumption goes on increasing, with the increase of population, how will the future demand be met, unless we are encouraged to build our own furnaces and construct our own factories? Shall we rely upon a foreign market? That is the issue which must be decided by Congress, and speedily. — *New York Courier and Enquirer.*

BRANCH MINT IN CALIFORNIA.

[PUBLIC ACT. — No. 25.]

An Act of Congress to establish a Branch of the Mint of the United States in California. Passed, July, 1852.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a branch of the Mint of the United States be established in California, to be located by the Secretary of the Treasury, for the coinage of gold and silver.

Sec. 2. *And be it further enacted*, That suitable buildings shall be procured or erected, for carrying on the business of said branch mint; and the following officers shall be appointed so soon as the public interest may require their services, upon the nomination of the President, by and with the advice and consent of the Senate, to wit: one superintendent, one treasurer, one assayer, one melter and refiner, and one coiner. And the said superintendent shall engage and employ as many clerks and as many subordinate workmen and servants as shall be provided for by law; and until the thirtieth of June, one thousand eight hundred and fifty-five, the salaries of said officers and clerks shall be as follows: to the superintendent and to the treasurer, the sum of four thousand five hundred dollars each; to the assayer, to the melter and refiner, and to the coiner, the sum of three thousand dollars each; to the clerks, the sum of two thousand dollars each; to the subordinate workmen, such wages and allowances as are customary and reasonable, according to their respective stations and occupations.

Sec. 3. *And be it further enacted*, That the officers and clerks to be appointed under this act shall take an oath or affirmation before some judge of the United States, or the Supreme Court of the State of California, faithfully and diligently to perform the duties thereof, and shall each become bound to the United States of America, with one or more sureties to the satisfaction of the Director of the Mint and the Secretary of the Treasury, or the District Attorney of the United States for the State of California, with condition for the faithful and diligent performance of their offices.

Sec. 4. *And be it further enacted*, That the general direction of the business of said branch of the Mint of the United States shall be under the control and regulation of the Director of the Mint at Philadelphia, subject to the approbation of the Secretary of the Treasury; and, for that purpose, it shall be the duty of the said Director to prescribe such regulations, and require such returns periodically and occasionally, as shall appear to him to be necessary for the purpose of carrying into effect the intention of this act in establishing the said branch; also for the purpose of discriminating the coin which shall be stamped at said branch and at the Mint itself; and also for the purpose of preserving uniformity of weight, form, and fineness in the coins stamped at said branch; and for that purpose to require the transmission and delivery to

him at the Mint, from time to time, of such parcels of the coinage of said branch as he shall think proper, to be subjected to such assays and tests as he shall direct.

Sec. 5. *And be it further enacted*, That all the laws and parts of laws now in force for the regulation of the Mint of the United States, and for the government of the officers and persons employed therein, and for the punishment of all offences connected with the Mint or coinage of the United States, shall be, and they are hereby, declared to be in full force in relation to the branch of the Mint by this act established, so far as the same may be applicable thereto.

Sec. 6. *And be it further enacted*, That no permanent location of said mint shall be made, or buildings erected therefor, until the State of California shall, by some law or other public act, pledge the faith of the State that no tax shall, at any time, be laid, assessed, or collected by the said State, or under the authority of the said State, on the said branch mint, or on the buildings which may be erected therefor, or on the fixtures and machinery which may be used therein, or on the lands on which the same may be placed: but nothing in this section contained shall be understood as implying an admission that any such power of taxation rightfully exists.

Sec. 7. *And be it further enacted*, That the said branch mint shall be the place of deposit for the public moneys collected in the custom-houses in the State of California, and for such other public moneys as the Secretary of the Treasury may direct; and the treasurer of said branch mint shall have the custody of the same, and shall perform the duties of an assistant treasurer, and for that purpose shall be subject to all the provisions contained in an act entitled "An Act to provide for the better organization of the Treasury, and for the collection, safe-keeping, transfer, and disbursement of the public revenue," approved August the sixth, one thousand eight hundred and forty-six, which relates to the treasurer of the Branch Mint at New Orleans.

Sec. 8. *And be it further enacted*, That, if required by the holder, gold in grain or lumps shall be refined, assayed, cast into bars or ingots, and stamped in said branch mint, or in the Mint of the United States, or any of its branches, in such manner as may indicate the value and fineness of the bar or ingot, which shall be paid for by the owner or holder of said bullion at such rates and charges, and under such regulations, as the Director of the Mint, under the control of the Secretary of the Treasury, may from time to time establish.

Sec. 9. *And be it further enacted*, That so soon as the said branch mint is established in the State of California, and public notice shall be given thereof in the mode to be designated by the Secretary of the Treasury, then so much of the "Act making appropriations for the civil and diplomatic expenses of the government for the year ending thirtieth June, eighteen hundred and fifty-one, and for other purposes," as provides for the appointment of a United States assayer, and the contracting for the assaying and fixing the value of gold in grain or lumps, and for forming the same into bars, be, and the whole of the clause containing said provisions shall be hereby repealed.

Sec. 10. *And be it further enacted*, That before the Secretary of the Treasury shall procure or erect the buildings provided for in the second section of this act, or commence operations under any of the provisions of the same, at San Francisco, State of California, it shall be his duty to make a contract, or contracts, for the erection of said buildings, and procuring the machinery necessary for the operations of said mint, at a sum or sums which shall not in the whole exceed the sum of three hundred thousand dollars, which said contract or contracts shall be secured by good and sufficient sureties, to the satisfaction of the said Secretary of the Treasury and the President of the United States.

Approved July 3, 1852.

GOLD AND SILVER: THEIR SUPPLY, PRODUCTION, AND RELATIVE VALUES.

TRANSLATED FROM THE GERMAN, FOR THE NATIONAL INTELLIGENCER, BY JAMES C. WELLING.

THIS article has been translated from the *Deutsche Vierteljahrs Schrift, Erstes Heft*, 1852, a German quarterly magazine published at Stuttgart and Tübingen. The article in the original occupies nearly a hundred closely printed pages, so that we have sometimes been compelled, for the sake of economizing room, to condense the author's sentences by departing from a strictly literal version; while the greater part of the article, possessing a local rather than general interest and value, has been left untouched. The extracts given, it was thought, would prove especially acceptable at this time to American readers.

DURING the last year or two a confluence of events has exerted a powerful influence on the relations of credit, and the means of monetary circulation: it will perhaps repay us for our trouble if we investigate more closely the operation of these disturbing causes, and seek to derive therefrom wholesome instruction for the future. We shall not enter into any disquisition concerning the means by which the precious metals have been for centuries erected into a standard of value, but only inquire whether our recent experiences justify us in expecting a change in the subsisting relations between gold and silver. In order properly to raise this question, we must know how much the present supply of gold and silver throughout the inhabited world amounts to; how much of such metals will be needed in circulation; and how great a provision in both will hereafter be required in order to preserve their former relative values.

It lies in the nature of the question, that the statistics respecting these relations must be very fluctuating, and it is equally certain that the calculations given by various writers, along with some valuable and historically confirmed statistics, contain many arbitrary *data* which can only be proved and rectified by the hand of experience, and therefore every contribution to a knowledge of the subject may lead us one step nearer to the truth. Concerning the produce of the precious metals before the discovery of America our accounts are very indefinite, since the regions

actually cultivated and known to history furnished only the least part of the production, and the stories respecting the treasures of inner Asia and Africa sound quite fabulous. On the other hand, statistics approximately precise are extant concerning the treasure accumulated by the Romans, which do not permit us to doubt but that the precious metals existing centuries before the discovery of America were certainly not inconsiderable when compared with the present quantity.

The work of W. Jacob on the "Production and Consumption of the Precious Metals" contains the most comprehensive collection of facts derived from sources the most various. His statistics relating to the production of the precious metals are chiefly derived from the investigation of A. von Humboldt; but his statements respecting the consumption of the precious metals, and the calculations founded on them concerning their quantities in different periods, need to be carefully proved; and for this purpose the experiences made in England of the deterioration and consumption of these metals should be compared with those made in other lands.

Jacob states the standard weight of coins in the London Mint, and, according to observations made on their deterioration, calculates the yearly abrasion of gold coins at 1-600, and of silver coins at 1-150. He therefore takes for his calculations an average yearly loss of 1-420 as the wear and tear of the precious metals, and of 1-360 per year for the time anterior to the discovery of America, on account of the different relative quantities of silver and gold. The observations made in Germany and France on the abrasion of coins give a very different result. From observations made on the *kronen thalers* * circulated in Germany, it is found that they present an average yearly abrasion which stands to that of the English silver coins, as stated by Mr. Jacob, (1-150,) in the ratio of 1-66, and the loss by abrasion in the smaller coins, such as the *sechskreuzer* piece † of Wurtemberg, is stated at an average of 0.16 per cent. or 1-625. The abrasion in the fractional parts of the *thaler* is of course greater, that of the half *kronen thaler* being two or three times, that of the quarter *kronen thaler* being five or six times, greater than that of the integral coin. The *zwanziger* ‡ shows an abrasion two or three times greater than the *kronen thaler*. Of the silver coins of France 96 per cent. consists in five-franc pieces, with 1-100 per cent. abrasion, and 4 per cent. in fractional pieces from one to quarter franc with 10-100 per cent. abrasion. In Prussia 77½ per cent. of all silver coins is of the denomination of the *thaler*, with an abrasion of 1.5-100 per cent.; 18½ per cent. in smaller denominations, with an abrasion of 16-100 per cent. In Austria 30 per cent. of all silver coins is minted in *thalers* with a wear and tear of 1-100 per cent.; 60 per cent. in *zwanzigers*, with an abrasion of 2.5-100 per cent., and 10 per cent. in "small change," with an abrasion of 16-100 per cent. In fine, the abrasion of silver coins circulating in Germany and France may be stated at 2-100 per

* The *kronen thaler* is a silver coin of South Germany, worth 4*s.* 6*d.* of English money.

† The *sechskreuzer* piece is a small coin worth 2*d.* English currency.

‡ The *zwanziger* is an Austrian coin with a current value of 8*d.* English money.—[Tr.]

cent. every year. And if to this we add 0.5-100 per cent. for loss in melting and recoinage, we have a yearly loss of 2.5-100, or 1-40 per cent., or 1-4000 of the entire amount in circulation. If Jacob states this loss at 1-420, or ten times more, it is evidently erroneous, as every one will fully admit who has had business in silver exchanges on the Continent.

The yearly abrasion of gold coins is estimated by Jacob, from experiments made on the weights of English sovereigns, at 1-600, but in Germany it is found that the abrasion of the *ducat* is about equal to the average of silver coins. The loss from attrition in the commoner articles of gold and silver ware cannot be ascertained by weighing. A part of them, such as the utensils in daily use, will suffer a greater loss than coin; but, on the contrary, by far the greater part, which serves the purposes of ornament and show, will experience a much less deterioration than the circulating medium, insomuch that we are not justified in estimating a greater loss of metal in these articles than 1-40 per cent. a year. As gold and silver ware can be transformed into coin, no discrimination need be made between coins and wares in estimating the quantity of the precious metals. A real loss of these metals is, however, sustained in their consumption for the purposes of gilding with gold or silver, and by accidents from shipwrecks and fires, and from the burial of treasures in times of war, invasion, &c.

Jacob gives the following estimate of the waste of precious metals for ornamental purposes: —

In gold — for gold-beaters' work,	17,600	ounces.
for gilding various articles,	31,800	"
for ornaments of different kinds,	21,200	"
for gold plating,	2,600	"
for embellishment of porcelain and clay vessels,	5,100	"
Total,	78,300	"

Which, at the value of £4 ½ per ounce, amounts to £342,562.

In silver — for plating,	900,000	ounces.
for smaller silver wares not reconvertible into coin,	500,000	"
Making	1,400,000	"

Which, at £¼ sterling per ounce, amounts to £350,000.

So that this yearly consumption of gold and silver may be estimated at £700,000; and if, as Jacob states, the consumption of England is about three sevenths that of Europe, the value of £1,616,000 is expended by the Continent for similar purposes.

For America the same authority calculates the quantity thus used at one twentieth that of Europe, which is evidently too little, and taking it rather at one eighth, the value of the precious metals consumed for merely ornamental purposes in Europe and America may be estimated at £1,800,000; and if we assume the same annual consumption for the current century, the amount of ninety millions of pounds sterling has been expended in such labors. The annual loss in precious metals from fire and shipwrecks can be approximately inferred from the rates of insurance, and we have seen no estimate which places it higher than one fifth the annual product, — this estimate including the risks of its first lading and its subsequent transportations to meet the exigencies of commerce and preserve the balance of trade.

Concerning the amount of gold and silver obtained since the discovery of America, there have been carefully proved statistics collected by Alexander von Humboldt, in which the various periods of the gold and silver discovery are distinguished, so that the loss by abrasion can be taken into account, and the amount of the precious metals estimated as now existing in commercial transactions. The *data* of Humboldt, in his *Essai Politique*, come down to the year 1810; the statistics from 1810 to 1850 we extract from the Austrian paper, the *Lloyd*, No. 17, of 1851. The discoveries in America, Europe, and the Ural Mountains are included in the following estimate.

Table showing the Production, Consumption, and Quantity of Precious Metals, from the Discovery of America to 1850.

	Period.	Duration of period in years.	Yearly production in pounds sterling.	Total production in pounds sterling.	Production after deduction of one fifth for loss by shipwreck, fire, and burial.	Mean duration of circulation from time of discovery to 1850.	Loss by abrasion, estimated at 1-20 per cent.	Loss by abrasion stated in pounds sterling.
From the discovery of America to the conquest of Mexico,	1492 to 1520	29	£ 52,000	£ 1,308,000	£ 1,046,400	344 years.	17.2 per cent.	£ 179,981
From 1521 to discovery of the mines of Potosi,	1521 to 1546	25	630,000	15,750,000	12,600,000	317 do.	15.8 do.	1,990,800
From	1546 to 1600	54	2,250,000	121,000,000	96,800,000	287 do.	14.3 do.	13,842,400
From	1600 to 1700	100	3,375,000	337,500,000	270,000,000	200 do.	10 do.	27,000,000
From	1700 to 1810	110	8,000,000	880,000,000	704,000,000	95 do.	4.75 do.	33,440,000
From	1810 to 1830	20	5,000,000	100,000,000	80,000,000	30 do.	1.5 do.	1,200,000
From	1830 to 1840	10	8,100,000	81,000,000	64,800,000	15 do.	0.75 do.	486,000
From 1840 to 1850, exclusive of the production in California,	1840 to 1850	10	11,000,000	110,000,000	88,000,000	5 do.	0.25 do.	220,000
Total,				£ 1,646,558,000	£ 1,317,246,400			£ 78,359,181

Total production, after allowance for casualties, £ 1,317,246,400, from which deducting £ 78,359,181 for loss by abrasion, we may state the present amount of precious metals, exclusive of the California contributions, at £ 1,238,887,219; or, in United States curreney, $ 6,039,575,192.

From the amount of gold and silver thus estimated we must of course deduct the proportion that has been consumed in silver plating, gilding, &c. during the last 350 years, and which, according to Jacob's *data*, may be reckoned at 300 million pounds sterling; but we must not forget to take into account the treasure existing prior to the discovery of America. Jacob calculates the supply of gold and silver in the times of the Roman Emperor Augustus at

£300,000,000, and furnishes credible historical authorities for the accuracy of this statement; of this sum, on account of wear and tear, he reckons that not more than £33,000,000 remained in existence at the period of the discovery of America. But if, on the other hand, we take into view the fact, that during this intervening period of 1,500 years considerable sums of precious metals were found in Asia and Africa and brought into circulation, if not in Europe, at least in other parts of the world, we are justified in concluding that the loss in precious metals sustained by abrasion and other causes was quite replaced by the accruing additions made from time to time; so that the supply of £300,000,000 in the time of Augustus would furnish the material to compensate for the loss occasioned by plating, gilding, &c. We can, therefore, calculate the present supply of precious metals (exclusive of the California gold) at about 1,200 millions of pounds sterling.

* [We now proceed to consider the gold production of California; and, in order to present the subject in as strong a light as possible, we present below a statement of the deposits and coinage of the precious metals at the United States Mint and branches, from the date of their organization down to the 1st of June, 1852. The table is extracted from the *Journal of Commerce*, New York, for whose columns it was authenticated by R. Patterson, Esq., of the Philadelphia Mint.

1. *Statement of the Coinage of the Mint of the United States and its Branches, from their Organization to May* 31, 1852.

PHILADELPHIA MINT.

Periods.	*Gold.*	*Silver.*	*Copper.*	*Total Coinage.*
To the close of 1847,	$52,741,350.00	$62,743,211.90	$1,145,591.21	$116,635,153.11
" " 1848,	2,780,930.00	420,050.00	64,157.99	3,265,137.99
" " 1849,	7,948,332.00	922,950.00	41,994.32	8,913,286.32
" " 1850,	27,756,445.50	409,600.00	44,467.50	28,210,513.00
" " 1851,	52,143,446.00	446,797.00	99,636.43	52,689,878.43
Five months, 1852,	18,707,879.00	243,652.00	25,088.74	18,976,619.74
Total,	$162,078,382.50	$65,191,260.90	$1,420,925.19	$228,690,568.59

NEW ORLEANS MINT.

Periods.	*Gold.*	*Silver.*	*Total Coinage.*
To the close of 1847,	$15,189,365.00	$8,418,700.00	$23,608,065.00
" " 1848,	359,500.00	1,620,000.00	1,978,500.00
" " 1849,	454,000.00	1,192,000.00	1,646,000.00
" " 1850,	3,619,000.00	1,456,500.00	5,075,500.00
" " 1851,	9,796,000.00	327,600.00	10,122,600.00
Five months, 1852,	3,015,000.00	46,000.00	3,061,000.00
Total,	$32,430,865.00	$13,060,800.00	$45,491,665.00

* The portions inclosed in crotchets [] have been inserted by the translator from more full and reliable data than were in the possession of the foreign author of the body of this article.

Periods.	Charlotte (N. C.) Mint. *Gold.*	Dahlonega (Ga.) Mint. *Gold.*	At all the Mints. *Gold, Silver, and Copper.*
To the close of 1847,	$1,656,060.00	$3,218,017.50	$145,117,295.61
" " 1848,	364,330.00	271,752.50	5,879,730.49
" " 1849,	361,299.00	244,130.50	11,164,695.82
" " 1850,	347,791.00	258,502.00	33,892,306.00
" " 1851,	324,454.50	251,592.00	63,438,524.93
Five months, 1852,	157,629.00	141,083.00	22,336,331.74
Total,	$3,211,563.50	$4,485,077.50	$281,878,874.59

2. *Statement of the Value of Gold, of Domestic Production, deposited at the Mint and its Branches, from their Organization to May 31, 1852.*

Philadelphia Mint.

Periods.	*From California.*	*Other Sources.*	*Total.*
To the close of 1847,		$7,797,141	$7,797,141
Year 1848,	$44,177	197,367	241,544
" 1849,	5,481,439	285,653	5,767,092
" 1850,	31,667,505	122,801	31,790,306
" 1851,	46,939,367	135,153	47,074,520
Five months, 1852,	17,830,018	68,855	17,898,873
Total,	$101,962,506	$8,606,970	$110,569,476

New Orleans Mint.

Periods.	*From California.*	*Other Sources.*	*Total.*
To the close of 1847,		$119,699	$119,699
Year 1848,	$1,124	11,469	12,593
" 1849,	669,921	7,268	677,189
" 1850,	4,575,567	4,454	4,580,021
" 1851,	8,769,632	1,040	8,770,722
Five months, 1852,	2,292,457		2,292,457
Total,	$16,308,751	$143,930	$16,452,681

Charlotte (N. C.) Mint.

Periods.	*From California.*	*Other Sources.*	*Total.*
To the close of 1847,		$1,673,718	$1,673,718
Year 1848,		370,785	370,785
" 1849,		390,732	390,732
" 1850,		390,289	390,289
" 1851,	$15,111	300,950	316,061
Five months, 1852,	6,151	173,425	179,576
Total,	$21,262	$3,229,899	$3,251,161

Dahlonega (Ga.) Mint.

Periods.	*From California.*	*Other Sources.*	*Total.*
To the close of 1847,		$3,218,017	$3,218,017
Year 1848,		271,753	271,753
" 1849,		244,131	244,131
" 1850,	$30,025	217,673	247,698
" 1851,	214,072	165,237	379,309
Five months, 1852,	71,466	68,971	140,437
Total,	$315,563	$4,185,782	$4,501,345

AT ALL THE MINTS.

Periods.	*From California.*	*Other Sources.*	*Total.*
To the close of 1847,	$ 12,908,575		$ 12,908,575
Year 1848,	$ 45,301	851,374	896,675
" 1849,	6,151,360	927,784	7,079,144
" 1850,	36,273,097	665,217	36,938,314
" 1851,	55,938,232	602,390	56,540,612
Five months, 1852,	20,200,092	311,251	20,511,343
Total,	$ 118,608,082	$ 16,166,581	$ 134,774,663

From this table it appears that the deposits of California gold at our mints, since its first discovery up to the 1st of June, 1852, amount, in round numbers, to $ 118,600,000. To this add $ 7,250,000 for June, and the amount thus in hand is $ 125,850,000. "It is probably safe," says the *Journal of Commerce*, "to estimate the total production of the California mines to this date (June 29, 1852) at nearly $ 200,000,000."]

Will gold be found in California in such quantities as greatly to depreciate in value? We think not. When we consider that a fall in the value of the precious metals is tantamount to a rise of all other values on the face of the earth, since these metals are recognized as the standard of value the world over, we can easily conceive that such a depreciation can occur only after the lapse of considerable time. The annual agricultural products of Great Britain are estimated at £ 584,000,000; her manufactures at £ 300,000,000; and her total yearly production is stated at about £ 1,000,000,000. The capital invested in various kinds of property in Great Britain and her colonies is reckoned at £ 6,600,000,000. In Austria the yearly production of the soil, manufactures, trades, &c. is valued at £ 250,000,000. From this it appears, that, while in England the value produced by its inhabitants *per caput* is £ 40, that of Austria is only £ 6; but, taking this last estimate as a criterion, we may estimate the annual values produced in Austria at least as high as £ 250,000,000 or £ 300,000,000 sterling. In comparison with such aggregates of values, a partial increase in the aggregate of a precious metal must be of only slight influence when we consider the manner in which these metals are brought into commercial circulation.

The gold obtained in California must either be expended in the purchase of necessary articles, or invested in interest-yielding stocks. The demand for the former cannot of course exert any discernible influence on the world's commerce; so that this gold must be brought into the market as so much capital to be profitably invested, and, as interest is higher in America than in Europe, it will doubtless be invested in the former, for internal improvements and other useful enterprises. If now we regard the manner in which capital is applied to the execution of such enterprises as house-building, agriculture, mechanic arts, means of local communication, &c., we shall find that its greatest use will be reduced to expenditures for the wages of day-laborers, which in turn are scattered in the purchase of the means of subsistence and other necessaries, and only in a small degree are ever collected again into capital. The most proximate consequence of the Californian gold must be a rise in America of the price of wages. A depreciation in the precious

metals cannot occur until they have become accumulated in a greater proportion in America than in other countries, and this must necessarily be indicated there by a rise in the price of all commodities and daily wages. This rise of wages in America will enable the European fabricator to undersell the American; and it is in this way that Europe must expect to derive the greatest advantage from the golden riches of California. Not until the rise of wages in Europe shall have superinduced an elevation in the price of all the necessaries of life, can the reaction be felt by those who live on stated incomes and salaries, and the solicitude expressed lest a depreciation of metals and a rise in the price of necessaries may take place in the course of a few years is apparently exaggerated, as experience has taught us in what ensued after the discovery of America. The influx of the precious metals in comparison with the existing supply in Europe was much greater then than now, and yet a general rise in the means of subsistence did not take place until after several generations.

A sudden depreciation of the precious metals is, moreover, not probable, even though the influx from California should continue at the present rate for a longer period than it is likely to do; because, with the increase of the world's population, and the extension of civilization and production, the demand for the precious metals must be subject to a yearly increase. How great the actual yearly demand may be in order to meet this increase can only be approximately measured by reference to the supply actually on hand. If, according to the calculations above given, we may assume the supply of precious metals in the form of coin and plate of all kinds at £ 1,200,000,000, and if this were equally divided among the 1,000,000,000 souls composing the population of the globe, it would give £ 1.2 per head. The net increase of population is taken on an average at 1 per cent., according to which a yearly increase must arise of 10,000,000 souls, who, on the supposition of an equal demand for gold and silver with their predecessors, would require an annual increase of £ 12,000,000 to supply their wants. Allowing an annual loss of $\frac{1}{2}\frac{1}{0}$ per cent. for abrasion, $1\frac{8}{10}$ millions of pounds sterling for ornamental purposes, and of $\frac{1}{5}$ the entire production for the casualties arising from fire, shipwreck, and burial, it would require a yearly production of £ 16,600,000 to furnish the amount of £ 12,000,000 needed to meet the mere increase of population, and the production of precious metals before the discovery of the California mines was too little for this by £ 5,600,000, which would have caused a rise in the value of precious metals. If the accruing acquisitions in California did not transcend this sum, the capital supply per head for the population of the earth would remain uniform and the same. But it is not true that the increased demand for gold and silver rises only with the increase of population; for the development of social life and the progress of culture and refinement exert a greater and an added influence.

If, from the foregoing calculations and remarks, it has been made probable that through the increased acquisition of precious metals a depreciation of the same, or a rise of values in general, is not to be expected, it still remains to inquire in what degree the increased acquisi-

tion of gold may change the existing relation of value between gold and silver. A. von Humboldt has instituted investigations into the influence of the gold production of the Ural Mountains upon the relative values of the two metals [*Deutsche Viertjahrschrift*, 1838, 4 Heft]. As the gold of California is now added to that of the Ural mines, the question needs a new discussion.

We must here premise, as an irrefragable fact, that the supply and the yearly production of the two metals are not decisive of their relative values. Whether their relation of values at the time of the discovery of America was in equilibrium with the proportion existing between the supply of the two metals cannot be ascertained, and must therefore remain undecided; we can only add, that the relation of values between silver and gold stood, in the time of Herodotus, as 1 : 13; at the time of Alexander as 1 : 10; at the time of Julius Cæsar as 1 : 9; and that fluctuations arose between this lowest ratio and that of 1 : 17. At the time of the discovery of America their relative values in Spain was as $1 : 11\frac{6}{10}$, which was reduced by the rich importations of gold to the proportion of $1 : 10\frac{7}{10}$. When the wealthy silver mines of Potosi and Zacatecas augmented, in the sixteenth century, the production of silver, the value of gold as compared with silver rose to the ratio of 1 : 12, and during the last two centuries has fluctuated between 1 : 14 and 1 : 16. By the calculations of Humboldt it is shown that the importation of American gold to Europe amounted to 1-65 that of silver, and that Europe in general retained 1-47 of the gold actually produced, as is proved by the quantities of gold and silver made into European coin. From this it appears that gold does not rise in value proportionably with its relative quantity to silver, but that other factors determine its relative value. Had the value of gold varied in the relation of the previous supply to the subsequent acquisitions as compared with the production of silver, it would have attained triple its former value, which, however, did not ensue, perhaps because with this increase of value the use of gold would have undergone a great restriction. The question now is, on the contrary, whether the increased acquisition of gold must have the effect of lowering its price as compared with silver and values in general.

According to Humboldt, the relation existing between the precious metals in circulation before the discovery of gold in California was as follows: — For every pound sterling in gold there existed $2\frac{7}{10}$ pounds sterling in silver, or, according to weight, for 1 mark of gold 42 marks of silver. The above-reckoned supply of £1,200,000,000 would, accordingly, in the relation of value, consist of £320,000,000 in gold and £880,000,000 in silver; or, reckoning by weight, of 10,000,000 marks of gold, and 412,000,000 marks of silver.

The yearly acquisition of precious metals was estimated at £11,000,000 for the period from 1840 to 1850, of which £3,000,000 consisted in gold, and £8,000,000 in silver. If to this we add a yearly production of California gold amounting to £10,000,000, the yearly product of gold rises to £13,000,000, or to 407,000 marks, while the product of silver is still reckoned at £8,000,000, or 3,696,000 marks. Should the

gold production continue at this rate for one hundred years, no allowance being made for wear and tear on the supposition of a too low estimate, the supply of gold in 1950 will have arisen from 10,000,000 marks to 50,700,000; the supply of silver from 422,000,000 marks to 792,000,000; and the supply of gold and silver would then stand in the relation of $1 : 15\frac{6}{10}$. So that, on this supposition, after one hundred years the supply of the two metals would be equalized with their existing relation of values; the *quantity* of gold *then* being to that of silver as 1 : 15, and the *value* of gold *now* being as 1 : 15. A fall in its value through the accumulation of gold is not to be expected until its supply comes to be regarded as that which determines its worth. It is self-evident that this measuring scale cannot be exactly or surely graduated; but, on the other hand, it clearly appears that for a long series of years the supply of silver must be much greater than that of gold, even should the new accessions of the latter continue unusually rich in product and unexpectedly permanent in duration.

The value of gold will therefore principally depend upon the use that shall hereafter be made of it. The relative value of gold and silver for the production of articles of ornament and household ware cannot well be compared, since taste and fancy control their choice; it is the application of both metals to the purposes of coinage that can alone be taken into consideration.

Gold has some advantages over silver for the purposes of coinage; its higher value and its greater specific gravity afford the means of exchanging and transmitting greater sums with less weight than can be done with silver. Its easy fusibility and great malleability, besides, render its fabrication cheap, and the loss in melting is less than in silver. The greater value of the metal, on the other hand, must prevent it from being used for the purposes of coinage into small denominations, and thereby its popular and general circulation is considerably obstructed.

Almost all states have adopted silver as their standard of value, only Great Britain and the United States having made gold their national standard for all higher values, and admitting silver as a legal tender only for small sums. The principal hindrance to the general adoption on the Continent of the gold valuation as the standard has hitherto been found in the fact, that this metal was not sufficiently abundant to subserve the needs of commercial intercourse and monetary exchange, gold composing about one fourth only of the previously existing supply of precious metals. With the probable increase of the gold production in California [and Australia] this impediment will, it is likely, be removed; but such is the fear that has been raised lest gold may depreciate in value, that perhaps no country will be in haste to imitate the example of the United States and Great Britain. The surest means to prevent the fluctuations of value between gold and silver would be the rendering of silver a legal tender for all values by England, with a retention of the present gold standard, and the simultaneous adoption of the gold standard on the Continent, with the retention of the existing one of silver. This reciprocity of valuation and standards would go far to equalize and repress all fluctuations that at present are liable to dis-

turb the rates of exchange; as, for instance, between Vienna and London. In this way, too, the introduction of a common mint system for Germany, France, and England would be greatly facilitated.

THE PROSPECTIVE VALUE OF GOLD.

From the London Economist.

I. Cost of Production. II. Effects of a Larger Supply. III. Who are the Chief Sufferers by a Depreciation in the Value of Gold? IV. Value of Fixed Incomes.

Few of our readers require to be reminded that the intrinsic value of any article is determined generally by the quantity of labor which is required to produce or obtain it. To this rule gold and silver form no exception. If, therefore, new and richer mines are discovered, whereby gold can be obtained in larger quantities and with less labor than formerly, its intrinsic value is correspondingly reduced, and it will exchange for less of other commodities which continue to require the same quantity of labor to produce them as formerly. Gold and silver have been accepted as standards of value and as money, chiefly because they change least frequently in the quantities produced, and therefore in their intrinsic values. But to whatever change gold as a commodity is exposed, our *money in account* is also exposed to a similar change in its intrinsic value. We have adopted gold as our standard of value. We have determined what quantity of gold is represented by a "pound" in account. Each ounce coins into £3 17*s.* 10½*d.*, each "pound" therefore being 5 dwt. 3¼ gr. of gold; every sum of money being nothing more nor less than the quantity of gold which it represents in that proportion. In whatever shape or form money obligations exist, £100 merely represents standard gold weighing 2 lb. 1 oz. 13 dwt. 13 gr. Under any circumstances, therefore, our obligation to pay £100 can only be discharged by the delivery of that quantity of gold, or of something which represents it, as, for example, bank-notes, which are payable to bearer in that quantity of gold. To all intents and purposes, then, when we speak of sterling money, we only use other words for gold of standard quality, at the rate of 5 dwt. 3¼ gr. for each "pound."

Supposing, then, all the sanguine anticipations now entertained in relation to California to be confirmed, it is clear that the condition exists under which the intrinsic value of gold will fall, inasmuch as it will be produced in large quantities with less labor than formerly. The discovery and the greater abundance of gold, so far as its real utility is concerned, and its power of adding to the comforts and gratification of life, are of comparatively little importance. The discovery of the Black Band iron in Scotland, — of the sheep walks in Australia, which have made wool more abundant, — of draining and manuring, which have produced so much more wheat with the same labor, — or similar inventions, is of infinitely more importance to the human family than the

discovery of California, inasmuch as the former contribute to increase the real comforts and satisfaction of life in a great degree to large masses of people, while the latter only render a little cheaper the ornaments and utensils made of gold. In the light, then, of mere utility, the discovery of California is an unimportant and secondary event. If gold were used only as a commodity, the only effect which the discovery of California would have, would be to enable persons to obtain it in future at a less cost measured in other articles; while those who happened to hold stock of it would suffer a loss just similar to that which a merchant suffers on his stock of wheat or sugar when those articles fall in price. And the same would be pretty much the case in its use as money, were all transactions settled at the time, and if there were no credit given or taken, nor contracts existing which provided for payments at a distant day. Were there no such persons as debtors and creditors, and no contracts providing for fixed payments at a future time, whatever depreciation occurred in the value of gold at any time would affect only the holders of money or gold at the moment, though it is probable any such change would be so gradual, as to be imperceptible in its effects at any one time.

But when we consider the numerous and complicated ways in which money obligations exist, — contracts providing for fixed payments for long periods of time, — loans, the repayment of which is deferred to a distant date, — the effects of a reduction of the intrinsic value of gold become of much more importance in its character as "*money*" than as a common commodity. For the sake of considering this subject more easily, we will suppose that during the next twenty years gold will fall in intrinsic value, and in relation to other commodities, by one fifth, or twenty per cent., or at the rate of one per cent. per annum. Such a depreciation in the intrinsic value of money would have no effect on the intrinsic value of other commodities; but the same sum of money at its reduced value would only purchase less of any other article than before. £3 17*s.* 10½*d.*, or an ounce of gold, if depreciated by 20 per cent., would purchase one fifth less wheat or iron than before (all other things remaining the same), or, in other words, they would rise in nominal price expressed in gold by the rate of the depreciation. Thus wheat worth 40*s.* a quarter at the present value of gold would rise in nominal price to 48*s.* if gold were depreciated 20 per cent.

In the first place, our correspondent is obviously in error in supposing that by such a depreciation "capitalists of all grades would be mulcted of a portion of their property for the benefit of the Californian adventurers." The Californian adventurers will only receive from the rest of the world that quantity of other commodities in exchange for their gold which it is intrinsically worth from time to time. And there are many forms in which capital would not be affected by the depreciation which we have described.

1. Capital invested in land, houses, and every description of real property, would be uninfluenced by a depreciation in the value of gold, except so far as rents may be fixed for a period. If gold fell 20 per cent., the only effect would be to raise the price of all such property, and of rents in a similar degree.

2. Capital invested in machinery, canals, mines, railways, and similar property, would not be affected by such a depreciation, because their value would become so much greater nominally, and the dividends would be at the same rate on the nominally increased value of the property as on the lesser value before. The net income would therefore be increased as much nominally as gold had depreciated; but it would purchase no more of other commodities, as, on the same principle, they would have risen in price in the same proportion.

3. To an almost imperceptible extent could persons in trade or commerce suffer. The great bulk of every trader's capital consists of produce in warehouse, machinery, raw material, partly or wholly finished goods, &c., all of which would be unaffected by the depreciation of gold, as the nominal price of all would continue to rise, as the intrinsic value of gold fell. To the extent to which they held money at the time the depreciation took place, and to the extent of their book debts, they might slightly suffer, but then, if it is remembered how short trade credits are, it will be obvious that there is not time for any sensible depreciation on such debts. Practically, too, it would happen that the bulk of traders owed as much at the time as was due to them, so that what they lost as creditors they would gain as debtors.

In short, all capital represented by other property or commodities than gold or money would be unaffected by any depreciation in the value of gold; as, in all such cases, the nominal price would rise in proportion to the depreciation. The relative position, therefore, of different producers would be exactly the same as before.

The *chief*, in fact the *only* sufferers in any perceptible degree, would be those who had invested their money for long periods of time, on the stipulation for its repayment at a distant day. They lend actually a quantity of gold, calculated into money at the rate of £ 3 17*s.* 10½*d.* to the ounce, receiving a stipulated interest for its use, and at the time agreed upon they receive back the same quantity of gold. If, then, their commodity has risen or fallen in intrinsic value in the interim, they are the losers or the gainers. It is the same as a man who lets on lease, or lends the use of, for a stipelated period, a quantity of land for so much yearly rent; — at the conclusion of the time the contract is completed by surrendering to the lender or landlord the same land. If land has risen or fallen in the interim, the landlord is the gainer or the loser by the change, and obtains a corresponding rent in future to its altered value. Whether it proves the best speculation to hold capital in some of the various forms of money, — or, in other words, of gold, — or in land, or other property, must depend entirely on circumstances. But it may be said that a person holding land or other real property, though bound up under a lease for a long period, if afraid of a depreciation, has the opportunity of selling it, though subject to the existing leases, and thus avoiding a loss. The same may be done in the case of investments of money in many of the most important forms which they assume. The holder of public stock may sell it whenever he pleases, and invest his capital in other property, and so avoid future losses.

The chief sufferers by a depreciation in the value of gold will be: —

1. Those who have let property on long leases at fixed money rents. But this loss will be limited to the rent only, and will cease with the expiry of the lease. The property itself will not depreciate, but will afterwards command a higher nominal rent in proportion to the depreciation. But so long as the lease lasts, the rent, though nominally the same during the whole period, is actually lower from time to time as depreciation goes forward, inasmuch as it will buy less of all other commodities. The best way for providing against such a result, when property is let for any long period of time, is to determine the rent by a certain quantity of grain. Adam Smith justly remarks, that while the precious metals are the best measure of value from year to year, wheat is the best from century to century.

2. Those who have fixed annuities or rent-charges for life. In these cases the rent may rise or fall, but the encumbrance remains the same. A settlement of £ 1,000 a year made at this time, which may not be payable till twenty years hence, will then be worth only £ 800 in reality, if the supposed depreciation shall take place; while the rental of the property will have risen in proportion to the depreciation in the interim. The most just way in charging property, so as to avoid loss and disappointment to either party, is to settle a certain fixed proportion of the net rental from time to time. If the net rental of an estate be now £ 10,000 a year, and it is wished to settle £ 1,000 a year charged upon it, it would be better for all parties to fix the charge at 10 per cent. of the net rental than at the fixed sum of £ 1,000. By this means the injustice and inconvenience which are often unintentionally committed, sometimes on one side, sometimes on the other, by change of circumstances, would be avoided, and the charge upon the estate would always represent the same proportion of the net rental as it was meant to do when the settlement was made.

3. The holders of life insurances and other claims payable at death or at a distant fixed day. But what is a life insurance in reality? It is a certain interest in a fund of money, to which the insurer contributes as much annually as, with the interest which is received for it in the mean time, will make his share of the accumulated fund on the probable day of his death the amount insured. It is therefore, in reality, so much gold accumulated, and divisible by certain rules. If, then, the gold is of less value when divided than when contributed, it is just one of those unavoidable risks to which every investment is exposed, whether it be land, houses, cotton, or wheat. But in the case of life insurances it is not all loss, for the premiums which are payable year after year, as the depreciation proceeds, are paid in money representing gold of a lower value, and though the premium is nominally the same, it is in reality so much less.

4. Another class which will suffer, and now not an inconsiderable one, will be the holders of guaranteed railway shares. They are in the position of men who have lent money for an interminable period, for a fixed annuity: the nominal value of the railway will rise, but their original shares, and the interest payable on them, will continue to be nominally

the same, while its intrinsic value or purchasing power will be less. The change will operate as a relief to that extent to the general shareholders against the holders of guaranteed shares.

5. But the great and important class which will suffer by a depreciation is the fundholders. The National Debt of England represents in round figures £800,000,000 of capital, the interest £28,000,000 annually. This debt represents gold at the rate of £3 17*s*. 10½*d*. an ounce, and the interest is payable in money at the same rate. If, then, in the next twenty years, gold depreciates at the rate of twenty per cent., while the debt and the interest will remain the same nominally, yet in reality the burden will be reduced to the public by that rate, and the fundholder will be so much poorer. That is, though the same nominal amount of taxes may be contributed by the public for the payment of the interest of the debt, yet in reality it will form a smaller portion of the labor and produce of the country; and though the same nominal sum will be received by the fundholder, yet it will have less power of purchase than before. The real effect of such a depreciation as we suppose will be to wipe off £160,000,000 of the National Debt, and £5,600,000 of the annual interest. That is, though the nominal amount of both would remain the same, the real intrinsic value measured in labor or other commodities would be less by the sums named. As a whole, the country would be neither richer nor poorer; what one class lost another would gain, except so far as a small amount is owing to persons abroad.

But the question is, Is this spoliation, as it has been termed? is it unjust? Our correspondent is a Birmingham merchant. He dreads the "spoliation," and craves for sympathy in favor of the public creditor. A large school in his own town have, for the last thirty years, been holding just the opposite language. They have been, and still are, contending that the public creditor has received, and is receiving, far more than he is entitled to. We, in common with all who have looked fairly at this question, have strenuously defended the creditor against the Birmingham aggressors, and have contended that, happen what may, he is entitled to his "bond." When we have been told that he lent his money in depreciated currency, in gold at £4 to £5 an ounce, and that he should only be paid in the rate at which he lent, we have replied: No depreciation took place till 1800, at which time about one half of your debt was contracted; very little depreciation really existed till after 1808, during which a further large portion of the debt was contracted; but at whatever rate the whole or any part was contracted, no matter; it was all lent on the faith of an act of Parliament, which provided that within six months after the declaration of peace cash payments should be resumed at the rate of £3 17*s*. 10½*d*. the ounce; and therefore that nothing could release the public debtor from the obligation to pay the public creditor in full at that rate. The creditor was entitled to his bond to the letter, and he has got it. The debtor has kept faith with him to the full. The creditor contracted to pay at the rate of £3 17*s*. 10½*d*. an ounce, though he borrowed at one time at the rate of £5 an ounce. He has no merit in having done so. It was simple justice.

But the speculator or invester in public funds, as in railways, runs risks. If he is not to be defrauded of his gains when circumstances go in his favor, neither is he to be guaranteed against losses if the intrinsic value of his security becomes less. One man buys land, houses, or railway shares: his property may rise or fall, but he alone runs the risk. Another invests his capital in the funds, which represent fixed quantities of gold, and if the intrinsic value of that commodity rises or falls, he alone is the gainer or the loser.

But though the loss consequent upon a depreciation in the intrinsic value of gold, to the extent of 20 per cent. during the next twenty years, may be great from first to last on a class, yet, individually, the hardship may be extremely trivial. During the whole of that period there will be a constant tendency for any difference in the intrinsic value of different modes of investment to correct themselves. The depreciation will be gradual, and in almost imperceptible steps from year to year. The fundholder, at any particular moment, may sell out, and invest his money in land, houses, or other property that he thinks will be more advantageous. Such operations are constantly going on. Each person is governed by his own estimate of the relative value of different descriptions of property. He may be right or wrong. One may sell consols and buy Irish land at twelve or fifteen years' purchase, and at the end of the twenty years may find it worth just twice what he gave for it. Another may sell consols and buy railway shares, and find at the end of twenty years that he has been a gainer by his enterprise. Another may dislike the risk of Irish land, or of railways, or of property generally; may doubt very much whether California will produce all that is expected; whether gold will fall in value; may even suggest to his own mind the possibility of other things falling even more in proportion than gold; and, above all, may set a high value on the great ease and security which attend the payment of the public dividends half-yearly, and may on the whole prefer holding public funds with all the risk of cheaper gold. But these are all speculations, the result of which each man alone must be responsible for. It is certain that any person may now sell consols and buy other property at a very fair price. If he does not do so, but continues to hold consols, he takes the risk, and must not complain, whatever the result may be. But in proportion as persons are disposed to sell consols and buy other property, the price of the former will fall and that of the latter will rise; so that throughout the whole twenty years there would be a constant tendency to correct any inequality which might arise. And the extent of the loss or inconvenience which could be experienced at any one time, while a depreciation to the extent of twenty per cent. was going on, would be so small as to be quite imperceptible at the moment, however appalling it looks as a whole.

Nothing, therefore, in our mind, could be more unwise or unjust than to attempt in any way to tamper with the standard, or to readjust existing obligations. The proportion of the capital of the country that can be affected at all by any such change in the intrinsic value of gold is comparatively small, and that portion is held under circumstances which

generally enable the owners to avoid the risk, if they choose to do so, by changing the security, but which if they choose to run, they are not entitled to complain, whatever may be the results.

But there is one important view of the subject, in regard to the position of fundholders and annuitants, which has always, in these discussions, been overlooked, and which should go a long way to reconcile them to any change which may take place. Let them contrast their position with what it was thirty years ago. Faith has been kept with them. They have been paid in full money, at the rate of an ounce of gold for every £3 17*s.* 10½*d.* of interest due to them. It may perhaps be difficult to show that the intrinsic value of gold has risen during that period. But there is no difficulty in showing that at least the relative value of every other article has fallen very much, which, so far as they are concerned, is practically the same thing. *A thousand a year* now is a very different thing from the same sum in 1820. The whole course of legislation has been to reduce the price of all that they have to buy. Ingenuity, science, and toil have been at work to the same end. How much would gold have to fall in value before a given quantity would exchange only for the same quantity of the necessaries and luxuries of life that it did thirty years ago? People may spend as much money as ever, but then they live much more luxuriously. But there can be no doubt that eight hundred a year well applied now, will go further than a thousand a year would have done in 1820. And although the fundholder, with his fixed income, may have contributed literally nothing to the causes which have produced this greater abundance and cheapness, yet he was always fairly entitled, in strict justice, as much as any other member of the community, to participate in their advantages. But then, if he has enjoyed such advantages in the strict performance of the contract, let him not seek to depart from it, if things should go a little the other way. Do not let him begrudge some advantage to the laborious, tax-paying classes, when a turn of events may make the contract more favorable to them, after he has enjoyed so much from a strict adherence to the "bond." The worst that will happen to him will be, that some small portion of the many advantages he has gained, and will hereafter gain, from free-trade, from the ingenuity, the science, the toil of others, will be lost by a fall in the intrinsic value of gold. But at least we may safely say that no such depreciation in gold will take place as will reduce the fixed income of the fundholder to the same power of purchase that it had in 1820. Indeed, it is even more probable that a continuance of the same causes which have for some years past been in operation, will rather further reduce the price of other commodities during the next twenty years, as fast as the value of gold shall fall, even supposing it does so at the rate we have assumed. The fundholder, therefore, has no cause for disturbing the "bond," nor for the slightest dissatisfaction.

A DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF CONNECTICUT, RELATING TO BANKING, &c.

I. Banks and Banking.

1. To enable banks and other corporations to enforce the engagements made for their benefit, they must act within the scope of their authority and conformably to the directions of law. Per Swift, C. J. in *Bulkley* v. *The Derby Fishing Co.*, 2 Conn. 252; *Witte* v. *Same*, Id. 260.

2. In all cases where banks and similar corporations conform to their charter, their acts are binding on them. *Ibid.*

3. So, in cases where they do not conform literally to their charter, they may be liable. As if a banking corporation should by a vote agree to issue bills in a different form, or with different signatures, from those prescribed, they would by their own act be rendered liable to pay them; or if they should without a vote introduce a usage and practice in the transaction of their business different from that prescribed by law, they would, for the same reason, be rendered liable. *Ibid.*

4. Banks cannot take advantage of their own wrong to avoid their contracts; but whatever may be the forms of their obligations, if they are according to their charter, their corporate votes, or their known usage and practice, they ought to be binding. *Ibid.*

5. A corporation created by a private act of the General Assembly, in order to sustain a suit in chancery, must set forth in their bill such parts of the act at least as are necessary to show that they have the

power to sue. *The Central Manuf. Co.* v. *Hartshorne*, 3 Conn. 199; *The Middletown Bank* v. *Russ*, Id. 135.

6. Where the board of directors of the Bank of the United States gave notice that the bank would not hold itself responsible upon any of its notes which should be voluntarily cut into parts, except on production of all the parts, which was published in all the newspapers printed in the city of Philadelphia; it was *held*, that the rights of a person in Connecticut who subsequently became the owner of a note so cut into parts, and the possessor of one of the parts, were not affected by such notice, because the bank could not prescribe terms to its creditors, and because actual notice to the holder could not be presumed. *The Bank of the United States* v. *Sill*, 5 Conn. 106.

7. In 1810 the legislature of New York passed an act, on the application of the firemen of the city of New York, incorporating them and their associates by the name of the New York Firemen Insurance Company. From the preamble of this act, it appeared that the object of the petitioners in their application, and of the legislature in granting it, *was insurance;* and in the body of the act this was declared to be the *sole* purpose of the grant. In the first section the legislature conferred the power of contracting relative to the purposes and business for which the corporation was created. By subsequent provisions the corporation was authorized to make contracts of insurance against fire, and marine insurance; to purchase real estate to a limited amount, necessary for the use of the corporation and the accommodation of its officers and servants in the transaction of its business; to hold real estate and chattels real, mortgaged or pledged for the payment of the capital stock, or for debts due the corporation; to purchase on sales made by virtue of a judgment at law, or a decree or order of a court of equity, and otherwise to take real estate in satisfaction of debts due the corporation, and to hold such real estate until it could be conveniently sold; to purchase stock of the United States, or of either of the States, as an investment of capital, or to receive it as security for the payment of stock or of debts due the corporation. It was then provided, that the corporation should not be concerned in any trade or other business except the insurance of property against loss by fire, and marine insurance. In February, 1818, the stockholders, having determined, in consequence of losses, to close their business and open a new subscription for stock, obtained from the legislature an act constituting the subscribers of the new stock a corporation under the former corporate name, with power to contract relative to the purposes, objects, and business of the corporation; to make contracts of insurance against fire and of marine insurance; to loan money on bottomry, respondentia, or mortgage of real estate or chattels real; to have the liquidation and settlement of the business and concern of the original stockholders and stock, and, after the extinguishment of all claims, to distribute the residue to such stockholders, and generally to exercise all the powers and authorities vested in the former corporation, not inconsistent with the provisions of the new act. It was, however, provided that nothing in the new act contained should in any way be construed to grant banking powers. In an action brought by the latter corporation

on a promissory note, discounted after the acceptance of the new charter, in part payment of a former note received by way of discount, as security for money loaned by the first corporation, it was *held*,—1. That the power of loaning money in the discount of notes was not expressly granted to the old or new corporation, nor was it necessary to carry into effect any power so granted; 2. That such power, by the grant of other specific powers, was impliedly prohibited; and 3. That such power, by the clause excluding banking powers, was expressly prohibited; consequently, that the plaintiff could not recover. *The New York Firemen Insurance Co.* v. *Ely*, 5 Conn. 560; *The Same* v. *Bennett*, Id. 574.

8. The mere insolvency of a bank, incorporated with the usual powers of such an institution, does not convert its effects into a trust fund for its creditors, or prevent it from preferring one creditor to another. *Catlin* v. *The Eagle Bank of New Haven*, 6 Conn. 233.

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

10. Where the plaintiff, residing in New York, having drawn a bill on a person in Stonington, in this State, payable to his own order, indorsed it in blank, and lodged it in a bank in New York for collection; the cashier of that bank indorsed it in blank, and forwarded it to the Eagle Bank at New Haven; the cashier of the latter bank indorsed it in the same manner, and transmitted it to the Stonington Bank, each of these indorsements being made for the purpose of collection only; the acceptor paid the amount of the bill to the Stonington Bank; and in an action brought by the drawer against this bank to recover the sum so paid as money received by the defendant to the plaintiff's use, it was *held*,—1. That the successive indorsees were merely agents of the drawer for the collection and transmission of his money; and 2. That the Stonington Bank was not the factor or banker of the Eagle Bank, nor had the Stonington Bank, as agent, or in any other capacity, a lien on the avails of the bill for the general balance of its accounts with the Eagle Bank, by virtue of which it was entitled to set off such avails against such balance. *Lawrence* v. *The Stonington Bank*, 6 Conn. 521.

11. A custom among banks of transmitting bills and notes from each to the other for collection, and when paid, of passing the avails to the credit of the bank so transmitting them, and to the debt of the bank so receiving them, cannot affect the claim of a third person to the avails of a bill which he has committed to one of them for collection. *Ibid.*

12. Where an ecclesiastical society had subscribed for shares in the Eagle Bank by virtue of the provision for such subscription in the charter of the bank; the bank afterwards became insolvent, and such society thereupon gave due notice of its intention to withdraw the shares so subscribed; it was *held*, that such society, by virtue of its subscrip-

tion, became a stockholder in the bank, and part of the corporation, and consequently, after the insolvency of the bank, was incapable of withdrawing its shares, or of recovering the amount as a debt against the bank. *United Society* v. *Eagle Bank*, 7 Conn. 456; *Bishops' Fund* v. *Eagle Bank*, Id. 476.

13. Where the Eagle Bank, shortly after its failure, assigned property to trustees to secure, indemnify, and protect H. against any indorsement of his on the post-notes of the Eagle Bank, to an amount not exceeding $ 20,000; and it appeared, that at the time of the assignment there were outstanding post-notes of the Eagle Bank indorsed by H. to the amount of more than $ 100,000; that H. was indebted to the Eagle Bank in more than $ 500,000, and was insolvent, and that he had paid nothing on his indorsement of post-notes; on a bill in chancery brought by holders of such post-notes to the amount of $ 69,000 for the benefit of the property so assigned, it was *held*, that the trust was not created for the payment of Eagle Bank post-notes, but for the mere indemnity of H.; that H. could have no claim to this fund, but on the ground of payments actually made upon his indorsements; that the plaintiffs could claim the benefits of the trust only through H., and claiming through him must stand in his place, and be subject to the same equity to which he would be subjected were he claiming the execution of the trust; and, consequently, that the plaintiffs were not entitled to the relief sought. *Homer* v. *Savings Bank*, 7 Conn. 478.

14. On the 13th of January, 1824, A, a citizen of New York, offered at the counter of the Eagle Bank in New Haven, a certain amount of the bills of that bank, and demanded payment thereof in specie. The officers of the bank offered to redeem these bills, by giving a draft for the amount on a bank in the city of New York; which was refused. The bills were then left with the officers of the Eagle Bank to be counted and paid. Two days afterwards, the President of the Eagle Bank forwarded a draft to an agent in New York, with directions to tender the amount of the bills in specie to A. the next morning. This was accordingly done; and the money was refused, on the ground that two days' interest was then due. Within a day or two afterwards A again demanded payment of the bills at the Eagle Bank, which was refused, on the ground of an alleged payment in New York; and then he demanded the bills themselves, which were also refused, and were purposely mingled with the redeemed circulation of the bank. In March, 1824, A sued the Eagle Bank in an action for money had and received, and ultimately (in 1827) recovered judgment for the amount of the bills and interest. On the 31st of August, 1825, the affairs of the Eagle Bank being desperate, the funds provided in New York for the payment of the bills were withdrawn, and an entry thereof was made on the books of the bank. On the 19th of September, 1825, the bank failed. On the 21st, the president assigned a quantity of iron to trustees, first, to secure to a certain amount an indorser of the post-notes of the bank, and then, after paying the Savings Bank the amount of its deposits, "to pay all other persons who had ordinary or special deposits with the Eagle Bank the full amount of such deposits respectively." On a bill

in chancery, brought by A to obtain the benefits of the assignment, as a creditor of the Eagle Bank, by reason of an ordinary or special deposit of money with such bank, it was *held*, that the plaintiff did not sustain that character, and was, therefore, not entitled to the relief sought. *Catlin* v. *Savings Bank*, 7 Conn. 487.

15. Where a meeting of the board of directors of a bank of New Haven was called by the cashier, in pursuance of instructions from the president, then in New York, by personal notice to the directors in New Haven, without specifying in such notice the object of the meeting, it was *held*, that this was a legal meeting for ordinary transactions, and that the giving of security for a debt of the bank, by a mortgage of its real estate, was of this description. *Savings Bank* v. *Davis*, 8 Conn. 191.

16. An agent or attorney may be duly appointed and authorized to convey the real estate of an incorporated bank by a vote of the board of directors, without a power under the corporate seal. Per Hosmer, C. J. Bissell, J. contra. *Ibid.*

17. An agent or attorney of a corporation, in executing a deed in its name, must, in order to make it the act and deed of the corporation, affix thereto the corporate seal. *Ibid.*

18. In an action on the case for fraud in passing to the plaintiff certain bank-bills as the bills of a solvent bank, knowing such bank to be insolvent, the declaration described the bills put off as "one ten-dollar bank-bill and ten five-dollar bank-bills all of the Farmers' Bank in Belchertown." It was *held*, that the plaintiff could not recover without proving that the bills put off were of the particular denominations specified. *Watson* v. *Osborne*, 8 Conn. 363.

19. And in such case it makes no difference if the specification of the bills be laid under a *videlicet*. *Ibid.*

20. An incorporated bank, after its insolvency, may *bonâ fide* assign its effects to pay and secure one creditor in preference to another. *Savings Bank* v. *Bates*, 8 Conn. 505.

21. Therefore, where A, on the 2d of September, made his negotiable note payable sixty days after date, which was immediately discounted by the Eagle Bank; on the 16th of September that institution stopped payment, being insolvent; on the 2d of November, the 61st day after the date of the note, A, being the holder of the bills of the Eagle Bank to the amount of his note, tendered them to the bank in satisfaction of his note, which was refused, on the ground that the note was not then due; he then gave notice that, when the note should become due, he should again present the bills for the same purpose; on the next day, which was the day of grace on the note, the Eagle Bank indorsed and delivered it *bonâ fide* to B as security for a debt due him from the bank, B at the same time having notice of the preceding facts. In an action on the note brought by B against A, it was *held*, — 1. That A had no right to make payment of his note to the bank, or to claim a set-off when he first tendered the bills; 2. That the subsequent transfer of the note to B before it fell due was legal; 3. That these facts, though known to B when he took the note, did not deprive him of the ordinary right of

an indorsee of negotiable paper, and consequently that he was entitled to recover. *Ibid.*

22. Where a member of the Middletown Savings Bank, who was not a depositor or stockholder therein, who under the charter was a mere trustee, and who had in fact no interest in the event of the suit, was offered as a witness for the institution, in a suit to which he was a party, it was *held* that he was a competent witness. *The Middletown Savings Bank* v. *Bates*, 11 Conn. 519.

23. Where it was provided in the charter of a corporation established for the purpose of loaning money, that "nothing therein contained should be construed to authorize the company to discount notes, or exercise any banking privileges whatever"; it was *held*, that the taking of a note for the sum loaned, and the receiving of the interest on that sum in advance for the period of the loan, was thereby prohibited, and there could be no recovery on a note thus discounted. *The Philadelphia Loan Co.* v. *Towner*, 13 Conn. 249.

24. A, being in failing circumstances on the 31st of March, made a general assignment of his property, real and personal, to B, in trust for his creditors, under the statute of 1828; and the deed of assignment was on the same day lodged for record in the office of the Court of Probate. B accepted the trust, and inventoried the estate assigned, including eight shares of the stock of the Hartford Bank. On the 1st of April, C, a creditor of A, without any actual knowledge of the assignment, attached such shares, then standing in the books of the bank in his name, and afterwards had them sold and applied in satisfaction of the execution obtained in the suit against A. At the time of the attachment there was in force a by-law of the Hartford Bank, previously made in conformity to its charter, requiring all transfers of its stock to be made in a book kept by the bank for that purpose, in a prescribed form. On a bill in chancery, brought by B against C, for the avails of the stock so attached and sold, it was *held*, — 1. That the assignment by A, and the record of it in the Probate Office, did not transfer the legal title of A in the stock to B; 2. That, C having no actual knowledge of the assignment at the time of his attachment, B acquired no equitable title in such stock; 3. That as the bill sought only the recovery of a sum of money, — the avails of the stock sold, — there was adequate remedy at law, and consequently the bill on that ground also must be dismissed. *Dutton* v. *The Connecticut Bank*, 13 Conn. 493.

25. In order to transfer the title to shares of bank stock taken in execution and sold at the post to the purchaser, a written instrument of conveyance from the officer to such purchaser is indispensable; the officer's return alone not being sufficient for this purpose. *Morgan* v. *Thames Bank*, 14 Conn. 99.

26. And where it is incumbent on the purchaser to prove his title, he must produce such instruments of conveyance, except in cases where by reason of loss secondary evidence is admissible. *Ibid.*

27. Shares of bank stock accruing to the wife during coverture vest immediately and absolutely in the husband, and become liable to be levied on as his property. *Ibid.*

28. Where a writing, purporting to be a certificate that B. had deposited a sum of money in the Chelsea Bank of the City of New York, dated Chelsea Bank, July 6, 1839, and payable on the 1st of December then next, to the order of B., and the return of the certificate, signed, "W., President," was assigned to C. for value received, by an indorsement thereon, subscribed by B., it was *held* that such indorsement constituted the writing a bill of exchange, imposing on the parties the ordinary liabilities attached to that kind of paper. *Kilgore* v. *Bulkley*, 14 Conn. 362.

29. It seems that the 21st section of the statute of New York known as the general banking law, providing that "contracts made by any such association, and all notes and bills by them issued and put in circulation as money, shall be signed by the president or vice-president and cashier thereof," applies by the true construction thereof only to such contracts, notes, and bills as are made for and intended to be used as a *currency*. *Ibid.*

30. In an action against the indorsers of a certificate of deposit issued by an association in fact organized under the general banking law of New York, which certificate was signed by the president, but not by the cashier, it was *held* that the want of the cashier's signature was unavailing as a defence, because the association might by a course of practice render itself liable on such instrument, though not executed in the mode prescribed; because it did not appear on the face of the instrument that it was executed by an association organized under such banking law; and because it was not competent to the indorser to set up the invalidity of the instrument on account of the incapacity of the association to make the contract embraced in it, the indorser always warranting the existence and legality of the contract which he undertakes to assign. *Ibid.*

31. Where the plaintiff in an action against the indorser of a certificate of deposit offered evidence to show that, although the general law of the State of New York as to negotiable paper is otherwise, yet, by the usage and custom prevailing in the city of New York, this particular species of negotiable paper is not entitled to grace, and that, when by its terms it falls due on Sunday, it becomes payable on the preceding Saturday; it was *held*, that such evidence was admissible, the law on this subject being explicitly and decisively settled. *Ibid.*

32. A verbal direction from the directors of a bank to the cashier, without any recorded vote of the board, is a sufficient authority to guide him in the application of moneys officially received by him. *The Stamford Bank* v. *Benedict*, 15 Conn. 437.

33. A bequest of "my East Haddam Bank stock" is a specific legacy; and, as such, is not to be taken for the payment of debts until the general fund is exhausted. *Brainard* v. *Cowdrey*, 16 Conn. 1.

34. But bank stock, though specifically bequeathed, is liable to be sold for the payment of debts in preference to the real estate so devised. (Two judges dissenting.) *Ibid.* 498.

35. Where bank shares are attached when the cashier of the bank is absent therefrom, if no copy of the writ and indorsement thereon be left at the banking-house, no lien on such shares will be acquired by the process. *The Stamford Bank* v. *Ferris*, 17 Conn. 259.

36. Shares of stock in an incorporated company being distinguishable from each other only by their respective owners, a description specifying the number of shares and the owner is sufficient. *Ibid.*

37. Therefore, where A, in a suit brought by him against B, attached twenty shares of the capital stock of the Stamford Bank as the proper estate of B, who was then the owner of that number of shares in said bank; and A, having recovered judgment in such suit, had his execution levied on twenty shares of the stock of the Stamford Bank, which the officer on his return described as "the property of the execution debtor, and having been attached by virtue of the original process between the parties"; it was *held*, that the description was sufficient, though the shares attached at the time of the levy stood on the books of the bank in the name of another person. *Ibid.*

38. Where the execution creditors were described in an execution levied on bank shares, as well as in the judgment on which it issued, as "A. & W., partners under the firm of A. & W.," and in the copy left with the cashier they were described as "A. & W., partners under the firm of A. & Co.," it was *held*, that the variance was immaterial. *Ibid.*

39. Where B, being liable to the Stamford Bank as indorser of two promissory notes, held by that institution as security for such liability, transferred twenty shares of its stock in the books of the bank to "E. Hill, Cashier," who was in fact the cashier at that time; and it appeared that assignments and transfers of the stock of this bank to the bank, or in pledge to it, or as security for debts and liabilities to it, were invariably by the usage of the bank made in the same manner as the transfer in question; it was *held*, that such transfer vested the legal title to the shares so transferred, not in Hill in his own right, but in the bank. (Two judges dissenting.) *Ibid.*

40. The liability of a person as the indorser of a promissory note to the holder is a sufficient consideration to support a transfer of bank shares by the former, as security to the latter for such liability. *Ibid.*

41. Where a transfer of bank shares was made by B, as claimed by the bank, to secure his liability to the bank as indorser of certain notes held by the bank; and the bank, to prove the purpose and consideration of such transfer, offered the testimony of their cashier, showing that upon his appointment as cashier, after the transfer, he found said notes with the indorsement of B thereon among the papers of the bank; it was *held*, that this testimony was admissible to show that the transfer was made for the purpose and upon the consideration claimed by the bank. *Ibid.*

42. Where a party claiming that a transfer of bank shares made by B was void under the statute of 1828, against fraudulent conveyances, offered in evidence an attachment in fact of those shares (though by reason of a defect in the service it created no lien) and a transfer thereof, while they were under such attachment, to prove that the transfer was made while B was in failing circumstances, and with a view to his insolvency; it was *held*, that such evidence was admissible for the purpose for which it was offered. *Ibid.*

43. A bill or check payable to a person or bearer is transferable by

mere delivery; and to support a recovery on such an instrument it is only necessary for the plaintiff to allege and prove that he is the lawful bearer thereof, and entitled to the money due thereon. *Hoyt* v. *Seeley*, 18 Conn. 353.

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

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

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

47. But where the holder of a bank check did not present it to the bank for payment until after the lapse of more than two years from the time he received it, and omitted to give any notice to the drawer of the non-payment; but the drawer never had funds in the bank sufficient for the payment of the check before it was protested, except at one time, and then such funds were immediately afterwards drawn out by himself; the bank was not insolvent, and the drawer sustained no loss or injury from the delay in the presentment, or by the want of notice of non-payment; it was *held* that neither the delay in the presentment nor the want of notice of non-payment exonerated the drawer from liability. *Ibid.*

48. On Monday, the 1st of June, the Bridgeport Bank cashed for D. a check, drawn in the city of New York, on the Manhattan Company, payable to and indorsed by D. On Thursday, the 4th, it was sent with a package of other papers from Bridgeport by the captain of the steamboat running daily from that place to New York; the steamboat leaving Bridgeport about one o'clock, P. M., and arriving at New York early in the evening of the same day. The Bank of New York, to which it was sent for collection, received it, and presented it for payment on Saturday, the 6th, when payment was refused and the check was protested, and due notice thereof given to D. It appeared that at the time of this transaction there was, and for years before had been, an established usage in the Bridgeport Bank, not to send packages of money, checks, &c. to New York by the mail, but by the captain of the steamboat, once a week, generally on Thursday, and not oftener, unless there was an unusual accumulation of paper, which did not at this time exist; and of this usage D. was well informed. In an action brought by the Bridgeport Bank against D. as the indorser of such check, it was *held*, — 1. That such usage was sufficient evidence of an agreement between the parties not to insist upon the usual rule of law regarding the transmission of checks; 2. That such usage was not inoperative, as being

unreasonable, or as wanting any of the requisites of a good custom; 3. That there was no improper delay in the presentment of the check in New York, as it was not received by the Bank of New York until the 5th, and was presented the next day; 4. That in the computation of interest on the check, as against D., six per cent. only was to be allowed. (One judge dissenting on the last point.) *The Bridgeport Bank* v. *Dyer*, 19 Conn. 136.

49. Bank stock owned by a savings institution belongs to the class of taxable property, and, if not exempted from the general law by any provision of its charter, is liable to taxation in the place where its office is established. (Two judges dissenting.) *Savings Bank* v. *New London*, 20 Conn. 111.

50. Depositors of money in a savings bank are not, as such, stockholders, or members of the institution. *Ibid.*

51. Where the declaration, in an action on the statute against evasive transfers of bank stock, alleged that the defendant, an inhabitant of the town of P., to defraud that town and to prevent certain shares of bank stock owned by him from being assessed therein, on a certain day transferred to H., an inhabitant of the town of T., 35 shares of the capital stock of one bank, 81 shares of the capital stock of another bank, and 16 shares of the capital stock of another bank; it was *held*, 1. that the declaration was not bad for duplicity; 2. nor because it did not embrace an offence within the statute. *Darrow* v. *Langdon*, 20 Conn. 288.

52. By the words "ratable value," as used in the statute, is not meant the percentage at which the stock goes into the grand levy, i. e. six per cent. of its value, but the whole amount of the stock at its actual value. *Ibid.*

II. Bills of Exchange and Promissory Notes.

1. Validity.
2. Consideration.
3. Construction.
4. Days of Grace.
5. When a Discharge of the Original Cause of Action.
6. Notes payable in Specific Articles.
7. Negotiability and Transfer.
8. Acceptance.
9. Presentment, Demand, and Notice.
    1. Necessity of.
    2. By whom to be made or given, when and where.
    3. Sufficiency of.
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11. Rights and Liabilities of the Different Parties.
    1. In General.
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12. Actions on Bills and Notes.
    1. When and by whom maintainable.
    2. When subject to Equities between other Parties.
    3. Defences.
13. Pleading and Evidence.
14. Damage.

1. *Validity.*

1. A note cannot be an escrow delivered directly to the promisee. *Badcock* v. *Steadman*, 1 Root, 87.

2. The contract made by indorsement extends to all future indorsees, even where notes are not negotiable. *Codwise* v. *Gleason*, 3 Day, 12.

3. In case of joint merchants, each one hath an implied power to contract for and bind the other, in the course of their business; and if a note be given by one, in behalf of himself and partner, or by the firm of the company, it is good against all. *Storer* v. *Hinkley*, Kirby, 147; *S. P. Champion* v. *Mumford*, Id. 170.

4. Where a promissory note was unconscionably obtained, upon petition in equity and examination of the facts the note was decreed to be void. *Lankton* v. *Scott*, Kirby, 356.

5. A note executed on Sabbath day is void. *Wight* v. *Geer*, 1 Root, 474.

6. A note given by a minor is made valid by his agreeing, after he is of full age, to pay it. *Lawrence* v. *Gardner*, 1 Root, 477; *Alsop* v. *Ford*, 2 Root, 105.

7. A note given on Saturday night about two o'clock is good. *Carpenter* v. *Crane*, 1 Root, 98.

8. A note given to the heirs of a person who is alive, is a sufficient description for them to take by. *Bacon* v. *Fitch*, 1 Root, 181.

9. A parol promise to pay more than lawful interest for the forbearance of a just debt, made at the time of executing a note for the debt, will make the note void. *Atwood* v. *Whittlesey*, 2 Root, 37.

10. A note to pay £ 60 in cattle by a day, or £ 50 in money, is a note for £ 50 in money, if the cattle are not delivered. *Hun* v. *Higby*, 2 Root, 190.

11. A note given for a premium on an insurance upon lottery tickets is not a void note. *Bacon* v. *Goodsell*, 2 Root, 283.

12. A note for land, which the promisee gave a bond to convey upon the notes being paid, is good. *Bacon* v. *Pettibone*, 2 Root, 284.

13. An individual or a company may authorize another to execute a note for them, and they will be bound by the signature that shall be made use of for that purpose. *Phelps* v. *Livingston*, 2 Root, 495.

14. A, B, and C, by fraudulent practices upon D, obtain from him a promissory note, payable to C, who is a bankrupt. Chancery will relieve against this note. *Beardsley* v. *Bennett*, 1 Day, 107.

15. An individual copartner may, by a bill of exchange drawn by him in his own name upon the firm of which he is a partner, for a partnership debt, bind the firm. *Dougal* v. *Cowles*, 5 Day, 511.

16. Where fraud in obtaining the note was relied on as a defence in

an action on a promissory note, and evidence was adduced in proof thereof, *held* that the charge of the court, pronouncing the law to be that notes obtained by fraud were void, and submitting the question of fraud to the jury, on the evidence, was correct. *Shepard* v. *Hall*, 1 Conn. 329.

17. The holder of a note not negotiable, indorsed in blank, may not write over the indorsed name an absolute promise, or any special contract, repugnant to the nature of the undertaking which the law implies. *Huntington* v. *Harvey*, 4 Conn. 125; *S. P. Welton* v. *Scott*, Id. 527.

18. An infant under the government of a guardian, having only a general authority from him to contract, cannot bind him by promissory note. *Rossiter* v. *Marsh*, 4 Conn. 196.

19. A promissory note executed by an infant as the surety of another is a contract against his interest, and, as such, void. *Maples* v. *Wightman*, 4 Conn. 376.

20. Where A effected an illegal sale of a lottery ticket to B, and, such ticket having drawn a prize, B, for a valuable consideration, assigned his interest to C, who was ignorant of the previous illegal sale. After which, in satisfaction of the prize-money, A made, and B indorsed, a promissory note to C. It was *held*, that such note was valid. *Terry* v. *Olcott*, 4 Conn. 442.

21. A promissory note founded on extortion is void. *Preston* v. *Bacon*, 4 Conn. 471.

22. Though the indorsement of a note, by one of several partners, in the partnership name, for his individual purposes, without the consent or knowledge of the other partners, will, after the security has passed into the hands of a *bonâ fide* holder, bind the firm; yet an indorser, who, at the time of receiving such security, did not know, but was ignorant through gross negligence, that it was indorsed under such circumstances, cannot avail himself of it to subject the firm. *The New York Firemen Insurance Co.* v. *Bennett*, 5 Conn. 574; *The Same* v. *Ely*, Id. 560.

23. The indorsement of a note, by one of several partners, in the partnership name, as surety for a third person, without the consent or knowledge of the other partners, will not bind the firm; and the burden of proving the authority of the partner so using the partnership name lies on the creditor or holder of the note. *The New York Firemen Ins. Co.* v. *Bennett*, 5 Conn. 574.

24. Therefore, where A, B, and C were partners, doing business in the city of New York, where A resided, and in Fredericksburg in Virginia, where B and C resided, and A indorsed a note in New York, in the partnership name, without the consent or knowledge of B and C, as the mere surety of D, a third person, for a debt previously due from D to the indorsee, the partnership having no interest in the transaction; in an action by the indorsee against all the partners as indorsers, it was *held*, that the plaintiff could not recover, although the jury should find that he had no knowledge, express or implied, of A's want of authority. *Ibid.*

25. Where a promissory note is given by an infant, a mere acknowledgment of the making, or of its being due, is not a ratification; but there must be a promise to pay. *Benham* v. *Bishop*, 9 Conn. 330.

26. Nor is the bare retention by the infant, after coming of age, of the consideration for which the note was given, or the submitting to arbitrament the question of his liability, a ratification or proof of it. *Ibid.*

27. Where there is an alteration in a promissory note or other instrument under which a party derives his title, apparently against the interests of that party, the law does not so far presume that it was improperly made as to throw upon him the burden of accounting for it; but the jury are, from all the circumstances before them, to determine whether it was made before or after the execution of the instrument; and if after, whether it was with or without the assent of the adverse party; and consequently, whether it rendered the instrument invalid or not. *Bailey* v. *Taylor*, 11 Conn. 531.

28. Where a writing was given in the form of a note promising to pay —— dollars, in the margin of which was written $ 200, it was *held*, in an action against the indorser, alleging a promise to pay $ 200, that such writing was not admissible in support of the declaration; the office of the memorandum in the margin being to remove an ambiguity in the body of the instrument, and not to supply a blank. *The Norwich Bank* v. *Hyde*, 13 Conn. 279.

29. In such case a *bonâ fide* holder has authority to fill the blank with any sum, not exceeding the limitation in the margin, which the transaction between him and the person from whom he received the paper will warrant. *Ibid.*

30. The promissory note of a third person, not payable to bearer, nor so indorsed as to transfer the legal title by delivery merely, may be the subject of a *donatio mortis causa*. *Brown* v. *Brown*, 18 Conn. 410.

31. Therefore, where A in her last sickness, and in anticipation of her approaching death, delivered to B a promissory note which A had previously taken of C, together with a mortgage of real estate to secure the payment of such note, A intending such delivery as a *donatio mortis causa*, and B receiving it as such; but the mortgage deed was not mentioned at this time, and it remained in the hands of A until her death; it was *held*, that this was a good *donatio mortis causa*. *Ibid.*

2. *Consideration.*

1. A note, given for a consideration which is against law, may be avoided. *Ketchum* v. *Scribner*, 1 Root, 95.

2. Forbearance is a good consideration of a promise to bind the promisor in a note to pay the money to the assignee, notwithstanding a discharge from the promisee, who is bankrupt. *Tuttle* v. *Bigelow*, 1 Root, 108.

3. The moral obligation which the borrower of money at usurious interest is under to pay the principal sum due, and legal interest, is a sufficient consideration to support a promise by him to pay such principal and interest. *Kilbourn* v. *Bradley*, 3 Day, 356.

4. Where a promissory note or other obligation is payable in a certain number of days from the date, the day of the date is to be excluded in the computation of the time. *Avery* v. *Stewart*, 2 Conn. 69.

5. Where a promissory note not negotiable was made payable in sixty days from date, and it fell due on Sunday, it was *held*, that a tender on the Monday following was good. *Ibid.*

6. The promise of the indorser of a note, payable to a third person, and by him assigned to the holder, to pay such note, made after the indorser had become discharged from his liability by the laches of the holder, has no legal efficacy, being without consideration. *Huntington* v. *Harvey*, 4 Conn. 125.

7. An agreement on the part of the payee of a promissory note, to forbear to sue the maker for one year, is a sufficient consideration of a guarantee, by a third person, of the payment of such note. *Sage* v. *Wilcox*, 6 Conn. 81.

8. And such consideration need not be expressed in writing. *Ibid.*

9. As between the original parties to a bill of exchange, the want of consideration, total or partial, may be shown; and though a subsequent holder, *bonâ 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. *Lawrence* v. *The Stonington Bank*, 6 Conn. 521.

10. Therefore, where the plaintiff, residing in New York, having drawn a bill on a person in Stonington in this State, payable to his own order, indorsed it in blank, and lodged it in a bank in New York for collection; the cashier of that bank indorsed it in blank and forwarded it to the Eagle Bank, at New Haven; the cashier of the latter bank indorsed it in the same manner and transmitted it to the Stonington Bank; each of these indorsements being made for the purpose of collection only; the acceptor paid the amount of the bill to the Stonington Bank; and in an action brought by the drawer against this bank to recover the sum so paid as money received by the defendant to the plaintiff's use, it was *held*, that parol evidence was admissible to show the nature of the indorsements and the purpose for which they were made. *Ibid.*

11. A blank indorsement by A of the promissory note of B, payable to C or order, does not imply a valuable consideration from C to A; nor an engagement by A that B was of ability to pay, and should pay the note. *Wylie* v. *Lewis*, 7 Conn. 301.

12. Where the plaintiff, in an action against B on his guarantee of A's note, averred in the declaration, that, "in consideration *the plaintiff would delay the collection of said note*, and not exact payment thereof for four years thereafter, and of *the plaintiff's promise of forbearance* to collect the same for that time," the defendant promised, &c., it was *held*, that this was a sufficient allegation of consideration for the defendant's engagement, and adapted to proof of an agreement on the part of the plaintiff to forbear. *Breed* v. *Hillhouse*, 7 Conn. 523.

13. A promissory note for the payment of money, not expressed to be *for value received*, is not a specialty importing a consideration. *Edgerton* v. *Edgerton*, 8 Conn. 6.

14. Where the plaintiff, in an action on such note, stated in one count of the declaration, as the consideration of such note, an indebtedness of

the maker to the payee, "being part of the purchase-money of certain lands sold and conveyed by the payee to the maker"; and offered, in support of such averment, evidence of an admission by the maker that he owed the payee a note of the same amount towards a farm which he had purchased of him, without producing the deed or proving by any written evidence the sale and conveyance; it was *held*, that the evidence offered was admissible, and might of itself be sufficient to prove the consideration stated. *Ibid.*

15. Where the defence to an action on a promissory note was, that it was given without consideration, and the facts were, that, rumors being afloat in the neighborhood of the parties that a certain lottery ticket had drawn a prize of $2,000, a fourth part of which was owned by the plaintiff, the defendant purchased of the plaintiff such fourth part, and gave for it his note for $200, being the note in suit, and that previous to such sale the ticket had in truth drawn a blank; it was *held*, that this was a bargain of hazard, and the ticket at the time of the sale was a thing of value; consequently there was a sufficient consideration for the note. *Barnum* v. *Barnum*, 8 Conn. 469.

16. By an assignment of a mortgage deed, an assignment of notes, to secure the payment of which the mortgage was originally given, and without the assignment of which the transfer of the mortgaged property would be unavailable and without legal operation, will be intended. *Bulkley* v. *Chapman*, 9 Conn. 5.

17. Negotiable notes import consideration. *Camp* v. *Tompkins*, 9 Conn. 545.

18. A promissory note, though expressed to be "for value received," if given without consideration, will not support an action in favor of the payee. *Raymond* v. *Sellick*, 10 Conn. 480.

19. An expectation on the part of the payee that the maker would marry her is not a sufficient consideration. *Ibid.*

20. Where a promissory note for a certain sum of money was made by A, in his last sickness, payable to B on demand, and delivered to B as a gift; it was *held*, in a suit on such note by B, against the administrators of A, that it could not be sustained as a *donatio mortis causa*, and being without consideration cannot be enforced. *Ibid.*

21. In an action on a promissory note, it appeared that the note was given for land sold to the defendants, that a deed with covenants was given, which was utterly void, and contained no title whatever; and that a part of the purchase money was paid; it was *held*, that, there being an entire failure of title, there was also a total failure of consideration for the note, and this was an answer to the action. *Cook* v. *Mix*, 11 Conn. 433.

22. But if the covenants in the deed formed a consideration for the note, so that there was only a partial failure of consideration, it was *held*, that this might be shown to reduce the damage. *Ibid.*

23. In an action on a bill or note, the defendant cannot show a partial failure of consideration to reduce the damages, if the *quantum* to be deducted on account of such partial failure is not of definite computation, but of unliquidated damages, and there has been no attempt to repudiate

the contract, or restore the consideration. *Pulsifer* v. *Hotchkiss*, 12 Conn. 234.

24. Therefore, where A had sold an interest in a patent right to B, accompanied with a false representation, and the interest thus sold was of some value, but of less value than it would have been if the representation had been true, but the difference was of an uncertain and unliquidated amount, and B did not repudiate the contract, nor offer to restore the interest sold; in an action on a promissory note given by B to A for such interest, it was *held*, that B could not avail himself of such partial failure of consideration to reduce the damages below the sum stated in the note. *Ibid.*

25. Where the contract and the security combined form one entire transaction, if the security be illegally taken, the court will no more aid the party to recover upon the money count, than upon the security itself. *The Philadelphia Loan Co.* v. *Turner*, 13 Conn. 249.

26. But where there was originally a legal consideration, and afterwards an instrument was taken as security which was void on account of illegality, such void instrument will not impair the original contract. *Ibid.*

27. Therefore, where a corporation having power to sue and be sued, and to loan money under certain restrictions, made a loan, and afterwards took a note as security, in contravention of the provisions of its charter; it was *held*, in a suit on such note with the money counts, that, although there could be no recovery on the note, the money loaned, with the legal interest, might be recovered on the money counts. (One judge dissenting.) *Ibid.*

28. Where the question was as to the validity of a promissory note, the consideration of which was claimed to be made up in part of a sum of money advanced by A, the party assailing the note offered evidence to show that A was at the time of the alleged advance a poor man, unable to advance so much money, it was *held*, that such evidence was admissible. *Smith* v. *Vincent*, 15 Conn. 1.

29. A note, the consideration of which consists of claims, some of which are valid and others invalid, will be sustained in the absence of fraud to the extent of the valid part. *Ayres* v. *Husted*, 15 Conn. 504; *S. P. Sanford* v. *Wheeler*, 13 Conn. 165; *North* v. *Belden*, 13 Conn. 376; *St. John* v. *Camp*, 17 Conn. 222.

30. Any act done by the promisee at the request of the promisor, by which the former sustains any loss, trouble, or inconvenience, even of the most trifling description, if not utterly worthless in fact and in law, constitutes a sufficient consideration for a promise, although the promisor derives no advantage therefrom. *Clark* v. *Sigourney*, 17 Conn. 511.

31. Therefore where B, at the request of A, and at his sole risk, executed to him a release deed, without covenants, of all B's right in certain land therein described, in consideration of which A gave his promissory note to B for $ 300, and it afterwards appeared that B had no title to the land so conveyed; it was *held*, that the consideration of the note was sufficient. *Ibid.*

32. The fact that there was no consideration, or no fair consideration,

for negotiable paper between the original parties to it is no defence against it in the hands of a *bonâ fide* indorsee. *The Middletown Bank* v. *Jerome*, 18 Conn. 443.

33. It is now the settled law of this State, that a promissory note not negotiable, and not purporting on its face to be for value received, does imply a consideration; and the plaintiff in an action on such note must prove a consideration, or he will fail to recover. *Bristol* v. *Warner*, 19 Conn. 7.

34. A promissory note in form negotiable, though not negotiated, imports a consideration, as well between the maker and payee, as between the maker and indorsees or subsequent holders. *Ibid.*

3. *Construction.*

1. These words in a promissory note, "use till paid," obviously mean interest till paid, and no special averment of their meaning is necessary. *McClellan* v. *Morris*, Kirby, 145.

2. A written agreement respecting a note, entered into at the time the note is given, though it be not annexed, is to be considered in nature of a condition. *Fellows* v. *Carpenter*, Kirby, 364.

3. An erroneous judgment upon a note being reversed revives the note. *Curtice* v. *Scovel*, 1 Root, 421.

4. A note for money, with a condition indorsed on the back, that, if the promisor give a deed of certain lands, said note to be void, is a note for so much money, voidable only by giving the deed. *Lockwood* v. *Smith*, 1 Root, 497.

5. A note for West India rum, sugar, &c. is not evidence of a note for West India goods generally. *Brewster* v. *Dana*, 1 Root, 266.

6. Where no time of payment is specified in a promissory note, the conclusion of law is that it is payable on demand, and the plaintiff must declare upon it, according to its legal effect, as payable on demand; otherwise the declaration will be insufficient. *Bacon* v. *Page*, 1 Conn. 404.

7. A being the holder of certain accepted drafts, as security for a debt due to him from B, the latter transmitted to A two promissory notes indorsed in blank, to be substituted for the draft, requesting him, if he accepted such note, to return the drafts. A kept the notes, and refused to return or give up the drafts undischarged, but collected a part of the acceptor, and gave him a discharge in full. *Held*, that the notes were not legally delivered, so as to vest the property of them in A, and he could not maintain an action on them, as indorsee, against the maker. *Shepard* v. *Hall*, 1 Conn. 494.

8. The indorsement of a bill or note overdue is equivalent to drawing a new bill payable at sight. *Bishop* v. *Dexter*, 2 Conn. 419.

9. Negotiable notes are simple contracts, and are effects of the deceased holder in the hands of his administrator, within the jurisdiction of the Probate Court within which the maker lived at the time of his creditor's death, and a discharge executed by such administrator is void. *Slocum* v. *Sanford*, 2 Conn. 533.

10. In an action of assumpsit to recover money paid on certain in-

dorsements by the plaintiff, at the request and for the benefit of the defendants, the plaintiff offered in evidence a writing addressed to them, signed by the defendants, in these words: "In consideration of your having indorsed the under-mentioned notes, drawn by T. D. in your favor, we hereby hold ourselves accountable to you for them, in the same manner as though said notes were drawn by us." *Held*, that such writing was not admissible to prove that such indorsements were made at the request of the defendants, or for their benefit. *Bulkley* v. *Landon*, 3 Conn. 76.

11. "A and B, inhabitants of New York, being in Canada for a temporary purpose, the former gave to the latter a promissory note, payable on demand, for and in discharge of an antecedent debt contracted in New York. *Held*, that such note, according to its legal effect, was payable in Canada, and the laws of that country were to govern in the construction of the contract. *Smith* v. *Mead*, 3 Conn. 253.

12. The indorsement in blank of a note not negotiable implies a warranty that the sum specified in the note is justly due, that the maker shall be able to pay it when it comes to maturity, and that it shall be collectible by the use of due diligence on the part of the holder. *Huntington* v. *Harvey*, 4 Conn. 124; *S. P. Welton* v. *Scott*, 4 Conn. 527.

13. The indorsement in blank of a note not negotiable implies a warranty that the maker is able to pay it, and that it is collectible by the use of due diligence. *Prentiss* v. *Danielson*, 5 Conn. 175.

14. A promissory note not negotiable is not a specialty, but stands on the footing of a parol contract. *Barnum* v. *Barnum*, 9 Conn. 242; *Fuller* v. *Crittenden*, 9 Conn. 401.

15. A want of consideration, or fraud, may therefore be shown to avoid it. *Ibid.*

16. A being indebted to plaintiff delivered to him B's note, payable by mistake to the order of defendant instead of to the order of A, which the plaintiff received in part payment of his debt, and gave notice thereof to B. A was at the time of the transfer the holder of the note, and entitled to the money, but the defendant subsequently obtained payment of the note from B, and gave him a discharge. In an action for money had and received, it was *held*, that these facts afforded fair presumption of a delivery of the note to A. *Camp* v. *Tompkins*, 9 Conn. 545.

17. The contract which the law *primâ facie* implies from a blank indorsement of a promissory note not negotiable is, that the note is due and payable according to its terms, that the maker shall be able to pay it when it comes to maturity, and that it is collectible by the use of due diligence. *Perkins* v. *Catlin*, 11 Conn. 213.

18. The indorsement in blank of a negotiable note by a third person, for the better security of the payee, *primâ facie* imports the same contract as the blank indorsement of a note not negotiable. *Ibid.*

19. But a blank indorsement is only *primâ facie* evidence of such contract; and it is competent, as between the parties to the indorsement, to prove by parol evidence the agreement which was in fact made at the time of the indorsement. *Ibid.*

20. Such evidence is not exceptionable, either as contravening the

legal import of the indorsement, or controlling a writing, or as being in opposition to the statute of frauds and perjuries. *Ibid.*

21. The contract which the law *primâ facie* implies from an indorsement in blank of a negotiable promissory note, by a third person, for the better security of the holder, is that the note is due and payable according to its tenor, that the maker shall be able to pay it when it comes to maturity, and that it is collectible by the use of due diligence. *Laflin* v. *Pomeroy*, 11 Conn. 440.

22. Therefore such a note so indorsed is admissible, without any additional proof, under a count averring that the defendant indorsed the note, and thereby promised the plaintiff that it was good and collectible, and should be good and with due diligence collectible when it should fall due, and that the maker, when it should fall due and be payable, should be of sufficient ability to pay it. *Ibid.*

23. Where the land of the wife was sold by the husband and wife, and a promissory note for the avails was taken in her name, and kept by her during her life, after which it was found in one of her drawers and was inventoried by her husband as a part of her estate; it was *held*, that such note, when made, became the property of the husband. *The Fourth Ecc. Society in Middletown* v. *Mather*, 15 Conn. 587.

24. In such case no agreement between the husband and wife could be made during coverture, which, in legal effect, would transfer, by way of gift or sale, the property in the note from the husband to the wife. *Ibid.*

25. In the case of a blank indorsement of a promissory note, whether negotiable or not, whether indorsed by the payee or a third person, the law declares the contract; and, generally, the blank need not be filled up before or on the trial. *Castle* v. *Candee*, 16 Conn. 223.

26. But where the object of the plaintiff in a suit against the indorser is to abandon the contract implied by law, and to fix a liability by the proof of a special contract, different from that implied by law, it is the duty of the plaintiff, if required, to fill up the indorsement, before trial, with the contract upon which he intends to rely. *Ibid.*

27. The *primâ facie* import of a blank indorsement of a note not negotiable, payable on time, is an engagement by the indorser, that the note is due and payable according to its tenor; that the maker shall be of ability to pay it when due; and that it is collectible by the use of due diligence. *Ibid.*

28. The same general doctrine is applicable to the indorsement of a note payable on demand, though the conduct requisite to constitute due diligence, in the two cases, may be different. *Ibid.*

29. Though the law requires the use of due diligence in the holder of a note payable on demand, in order to subject the indorser, yet it does not prescribe any certain rule of conduct for this purpose, but leaves the question of due diligence to depend upon the circumstances of the case. *Ibid.*

30. In the absence of any contract of forbearance for a definite time, the indorser may at any time require of the holder immediate action by attachment; and should the holder then neglect to pursue the legal remedy, it would discharge the indorser's liability. *Ibid.*

31. Where the indorsee of a note not negotiable, payable on demand with interest, alleged, in a suit against the indorser, that the plaintiff at the request of the defendant loaned a sum of money to the maker of such note, to enable him to prosecute such business, for which such note was given; and that the defendant, in consideration thereof, by his indorsement on such note, promised the plaintiff that it should be good and collectible by the use of due diligence, for a reasonable time; it was *held*, — 1. That such note, with the blank indorsement of the defendant thereon, was admissible in evidence, under such declaration; 2. That parol proof of the consideration, and that the parties contemplated forbearance, was also admissible; 3. That certain mortgage deeds executed by the maker of the note to the defendant, shortly after the indorsement, from the terms of which it might be fairly inferred that the defendant understood the contract as authorizing forbearance, and that he recognized his continuing liability, when he received them as security, were also admissible. *Ibid.*

32. A writing in these words: "On demand, after my decease, I promise to pay B or order $ 850, without interest," — signed by A, is not an instrument of a testamentary character, but is simply a promissory note negotiable and irrevocable. *Bristol* v. *Warner*, 19 Conn. 7.

4. *Days of Grace.*

1. Promissory notes and bills, payable at banks, are entitled to three days' grace. *Shepard* v. *Hall*, 1 Conn. 329.

2. Promissory notes within the statute regarding negotiable paper are entitled to the same days of grace as inland bills of exchange. *Norton* v. *Lewis*, 2 Conn. 478.

3. The days of grace on negotiable notes constitute a part of the original contract; and the negotiability of the note is as unrestricted during those days as before their commencement. *Savings Bank* v. *Bates*, 8 Conn. 505.

4. A promissory note payable to a particular person, and not to his order or to bearer, is not negotiable, and becomes due at the expiration of the time therein specified, without grace. *Backus* v. *Danforth*, 10 Conn. 297.

5. *When a Discharge of the Original Cause of Action.*

1. A bill of exchange given in consideration of goods sold and delivered is not an extinguishment of the debt, unless the bill is expressly received in payment; and in case of the dishonor of the bill, assumpsit will lie on the original cause of action. *Dougal* v. *Cowles*, 5 Day, 511.

2. On transactions arising in the State of New York, when notes are taken and a receipt in full is given, yet it is to be understood they are in full only when paid; and if not productive, they do not discharge the original contract, unless there was an absolute agreement to risk their being paid. In such cases the *lex loci* is binding on the court here, but whether the same principle would be adopted with respect to similar

transactions in this State was left undecided. *Bartsch* v. *Atwater*, 1 Conn. 409.

3. One simple contract is never *merged* by the acceptance of another simple contract. It may, indeed, operate to suspend or modify it; as where a promissory note is taken for goods sold and delivered. No action can be brought for the goods till the note falls due; because the vendor by taking the note has agreed to extend the credit till that time. Bristol, J. in *Hinsdale* v. *Eells*, 3 Conn. 377.

4. Where there is an express contract, it extinguishes the implied one. Peters, J. in *Rapelye* v. *Bailey*, 3 Conn. 438.

5. A forged note or dishonored draft delivered in payment is no satisfaction or extinguishment of an antecedent demand. *Eagle Bank* v. *Smith*, 5 Conn. 71.

6. As between the parties to a mortgage to secure the payment of the amount of a certain note, the taking up of that note by the substitution of another is not a satisfaction of the condition of the mortgage, or an extinguishment of the original debt. *Bolles* v. *Chauncey*, 8 Conn. 389. But see *Humphrey* v. *Oviatt*, 8 Conn. 413.

7. The mere giving for an antecedent debt of a note or bill which turns out to be unproductive is not, in the absence of any agreement to receive it as payment, an extinguishment of such debt. *Davidson* v. *Borough of Bridgeport*, 8 Conn. 472.

8. It is a general rule, that the payee of an indorsed note or bill cannot recover on his original demand so long as such note or bill is outstanding in the hands of a third person. *Ibid.*

9. But the mere indorsement of a bill or note by the payee is not payment of the original demand, even as to him. *Ibid.*

10. Therefore, where A, being indebted to B, gave him a bill for the amount, which B indorsed to C, B at the same time assigning to C all his right to the debt due from A; C presented the bill for acceptance, which was refused; after which C brought an action in the name of B against A, on the original indebtedness, and brought the bill into court unpaid; it was *held*, that such indorsement was no obstacle to a recovery. *Ibid.*

11. The original cause of action is not extinguished by the taking of a negotiable promissory note, where there is no evidence of any agreement between the parties to accept it as payment. *Bill* v. *Porter*, 9 Conn. 23; *Clark* v. *Smith*, 9 Conn. 379.

12. But an objection at the trial, that the note is not produced and cancelled, and may be outstanding in the hands of a *bonâ fide* holder, affords reasonable ground for the jury to presume that it was received in payment. *Bill* v. *Porter*, 9 Conn. 23.

13. Yet if the objection is not taken at the trial, it will be too late to rely upon the non-production of the note in support of a motion for a new trial. *Ibid.*

14. A judgment on a new security given for a previous indebtedness is not of itself a satisfaction of such indebtedness. *Fairchild* v. *Holly*, 10 Conn. 474.

15. Therefore, where several persons were jointly indebted on book to

A, B, one of the joint debtors, gave his own separate promissory note to A for the balance of the account, which was entered upon A's book to the credit of the original debtors, but was not accepted by A in satisfaction of his claim against them, and A recovered judgment on the note against B, who became insolvent, and the judgment was wholly unsatisfied; in an action of debt on book afterwards brought by A against all the original debtors, it was *held*, that the judgment on B's note was no bar or defence to the action. *Ibid.*

16. Where A, having a promissory note against B, received from B a new note in exchange for and in full satisfaction and discharge of the former note, without delivering up such former note, and then brought a suit on the new note, it was *held*, that he was not precluded from a recovery in consequence of his retaining the former note. *Woodbridge* v. *Skinner*, 15 Conn. 306.

17. A note is a security of no higher nature than a book debt, and does not merge or extinguish the latter, unless it is so agreed by the parties. *Clark* v. *Savage*, 20 Conn. 258.

6. *Notes payable in Specific Articles.*

1. On a note to pay a sum in labor, the promisee must provide the labor or the promisor will be excused. *Barns* v. *French*, 2 Root, 53.

2. In an action on a promissory note for $80, to be paid in good West India rum, sugar, or molasses, at the election of the payee, within eight days after date, it was *held* to be unnecessary to aver that the payee made his election, and gave notice thereof to the promisor, as the latter was bound at all events to make payment in one of the articles specified, within eight days, and on failure became immediately liable. *Townsend* v. *Wells*, 3 Day, 327.

3. Where a note is payable in specific articles at a time and place specified, the articles must be set apart and designated, so as to enable the promisee to distinguish them from others. *Smith* v. *Loomis*, 7 Conn. 110.

7. *Negotiability and Transfer.*

1. A transfer of a note by the promisee, after the promisor is legally served with a process in nature of a foreign attachment, is void in law, as it respects the garnishee. *Coit* v. *Bull*, Kirby, 149.

2. If the promisee indorses his name to a blank on the back of a note, it is, according to the nature of the transaction and the course of business, an authority to the holder to write over it a power of attorney, or an assignment with warranty, at his election, and the indorser is estopped to say the contrary. *Hungerford* v. *Thomson*, Kirby, 393.

3. Money due on a note which is assigned is the property of the assignee. *Redfield* v. *Hillhouse*, 1 Root, 63.

4. A blank indorsement, till filled up, is not evidence of an assignment or warranty. *Brewster* v. *Dana*, 1 Root, 266.

5. The sale and assignment of a promissory note, for the full value

thereof, by one assignee to a subsequent one, does not, of itself, imply a warranty; that the maker, having had notice of such sale and assignment, shall not take a discharge from the payee. *Leavenworth* v. *Upson*, 4 Day, 100.

6. The parts of a divided bank-bill are not separately negotiable. *Bank of the United States* v. *Sill*, 5 Conn. 106.

7. A, at Providence, in Rhode Island, on the 14th of April, 1819, gave to B a promissory note, payable four months after date. This note having remained unpaid until the 25th of April, 1820, C, in consideration that B would forbear the collection of it for sixty or ninety days longer, agreed to guarantee the payment thereof; and, in pursuance of such agreement, indorsed his name in blank on the note; and B afterwards filled up the indorsement in these words, viz.: "April 25th, 1820. In consideration of further forbearance, I guarantee the payment of the within note." In an action brought by B against C, on this indorsement, it was *held*, — 1. That proof of the special agreement between B and C was admissible; 2. That B was entitled to fill up the blank indorsement pursuant to such agreement; and 3. That, having so filled it up, he was entitled to recover, without proof of the demand and notice requisite in cases of bills and notes regularly negotiated. *Beckwith* v. *Angell*, 6 Conn. 315.

8. Where the holder of a note payable to another person, and secured to him by mortgage, put it in the hands of an attorney for collection, to whom the promisee paid the money due on it; and the attorney thereupon delivered it to him, with the amount paid indorsed thereon, but without assigning it; it was *held*, that the effect of this transaction was to restore to the promisee his title to the note, and the security was afterwards as valid as though the note had always remained unpaid in his possession. *Page* v. *Green*, 6 Conn. 338.

9. Though a promissory note not payable to order is not assignable so as to vest the legal interest in another person, yet the assignment of such note transfers the equitable title, which will be recognized both in a court of equity and in a court of law, and fully protected. *Lyon* v. *Summers*, 7 Conn. 399.

10. To give effect to this doctrine is the object of the statute of May 23, 1822, c. 12, s. 1. *Ibid.*

11. To an action brought in the name of A, against B, on a promissory note made by B, payable to A, the defendant pleaded a defeasance given by A to him simultaneously with the execution of the note, and as part of the transaction. The plaintiff replied, that, soon after the giving of the note, he for a full and valuable consideration assigned and delivered it to C, who gave immediate notice thereof to B; that C had ever since owned the note, and had instituted and prosecuted the suit thereon, in the name of A, for C's benefit exclusively; that A at the date of the note was in low circumstances in point of property, much in debt, and destitute of pecuniary credit; that A wished to obtain of B his note, that A might use it to pay his creditors, or to raise money by the sale thereof, and made known his object to B; that it was then agreed between A and B, *with a view to enable* A *to commit a fraud on*

any person to whom he might put off the note, that A *should execute to* B *the defeasance mentioned in the plea, that* A *might retain it in his possession, and by means thereof defeat any action which should thereafter be brought on such note, by any owners thereof, in* A's *name.* This replication was traversed, on which issue was joined. On the trial, it was admitted that the note was assigned by A, who was a bankrupt, to C, for its full value, of which due notice was given to B, C paying for it, partly in money, and partly by his own note to B, which B assigned to D for its full value, both C and D being ignorant of any defeasance or condition to the first-mentioned note. The court instructed the jury, that, if they should find that it was agreed between B and A, when the note and defeasance were executed, *that the defeasance was not to be annexed to the note, but to be kept by* B, *so that the note might appear valid and unconditional, to enable* A *to deceive and delay his creditors by showing the same to them, or with intent that* A *should thereby be enabled to raise money thereon, by selling it to any person who might purchase it, and that thereafter the defeasance should be set up as a defence,* then the transaction was fraudulent, and the defeasance ought not to prevent a recovery on the note. The verdict was for the plaintiff. On a motion by the defendant for a new trial, embracing the preceding matters, and stating that the plaintiff on the trial introduced testimony in support of both the propositions hypothetically stated in the charge, and claimed to have proved them; it was *held*, — 1. That, under the issue joined, and the charge given, the verdict had established facts sufficient to warrant a recovery by the plaintiff; the great question in the case being whether the defeasance was fraudulent, and that question being directly answered by the verdict; 2. That as the defendant at the trial made no objection to the evidence on the ground of variance or irrelevancy, he could not avail himself of such objection on this motion. *Ibid.*

12. On a recovery by the plaintiff in such case, the proper rule of damages is the amount of the note in suit, and interest; the defendant, who was a party to the fraud, not being entitled to any deduction on the ground that C, when sued on his note by D, in the defendant's name, might avoid it. *Ibid.*

13. Where a promissory note payable to A or order, sixty days after date, was indorsed by him, with intent to negotiate it in the partnership name of A & Co., which partnership, consisting of A and B, was then subsisting, it was *held*, that such indorsement operated to transfer the legal title to the indorsee. *Finch* v. *De Forest*, 16 Conn. 445.

14. A gave his note to B, payable to B or order, on a certain future day. This note B retained in his hands, doing nothing else with or in relation to it, until his death, which was long after it fell due. It afterwards came into the hands of C, the widow and executrix of B, with the name of B written in blank by him on the back of it; and C delivered it, in the state in which she found it, to D, for a valuable consideration. In an action brought by D as indorsee of the note against A as the maker, alleging that B, by his indorsement in writing under his hand, ordered the contents thereof to be paid to D, it was *held*, — 1. That, as D claimed title to the note, by an immediate indorsement of it to him by

B, it was necessary for D, in order to sustain that title, to prove such an indorsement; 2. That the word *indorsement*, as applicable to negotiable paper, imports a transfer of the legal title to the instrument by contract; 3. That the consummation of this contract must be shown, by a delivery by the party making the transfer to the party to whom it is made, and an acceptance by the latter; the mere act of the payee's writing his name on the back of the instrument not being sufficient for this purpose; 4. That the legal title of the note being in B at the time of his death, it then vested in C, his executrix, and could be transferred only by her indorsement; 5. That C, as executrix or otherwise, had no authority to deliver the note as a note indorsed by B; 6. That D consequently had acquired no legal title; 7. That, as the note came into D's hands after it became due, it was subject to the defence of want of legal title in him. (Two judges dissenting.) *Clark* v. *Sigourney*, 17 Conn. 511.

15. A transfer of a chose in action belonging to the estate of the deceased, by one of two or more administrators, is ordinarily effectual to vest the legal title in the vendee. *Beecher* v. *Buckingham*, 18 Conn. 110.

16. But where A, one of two administrators, after he had become bankrupt, sold a note not negotiable to C, contrary to the prohibition of B, the other administrator, C having full knowledge of the bankruptcy of A, in an action at law brought on such note by C, in the names of A and B, it was *held*, — 1. That no legal title to the note passed to C, because it was not negotiable; 2. That C had no implied authority to use the name of B in such action, by reason of the circumstances under which the sale was made. *Ibid.*

17. Where it was shown by the defendants in such action that they had paid the money due on the note to B, and he had paid it over to those who were ultimately entitled to it, and given the defendant a discharge, it was *held*, — 1. That such payment and discharge constituted an effectual defence to the action, unless C, the assignee, was protected by the statute of 1822, relating to the assignment of choses in action negotiable; 2. That as C took the note under suspicious circumstances, and as it did not appear that the purchase-money had been applied for the benefit of the estate, C's equity was not superior to that of the defendant, and therefore his claim was not aided by the statute. *Ibid.*

18. Where a promissory note given by A to B had been negotiated by B before it was due, but B, finding that A would not be able to pay it at maturity, sent the money to A, who at the request of B, and as his agent, paid it over to the holder of the note, and took it up, it was *held*, that the effect of this transaction was to reinstate B as the proprietor of the note, and enable him to recover on it in the same manner as if it had never been negotiated. *Merrills* v. *Swift*, 18 Conn. 257.

8. *Acceptance.*

1. The act of drawing a bill of exchange by one partner, in his own name, upon the firm of which he is a member, for the use of the partnership concern, is, in contemplation of law, an acceptance of the bill by the drawer on behalf of the firm; and the holder of the bill may

sustain an action thereon against the firm as for a bill accepted. *Dougal* v. *Cowles*, 5 Day, 511.

2. A, being the agent of B, procured, for the purpose of raising money for his individual use, a bill of exchange to be drawn on him as agent, which he accepted as agent, and then got it discounted and appropriated the avails to himself; such acceptance being within the scope of A's agency, but without the knowledge of B. In an action brought by the indorsee of the bill against A in his individual capacity, it was *held*, that the plaintiff could not recover on the bill, as the acceptance bound B only, nor on the money counts, for he held a written security valid and uncancelled, in which his remedy must be sought. *Shelton* v. *Darling*, 2 Conn. 435.

3. The acceptor of a bill with funds, who has failed to pay, is not liable for the costs of a suit against the drawer. *Barnwell* v. *Mitchell*, 3 Conn. 101.

4. Notice within a reasonable time of the acceptance of a guarantee is necessary, where the guarantee is prospective, and is to attach upon future transactions. *Craft* v. *Isham*, 13 Conn. 28; *Averill* v. *Hedge*, 12 Conn. 424; *Wilcox* v. *Roath*, 12 Conn. 550; *Rapelye* v. *Bailey*, 3 Conn. 438; 5 Conn. 149.

9. *Presentment, Demand, and Notice.*

1. Necessity of.
2. By whom to be made or given, when and where.
3. Sufficiency of.
4. Waiver of.

1. *Necessity of.*

1. Where the note declared on was an absolute promise for the payment or further security of a debt then due, on a contract to which one of the defendants was a party, notice by the plaintiff of the amount due need not be averred in the declaration. *Bulkley* v. *Elderkin*, Kirby, 188.

2. Where a note is payable in specific articles on demand, a special demand is necessary. *Dean* v. *Woodbridge*, 1 Root, 191.

3. An indorsee of a note must use due diligence in order to subject the indorser; he must give notice to the indorser of the non-payment of the note in a reasonable time. *Phelps* v. *Blood*, 2 Root, 518.

4. A, being insolvent, made a promissory note payable to B or order, which B, with full knowledge of such insolvency, and having given no value for it, indorsed to give it credit and currency. *Held*, that, notwithstanding these circumstances, the indorser was entitled to regular notice. *Buck* v. *Cotton*, 2 Conn. 126.

5. A made a negotiable note payable in six months from date. After it was due, and while a suit on it, in which the body of A had been attached and committed to prison, was pending, B, the payee, indorsed it to C. Shortly afterwards C indorsed it to D, and D to E, who took it ignorant that the note was overdue when first negotiable. *Held*, that E could not recover against B without showing demand and notice within a reasonable time. *Bishop* v. *Dexter*, 2 Conn. 419.

6. Where a promissory note was made by one partnership and indorsed by another, the acting partner in both being the same person, it was *held*, that this fact did not excuse the want of due presentment for non-payment to the makers, and notice of non-payment to the indorsers. *Dwight* v. *Scovil*, 2 Conn. 654.

7. In the contract of indorsement it is a condition precedent that the holder shall use due diligence in making demand and giving notice. *Ibid.*

8. Where bills, drawn in the West Indies, were purchased in New York, overdue and protested, it was *held*, that, in the absence of proof, the legal presumption was that the drawer had funds in the hands of the drawee, and that he was exonerated from liability for want of due notice. *Thompson* v. *Stewart*, 3 Conn. 171.

9. The exercise of due diligence, if not waived, or the want of it excused, consists in a demand of payment from the maker, as soon as the note becomes due, and, in case of non-payment, an immediate suit against him by attachment, followed by the most rigorous measures for the collection of the debt. *Prentiss* v. *Danielson*, 5 Conn. 175.

10. Where the holder of a note not negotiable, payable on the 20th of March, neglected, until some time in the month of July following, to put such note in suit against the maker, it was *held*, that such laches, in the absence of any excuse or waiver, discharged the indorser from liability. *Ibid.*

11. It is not necessary for the party insisting on the laches of the holder as a defence, to show that he has sustained actual damage. *Ibid.*

12. The utter insolvency of the maker, so that process against him would be unavailable, excuses the neglect of suit. *Ibid.*

13. An assignment by the maker, before the note becomes due, of all his property to the indorser, is a waiver by the latter of legal diligence. *Ibid.*

14. So, if an indorser receives security to meet a particular indorsement, he thereby waives legal diligence in respect of that indorsement. *Ibid.*

15. But where an indorser, after he had become discharged by the laches of the holder, took an assignment of property from the maker as security or indemnity for indorsements and liabilities on the maker's account, and it appeared that such assignee was under indorsements and liabilities for the assignor other than the indorsement of the note in question to the full amount of the property assigned, it was *held*, that the taking of such assignment was not a waiver of legal diligence, so as to revive the extinguished liability of the indorser. *Ibid.*

16. Where an indorser, after he had become discharged by the laches of the holder, wrote a letter to the holder, who had arrested the body of the maker, advising him not to commit the maker to prison, as it would answer no good purpose; this was *held* to be no waiver of legal diligence, so as to affect the indorser's liability. *Ibid.*

17. Where a third person guaranteed the payment of a note by an indorsement in these words: "I hereby guarantee the payment of this note, within four years from this date"; it was *held*, that this was an

absolute engagement on the part of the guarantor, that the note should be paid within the time specified by the maker or by himself, and that demand and notice were not necessary. *Breed* v. *Hillhouse*, 7 Conn. 523.

18. In an action by the indorsee of a bill of exchange payable at either bank in Providence against the acceptor, it was *held*, that notice to the defendant of the bank at which demand of payment would be made was not essential to the plaintiff's right of action. *Jackson* v. *Packer*, 13 Conn. 342.

19. A presentment and demand at the time and place of payment of a note payable at a future day, is not a condition precedent to a right of recovery upon it against the maker. *Bond* v. *Storrs*, 13 Conn. 412.

2. *By whom to be made or given, when and where.*

1. The holder of a dishonored note is not obliged to send notice of non-payment until the next day after its dishonor. *The Hartford Bank* v. *Stedman*, 3 Conn. 489.

2. A note payable at a particular place must be presented at that place for payment, although the parties to it reside elsewhere. *Ibid.*

3. It is not necessary that a demand of payment be made, or notice of non-payment given, by a party to the note; it being sufficient if it be done by a notary public, or by a person having a parol authority for that purpose, or the lawful possession of the paper. *Ibid.*

4. The diligence required of the holder of a note not negotiable, in order to subject the indorser, consists in a demand of payment from the maker, as soon as the note becomes due, and in case of non-payment an immediate suit against him by attachment. *Huntington* v. *Harvey*, 4 Conn. 124; *Welton* v. *Scott*, 4 Conn. 527.

5. In an action by the payee against the maker of a promissory note payable at a particular place, a demand at the place specified is not a condition precedent to the plaintiff's right of recovery, and need not therefore be averred in the declaration." *Eldred* v. *Hawes*, 4 Conn. 465.

3. *Sufficiency of.*

1. In an action against the drawer of a bill of exchange, presentment in due season will be intended, after verdict, though the averment in the declaration be only that it was presented *soon* after it was received. Per Cur. in *Hall* v. *Crandall*, Kirby, 402.

2. A mistake in the bill of the Christian name of the drawee is immaterial, if the bill be presented to the right person. *Sterry* v. *Robinson*, 1 Day, 11.

3. A and B of New York, and C of Norwich in Connecticut, having been partners in trade, dissolved their partnership, and published notice of such dissolution for several weeks successively in two newspapers, one printed at Norwich, which was their usual place of doing business, and the other at New London, in the vicinity. B afterwards indorsed a bill of exchange in New York with the company's name; but whether the indorsee had or had not actual notice of the dissolution did not appear; nor did it appear that he had ever been a correspondent of the company; *held*, that these facts constituted reasonable notice to him

and to every other person not a correspondent of the company, and that the company were not liable as indorsers. *Mowatt* v. *Howland*, 3 Day, 353.

4. Where the assignee of a note not negotiable has not used due diligence to collect the contents of the maker, he is not entitled to recover against the assignor. *Horton* v. *Frink*, 5 Day, 530.

5. A on the 5th of February, 1810, at S. in this State, made his promissory note for $ 657.35, payable to B, or order, three years after its date. B, on the 17th of March following, at the city of New York, assigned the note to C of the city of New York, who immediately put a letter into the post-office at New York, addressed to A at S., containing notice of the assignment, and on the 19th of May following sent a similar notice to A at S.; but the first letter was never received. The note, being in the hands of B's attorney in this State at the time of the transfer, was not in fact indorsed and delivered over to C until after the 31st of March, 1810. After the execution of the note, D commenced a suit by process of foreign attachment against B, and on the 26th of March, 1810, a copy of such process was left with A, as the trustee and debtor of B. On a *scire facias* brought by D against A it was *held*, — 1. That notice of the assignment to the maker of the note was indispensably necessary to the validity of the transfer; and 2. That merely putting a letter into the post-office at New York containing notice of the assignment was not sufficient to vest the property of the note in the assignee. *Judah* v. *Judd*, 5 Day, 534.

6. A drew a bill of exchange in favor of B, on C, for £ 200 sterling, dated the 31st of January, 1805. B indorsed the bill to D and E, joint partners, by whom it was indorsed to F. The bill was protested both for non-acceptance and non-payment, but D had no notice of its dishonor. After the dissolution of the partnership subsisting between D and E, and after the bill had been protested, G, by process of foreign attachment, brought his action against F, and a copy was duly left in service with D, as his agent, &c. On a *scire facias* against D, G offered to prove by the testimony of D the confessions of F relating to the fact of notice having been given to E of the dishonor of the bill; and also relating to the fact that F had shown to D the deposition of C. S. containing evidence of such notice. It was held that such evidence was inadmissible. *Manwaring* v. *Griffing*, 5 Day, 561.

7. Where parties live in the same town, personal notice of the non-payment of bills and notes must be given; but in other cases the putting of a letter into the mail addressed to the party entitled to notice is legal notice. *Shepard* v. *Hall*, 1 Conn. 329.

8. Where a note or bill is made payable to two or more persons, and by them jointly indorsed in their individual names, each is entitled to notice of non-payment. Therefore an acknowledgment of due notice by one will lay no foundation for an action against all. *Shepard* v. *Hawley*, 1 Conn. 367.

9. The precise day of demand and notice it is not material to allege in the declaration, it being sufficient to make out the proper time in proof. *Norton* v. *Lewis*, 2 Conn. 478.

10. A bill was drawn and dated in Alexandria on persons residing in New York, who accepted it. The drawer's residence was, in fact, in Fairfield in Connecticut; which was publicly known, and was particularly known to one of the acceptors. The bill being protested for non-payment, immediately afterwards two letters containing notice were put into the post-office at New York, one addressed to the drawer at Alexandria and the other addressed to him at New York, and a third letter, addressed to him at New York, was left at the counting-house of the acceptors. It was *held*, that although the holder was ignorant of the drawer's place of residence, yet, as it did not appear that he had used due diligence to make inquiry, the notice given was insufficient. *Barnwell* v. *Mitchell*, 3 Conn. 101.

11. A promissory note, payable at the Middletown Bank, was indorsed by S., residing in Hartford, and was discounted by the Hartford Bank, and sent to the Middletown Bank for collection. This note becoming payable on Saturday, the 25th of September, it was in the afternoon of that day presented at the Middletown Bank for payment, and was dishonored. R., a notary public residing in Middletown, prepared a notice of the dishonor, sealed it up, and directed it to S., leaving a blank for his place of residence; which he inclosed in a letter to B, Cashier of the Hartford Bank, requesting him to add to the direction S.'s place of residence, which was unknown to R., though known to men of business in Middletown. The notice thus directed and inclosed R. put into the post-office at Middletown on the same day, before the closing of the next mail to Hartford, which was received by B. at Hartford on Monday morning, the 27th of September, who immediately wrote upon the notice the word "Hartford," and put it into the post-office at Hartford. *Held*, that the notice so given was sufficient. *The Hartford Bank* v. *Stedman*, 3 Conn. 489.

12. Though the holder of a dishonored note, ignorant of the indorser's place of residence, is bound to exercise due diligence to ascertain it, yet the law prescribes no specific mode of inquiry; and it is sufficient if any mode be resorted to which under the circumstances of the case is characterized by reasonable diligence. *Ibid.*

13. The omission by R. to waste time in making inquiry at Middletown, and his sending the notice immediately to a person acquainted with the indorser's place of residence, that the deficiency in the direction might be supplied, satisfied the rule of law requiring reasonable diligence. *Ibid.*

14. Where the party to be affected with notice resides in the same town in which the paper was dishonored, the notice must be personal, or left at such party's dwelling-house or place of business; but if he resides in a different town, the notice may be, and usually is, by mail. *Ibid.*

15. A notice of the dishonor of a bill need not state that the holder looks to the party notified for payment; this being implied in the act of giving notice. *Cowles* v. *Harts*, 3 Conn. 516.

16. A demand of payment of a lost note, on presentment of a copy, is sufficient, and satisfies the usual averment of due presentment. *Hinsdale* v. *Miles*, 5 Conn. 331.

17. Therefore, where the plaintiff in an action of assumpsit, brought by him as indorsee against the indorser of a promissory note, — having averred, that on the 26th of May he presented the note for payment at the place where it was made payable, and demanded payment thereof, and having also averred that the note had been lost by time and accident, and could not be produced, — adduced evidence to prove that the note was lost on the 26th of February preceding, and that a copy of it was presented by a notary public on the 26th of May, on which he demanded payment, it was *held*, that such evidence was unexceptionable. *Ibid.*

18. If, after the dishonor of a note, the indorser promise to pay it, such promise is presumptive evidence of due demand and notice. *Breed* v. *Hillhouse*, 7 Conn. 523.

19. And this rule is applicable to the case of a third person, who has guaranteed the payment of the note. *Ibid.*

20. Where a note payable at the Union Bank in New London was sent by the cashier of the United States Branch Bank in Hartford to the Union Bank for collection; and when it fell due, payment being refused, it was protested for non-payment; and the cashier of the Union Bank, on the same day, put the note, protest, and a notice to the indorser in the post-office in New London, directed to the cashier of the United States Branch Bank at Hartford, these proceedings being in conformity to the known and established usage of the Union Bank in like cases; but it did not appear that notice was otherwise given to the indorser by any party to the note; it was *held*, that such proceedings were not, in relation to the indorser, a compliance with the rule requiring notice. *Holland* v. *Turner*, 10 Conn. 308.

21. In order to perfect an assignment of a chose in action, as against *bonâ fide* creditors and purchasers, notice of such assignment must be given to the debtor within a reasonable time. *Bishop* v. *Holcomb*, 10 Conn. 444.

22. But an assignment of a chose in action without notice to the debtor is valid as between the parties; and no person having knowledge of the assignment can sustain the character of a *bonâ fide* creditor for the purpose of defeating it. *Ibid.*

23. Therefore, where, A being indebted by note not negotiable to B, B assigned it for a valuable consideration to C without notice to A, after which D, a creditor of B having knowledge of such assignment, attached such notes by process of foreign attachment as still the property of B, it was *held*, that D, not coming in a *bonâ fide* character, could not prevail against the assignment. *Ibid.*

24. Any form of notice to an indorser is sufficient to fix his liability, if the instrument in question was intended to be described in such notice, and the party was not misled or deceived thereby as to the instrument intended. *Kilgore* v. *Bulkley*, 14 Conn. 362.

25. Where a clerk in a bank, called to prove notice to the firms of S. and M., the indorsers of a dishonored note payable abroad, testified that two notices of non-payment for such indorsers were received by the bank, and he made the following *memorandum* on one for the bank:

"Delivered like notice to M. (a member of both firms), June 4, 1839. J. B. Teller," — which was produced; and he further testified that he made this *memorandum* at the time it purports to have been made, and that, from the facts of receiving the notices and making the *memorandum*, he had no doubt but that he delivered such notices to the indorsers, though he had no recollection of having delivered them; it was *held*, that such evidence was admissible. *The New Haven County Bank* v. *Mitchell*, 15 Conn. 206.

26. Evidence, to be admissible, need not afford full proof of the fact which it is offered to establish; but it is sufficient, if it conduces in any reasonable degree to prove that fact. *Belden* v. *Lamb*, 17 Conn. 441.

27. Therefore, where the plaintiff, in an action against the defendant as indorser of a promissory note, for the purpose of showing that the defendant had received notice of non-payment in due time, offered testimony to prove that he had admitted in conversation that he had received notice of non-payment, but he at the same time refused to pay the note, because the notice was misdirected; it was *held*, that this testimony was not to be withheld from the consideration of the jury, because it fell short of proving notice *in due time;* as the deficiency might be supplied by other evidence direct or presumptive. *Ibid.*

28. Where certain facts conducing to prove diligence are either proved or conceded, the question whether they amount to due or legal diligence is one for the decision of the court alone; but when the question is, what are the facts, and what was done by the holder in making inquiries, the jury are to decide it. *Ibid.*

29. Where it was proved, that, an indorsed note being left at one of the banks in the city of Hartford for collection, the holder and the cashier of that bank were ignorant of the indorser's place of residence; that the holder went out of the bank for the purpose of ascertaining it, and soon afterwards returned, and directed the cashier to write the word "Chickopee" upon the note under the indorser's name, which he accordingly did; that, when the note became due, notice of non-payment was sent by mail to the indorser, directed to him at Chickopee, which was not his place of residence, but about seven miles distant therefrom; that his place of residence was known to sundry citizens of Hartford; and that, within a year previous to this time, six or seven notices of protest had been sent to him by mail, properly directed, from the other banks in Hartford, — the court, after informing the jury what in point of law would be due diligence under the circumstances of the case, submitted the evidence to them, and left it to them to decide whether the holder had used such diligence, thus treating it as a mixed question of law and fact; it was *held*, that this course was correct. (Two judges dissenting.) *Ibid.*

30. Where a promissory note was made payable to the order of the payee, on demand, with interest, and was indorsed at the time when it was made; it was *held* to be a reasonable construction of the instrument, that neither the parties to it nor the indorser contemplated an immediate demand, but all regarded the real time of payment as future,

and the indorsement as a continuing guarantee. *Lockwood* v. *Crawford*, 18 Conn. 361.

31. But in such case the law requires that a demand be made in a reasonable time, in order to subject the indorsers. *Ibid.*

32. What shall be deemed a reasonable time for this purpose must to some extent be determined by the peculiar circumstances of the case; which may be proved by extrinsic evidence. *Ibid.*

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

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

35. By the general mercantile law, as well as the law of the State of New York, notice of the non-payment of a bill or note must be given on or before the next day after its dishonor, and it is incumbent on the holder to show affirmatively that such notice was given in due time. *Ibid.*

36. Therefore, where it appeared only that the holder of a note, after it was dishonored, being an inmate of the indorser's family, informed him of the non-payment of it, it was *held*, that the notice requisite to fix the indorser's liability was not shown. *Ibid.*

37. Notice of the dishonor of an indorsed note payable on *demand* must be given in the same manner as of bills and notes payable on a fixed day. *Ibid.*

38. A mere indulgence given to the maker of a note by the holder will not discharge the indorser; but to produce this effect, there must be some obligatory contract by which the holder is precluded from enforcing his remedies against the prior parties, and thus affecting the legal or equitable right of the indorsers. *Ibid.*

4. *Waiver of.*

1. Where the indorser of a promissory note, shortly after it became payable, agreed with the holder, in consideration of time being given, that he would pay the note; it was *held*, that this was equivalent to proof of demand and notice, and satisfied the usual averments of demand and notice in the declaration. *Norton* v. *Lewis*, 2 Conn. 478.

2. The usage of banks, by one of which a note was discounted, and at another of which it was made payable, respecting the mode of giving notice, may be shown as evidence of the *assent* of the parties to such usage, and of their *waiving* their legal claims. (Per two judges, the others expressing no opinion.) *The Hartford Bank* v. *Stedman*, 3 Conn. 489.

3. Admitting that the promise of the indorser of a note not negotiable

to continue his liability as indorser, made in consideration of forbearance, after being discharged from such liability by the laches of the holder, is a waiver of such laches; yet the effect of the waiver is only to enable the holder to continue the obligation of the indorser resulting from his indorsement, by the use of future diligence. *Huntington* v. *Harvey*, 4 Conn. 125.

4. Where the indorsee of a negotiable promissory note, payable on the 2d of April, demanded payment of the maker on that day, and gave due notice to the indorser; after which the indorser, in consideration that the indorsee would forbear to sue the maker, agreed in writing on the back of the note to be holden as indorser until the 5th of April; it was *held*, that, the indorser's liability on the first indorsement being fixed by regular demand and notice, the second indorsement did not discharge that liability. *Smith* v. *Hawkins*, 6 Conn. 444.

5. Where a promissory note was indorsed for the accommodation of the maker, the indorsee having no funds in the maker's hands; and during all the time from the making of the note until its aiming at maturity the maker was insolvent, but that fact was not known to the indorser at the time of his indorsement; and the indorser held the goods for which the note was given as security for his indorsement; it was *held*, that neither of these circumstances, nor all combined, constituted any ground for dispensing with notice to the indorser. *Holland* v. *Turner*, 10 Conn. 308.

10. *Protest.*

1. An indorser of a bill of exchange is liable to the indorsee in case of a protest. *Miller* v. *Riley*, 2 Root, 522.

2. To subject the indorsers of a promissory note, a notarial protest of its dishonor is not necessary, though the note be made in and by an inhabitant of one State, payable at a place in, and indorsed to, an inhabitant of another State. *Bay* v. *Church*, 15 Conn. 15.

3. The postmark of the office, in which a notice of protest was mailed, is *primâ facie* evidence of the time when it was mailed and sent. *The New Haven County Bank* v. *Mitchell*, 15 Conn. 206.

4. Where the plaintiff, to show that notice of protest had been forwarded in due season from one bank to another, and from that to the indorsers, introduced without objection proof of certain circumstances, and the usage of banks, from which he claimed that the jury had a right to infer, in the absence of all contradictory evidence, that the notice had been duly forwarded, and the court so instructed the jury; after a verdict for the plaintiff it was *held*, that, whether this evidence was legally admissible or not, yet, after it had been suffered to go to the jury without objection, its admission was not a ground for setting aside the verdict. *Ibid.*

(*To be continued in October No., p.* 264.)

MISCELLANEOUS.

MUTILATED BANK-BILLS. — A case of some interest was tried in the Circuit Court of Mobile, a short time since. It was brought by A W Marsh, to recover from the Bank of Mobile the value of one of its $ 20 mutilated bills, which had come into the possession of Mr. Marsh in the regular course of his business. The bill was composed of two parts, pasted together, and less in length by one eighth than the original. The name of the cashier was in full on one part of the bill, and the name of the president, with the exception of his initials, on the other part. It was conceded that the owner received it in due course of trade, and when exhibited in court, in the same condition as when it came into his hands. The late teller of the bank testifies, that, at the time the bill was presented to the bank, several bills of a like character had also been offered, and that the bank, in paying them, had been in the habit of deducting from them in proportion as their value was decreased by curtailment. The witness exhibited six cut notes of the bank, and explained how the seventh was made out of that number, and that it was his belief that the bill in question was cut with a fraudulent design upon the bank. The court, in accordance with the above testimony, ruled that the owner was not entitled to any thing, — in other words, the bill was valueless. An appeal has been taken to a higher tribunal. — *Mobile Advertiser.*

NEW YORK MONEY MARKET. — An unaccountable error occurs under the head of "Money Market," in the *New York Express* of Saturday, in which, referring to certain notes circulating in New York, purporting to be of banks in Washington, and irredeemable in New York or elsewhere, it enumerates as among those suppositious banks the "Bank of Washington" and the "Bank of the Metropolis." If either of the respected editors of the *Express* had had an opportunity of examining that article of *news* before its publication, it would of course have been corrected by at least omitting the names of those banks, with whose age, standing, and credit every one is familiar who has ever visited Washington. The Bank of Washington is almost as old as the *National Intelligencer*, and the Bank of the Metropolis is only a few years younger, and both of them have always stood in as high credit and repute as any bank on this side of New York. — *National Intelligencer.*

COMMERCIAL AND AGRICULTURAL BANK, TEXAS. — The *New Orleans Picayune* states that the Supreme Court of Texas has decided in favor of the validity of the charter of the Commercial and Agricultural Bank of Texas. The charter was granted by the colonial government of Coahuila and Texas, and confirmed by the authorities of the Republic of Texas. The question raised was, whether it was annulled by the adoption of the State constitution, which prohibits chartered banks. The Supreme Court decided it was not.

A GUARD AGAINST ALTERATIONS OF BANK-NOTES. — In executing the notes of the National Bank, District of Columbia, the engravers, Messrs. Danforth, Bald, & Co, have adopted a perfect guard against altering notes from a low to a higher denomination. It is simply this: on the right margin of the ONES is one border, on the TWOS, two borders, and on the THREES, three borders, &c. The reading of the notes comes plump up to the borders, rendering it impossible to alter the notes without distorting their proportions. These notes are peculiar, and unlike any other bank-notes in another particular, — on the left end is a very large vignette or hemisphere, surmounted by an eagle. Altogether these are the most unique and pleasing specimens of bank-note engraving we have ever seen.

THE ATLANTIC AND PACIFIC. — The "Costa Rica Company" is in the course of formation in London, having for its object, in common with several other associations already before the public, the junction of the Atlantic and Pacific Oceans. Concessions are stated to have been obtained, dated in 1849 and 1850, from the State of Costa Rica, and the line of road or railway is proposed to be carried from the port of Boca del Toro, on the Atlantic, to that of Golfo, on the Pacific coast. The company state they have a grant of a tract of land, a league in breadth, across the entire isthmus, besides a further territory of more than a million acres. Mineral explorations, emigration, sales of lands, and other operations, are stated to be all included in the company's programme. The names are published of a "Conseil de Surveillance" at Paris, besides a London Board of direction, and the company is constituted under the French law *en commandite*. The capital is to be raised in 100,000 shares of 125 francs, or £5 each, of which 60,000 are to be issued to the public.

NEW CIRCULATION. — We have been shown a draft which has the appearance of a bank-note, and would appear to have been intended for circulation. It is issued by a private banking-house, recently located at Charlottetown, Prince Edward's Island, and reads as follows: — "For the BANK OF CHARLOTTETOWN. Pay the bearer THREE DOLLARS on demand, for value received Charlottetown, May 1, 1852. To Simeon Draper, NEW YORK. A. Sleigh, Pres't."

If the above were intended as a simple draft to furnish exchange on New York, it is all very well; but the style and appearance of the whole would indicate that it was intended for circulation, and if so, all who desire a sound currency ought to set their faces against it. Like the new shinplasters issued at Washington, the names of the parties connected with it may be respectable, but as a currency it is altogether illegal. — *New York Journal of Commerce.*

UNITED STATES BANK CASE. — Judge Allison, of the Court of Common Pleas of Philadelphia, has recently decided that the Trustees of the Bank of the United States are bound to receive, in payment of debts due to the bank, coupons of bonds issued by the bank. The trustees resisted this principle, and also contended that the court had no power to decide the question in a summary way, in equity. The court, however, not only ruled the general principle as stated, but held that its equity powers over corporations were general and unlimited, although in reference to natural persons it was bound by certain restrictions. The latter doctrine was laid down some time ago by the Supreme Court of Pennsylvania.

MISSISSIPPI BANK CASE. — One of the most important judicial decisions ever made in this State, as respects the supposed amount involved, was declared the week before last by the High Court of Errors and Appeals. The decision was rendered in the case of Coulter and Richards, Executors, &c., *vs.* Wm. Robertson, Trustee of the Commercial Bank of Natchez; but twenty-one other cases were resting on the same points and follow the same adjudication. The amount altogether involved is over half a million of dollars. The facts and decision are briefly these: — In 1845-46, by judgments of the Circuit Court of Adams County, and of the High Court, the charter of the Commercial Bank was declared forfeited, and Mr. Robertson appointed trustee to collect its assets for the purpose of paying its creditors. This duty he has been performing with great diligence and fidelity. In the cases before the court, a plea was entered that the trustees had already collected sufficient and paid the debts of the bank, and the ground taken by the defendants, debtors to the bank, that thereby the trust was at an end and that the functions of Mr. Robertson ceased, and that such suits could be no further maintained. A demurrer was entered by Mr. Robertson's counsel, and the sufficiency in the law of the plea thus brought before the court. The court sustained the trustee and disallowed the plea

The case was argued in the High Court week before last. Chief Justice Smith delivered the opinion of the court, overruling the demurrer and sustaining the positions taken by the plaintiff in error; viz. that, when the debts of the bank were paid, the trust was at an end, and the trustee had no further power to collect, and that the defence was a proper one to be made at law as well as in equity.

Permission has been obtained to file a petition for a reargument up to the 1st of September. Should such reargument not be had, or the court not alter its decision, it is believed that an attempt will be made to take the case to the United States Supreme Court on behalf of the stockholders of the bank, who by the present decision are ousted from any further interest in the assets. — *Natchez Courier.*

THE CITY BONDS OF NEW ORLEANS. — The sale of these securities, which we noticed as having taken place in New York, at an advance of sixty-eight one-hundredths of one per cent. on their par or nominal value, has occasioned in our community a feeling of pride and satisfaction. Our citizens of every degree, high and low, rich and poor, manifest, not only by word of mouth, but in their looks and expressions, as they meet and pass each other in the streets, a spirit bespeaking triumph, and elation at the proud position to which our city credit has been elevated. It is in every respect a cause for gratulation and rejoicing. The money credit of our city, which has so long been depressed and prostrated, has been revived and redeemed; we are no longer in the shackles and bondage of hopeless debt; we can stand erect, and look our creditors boldly in the face, without fear of being reviled, either for the indisposition or inability to pay what we justly owe. Henceforth we begin a new era; from our regenerated solvency we date a new epoch in our city's history; and from this time forth, we trust we may never be subject to the reproach of being in default to our recognized and acknowledged creditors. — *New Orleans Bulletin.*

A DESCENT UPON COUNTERFEITERS IN MONTOUR COUNTY. — COUNTERFEITER SHOT. — On Monday, August 9, in accordance with admirable previous arrangements, a descent was made upon the principal manufactory of counterfeit paper-money in Pennsylvania; and we are pleased to add, that a very gratifying degree of success attended the enterprise. The location of the spurious bank-note factory was in Montour County, about fifteen miles from Danville. The manufactory was in a room on the second floor of the house of Dr. Geltner, a short distance from the tavern of Abraham Hause, the father-in-law of Geltner.

The expedition was under the direction of Mayor Gilpin of Philadelphia, and Mayor Guthrie of Pittsburg. The police officers selected were High-Constable Hague of Pittsburg, and Captain Jacob Bennett and officers Bunting and Moser of this city. The police were aided by the Sheriff and two or three citizens of Montour County.

The descent, in view of the well-known reputation of the men to be dealt with, was an undertaking of a desperate character; for, at the moment it was made, there were only three officers, assisted by one citizen, engaged in it. These officers were Messrs. Hague, Bennett, and Moser. The police, on approaching the door, were suspected by the wife of Geltner, who gave a signal, when the counterfeiters, who were in the midst of their work, turning out twos on the Harrisburg Bank, instantly leaped through windows and every other avenue of exit, and precipitately fled to the mountains.

The officers secured Dr. Geltner, the master-spirit, but the others all escaped. Dr. Geltner had to be shot by officer Moser before he would surrender. He received two or three balls from a revolver, in the region of the shoulder; his wounds, however, are not considered mortal. He was lodged in Danville jail. The escape of his accomplices was a mishap which it was impossible to prevent under the circumstances. There were neither men nor facilities sufficient to give prompt pursuit, and the hills and woods were so close at hand that the fugitives were in their fastnesses ere they could be overtaken.

The whole of the counterfeiting apparatus and implements, consisting of the press, engraving tools, printing materials, chemical preparations, &c., were secured. The press is a complete affair. About six hundred dollars in the spurious Harrisburg twos were likewise secured, with a number of other spurious bills, purporting to be of different banks.

The officers unfortunately did not get the plate of the Harrisburg counterfeit, one of the fugitive counterfeiters who jumped out of a window taking it with him. They had the good luck, though, to recover, in the neighborhood of the scene of operations, two or three other steel and copper plates; one, that of a counterfeit five on the Merchants and Manufacturers' Bank at Pittsburg; another, a twenty-dollar copper plate. The latter plate was an alteration from the exploded Millington Bank to the Cape May Bank; and it was being again altered to a Rhode Island Bank. One or more of the recovered plates were originally genuine, and had been stolen.

The prisoner, Dr. Geltner, is a splendid penman, and a most accomplished counterfeiter. He fought bravely before he would give up. His age is about twenty-eight.

When taken into custody he asked for Police-Marshal Keyser of Philadelphia, saying, that, if he was with the party of officers, all would be right, as they both belonged to the same Masonic Lodge. Officer Hague told him that he was a member, but could not acknowledge him as a worthy brother of the order. A party of the Marshal's officers went on a similar expedition to the same vicinity early last spring, but failed to accomplish the object of their visit, being suspected and dogged by spies fifty miles from the place.

This business has been in the hands of Mayor Gilpin for months, and he has managed it with consummate shrewdness, tact, and skill. It is to be hoped that this good beginning, which may be considered a most excellent entering wedge, will be followed by yet greater success; and that the association of villains who have so long preyed upon the honest people of Pennsylvania will never be let alone until they are all either brought to justice or scattered from among us.

The amount of counterfeiting carried on in this State, during the last few years, has been alarming; and our city has been continually flooded with the vile trash that was issued. The evil is a great one; especially as the poorer classes, who are least able to bear the losses, are generally the sufferers. Both the public authorities and the banks should respond promptly to the efforts of the police by furnishing money or any other means required to break up the manufactories of the money, and bring the criminals concerned in making it to exemplary punishment. — *Philadelphia Bulletin.*

THE AUSTRALIAN GOLD FIELDS.—The London correspondent of the *National Intelligencer*, in his letter of the 8th of July, furnishes the following intelligence about the Australian Gold Fields:—

"Late despatches from Mr. Latrobe, Lieutenant-Governor of Victoria, convey the most vivid pictures of the extent and value of the gold fields discovered there, and of their effect on the population. Soon after the opening of the Ballarat diggings, 1,300 licenses were issued. The ore was found pure, in irregular masses of 'great beauty,' scattered in the blue clay and other superior formations, and sometimes in lumps weighing seven or nine ounces. 'I witnessed,' says Mr. Latrobe, 'during my visit the washing of two tin dishes of this clay of about twenty inches in diameter, the yield of which was no less than *eight pounds-weight of pure gold*.' The average produce of this spot was estimated for some time at about seven hundred ounces and upwards per diem. But even this was soon surpassed by the discoveries at Mount Alexander. The gold raised there in December was calculated by hundredweights, and arrived in the cities on the coast at the rate of about two tons a week. Some twenty thousand persons were soon congregated in the district. Ballarat was comparatively deserted, and from the general prevalence all over the colony of the same geological formation in which gold has hitherto been found, Mr. Latrobe declares that he can 'contemplate no limit to the discoveries or to the result of the opening of these fields.' Not less than eleven thousand persons had arrived by sea in the colony of Victoria in the last six months of 1851, and 2,781 from the 1st to the 17th of January of this year. Eight thousand licenses were issued for the month. As the vast majority of these persons arrived were consumers of general produce, and producers of no article but gold, the colony was obviously drained of all other commodities, while gold became in excess. The grand total of gold brought down under escort, in the last three months of 1851, from all the diggings in Victoria, was 124,835 ounces, valued at £374,505; but it is calculated that not more than two fifths of the gold collected is forwarded by escort, so that the real amount found would be more than double this sum. The total amount known to have been exported, down to the 8th of January, 1852, from Victoria, is upwards of 220,000 ounces; and the quantity shipped from Sydney is 142,975 ounces.

"When it is remembered that all these effects have been produced in little more than six months from the first discovery of the gold down to the date of the latest despatches, and that the scene of action is in an almost unexplored region of that portion of the globe most remote from Europe and from civilization, they will certainly be ranked among the most curious and surprising phenomena in the history of mankind.

"The Melbourne *Argus* of March 4 has a long article, showing that since the first discovery, towards the end of September last, of the wonderfully prolific gold fields of Victoria, the total yield has been 653,270 ounces, the value of which, £3 per ounce, would be £1,959,810. This would be at the rate of about 1775 lbs. per week for the whole period. It is stated, however, by Captain Davison, of the bark *Posthumous*, which left Melbourne on the 15th of March, that gold was arriving at Melbourne at the rate of about two tons per week, or (say) 4,400 lbs. Within the last three weeks the amount of gold consigned to and received in London exceeds in value £1,250,000. This includes the shipments from the colony of New South Wales, as well as from that of Victoria."

LOUISIANA FINANCES.—The new constitution recently adopted by the Louisiana Convention, at Baton Rouge, contains the following provisions:—

Corporations with banking or discounting privileges may be either created by special acts, or formed under general laws; but the Legislature shall, in both cases, provide for the registry of all bills or notes issued, or put in circulation as money, and shall require ample security for the redemption of the same in specie.

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.

In case of insolvency of any bank or banking association, the bill-holders thereof shall be entitled to preference in payment over all other creditors of such bank or association.

The following resolution passed the Convention by a vote of 103 yeas to 5 nays:—

Resolved, That when the Legislature shall contract a debt to an amount exceeding $100,000, except in case of war, to repel invasion, or suppress insurrection, it shall, in the law creating the debt, provide the means for payment of the current interest and the principal when it shall become due, and the law shall be irrepealable until principal and interest are paid.

BANK STATISTICS.

TENNESSEE.

Planters' Bank of Tennessee.

LIABILITIES.	*July*, 1847.	*July*, 1848.	*July* 1, 1850.	*July* 1, 1851.	*July* 1, 1852.
Capital,	$1,766,600	$1,741,400	$1,549,600	$1,540,800	$1,511,900
Circulation,	1,673,733	756,402	1,610,505	1,782,472	1,870,661
Individual deposits,	318,612	292,931	496,022	493,518	483.063
Dividends unpaid,	10,130	5,737	32,120	40,160	*46,303
Due banks,	119,351	71,722	19,260	14,154	115.470
Miscellaneous,	7,422	. . .	16,955	44,764	133,596
Total liabilities,	$3,895,848	$2,868,192	$3,724,462	$3,915,868	$4,160,993

RESOURCES.	*July*, 1847.	*July*, 1848.	*July* 1, 1850.	*July* 1, 1851.	*July* 1, 1852.
Notes discounted,	$1,374,625	$1,179,948	$1,317,943	$1,513,322	$1,677,523
Bills of exchange,	780,610	562,932	727,898	723,048	1,188,044
Suspended debt,	306,906	294,864	309,656	85,590	96,273
Real estate,	188,050	196,092	177,982	146,145	171,506
State bonds,	78,750	67,750	70,953	80,333	79,085
Insurance stocks,	5,400	5,400	6,650	. . .	4,450
Bank balances,	560,595	153,700	496,820	649,220	282,476
Bank-notes,	84,036	50,080	113,570	65,890	95,314
Coin on hand,	516,876	317,170	512,990	652,390	566,393
Miscellaneous,	. . .	40,256	. . .	. . .	. . .
Total resources,	$3,895,848	$2,868,192	$3,724,462	$3,915,868	$4,160,993

Bank of Tennessee and Branches.

LIABILITIES.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.	*July*, 1851.	*July* 1, 1852.
Capital stock,	$3,226,976	$3,199,613	$3,193,940	$3,194,202	$3,190,825
Circulation,	1,532,324	1,327,700	1,845,933	1,899,085	2,143,366
Individual deposits,	267,252	382,070	488,916	478,971	441,673
Public deposits,	382,321	376,717	407,092	422,232	478,757
Bank balances,	11,632	44,820	. . .	39,164	. . .
Miscellaneous,	99,000	1,210,784	1,331,202	1,294,837	†1.254.604
Total liabilities,	$5,509,705	$6,541,704	$7,267,083	$7,328,491	$7,509,225

RESOURCES.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.	*July*, 1851.	*July* 1, 1852.
Discounted notes,	$1,554,976	$1,587,237	$1,657,990	$1,791,177	$1,763,447
Bills of exchange,	1,273,874	598,588	733,833	837,345	719,925
Suspended debt,	343,325	898,300	723,570	657,026	925,153
State bonds,	266,746	333,895	415,890	412,390	461,488
Due by State,	125,000	1,379,130	1,473,342	1,379,530	1,652.682
Real estate,	105,441	230,544	228,497	223,700	205.842
Bank balances,	159,840	475,762	557,662	702,661	616.544
Bank-notes,	159,412	148,051	397,467	303,797	381.811
Specie on hand,	552,000	523,894	697,910	641,954	568.443
Miscellaneous,	969,091	1,036	29,730	23.584	213,988
Bonds, stocks, &c.,	. . .	370,267	361,192	355,327	. . .
Total resources,	$5,509,705	$6,541,704	$7,267,083	$7,328,491	$7,509,225

For the new Free Bank Law of Tennessee, and information relating to the banks of that State, see last volume of the *Bankers' Magazine*, pp. 236, 761, 763, 1016.

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* Including a semiannual dividend of 3 per cent.. declared July 1, 1852.

† Sinking or contingent fund, $343.903; dividend account, $786,378; exchange, interest, damages, &c., $117,420; Miscellaneous, $6,903.

KENTUCKY.

Bank of Louisville and Two Branches.

LIABILITIES.	*Jan.*, 1847.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*July* 5, 1852.
Capital,	$ 1,082,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000
Circulation,	939,822	1,126,328	983,390	1,149,472	1,336,118
Individual deposits,	163,980	234,466	202,236	270,482	230,392
Bank balances,	57,091	132,938	222,362	296,274	392,030
Profit and loss,	126,830	158,166	162,933	209,924	178,390
Total liabilities,	$ 2,369,723	$ 2,731,898	$ 2,650,921	$ 3,006,152	$ 3,216,930

RESOURCES.	*Jan.*, 1847.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*July* 5, 1852.
Notes discounted,	$ 736,700	$ 648,060	$ 608,831	$ 633,866	$ 692,817
Bills of exchange,	717,986	1,136,262	893,521	1,050,392	1,054,844
Louisville city bonds,	75,000	75,000	75,000	68,000	35,000
Bank balances,	132,830	154,410	295,578	398,610	539,572
Suspended debt,	88,443	47,962	46,080	29,935	21,153
Real estate,	97,270	89,271	99,641	93,736	87,725
Specie on hand,	445,844	510,341	527,394	614,653	654,021
Bank-notes,	75,650	70,592	104,876	116,960	118,698
Railroad and other stocks,	. . .	. . .	. . .	. . .	3,100
Total resources,	$ 2,369,723	$ 2,731,898	$ 2,650,921	$ 3,006,152	$ 3,216,930

Profit and loss account, July 5, 1852,	$ 178,390
Dividend, 4½ per cent. declared,	48,600
Net surplus on hand,	$ 129,790

Bank of Kentucky and Seven Branches.

LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*July* 1, 1852.
Capital stock,	$ 3,700,000	$ 3,700,000	$ 3,700,000	$ 3,700,000	$ 3,700,000
Over-issue by Schuylkill Bank,	470,300	52,100	. . .	. . .	. . .
Circulation,	2,586,672	2,781,706	2,453,002	2,585,892	2,562,217
Individual deposits,	746,984	671,965	791,645	777,140	813,770
Bank balances,	392,814	344,144	283,907	683,854	496,304
Contingent fund,	139,480	89,785	114,826	318,240	183,174
Do. reserved by charter,	100,000	100,000	100,000	74,000	74,000
Schuylkill Bank fund,	55,138	. . .	600,000	415,000	285,500
Due Treasurer of State,	53,180	95,990	49,674	. . .	35,258
Dividends unpaid,	105,256	93,803	154,070	7,250	* 303,163
Total liabilities,	$ 8,343,844	$ 7,929,493	$ 8,247,124	$ 8,561,376	$ 8,443,386

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*July* 1, 1852.
Notes discounted,	$ 3,093,840	$ 2,642,215	$ 2,645,531	$ 2,417,610	$ 2,536,428
Bills of exchange,	1,860,222	2,132,721	2,137,700	2,354,086	2,506,982
Suspended debt,	167,430	95,800	107,625	93,933	67,413
Real estate,	252,205	211,038	197,382	173,686	155,113
Kentucky State bonds,	250,000	250,000	250,000	. . .	. . .
Louisville city bonds,	200,000	200,000	200,000	190,000	186,710
Bank balances,	445,691	560,415	605,448	1,353,348	† 1,276,871
Due from corporations,	19,440	21,710	15,543	10,080	12,558
Deficiency from over-issue,	470,300	52,100	. . .	. . .	. . .
Gold and silver,	1,275,308	1,371,398	1,241,063	1,082,696	1,053,218
Notes of other banks,	319,398	345,373	334,762	476,887	363,600
Miscellaneous,	. . .	46,722	512,070	409,070	285,500
Total resources,	$ 8,343,824	$ 7,929,493	$ 8,247,124	$ 8,561,376	$ 8,443,386

* Dividend, No. 29, July, 1852, 4½ per cent.,	$ 166,500
Extra dividend from Schuylkill Bank fund, 3½ per cent.,	129,500
	$ 296,000

† Of which $ 747,000 are funds on deposit in Philadelphia, New York, and Baltimore.

Northern Bank of Kentucky and Four Branches.

Liabilities.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1850.	*July*, 1851.	*July* 1, 1852.
Capital stock,	$ 2,237,600	$ 2,238,900	$ 2,250,000	$ 2,250,000	$ 2,250,000
Circulation,	2,453,532	2,676,780	2,371,795	2,556,925	2,364,925
Individual deposits,	674,503	742,806	697,408	673,030	712,428
Bank balances,	689,327	827,153	308,420	321,365	356,538
Profit and loss,	267,058	334,542	411,878	397,910	429,435
Miscellaneous,	32,695	15,223	16,060	12,690	5,365
Total liabilities,	$ 6,334,715	$ 6,735,409	$ 6,055,561	$ 6,211,910	$ 6,118,691

Resources.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1850.	*July*, 1851.	*July* 1, 1852.
Notes discounted,	$ 1,849,700	$ 1,785,300	$ 1,707,240	$ 1,630,518	$ 1,754,515
Bills of exchange,	2,007,287	2,156,410	2,233,450	2,208,325	1,714,810
Suspended debt,	123,268	136,910	82,100	82,142	72,388
Bank balances,	928,280	1,111,784	665,103	890,503	355,467
Real estate,	179,865	123,980	125,830	103,236	101,636
Kentucky State bonds,	5,000	5,000	5,000	5,000	5,000
Lexington City bonds,	35,000	28,000	16,000	14,000	11,000
Gold and silver,	909,704	1,038,413	1,016,898	1,008,890	1,112,490
Notes of other banks,	287,890	340,760	202,736	209,325	305,113
Miscellaneous,	8,791	8,852	1,214	9,971	3,810
Funds in New York, Boston, &c.,	. . .	. . .	. . .	. . .	682,462
Total resources,	$ 6,334,715	$ 6,735,409	$ 6,055,561	$ 6,211,910	$ 6,118,691

Contingent fund, July 1, 1852, $ 429,435, out of which a dividend was declared, July 5th, of five per cent., or $ 112,500; leaving a net profit and loss account of $ 316,935, or fourteen per cent. of the capital stock.

Kentucky Banks. — A Report of the Joint Committee on Banks, appointed by the Legislature, in January, 1852, states that the committee have examined the Bank of Kentucky, the Northern Bank, and the Bank of Louisville. "Every facility was afforded to the committee by the officers of the banks in their examination. The books, exhibiting the state and condition of each, with the reports from the branches, were compared with previous years, and, as far as could be ascertained therefrom, the committee were satisfied that the business had been prudently and carefully conducted, and that the banks and their branches are in excellent condition. . . . . The committee express entire confidence in all of the banks chartered by the Legislature, as to their safety and capacity to promote the commerce and trade of the State, and are unable to suggest any legislation required, unless it be such as will provide for examinations and reports to be made during the period between the meetings of the Legislature, hereafter to be only every two years."

Bank of Kentucky. — The capital of the Bank of Kentucky is distributed as follows: — Louisville, parent bank, $ 1,480,000; branch at Lexington, $ 650,000; Maysville, $ 450,000; Frankfort, $ 350,000; Hopkinsville, $ 250,000; Danville, $ 220,000; Bowling Green, $ 175,000; Greensburg, $ 125,000. The stock (37,000 shares) is held as follows: — By the Commonwealth of Kentucky, 7,000 shares;

Commissioners of Sinking Fund, Board of Education, Insurance Companies, Colleges, &c., 3,660; Individuals in Kentucky, 5,602; Pennsylvannia, 10,494; New York, 5,128; Virginia, 1,706; Connecticut, 1,165; Ohio, 897; Delaware, 342; Maryland, 221; Massachusetts, 131; New Jersey, 168; Other States, 200; Foreign, 286. — Total, 37,000 shares. The rate of exchange charged by the bank, on time bills on the South and East, ranges from par to ¼ per cent. per month; Indiana and Ohio, ¼ on the river banks, interior ½ per cent. additional, on four months' bills; Kentucky, par to ½, according to time. Notes offered for discount are registered and laid before the board every Tuesday and Friday morning. Bills of exchange offered for discount are also registered and laid before the bill committee every day in the week, at 12 o'clock, — every member of the board being considered a member of the bill committee. The loans of the bank are generally diffused among all classes of the community, and in the different counties of the State. The demand on the bank for coin, during the past year, has been greater than usual. About $ 400,000 have been drawn from the bank within the year, and about $ 300,000 imported from New Orleans and from Eastern cities.

The Northern Bank. — The capital of the bank and branches, and their profits for twelve months ending June 30, 1851, were as follows: —

	Capital.	*Profits.*	*Loans.*	*Circulation.*	*Coin.*
Lexington,	$ 730,000	$ 84,788	$ 1,500,000	$ 800,000	$ 345,000
Louisville,	600,000	73,765	987,000	502,000	184,000
Covington,	400,000	46,810	690,000	322,000	90,000
Paris,	370,000	40,244	610,000	480,000	168,000
Richmond,	150,000	20,173	404,000	480,000	171,000

The rates of exchange at Louisville on bills purchased by the Northern Bank have been as follows: — On bills payable at New Orleans, 1 *a* 1½ per cent. discount, and interest; South Carolina, 1½ per cent.; Georgia, 1¾ per cent.; Richmond, Virginia, 1½ per cent.; Lynchburg, 2 per cent.; branches, ½ per cent.; New York and Philadelphia, par, and interest off.

The shares, 22,500 in number, were held as follows, in July, 1851: — By the State of Kentucky, 2,500 shares; Sinking Fund, 400; Citizens of Kentucky, $ 10,935; Philadelphia agency books, 7,840; New York, 825 shares. — Total, 22,500.

Bank of Louisville. — The rates of exchange charged on bills purchased are as follows: — On New Orleans, ½ per cent. on bills having sixty days to run, and ¼ per cent. per month advance on longer bills. Rate on all points in Kentucky, ½ per cent.; Indiana, ½ *a* 1 per cent.

Nov. 26, 1851.	*Capital.*	*Circulation.*	*Coin.*	*Loans.*	*Profits, 6 months.*
Louisville,	$ 880,000	$ 430,000	$ 364,000	$ 1,366,000	$ 49,470
Paducah,	100,000	495,000	167,000	245,000	8,000
Flemingsburg,	100,000	267,000	72,000	261,000	6,500
Total,	$ 1,080,000	$ 1,192,000	$ 1,603,000	$ 1,872,000	$ 63,970

Condition of the Farmers' Bank of Kentucky and Branches, November 30, 1851.

Resources.	*Notes discounted.*	*Bills of Exchange.*	*Due from Banks.*	*Gold and Silver.*	*Notes of other Banks.*
Frankfort,	$ 79,813	$ 270,461	$ 200,211	$ 54,846	$ 16,700
Covington,	500	456,605	22,966	44,502	18,293
Henderson,	39,968	51,007	21,291	64,671	12,738
Maysville,	7,744	214,587	912	62,494	9,042
Mount Sterling,	20,039	75,889	40,778	37,712	27,309
Princeton,	67,313	41,848	64,969	63,119	34,872
Somerset,	34,043	27,775	160,427	85,143	6,893
Total resources,	$ 249,420	$ 1,138,172	$ 511,574	$ 412,407	$ 125,707

Liabilities.	*Capital Stock.*	*Circulation.*	*Due to Banks.*	*Individual Depositors.*	*Profit and Loss.*
Frankfort,	$ 133,366	$ 157,500	$ 290,372	$ 38,715	$ 20,453
Covington,	176,071	169,000	137,467	44,419	15,868
Henderson,	60,453	110,500	3,116	14,056	1,551
Maysville,	100,511	104,473	77,267	6,163	6,295
Mount Sterling,	51,841	119,000	120	28,140	2,626
Princeton,	76,066	182,000	2,831	9,053	2,142
Somerset,	30,372	266,500	868	15,445	1,022
Total liabilities,	$ 628,700	$ 1,108,973	$ 512,041	$ 145,991	$ 49,948

Virginia.

Northwestern Bank of Virginia and Branches, 1851 – 52.

Resources.	*July* 1, 1851.	*Jan.* 1, 1852.	*April* 1, 1852.	*July* 1, 1852.
Bills discounted,	$ 1,661,453	$ 1,749,855	$ 1,766,690	$ 1,702,368
Stock of Northwestern Bank,	38,600	27,000	65,400	61,500
" of Wheeling and Belmont Bridge Co.,	20,000	20,000	20,000	20,000
Other stocks,		5,000	5,000	5,000
Unpaid instalments on stock subscribed,	300	200	100	. . .
Banking-houses,	23,792	30,024	32,182	35,448
Other real estate,	26,870	10,440	10,440	10,500
Due by other banks,	266,648	161,272	178,102	312,325
Notes of other banks, checks, and cer. of dep.,	91,706	77,044	60,215	102,078
Coin,	356,773	321,492	348,824	376,533
Expense account,	7,875	7,643	3,789	9,683
In transit between bank and branches,	2,013	13,421	. . .	. . .
Total resources,	$ 2,510,030	$ 2,423,391	$ 2,490,742	$ 2,635,520

Liabilities.	*July* 1, 1851.	*Jan.* 1, 1852.	*April* 1, 1852.	*July* 1, 1852.
Capital stock,	$ 792,100	$ 792,100	$ 792,100	$ 794,100
Circulation of bank and branches,	1,336,068	1,320,604	1,397,453	1,432,272
Due depositors,	239,291	187,846	175,125	236,386
Due other banks,	36,617	29,873	39,866	49,294
Discount account,	46,502	52,796	23,610	49,017
Exchange and collection account,	5,752	9,041	4,150	7,444
Rent account,	434	648	. . .	. . .
Contingent fund,	53,246	30,453	52,134	52,933
In transit between bank and branches,	. . .	. . .	6,304	14,069
Total liabilities,	$ 2,510,030	$ 2,423,391	$ 2,490,742	$ 2,635,520

The foregoing statement for April 1, 1852, states the expense, discount, and exchange and collection accounts for three months previous; — for July 1, 1851, January 1, 1852, and July 1, 1852, for six months previous.

		Capital.	*President.*	*Cashier.*
Parent Bank at Wheeling,	Virginia,	$ 507,600	John C. Campbell.	Daniel Lamb.
Branch at Wellsburg,	"	118,000	Adam Kuhn.	Samuel Jacob.
Branch at Parkersburg,	"	100,000	James Cook.	Beverly Smith.
Branch at Jeffersonville,	"	68,500	John W. Johnston.	I. M. Benham.

Manufacturers and Farmers' Bank, Wheeling, July 1, 1852.

Liabilities.		Resources.	
Capital stock paid in,	$ 155,000	Notes and bills of exchange discounted,	$ 144,095
Circulation outstanding,	191,515	Virginia State bonds, $ 204,000, premiums, $ 6,353,	216,353
Interest and exchange,	16,940	Due by other banks,	19,084
Due to other banks,	10,900	Notes of other banks,	11,683
Certificates of deposit,	38,503	Gold and silver on hand,	53,435
Individual deposits,	44,946	Banking-house, &c.,	13,154
Total liabilities,	$ 457,804	Total resources,	457,804

The Manufacturers and Farmers' Bank at Wheeling has been in operation since October, 1851, established under the general banking law of Virginia. The stocks deposited with the State Treasurer, as collateral for circulation, amount to $ 210,000, — consisting of $ 204,000 Virginia State bonds, and $ 6,000 Chesapeake and Ohio canal bonds guaranteed by the State. The former were purchased at an average premium of 3 per cent., and are now worth about 12 per cent. premium.

Maine.

At the last session of the Legislature of Maine, charters were granted for the Lewiston Falls Bank; Winthrop and Readfield Bank; Orono Bank; Georges Bank, Thomaston; Cobossee Contee Bank, at Gardiner; Bowdoinham Bank; Richmond Bank; Lumbermen's Bank, Oldtown; Bank of Hallowell; People's Bank, Damariscotta; City Bank, Bath; City Bank, Bangor.

Comparative View of the Banks of Maine in the Years 1846 – 1852.

Liabilities.	*May*, 1846.	*May*, 1848.	*May*, 1850.	*May*, 1851.	*May*, 1852.
Capital,	$ 3,009,000	$ 2,920,000	$ 3,148,000	$ 3,586,100	$ 3,923,000
Circulation,	2,240,820	2,315,520	2,301,150	2,994,905	* 3,254,882
Deposits,	1,257,646	1,129,773	884,453	1,389,137	1,525,626
Bank balances,	93,710	112,955	85,260	111,728	93,455
Undivided profits,	117,222	122,878	158,292	169,390	167,175
Total liabilities,	$ 6,718,398	$ 6,601,126	$ 6,577,155	$ 8,251,260	$ 8,964,138

Average dividend of the thirty-nine banks for the six months preceding May, 1852, $ 4.30 per cent.; viz. three at 3 per cent., one at 3½ per cent., three at 3½ per cent., sixteen at 4 per cent., one at 4½ per cent., fifteen at 5 per cent. Total, 39 banks.

* Of which amount the sum of $ 408,000 is in bills under five dollars.

Resources.	*May*, 1846.	*May*, 1848.	*May*, 1850.	*May*, 1851.	*May*, 1852.
Loans,	$ 5,391,113	$ 5,189,088	$ 5,350,860	$ 6,450,460	$ 7,042,462
Bank balances,	769,095	579,143	487,850	813,232	956,490
Specie on hand,	219,068	521,536	424,199	630,296	622,300
Real estate,	191,714	129,006	113,463	102,570	118,523
Bills of Maine banks,	76,390	99,570	131,043	150,015	139,473
Bills of other banks,	71,088	82,783	69,743	104,657	84,890
Total resources,	$ 6,718,398	$ 6,601,126	$ 6,577,155	$ 8,251,260	$ 8,964,138

For particulars as to the dates of incorporation, dates of recharter, annual dividends, &c. of the banks in Maine, refer to *Bankers' Magazine*, Vol. VI. pp. 105 - 107, August, 1851.

Tabular Statement of the Capital, Circulation, Net Profits, Bank Balances, Deposits, Coin, Real Estate, Loans, and Total Liabilities of each of the Banks in Maine, April 30, 1852. *From the Official Report published by John G. Sawyer, Secretary of State.*

Liabilities.	*Capital.*	*Circulation.*	*Net Profits.*	*Due Banks.*	*Deposits.*
Androscoggin Bank, Topsham,	$ 50,000	$ 22,856	$ 5,453	$ 240	$ 13,561
Atlantic Bank, Portland,	100,000	126,432	563	65	25,942
Augusta Bank,	88,000	84,636	9,398	14,099	40,208
Bank of Cumberland, Portland,	100,000	100,895	3,568	2,914	47,445
Bank of the State of Maine, Bangor,	175,000	186,202	5,122	. . .	42,395
Biddeford Bank,	150,000	99,559	4,585	. . .	35,359
Belfast Bank,	75,000	67,117	2,499	1,027	26,328
Brunswick Bank,	60,000	21,446	6,398	. . .	5,691
Canal Bank, Portland,	400,000	295,198	14,599	13,070	159,880
Casco Bank, "	300,000	211,028	10,909	7,613	144,593
Commercial Bank, Bath,	75,000	48,139	1,670	295	17,728
Calais Bank,	50,000	57,629	6,194	3,137	10,734
Eastern Bank, Bangor,	100,000	104,114	2,435	. . .	24,205
Exchange Bank, "	50,000	57,123	1,857	. . .	15,622
Freeman's Bank, Augusta,	50,000	66,176	4,858	. . .	33,493
Frontier Bank, Eastport,	75,000	15,806	10,199	845	26,514
Granite Bank, Augusta,	75,000	88,095	3,732	94	7,209
Gardiner Bank,	100,000	80,906	6,017	23,929	74,518
Kenduskeag Bank, Bangor,	100,000	105,176	1,275	7,106	48,284
Lincoln Bank, Bath,	200,000	60,995	378	. . .	43,380
Lime Rock Bank, Rockland,	100,000	56,301	863	378	44,823
Manufacturers' Bank, Saco,	100,000	64,162	5,397	32	21,746
Manufacturers and Traders', Portland,	100,000	88,545	3,553	159	68,832
Mariners' Bank, Wiscasset,	50,000	47,010	1,289	254	21,641
Merchants' Bank, Bangor,	50,000	63,001	1,965	139	13,422
Mercantile Bank, "	50,000	61,990	1,989	312	37,434
Merchants' Bank, Portland,	150,000	108,774	13,229	14,808	101,657
Medomak Bank, Waldoborough,	50,000	67,896	4,565	none.	20,467
Northern Bank, Hallowell,	75,000	81,616	4,868	331	20,896
Rockland Bank,	50,000	57,733	714	. . .	36,557
Sagadahock Bank, Bath,	100,000	53,993	2,449	1,486	39,104
South Berwick Bank,	100,000	51,145	2,826	. . .	4,585
Skowhegan Bank,	75,000	75,923	1,596	. . .	10,030
Ticonic Bank, Waterville,	75,000	63,084	1,382	448	20,649
Thomaston Bank,	50,000	68,037	1,197	6	96,420
Union Bank, Brunswick,	50,000	52,527	2,337	. . .	21,740
Veazie Bank, Bangor,	200,000	136,472	6,461	656	59,652
Waterville Bank,	50,000	64,775	2,708	. . .	7,298
York Bank, Saco,	75,000	93,111	6,075	. . .	28,638
Total liabilities,	$ 3,923,000	$ 3,254,882	$ 167,174	$ 93,455	$ 1,595,627

Resources.	Coin.	Real Estate.	Due from other Banks.	Loans.	Total Resources.
Androscoggin Bank, Topsham,	$ 4,109	$ 800	$ 27,447	$ 59,553	$ 92,111
Atlantic Bank, Portland,	27,262	. . .	15,397	193,561	253,098
Augusta Bank,	23,379	3,744	28,511	176,715	236,342
Bank of Cumberland, Portland,	18,739	11,000	36,160	180,131	254,898
Bank of the State of Maine, Bangor,	37,844	. . .	10,754	357,985	408,650
Biddeford Bank,	8,211	10,270	6,168	261,943	289,503
Belfast Bank,	9,964	3,610	6,807	151,170	171,972
Brunswick Bank,	4,230	500	4,359	83,373	93,536
Canal Bank, Portland,	35,484	6,500	61,590	757,235	882,748
Casco Bank, "	26,583	18,065	50,529	562,118	674,144
Commercial Bank, Bath,	7,015	550	13,247	116,357	142,833
Calais Bank,	14,037	6,013	2,332	99,365	127,695
Eastern Bank, Bangor,	21,141	10,000	8,643	190,799	230,754
Exchange Bank, "	11,246	. . .	14,735	99,909	126,602
Freeman's Bank, Augusta,	16,872	. . .	26,569	100,119	154,518
Frontier Bank, Eastport,	4,574	. . .	4,632	116,384	128,366
Granite Bank, Augusta,	21,806	300	8,571	142,695	174,132
Gardiner Bank,	11,004	2,000	100,815	170,251	285,371
Kenduskeag Bank, Bangor,	25,510	5,000	3,000	207,809	261,842
Lincoln Bank, Bath,	14,417	none.	49,672	244,025	309,753
Lime Rock Bank, Rockland,	12,962	4,478	54,032	126,750	202,376
Manufacturers' Bank, Saco,	5,045	4,609	17,063	160,032	191,337
Manufac. and Traders', Portland,	18,701	800	20,120	199,665	261,090
Mariners' Bank, Wiscasset,	9,368	4,003	12,536	90,144	120,175
Merchants' Bank, Bangor,	13,756	. . .	11,071	99,726	128,527
Mercantile Bank, "	12,837	5,000	11,567	105,342	151,616
Merchants' Bank, Portland,	38,280	. . .	43,656	297,204	388,469
Medomak Bank, Waldoborough,	17,963	205	20,947	103,811	142,928
Northern Bank, Hallowell,	8,208	200	21,594	149,606	182,712
Rockland Bank,	22,970	. . .	31,516	85,758	145,004
Sagadahock Bank, Bath,	9,514	none.	45,614	137,188	197,032
South Berwick Bank,	2,695	1,336	3,630	149,600	158,556
Skowhegan Bank,	12,616	1,200	10,994	136,824	161,919
Ticonic Bank, Waterville,	14,834	1,600	6,106	137,520	160,564
Thomaston Bank,	18,136	2,600	85,226	109,537	215,660
Union Bank, Brunswick,	9,364	. . .	18,919	95,281	126,605
Veazie Bank, Bangor,	16,946	10,000	9,862	355,837	403,243
Waterville Bank,	15,117	. . .	13,768	94,239	124,782
York Bank, Saco,	19,644	4,136	38,317	137,592	202,825
Total resources,	$ 622,300	$ 118,523	$ 966,489	$ 7,042,461	$ 8,964,136

Dividends, &c., of the Maine Banks.

Amount of semiannual dividend,	$ 158,838	Due from President and Directors as principals,	215,681
Amount of reserved profits,	126,646		
Debts considered as doubtful,	21,096	Due from Pres. and Directors as sureties,	410,232
Amount of bills in circulation under $ 5,	408,073	Due from stockholders as principals,	229,103

List of Banks which have increased their Capital Stock.

Banks.	Date.	Amount.
Biddeford Bank,	September 8, 1849,	$ 25,000
Sagadahock Bank,	October 1, 1849,	50,000
Commercial Bank,	April 1, 1851,	25,000
Lincoln Bank,	March 31, 1851,	75,000
Manufacturers and Traders' Bank,	April 15, 1851,	25,000
Belfast Bank,	October 22, 1851,	25,000

South Carolina.

Bank of Charleston, S. C.

Resources.	*June*, 1846.	*June*, 1847.	*June*, 1849.	*June*, 1850.	*June* 30, 1852.
Bills discounted,	$ 1,741,543	$ 1,207,564	$ 1,252,440	$ 1,242,535	$ 2,017,355
Bills of exchange,	1,046,309	922,164	1,062,770	1,810,937	1,225,912
Sterling bills,	531,102	1,024,425	2,356,856	731,984	274,600
French exchange,	319,728	319,872	316,348	268,694	122,327
Bonds and mortgages,	460,400	421,365	251,078	200,880	114,347
Suspended debt,	156,817	86,177	104,337	57,104	20,726
Due by banks,	344,266	270,082	240,952	856,970	538,315
Due by agencies,	205,322	250,462	399,843	237,937	475,782
Premiums on foreign bills,	51,878	79,054	94,968	. . .	24,690
Bonus for charter,	53,125	47,500	36,250	30,625	19,375
Real and personal estate,	90,961	69,896	63,808	35,994	35,994
Stocks and bonds,	316,071	854,264	580,648	530,643	531,248
Contingent losses,	201,585	249,856	327,507	. . .	. . .
Notes of other banks,	55,305	44,112	71,046	110,996	72,954
Gold and silver coin,	397,331	423,803	436,225	656,744	533,600
Miscellaneous,	68,216	16,792	17,836	41,148	38,423
Total resources,	$ 6,039,950	$ 6,287,388	$ 7,612,912	$ 6,813,191	$ 6,045,638

Liabilities.	*June*, 1846.	*June*, 1847.	*June*, 1849.	*June*, 1850.	*June* 30, 1852.
Capital,	$ 3,160,800	$ 3,160,800	$ 3,160,800	$ 3,160,800	$ 3,160,800
Circulation,	1,061,114	1,332,228	1,594,850	1,945,064	1,349,002
Individual deposits,	536,852	471,258	413,930	505,436	516,828
Due distant banks,	391,230	624,458	479,708	662,198	521,166
Due Charleston Banks,	14,833	4,440	3,526	93,455	4,648
Public deposits,	2,368	2,427	2,370	2,374	2,380
Dividends unpaid,	9,047	8,517	10,007	12,330	18,731
Undivided profits,	431,676	490,015	756,965	431,534	469,678
Due agencies,	432,030	193,245	1,190,756	. . .	2,405
Total liabilities,	$ 6,039,950	$ 6,287,388	$ 7,612,912	$ 6,813,191	$ 6,045,638

Dividend, December 31, 1851, 5 per cent.; June 30, 1852, 5 per cent., leaving at the latter date a net profit undivided of about $ 450,000, or 14 per cent. of capital, in addition to the sum of $ 24,680 to be realized on the subsequent sale of $ 274,600 sterling bills (now worth about 10½ premium).

The bank has, during the past year, discounted or purchased domestic notes to the amount of $ 13,991,000; domestic bills of exchange, $ 9,318,000; sterling bills, $ 2,734,000; and French exchange, $ 340,000; — a total of $ 26,383,000: and has disposed of checks and credits on Northern cities, and elsewhere, to the amount of $ 11,946,000; and bills on Europe, $ 2,798,000.

The monthly averages of circulation were $ 1,573,000; deposits, $ 582,000; bank balances, $ 1,595,000. Coin, $ 508,000; loans, domestic, $ 4,600; foreign, $ 784; bank balances, $ 1,200,000.

The number of shareholders is 986 (owning an average of $ 3,205 stock each), divided as follows: —

Individuals in their own right, $ 1,856,500; widows, guardians, executors, and trustees, $ 1,063,500; banks and other corporate bodies, $ 240,800. Total, $ 3,160,800.

Prices of Bank Stocks, Charleston, August 14.

	Par.	Market value.		Par.	Market value.
Bank of Charleston,	100	115½ a 116	Planters and Mechanics' Bank,	25	28 a 29
Bank of South Carolina,	50	45½ a 46	Southwestern R. R. Bank,	125	116 a 117
State Bank,	100	106½ a 107	Charleston Insurance and Trust Co.,	50	53 a 53½
Union Bank,	50	48 a 48½			

Charleston Banks.

Condensed Statement of the Bank of the State of S. C. (including two Branches at Camden and Columbia); Bank of South Carolina; Planters and Mechanics' Bank of South Carolina; Southwestern Railroad Bank; State Bank; and Union Bank of South Carolina.

Liabilities.	July 31, 1846.	Sept. 30, 1847.	March 31, 1848.	Aug. 1849.	July 1, 1852.
Capital,	$ 5,992,607	$ 5,992,783	$ 5,992,783	$ 5,992,782	$ 5,991,886
Circulation,	1,926,621	2,430,057	2,222,864	2,008,787	3,660,638
Deposits,	1,880,312	1,549,662	1,921,170	1,839,350	2,338,020
Net profits,	296,944	532,790	322,756	435,077	585,480
Due banks in this State,	1,600,393	1,606,410	1,621,740	1,504,425	1,933,318
Due banks in other States,	194,063	272,394	256,084	122,686	316,894
Deposits at interest, &c.,	34,948	26,960	38,690	26,428	13,694
Due State Treasury,	1,957,650	1,911,325	1,810,253	2,443,845	2,092,270
Due State Sinking Fund,	434,264	491,022	459,026	. . .	468,480
Total liabilities,	$ 14,317,802	$ 14,812,303	$ 14,645,366	$ 14,373,590	$ 17,330,540
Resources.	**July 31, 1846.**	**Sept. 30, 1847.**	**March 31, 1848.**	**Aug. 1849.**	**July 1, 1852.**
Specie on hand,	$ 539,865	$ 860,475	$ 473,372	$ 1,082,108	$ 760,978
Real estate,	287,997	287,997	278,496	233,258	236,543
Bank-notes,	351,890	366,442	287,403	390,050	461,968
Banks in this State,	69,989	66,971	13,670	11,936	81,890
Banks in other States,	72,035	126,864	73,622	274,945	359,700
Notes discounted,	6,156,528	6,124,960	5,962,040	5,711,200	7,556,560
Loans on stocks,	599,832	609,832	606,465	. . .	674,448
Domestic exchange,	439,120	563,536	988,980	751,356	2,342,675
Foreign exchange,	152,034	87,205	214,645	155,585	268,756
Bonds and stocks,	2,506,610	2,446,990	2,506,562	2,513,513	1,776,302
Suspended debt,	642,810	730,774	773,717	750,744	490,903
Branches and agencies,	1,335,690	1,435,633	1,370,692	1,370,746	1,460,842
Bonds for rebuilding Charleston,	909,453	826,050	802,430	729,962	308,666
Expenses of State loan,	100,787	145,665	156,726	65,953	60,408
Miscellaneous,	153,162	132,867	136,546	282,234	489,900
Total resources,	$ 14,317,802	$ 14,812,303	$ 14,645,366	$ 14,373,590	$ 17,330,540

Bank of Georgetown, S. C.

Liabilities.	June 8, 1846.	June 29, 1850.	July 7, 1852.
Capital stock paid in,	$ 200,000.00	$ 200,000.00	$ 200,000.00
Circulation,	322,786.00	350,207.00	262,439.00
Individual deposits,	30,204.28	37,008.55	46,503.98
Surplus fund,	13,183.86	38,829.17	38,072 80
Total liabilities,	$ 566,174.14	$ 626,044.72	$ 547,015.78
Resources.	**June 8, 1846.**	**June 29, 1850.**	**July 7, 1852.**
Notes discounted,	$ 200,129.46	$ 194,815.32	$ 149,053.38
Suspended debt,	10,983.17	8,268.27	415.18
Exchange on New York, Charleston, &c.,	198,774.68	180,210.71	125,097.03
Specie on hand and New York funds,	141,086.83	234,750 42	266,950.19
Real estate, bonus, &c.,	15,200.00	8,000.00	5,500.00
Total resources,	$ 566,174.14	$ 626,044.72	$ 547,015.78

London and Westminster Bank.

Report of the Directors to the Proprietors, at the Half-yearly Meeting, held on the Bank Premises, in Lothbury, July 21, 1852. John Garratt Cattley, Esq., in the Chair.

The shareholders will learn from the following statement that the net profits of the bank during the last half-year amount to £ 42,541 19*s.* 3*d.* Out of these profits the directors now declare a dividend at the rate of six per cent. per annum. After the payment of this dividend there will remain the sum of £ 12,541 19*s.* 3*d.* to be added to the surplus fund, which will then amount to £ 116,694 0*s.* 4*d.*

London and Westminster Bank, June 30, 1852.

Liabilities.	£	*s.*	*d.*
To proprietors for paid-up capital,	1,000,000	0	0
To amount due by the bank for deposits, circular notes, &c.,	5,245,135	11	9
To rest or surplus fund,	104,152	1	1
To net profits of the past half-year,	42,541	19	3
Total,	6,391,829	12	1

Assets.	£	*s.*	*d.*
By government stock, exchequer bills, and India bonds,	1,054,018	10	0
By other securities, including bills discounted, loans to customers, &c.,	4,476,032	2	3
By cash in hand,	861,778	19	10
Total,	6,391,829	12	1

Profit and Loss.

Liabilities.	£	*s.*	*d.*
To total expenditure of the six establishments, including rent, taxes, salaries, stationery, &c.,	19,532	9	9
To payment of the dividend now declared at the rate of six per cent. per annum, for the last half-year, on the paid-up capital of £ 1,000,000,	30,000	0	0
To balance of unappropriated profits,	116,694	0	4
Total,	166,226	10	1

Assets.	£	*s.*	*d.*
By balance of unappropriated profits on the 31st of December, 1851,	104,152	1	1
By gross profits of the last half-year, after paying the income tax and making provision for all bad and doubtful debts,	62,074	9	0
Total,	166,226	10	1
By balance of unappropriated profits brought down,	116,694	0	4

The foregoing report and statements having been read to the meeting by the Secretary, it was unanimously resolved: — 1. That the report now read be adopted and printed, and circulated among the proprietors. 2. That the cordial thanks of the meeting be presented to the directors for their services during the past half-year. 3. That the thanks of the meeting be presented to James William Gilbart, Esq., F. R. S., the General Manager, to the Managers, and to the other officers of the bank, for their past services. 4. That the thanks of the meeting be presented to John Garratt Cattley, Esq., for his able and courteous conduct in the chair.

Henry F. Fairland, *Secretary.*

Missouri.

Bank of the State of Missouri and Branches, 1846 – 1852.

Liabilities.	*Jan.*, 1846.	*Jan.*, 1848.	*Jan.*, 1849.	*July*, 1850.	*July*, 1852.
Capital owned by the State, .	$ 954,205	$ 954,205	$ 954,205	$ 954,205	$ 954,205
Capital owned by individuals,	246,377	250,512	253,962	254,546	255,976
Individual deposits, . .	1,296,428	1,364,650	1,735,410	969,768	1,066,112
Circulation, . . .	2,196,840	2,404,160	2,569,960	2,396,500	2,066,620
Bank balances, . . .	37,858	138,073	170,695	193,421	113,308
Interest and exchange, , .	176,612	196,870	186,208	273,590	219,944
Contingent fund, . . .	79,978	98,850	122,960	147,826	194,825
Suspense account, . .	17,223	17,223	17,223	22,824	. . .
Total liabilities, . .	$ 5,004,521	$ 5,424,543	$ 6,010,613	$ 5,232,690	$ 4,870,990

Resources.	*Jan.*, 1846.	*Jan.*, 1848.	*Jan.*, 1849.	*July*, 1850.	*July*, 1852.
Bills discounted, . . .	$ 1,433,038	$ 1,775,886	$ 1,816,180	$ 1,869,690	$ 1,773,050
Exchanges matured, . .	544,675	136,245	474,380	498,710	231,322
Bills of exchange, . .	733,894	511,168	590,095	509,633	695,020
Due by the State, . .	76,844	110,572	123,538	145,506	33,450
Real estate, ...	136,016	122,574	125,850	131,612	128,106
Suspended debt, . .	170,046	164,218	155,458	162,330	118,444
Teller's deficit, 1849, . .	. . .	. . .	. . .	*120,961	120,961
Expense account, . .	14,445	15,451	15,426	18,562	. . .
Bank balances, . . .	47,900	20,520	53,905	59,010	149,344
Bank-notes, . . .	185,736	47,040	36,560	81,280	444,950
Illinois bank certificates, .	208,313	206,153	191,533	182,498	32,885
Gold and silver coin, .	1,453,614	2,314,716	2,427,688	1,452,888	1,143,458
Total resources, . .	$ 5,004,521	$ 5,424,543	$ 6,010,613	$ 5,232,690	$ 4,870,990

BANK ITEMS.

Maine. — *Lewiston.* — The Lewiston Falls Bank, at Lewiston, commenced business on the 26th of July last, with an authorized capital of $ 50,000, one half only of which sum is yet paid in. President, James Lowell, Esq.; Cashier, S. Titcomb, Esq.

Hallowell. — The bank of Hallowell commenced business on the 1st of June; capital, $ 50,000. Artemas Leonard, Esq., President; A. J. Washburn, Esq., Cashier.

Ellsworth. — The Ellsworth Bank commenced operations August 3d, with a capital of $ 50,000. President, Seth Tisdale, Esq.; Cashier, James H. Chamberlain, Esq.

New York. — The Suffolk Bank, in New York, has been established at No. 82 Wall Street. The books of this bank are now open at the banking-house, for a further subscription of $ 400,000 to their capital stock. Shares $ 50 each. Instalments as follows, viz. October, November, December, and January. Banking hours, 9 A. M. to 4 P. M.

Astor Bank. — The Astor Bank has been removed from No. 720 Broadway to the corner of Nassau and John Streets.

Bank of the Republic. — It is proposed to increase the capital of this bank from $ 1,000,000, its present sum, to $ 1,500,000.

* Gold extracted from the Teller's vault between the 1st of July and the 15th of August, 1849, and not yet traced. The suit by the Bank against the Teller (N. Childs, Jr.) resulted in his acquittal (see Vol. IV. p. 865).

East River Bank. — The East River Bank, in New York City, will commence business at No. 60 Third Avenue, between 10th and 11th Street, on the 8th of September, when the first instalment on the stock will become payable. A permanent banking-house for this bank will shortly be erected at the corner of St. Mark's Place and Third Avenue; Cashier, W. B. Ballow, Esq.

Albany and Troy. — A slight transposition occurred in the Bank list on page 151, August No., in reference to two banks at Albany and Troy; which, amended, should read as follows: —

Mechanics and Farmers' Bank, Albany,	Capital,	$ 442,000	Charter expires January, 1853.
Merchants and Mechanics' Bank, Troy,	"	300,000	" " " 1854.

Whitestown. — Israel J. Gray, Esq. has been appointed Cashier of the Bank of Whitestown, in place of James S. Thomas, Esq., resigned.

Individual Banks. — The following banks have given notice to the Bank Department, Albany, of their intention to close their business: —

Amenia Bank, Leedsville.	New York Stock Bank, Durham.
American Bank, Mayville.	Northern Bank of N. Y., Madrid.
Champlain Bank, Ellenburg.	Oswego County Bank, Meridian.
Knickerbocker Bank, Genoa.	Prattsville Bank, Prattsville.
Merchants' Bank of Wash. Co., Granville.	Sullivan County Bank, Monticello.

Ilion. — The Ilion Bank of Ilion, Herkimer County, commenced operations on the 16th of August. It redeems its circulation at the Albany City Bank, Albany.

Oswego. — A new bank is about to be established at Oswego, under the name of the Merchants and Mechanics' Bank. Israel Smith, Esq., President; E. T. Lathrop, Esq., Cashier.

New Jersey. — The Newark City Bank is about to increase its capital stock by the creation of additional shares to the amount of $100,000. The books of subscription will be opened at the bank on the 6th, 7th, and 8th of September.

Virginia. — The Portsmouth Bank Robbery. A party has been arrested in Philadelphia on the charge of having participated, either directly or indirectly, in the robbery of the Portsmouth Bank in Virginia. Some of the notes stolen at the time of this robbery were traced to his possession. The accused is under bonds in $ 20,000,— the surety having been entered before Mayor Gilpin. A farther hearing in the case is to take place before his Honor in September.

Kentucky. — The Farmers' Bank of Kentucky has now open, at the Bank of America, New York, books of subscription for an increase of its capital stock. The Farmers' Bank has now been in operation about two years, and has made regular semi-annual dividends of five per cent. An addition of $ 200,000 to its capital, which is now desired, will enlarge the business of the bank to a much greater extent, without adding to its contingent expenses.

New Brunswick. — The Provincial currency of New Brunswick has been remodelled by an act signed by the Queen on the 30th of June, which establishes the British sovereign at one pound four shillings and four pence currency, and the eagle of the United States at two pounds ten shillings currency, if coined after the 1st day of July, in the year 1834, and before the 1st of March, 1852.

Bank Dividends.

New York. — Leather Manufacturers' Bank, 5 per cent.; Bank of the Republic, 4 per cent.; Butchers and Drovers' Bank, 5 per cent., and an extra dividend of 5 per cent.; Manhattan Co., 4 per cent.; New York Life and Trust Co., 5 per cent.

Brooklyn. — City Bank, 3½ per cent.

Notes on the Money Market.

BOSTON, AUGUST 24, 1852.

Exchange on London, 60 days, 110⅛ a 110¼ premium.

CAPITAL is accumulating rapidly in the large cities, and is met by a large demand in behalf of various improvements, public and private, and for business purposes. Enterprise is now under full headway. Every portion of the country is teeming with new undertakings, requiring a heavy outlay of capital and labor, and indicating rapid strides in wealth and prosperity.

Ship-building has never been more active than it is at present in the cities of New York and Boston, and in other places near us. In New York alone, the shipping built during the last twelve months amounts to about 40,000 tons. This creates activity in the lumber trade of Bangor and other Eastern towns, and gives employment to vast numbers of mechanics in and near the cities.

An impetus has recently been given to the manufacture of cotton goods in New England. New mills are in progress of erection at important points, and the stock exchange shows conclusively that more confidence is felt in this species of investment.

Our railroads are crowded with freight and passengers, and are now rewarding the community for the enormous outlay of capital in their construction. While these three important interests, ship-building, manufacturing, and railroads, are active and remunerative, they indicate a corresponding activity on the part of numerous other interests in which the community are deeply involved. Australia is now claiming the attention of our merchants, and several large ships are now fitting out for that distant region.

California still abstracts large amounts of property from the Atlantic States, and her foreign trade is increasing in a ratio equally as great as her domestic trade. We find that the duties on foreign imports at San Francisco alone, for the last fiscal year, were, $ 2,191,000,* against $ 719,000 only for the year previous; showing that this new port is, at this moment, the fifth in commercial importance in this country, — its foreign trade being exceeded only by the cities of New York, Philadelphia, Boston, and New Orleans.

The heavy export of cotton to Europe during the present year has had a favorable effect upon the money market; contributing largely to the prosperity of the South, and obviating larger exports of specie. The crop has been heavier than ever before known, being twenty-five per cent. greater than the previous year. The receipts, exports, &c. have been as follows: —

	1852. *Bales.*	1851. *Bales.*	1850. *Bales.*	1849. *Bales.*
Receipts at the ports, ...	3,006,000	2,320,000	2,054,000	2,696,000
Exports to Great Britain, ...	1,654,000	1,396,000	1,069,000	1,531,000
" France, ...	422,000	296,000	280,000	363,000
" other foreign ports, ...	350,000	266,000	189,000	319,000
Total exports, ...	2,426,000	1,957,000	1,538,000	2,213,000
Stock on hand in the United States, . .	75,000	112,000	147,000	108,000

The loans of the month of August have been as follows: —

I. Hartford City bonds, $ 500,000, for subscription to the Hartford and Providence and Fishkill Railroad. These will mature in twenty-five years, at an annual interest of six per cent.; and are receivable as collateral for bank circulation. Net premium realized, five per cent.

II. Bonds of the City of New London (Conn.) for the benefit of the New London, Willimantic, and Palmer Railroad Company, $ 50,000, payable in the year 1867, and bearing six per cent. interest. Average premium obtained, 6.07 per cent. or $ 3,035.

III. Memphis City bonds, payable in the year 1880, bearing six per cent. interest payable semi-annually in Philadelphia, $ 40,000. Net price realized, 80.28 per cent. The remainder of the bonds were withdrawn, the price offered not being satisfactory.

IV. Sandusky City seven per cent. bonds, issued in behalf of the Junction Railroad Company, and repayable in the year 1865; interest payable semiannually in New York. Net proceeds, 81.41 per cent.

We are indebted to a contemporary journal for the following well-grounded estimate of the amount of American stocks remitted to Europe. It must be borne in mind that the whole of this vast sum has been

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* Being 4½ per cent. of the gross custom-house revenue of the whole United States for the year.

actually realized, and now forms (or a large portion of it) a part of the active capital of the country. That portion which does not actually add to the means of the community has been used in payment of excessive importations of costly dry goods and finery.

Estimated Amount of American Stocks owned in Europe or advanced on by Foreign Houses, and issued for the various Purposes of State, City, Banking, and Railway Companies, as compared with the Amount of State Stocks so held on the 1st of July, 1848.

	July 1, 1848.	*July* 1, 1852.		*July* 1, 1848.	*July* 1, 1852.
Federal,	$ 11,000,000	$ 45,000,000	Mississippi,	7,000,000	7,000,000
New York,	16,000,000	40,000,000	Texas,	2,000,000	2,000,000
Pennsylvania,	30,000,000	47,000,000	Arkansas,	2,500,000	2,500,000
Ohio,	15,000,000	30,000,000	Tennessee,	2,500,000	4,000,000
Michigan,	2,000,000	6,000,000	Kentucky,	2,000,000	3,000,000
Massachusetts,	2,000,000	7,000,000	Indiana,	5,000,000	10,000,000
Maryland,	6,000,000	10,000,000	Illinois,	10,000,000	13,000,000
Virginia,	6,000,000	12,000,000	Missouri,	500,000	1,000,000
South Carolina,	2,000,000	2,500,000	Louisiana,	12,000,000	10,000,000
Georgia,	700,000	1,200,000	Total,	$ 141,200,000	$ 261,200,000
Alabama,	7,000,000	8,000,000			

Deduct the decrease in Louisiana stock ($ 2,000,000), and the table shows a net increase of about $ 120,000,000 in four years.

The cheapness of capital in England during the last two years has led to the creation of heavy stock debts in this country, which, although they tend for the present to promote the great interests of our people, must be paid for eventually *out of our labor and crops*. *Pay-day* must come, sooner or later, and the enormous debt lately created abroad, and still further increasing from month to month, must be liquidated at no very distant day. The leading and prominent principle for us to bear in mind is, to encourage American industry and diminish the importation of foreign goods, — to import no more than our exports will cover.

The following loans are now proposed: —

I. Wheeling City bonds, $ 300,000, guaranteed by the State of Virginia, payable in twenty years. These bonds bear six per cent. interest, with coupons payable semiannually in New York, and are issued to the Baltimore and Ohio Railroad Company for the subscription to its stock on the part of the city of Wheeling. The guarantee of the State was given before the adoption of the new Constitution, which prohibits the State's liability for such purposes hereafter. The bonds are $ 1,000 each. Bids will be received until the 13th of September.

II. Troy and Boston Railroad bonds, $ 300,000, payable April, 1864, and convertible into stock at the option of the holder, — secured by a second mortgage. The Troy and Boston Railroad extends from the city of Troy to the easterly line of the State, at Pownall, Vermont, and is a part of the chain leading thence to Boston, via the Troy and Greenfield, Vermont and Massachusetts, and Fitchburg Railroads. These bonds are at private sale only, at No. 54 Wall Street.

There has been an increase of coin among many of the large banks of the West, and the aggregate throughout the country is probably 20 per cent. larger than in 1849 - 50, viz.: —

	Circulation, 1849.	*Circulation*, 1852.	*Specie*, 1849.	*Specie*, 1852.
Bank of Louisville,	$ 980,000	$ 1,336,000	$ 527,000	$ 654,000
Bank of Kentucky,	2,450,000	2,560,000	1,241,000	1,053,000
Northern Bank,	2,430,000	2,365,000	918,000	1,112,000
Bank of State of Missouri,	2,560,000	2,080,000	2,427,000	1,143,000
Planters' Bank of Tennessee,	1,500,000	1,870,000	317,000	566,000
Bank of Tennessee,	1,320,000	2,140,000	528,000	568,000

DEATHS.

At Philadelphia, on Wednesday, July 28, Christopher Adams, Esq., President of the Union Bank of Louisiana, New Orleans; also President of the New Orleans and Opelousas Railroad Company.

At St. Louis, Mo., on Monday, August 2, Henry Shurlds, Esq., in the 56th year of his age, for many years Cashier of the Bank of the State of Missouri, until the year 1850.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. OCTOBER, 1852. No. IV.

BANK-NOTE ENGRAVING.

A Description of the Present System of Bank-Note Engraving, showing its Tendency to facilitate Counterfeiting: to which is added a New Method of constructing Bank-Notes so as to prevent Forgery. By W. L. ORMSBY. New York, 1852.

THIS is an elaborate work upon a highly important subject, — a subject in which every member of the community is interested, and which deserves the especial consideration of bank officers.

The crime of counterfeiting is one that has increased alarmingly of late years in this country, and has now arrived at such a pitch that the banking institutions of the several States are under obligations to adopt measures that will abate, if not entirely remove, the accumulating evil.

Much may be done by a combination or association of bank officers, if they will take the matter in hand zealously; and he who can suggest a system that will effectually prevent counterfeiting will deserve the thanks of the country. Legislative aid may, with great propriety, be given on this subject, as one of public moment; but the only act, that we are aware of, having a direct bearing upon it, is the law of Massachusetts adopted at the session of 1852, which is in these words: —

Resolve granting Aid for the Suppression of Counterfeiting Bank-Bills and Coins.

Resolved, That a sum not exceeding two thousand five hundred dollars be granted and paid annually for the period of five years after the passage of this resolve, out of the treasury of the Commonwealth, to any association of officers of the banks in this Commonwealth, for the purpose of the prevention and detection of the crimes of mak-

ing or tendering in payment, as true, counterfeit bank-bills, or counterfeit gold and silver coins; and that the Governor be authorized to draw his warrant accordingly, from time to time, for such sums, not exceeding two thousand five hundred dollars in each year, as shall be equal to half of the sum which such association shall certify and prove to the Governor to have been raised and judiciously expended by such association for the purposes above specified. *Approved, May* 18, 1852.

The author of the volume now before us undertakes to expose the ready means which the present system of engraving provides for counterfeiting; and he then proposes a system which, in his opinion, will either remedy the evil, or at least "present the greatest amount of difficulties to the counterfeiter" in the progress of his criminal labors.

Not possessing, unfortunately, that degree of mechanical skill which is obviously necessary in order to decide upon the efficiency or feasibility of the plan now suggested by Mr. Ormsby, we will only furnish such extracts as will enable our readers to form an idea of the numerous topics discussed in the volume.

The author divides his work under three distinct heads, viz.: — I. An Explanation of Bank-Note Engraving, — including a description of the machinery in use, such as the transfer press, the ruling and copying machines, the geometrical lathe, the bank-note dies, &c.; with details respecting the medallion, the geometrical figures, the printing department, the lettering, prices, &c.

II. Counterfeiting exposed. — 1. Rules for Constructing a Bank-Note. 2. Violation of the Rules in the Present System. 3. The Counterfeiters' Process. 4. The first Invention of the American Bank-Note. 5. Congreve's Analysis. 6. Imitation Lathe-Work. 7. The Electrotype Process. 8. The first Notes of the Free Banks of New York. 9. The Counterfeiters' Modes of Fraud. 10. Counterfeit Treasury-Notes. 11. Stratagems of Counterfeiters to obtain Genuine Plates. 12. Bank-Note Lists. 13. Difficulties of effecting a Change of System. 14. Detecting Counterfeits.

III. A New System of Bank-Note Engraving. — 1. First Requisites. 2. Second Requisites. 3. Objections considered.

The embellishments introduced to explain the views suggested by the author are as follows: — The transfer press, the ruling machine, vignettes in use, geometrical lathe-work, multiplying geometrical figures, medallion engraving, forms of bank-notes, process of counterfeiting, portrait of Jacob Perkins, vignette dies, and, finally, the new system partially illustrated.

The author in his preface urges that "the multiplication of banks, and the increase of dies and machinery, are rendering the business of counterfeiting so easy and so safe, that its rapid increase will be inevitable. Our Bank-Note Detectors teem with cautionary notices and descriptions of counterfeits, alterations of denominations, and other kinds of forgery, all of which can be distinctly traced to the system of engraving now universally in use. This evil will go on till the paper currency of the country becomes worthless, unless some remedy covering all the sources of danger be adopted."

It is very true that the evil is accumulating rapidly, and that the skill of the counterfeiter is now such, that in many instances the banks cannot discriminate between their own genuine notes and the fraudulent ones.

In appealing to the directors of banks, and to their sense of obligation to the public, he says: "It is for them to determine whether the perilous system now in use shall be prolonged, or whether a new system, avoiding the defects of the old, and affording the greatest possible amount of security, shall take its place. . . . . As they are the only source from which bank-notes emanate, they alone have the power to effect the change proposed. . . . . It is to them that the author looks for support and encouragement in attempting to effect a reform, of which they will reap the first and greatest advantages. With their concurrence, a change can be speedily brought about, which will give to our monetary currency a security to which it has long been a stranger."

Our further extracts will now explain the views of Mr. Ormsby.

PRESENT CIRCULATION.

Our present bank-bills are so cheaply and expeditiously executed, and the pictures upon them are so indiscriminately used, as to be open to the attacks of the counterfeiters in a great variety of ways. Now, if we are protected from an overwhelming issue of spurious money through the counterfeiter's want of knowledge of our imperfect system in manufacturing the original plates, it is important that the public should first understand that imperfection and remedy it. But if counterfeiters already know the defects of the system, and are actually availing themselves of them, it is of still greater importance that the public should know them also, and take energetic measures to correct the evil while yet in its infancy. Counterfeiters can now obtain well-engraved bank-plates in imitation of those of any institution in the country, and procure upon them the genuine work of the best artists, without their knowledge or consent. Many of the original vignettes, denominations, etc., now seen on notes in circulation, are at the counterfeiters' disposal.

OBLIGATIONS OF BANKS.

It is time that our rapidly increasing banking institutions should investigate this subject thoroughly. It is time they should know why the Bank-of-England notes, which are so plain and simple, are not counterfeited as readily as our own, which are, apparently, so complicated and so exquisitely beautiful. If it be a fact, that the safety of our notes, in respect to security against forgery, has been sacrificed to the convenience of the artist in manufacturing them, and to the beauty of the notes in their general appearance, the necessity for a radical change in the mode of manufacture cannot be questioned.

REQUISITES FOR AN ENGRAVING ESTABLISHMENT.

The usual components of an establishment of this kind are, — an office for the transaction of business; rooms for the engraving, hardening, and transferring of the dies to bank-plates; and a printing department of greater or less extent. No restraints are placed upon the workmen employed in the various departments of the business, which are not imposed upon those engaged in any other branch of mechanical labor. Whatever merit, therefore, is due to the establishment for integrity and secrecy, belongs

equally to all the members of it, from the humblest errand-boy to the principals themselves; for all have it equally in their power to take advantage of the facilities which the establishment affords, for illicit purposes.

The Transfer Press is the most important of the bank-note engraver's implements. The function of this is to multiply the small engravings of the note, in perfect facsimile, without reëngraving to any extent. The facility which this machine affords for multiplying the finest engravings enables the artist to spend more of his labor and skill in finishing his vignette, since it may be used ten times over, in different designs for notes, checks, certificates, labels, etc.

The Ruling Machine. — The next in importance is the ruling machine, now universally in use among engravers. It is employed in a variety of forms, as in executing the sky of a vignette, the background of a portrait, the shading of letters, etc., which constitute no inconsiderable part of the actual labor in bank-note engraving.

The Medal Copying Machine. — This machine is used for the execution of that portion of bank-bills which resembles *bas relief*, and is generally attached to the ruling machine.

The Geometrical Lathe. — This machine is used to produce the white line net-work seen in ovals, circles, and strips of bank-bills, in which the figures denoting the denomination of the bills are placed. It is seldom used after a few specimens are obtained; and many establishments dispense with it altogether, content to purchase the productions of others.

These four implements constitute all the machinery necessary to furnish the bank-note engraver's *atelier*, on the prevailing plan in this country.

BANK-NOTE DIES.

All the vignettes, portraits, and scroll ornaments, that adorn the usual bank-note, are first engraved on soft pieces of steel, of about the thickness of window-glass, which are called, in professional parlance, *bed-pieces*. When finished, this bed-piece undergoes a process called *case-hardening*. The die is a steel cylinder, about two inches in diameter, of width varying from half an inch to about three inches, according to the size of the vignette or ornament to be transferred to it. In order to obtain the engraving on the cylinder, or to *take it up*, as it is technically called, it is placed upon the bed-piece in the transfer press. A heavy pressure is put upon the cylinder by means of a foot lever, and the beam moved backward and forward by means of the hand lever, by which the soft steel of the cylinder is pressed upon the hardened bed-piece, until a complete impression, *in relief*, is made upon the cylinder. The cylinder die thus produced, without the slightest possible defacement or injury of the bed-piece, is then case-hardened, and is ready for use in transferring the engraving upon it to any required place in a steel plate, for a bank-note or any other purpose.

THE GEOMETRICAL LATHE-WORK.

The figures on the bank-note denomination, as 1, 2, 3, 5, etc., are obtained on the die in a finished state in the following manner. The lathe-work is taken up on a cylinder in the manner previously described, and the figures, or letters, are scraped off, to produce the white face figures. An impression of the die is made on a steel bed-piece, and the letters are "finished up" by the engraver. The bed-piece is then hardened, and a die is again taken up, to give the finished impression.

Multiplying Geometrical Figures. — A single lathe-work oval can be multiplied into an almost unlimited variety by the following process. The oval is taken up in relief on a cylinder die, and scraped off again, except a section of one eighth of a circle.

These figures can be changed, varied, and multiplied, by continuing the process, to any length.

THE MEDALLION.

The medallion is the ornamental portion of the bank-note engraved by machinery, resembling bass-relief. It is made principally by the plain ruling machine, with the medal attachment, which copies, by a succession of lines running entirely across the design, whatever medal, coin, or relief pattern is placed in it. The medals most generally used for bank-notes are selected from specimens obtained from plaster-image venders; though original designs are sometimes procured for the purpose.

Having described the leading implements and ordinary process of workmanship in a bank-note establishment, Mr. Ormsby follows up these details by suggesting what are, in his opinion, the true rules for the construction of a bank-note plate. "The great desideratum is to secure the greatest possible protection against forgery; — all plans for the attainment of this end must be tested by a few general principles," among which he enumerates the following: —

First. A perfect system must proceed upon the principle of defiance, and not of secrecy.

Second. The merits of any plan will be in proportion to the degree in which it shall possess the property of compelling the forger to adopt the same process in imitating it, that has been used in the creation of the original note; thus to fix upon the forgery all the difficulties of the original execution.

The true basis of security, so far as the engraving and printing of a bank-note are concerned, is to achieve some description of work which can only be imitated in the same way in which it was originally produced; for then, whatever of difficulty is given to the original plate, the same difficulty must lie in the way of the forger who copies it. If any of the processes or effects of the note may, by ingenious and evasive contrivances, be produced in an easier method than in the original plate, the difficulties bestowed upon the original will evidently afford no security against forgery. Thus, for instance, if any effect produced in an original bank-note by machinery can be imitated by hand, it is clear that no security attaches to such an effect, however elaborate the machinery used in the original. This, of course, holds in every other respect as well as in regard to machinery.

Third. The general design and execution of the whole note must be such, that neither the *name* of the bank, nor the *denomination* of the note, can be *changed* or *altered*.

We agree with the author, that the subject is one of the first importance to banking institutions and to the community. It is one that is entitled to more serious legislative consideration and careful inquiry. We cannot but think that if a generous reward, say twenty thousand dollars, were offered for the discovery of some process by which counterfeiting could be prevented, it would secure the aid of science and art, and finally accomplish the desired end, while the money would be well applied as a reward for the genius, ingenuity, and skill of the inventor.

The volume now quoted from is in folio form, of ninety pages, with thirteen large plates to illustrate the subject, — the whole elegantly bound. Price twelve dollars. Copies may be had of the author, 12 Vesey Street, New York, or of Messrs. Crosby, Nichols, & Co., Boston.

POPULATION AND REPRESENTATION.

We understand that on the 2d instant the Secretary of the Interior, in compliance with the provisions of the act of Congress, approved 23d May, 1850, providing for the taking of the seventh and subsequent censuses, transmitted to the House of Representatives his official certificate of the number of representatives apportioned to each State under the last or seventh enumeration of the inhabitants of the United States, and that certificates are being prepared, to be sent to the Executive of each State, of the number to which such State is entitled. These certificates are in accordance with and founded upon the following table, showing the federal and representative population of the United States on the 1st day of June, 1850. — *Nat. Intelligencer, August*, 1852.

POPULATION OF THE UNITED STATES, SEVENTH CENSUS, 1850, WITH THE APPORTIONMENT OF REPRESENTATION AND THE FRACTIONS FOR EACH STATE.

States.	*Whites.*	*Free Colored.*	*Total.*	*Slaves.*	*Federal Representative Population.*	*Repres's of each State.* No.	Frac's.
Maine,	581,813	1,356	583,169	. . .	583,169	6	22,649
New Hampshire,	317,456	520	317,976	. . .	317,976	3	37,716
Vermont,	313,402	718	314,120	. . .	314,120	3	33,860
Massachusetts,	985,704	8,795	994,499	. . .	994,499	11	*60,299
Rhode Island,	143,875	3,669	147,544	. . .	147,544	2	*54,124
Connecticut,	363,305	7,486	370,791	. . .	370,791	4	*90,531
New York,	3,049,457	47,937	3,097,394	. . .	3,097,394	33	14,534
Pennsylvania,	2,258,463	53,323	2,311,786	. . .	2,311,786	25	*69,706
Ohio,	1,956,108	24,300	1,980,408	. . .	1,980,408	21	18,568
Indiana,	977,628	10,788	988,416	. . .	988,416	11	*54,216
Illinois,	846,104	5,366	851,470	. . .	851,470	9	10,690
Michigan,	395,097	2,557	397,654	. . .	397,654	4	23,974
Wisconsin,	304,565	626	305,191	. . .	305,191	3	24,931
Iowa,	191,879	335	192,214	. . .	192,214	2	5,374
California,	91,632	965	92,597	. . .	92,597	†2	. . .
New Jersey,	465,523	23,807	489,330	225	489,465	5	22,365
Delaware,	71,169	18,073	89,242	2,290	90,616	1	. . .
Maryland,	417,943	74,723	492,666	90,368	546,886	6	*79,786
Virginia,	896,304	52,829	949,133	472,528	1,232,649	13	18,189
North Carolina,	553,118	27,373	580,491	288,412	753,538	8	6,178
South Carolina,	274,623	8,900	283,523	384,984	514,513	6	*47,413
Georgia,	521,438	2,880	524,318	381,681	753,326	8	5,966
Alabama,	426,486	2,293	428,779	342,892	634,514	7	*73,994
Mississippi,	295,758	899	296,657	309,898	482,595	5	15,495
Louisiana,	255,416	17,537	272,953	244,786	419,824	4	46,144
Tennessee,	756,893	6,271	763,164	239,461	906,840	10	*66,060
Kentucky,	761,688	9,736	771,424	210,981	898,012	10	*57,232
Missouri,	592,077	2,544	594,621	87,422	647,074	7	*96,554
Arkansas,	162,068	589	162,657	46,982	190,846	2	4,006
Florida,	47,167	925	48,092	39,309	71,677	1	. . .
Texas,	154,100	331	154,431	58,161	189,327	2	2,487
District of Columbia,	38,027	9,973	48,000	3,687	. . .	..	. . .
Minesota,	6,038	39	6,077	. . .	. . .	..	. . .
New Mexico,	61,530	17	61,547	. . .	. . .	..	. . .
Oregon,	13,087	206	13,293	. . .	. . .	..	. . .
Utah,	11,330	24	11,354	26	. . .	..	. . .
Totals,	19,557,271	429,710	19,986,981	3,204,093	21,766,931	234	. . .

* All the States marked thus * have an additional member for the fraction.

† One representative added for California, under the act of Congress approved 30th July, 1852.

RECAPITULATION.

	31 *States.*	*Territories.*	*Totals.*
Whites,	19,427,259	130,012	19,557,271
Free colored,	419,451	10,259	429,710
Slaves,	3,200,380	3,713	3,204,093
Totals,	23,047,090	143,984	23,191,074
Federal and representative population,			21,766,931
Federal representative ratio,			93,420

AGRICULTURAL PRODUCTIONS OF THE UNITED STATES.

FROM THE CENSUS RETURNS FOR 1850.

STATES.	*Acres of land improved.*	*Value of farming implements and machinery.*	*Value of live stock.*	*Bushels of wheat.*	*Bushels of Indian corn.*	*Pounds of tobacco.*
Maine,	2,019,593	$ 2,363,517	$ 9,831,488	367,980	1,741,715	. . .
N. Hampshire,	2,251,388	2,314,125	8,871,901	185,668	1,573,670	50
Vermont,	2,322,923	2,774,959	11,292,748	493,666	1,625,776	. . .
Massachusetts,	2,127,924	3,173,809	9,619,964	29,784	2,326,167	119,306
Rhode Island,	237,672	473,385	1,466,636	39	516,133	. . .
Connecticut,	1,734,277	2,043,026	7,353,996	40,167	1,996,462	1,383,932
New York,	12,285,077	22,217,563	74,672,366	13,073,357	17,844,808	70,222
New Jersey,	1,770,337	4,267,124	10,678,264	1,508,216	8,605,396	. . .
Pennsylvania,	8,619,631	14,931,993	42,146,711	15,482,191	19,707,702	867,619
Delaware,	524,364	471,385	1,718,396	466,784	2,888,896	. . .
Maryland,	2,797,905	2,463,443	7,997,634	4,494,680	11,104,631	21,199,281
Dist. of Columbia,	17,083	40,230	71,573	17,370	65,280	15,000
Virginia,	10,150,106	7,021,658	23,607,982	14,516,950	35,538,582	56,516,492
North Carolina,	5,443,137	4,056,006	17,837,108	2,147,899	28,286,999	12,068,147
South Carolina,	4,074,855	4,143,709	15,080,015	1,066,278	16,272,308	73,235
Georgia,	6,393,426	5,901,050	25,727,408	1,095,784	30,428,540	420,123
Florida,	349,423	675,895	2,945,668	1,225	1,993,462	982,564
Alabama,	4,387,088	5,066,814	31,558,686	292,429	28,485,966	163,605
Mississippi,	3,489,640	5,759,738	19,303,593	215,181	21,836,154	48,349
Louisiana,	1,567,998	11,326,310	10,983,508	84	10,915,051	23,922
Texas,	635,913	2,095,308	10,263,086	42,448	5,796,735	60,770
Arkansas,	780,333	1,594,941	6,728,254	193,902	8,857,296	294,164
Tennessee,	5,087,057	5,351,178	29,134,193	1,638,470	52,137,863	20,144,380
Kentucky,	6,068,633	5,388,092	29,898,386	2,184,763	58,922,788	55,765,259
Ohio,	9,730,650	12,716,153	43,276,187	14,967,056	59,788,750	10,480,967
Michigan,	1,923,582	2,764,171	8,005,429	4,918,706	5,620,215	2,225
Indiana,	5,019,822	6,748,722	22,398,965	6,625,474	52,887,564	1,035,146
Illinois,	5,114,041	6,319,826	24,817,954	9,423,965	57,179,283	844,129
Missouri,	2,938,425	6,794,245	19,892,580	2,981,652	36,214,537	17,133,784
Iowa,	814,173	1,202,978	3,602,769	1,442,074	8,475,027	2,012
Wisconsin,	1,011,308	1,701,047	4,594,717	4,292,208	1,983,378	768
California,	34,312	88,593	3,456,725	98,282	90,082	1,000
Minesota,	5,035	15,981	103,859	3,422	16,665	. . .
Oregon,	136,357	183,403	1,875,999	228,882	2,998	325
Utah,	15,219	78,405	533,961	103,441	9,144	. . .
New Mexico,	161,296	78,217	1,504,497	196,575	355,795	1,118
Totals,	118,448,612	$ 184,623,233	$ 543,948,440	100,493,874	592,236,224	199,752,648

State.	*Ginned cotton, bales of 400 lbs. each.*	*Wool, pounds of.*	*Wine, gallons of.*	*Butter, pounds of.*	*Cheese, pounds of.*	*Hay, tons of.*	*Maple Sugar, lbs. of.*
Maine,	. . .	1,366,866	306	8,488,234	2,201,105	794,780	87,541
N. Hampshire,	. . .	1,108,476	35	6,977,056	3,196,563	598,854	1,292,429
Vermont,	. . .	3,492,087	140	12,128,095	6,755,006	763,379	5,159,641
Massachusetts,	. . .	576,736	4,122	7,525,337	7,194,461	645,749	768,596
Rhode Island,	. . .	111,937	842	1,066,625	296,748	73,353	. . .
Connecticut,	. . .	512,529	3,346	6,620,579	4,512,019	499,706	37,781
New York,	. . .	10,021,507	6,483	82,043,823	49,785,905	3,714,734	10,310,764
New Jersey,	. . .	375,932	517	9,070,710	500,819	429,119	5,886
Pennsylvania,	. .	4,784,367	23,839	40,554,741	2,395,279	1,826,265	2,218,644
Delaware,	. . .	52,867	85	1,034,867	3,187	30,159	. . .
Maryland,	. . .	477,438	2,099	4,206,160	3,925	145,070	47,740
Dist. of Columbia,	. . .	. . .	863	14,869	. . .	1,974	. . .
Virginia,	2,767	2,850,909	4,280	11,126,795	434,850	370,177	1,223,905
North Carolina,	98,028	915,269	10,801	4,144,258	95,043	145,180	27,448
South Carolina,	360,901	487,943	3,630	2,979,975	4,810	25,427	260
Georgia,	494,023	988,802	664	4,640,074	46,391	23,427	50
Florida,	45,078	23,235	10	375,863	18,394	2,620	. . .
Alabama,	560,360	637,899	14	3,961,592	30,423	31,801	473
Mississippi,	494,774	556,057	301	4,368,112	29,314	12,517	110
Louisiana,	163,034	105,383	. . .	685,136	1,148	20,672	260
Texas,	56,945	122,118	94	2,319,574	92,018	8,327	. . .
Arkansas,	64,987	181,427	10	1,884,104	23,440	3,934	8,895
Tennessee,	192,635	1,340,833	204	8,130,636	179,577	72,942	159,647
Kentucky,	1,659	2,946,168	4,202	10,115,267	228,744	115,296	388,525
Ohio,	. . .	10,089,607	44,834	34,180,458	21,260,478	1,360,636	4,591,642
Michigan,	. . .	2,047,364	1,443	7,043,794	1,012,551	394,717	2,423,397
Indiana,	5	2,502,763	13,004	12,748,186	666,966	402,791	2,921,639
Illinois,	8	2,129,139	2,343	12,605,554	1,263,758	586,011	246,078
Missouri,	. . .	1,627,164	10,563	7,834,359	203,572	116,925	178,910
Iowa,	. . .	363,398	420	1,933,128	198,444	84,598	70,680
Wisconsin,	. . .	243,065	68	888,816	440,961	295,227	661,969
California,	. . .	4,800	. . .	705	150	2,038	. . .
Minesota,	. . .	260	. . .	1,100	. . .	2,069	1,950
Oregon,	. . .	29,596	. . .	211,734	36,030	373	. . .
Utah,	. . .	8,997	. . .	74,064	32,646	4,268	. . .
New Mexico,	. . .	32,641	2,053	101	5,887	. . .	. . .
Totals,	2,468,695	52,599,450	221,249	312,990,730	105,541,049	12,839,393	33,880,617

Bank Locks. — The late bank robbery in Rhode Island, and other similar losses, should admonish our country bankers of the urgent necessity for providing their bank-buildings with the best locks and safes that the skill of our mechanics can devise. Our readers are referred to the advertisement of Messrs. Day & Newell, on the cover of this work; and also to a notice of a new bank-safe in our August No. (p. 161).

The London correspondent of the *Philadelphia American* states that Bramah's celebrated prize lock has been withdrawn from public view. It will be remembered that Mr. Hobbs succeeded in picking this lock, and that he received a reward of two hundred guineas for his skill. The Messrs. Bramah made some alterations and improvements in the lock, and again placed it in their window in Piccadilly, with the original offer of the reward appended to it. It remained in the window a few days, when a report reached them that Mr. Hobbs intended to try his luck a second time. The lock was immediately removed, and has not since been seen. The writer adds: —

"Hobbs's patent American lock is being manufactured at Birmingham, Sheffield, Wolverhampton, and in London, in large numbers, and of all sizes, and at prices ranging from six shillings to fifty pounds each. In a few days the office of 'Hobbs's American Lock Company' will be opened in Cheapside for the sale of these American locks. The bank-lock, price fifty pounds, has already been placed on the vaults of the Bank of England, the East India Company, and several private banking establishments in the city."

BANK STATISTICS.

New York.

Liabilities and Resources of the Banks of the State of New York, June 26, 1852.

From the Official Report of the Superintendent of the Banking Department.

Resources.	17 *City Banks Incorporated.*	24 *City Banking Associations.*	54 *Incorporated Country Banks.*	144 *Country Associations.*	*Total,* 239 *Banks.*
Loans,	$ 37,195,544	$ 35,606,463	$ 22,338,674	$ 20,777,633	$ 115,918,314
Loans to directors,	1,742,136	1,883,671	917,106	877,820	5,420,733
Loans to brokers,	2,463,666	2,980,000	193,360	319,517	5,956,533
Real estate,	1,432,956	1,275,416	772,952	702,646	4,183,970
Bonds and mortgages,	154,925	87,436	479,834	3,826,295	4,548,490
Stocks,	283,648	4,908,100	410.653	9,753,900	15,356,301
Promissory notes,	11,636	. . .	1,251	118,305	131,192
Expense account,	215,237	175,895	66,561	219,400	677,093
Overdrafts,	22,480	18,493	81,318	150,660	272,951
Specie on hand,	8,814,333	3,337,715	636,180	514,130	13,304,358
Cash items,	7,356,134	4,523,490	474,145	507,660	12,861,419
Bank-notes,	660,872	762,540	782,933	1,037,255	3,243,650
Bank balances,	2,169,977	2,177,734	4,186,820	2,509,712	11,034,243
Miscellaneous,	4,166	11,467	7,936	24,783	48,342
Total resources,	$ 62,527,700	$ 57,748,400	$ 31,350,763	$ 41,330,716	$ 192,957,579

Liabilities.	*City Banks.*	*City.*	*Country.*	*Country.*	*Total.*
Capital,	$ 16,251,300	$ 19,277,050	$ 10,755,660	$ 13,421,775	$ 59,705,685
Profits,	3,614,930	2,492,561	2,532,680	1,848,920	10,489,091
Circulation (old),	270,194	. . .	268,431	. . .	538,555
Circulation, registered,	4,193,955	3,674,151	8,420,132	11,114,160	27,402,398
Due Treasurer of New York,	126,436	78,911	341,394	1,045,880	1,592,611
Deposits,	27,039,552	23,071,568	6,029,140	8,895,330	65,034,610
Due banks and corporations,	11,032,476	9,114,095	3,003,262	4,995,340	28,145,173
Miscellaneous,	. . .	. . .	. . .	. . .	49,456
Total liabilities,	$ 62,527,673	$ 57,708,356	$ 31,350,699	$ 41,321,405	$ 192,957,579

Comparative Condition of the Banks of the State of New York, in the Years 1848, 1850, 1851, *and* 1852.

Resources.	*Dec.*, 1848.	*Sept.*, 1850.	*Sept.*, 1851.	*June*, 1852.
Loans,	$ 77,245,826	$ 103,792,321	$ 108,885,024	$ 127,426,772
Real estate,	3,475,088	3,321,590	3,853,402	4,183,970
Bonds and mortgages,	2,654,568	3,340,068	4,257,165	4,548,490
Stocks,	12,476,768	13,177,944	15,333,671	15,356,301
Expense account,	632,103	539,693	633,965	677,093
Overdrafts,	166,107	226,970	283,712	272,951
Specie on hand,	6,817,814	10,043,330	7,021,520	13,304,358
Cash items,	5,955,472	10,498,824	12,018,250	12,861,419
Bank-notes,	2,506,846	3,037,530	2,896,510	3,243,650
Bank balances,	9,351,378	10,975,259	8,840,583	11,034,243
Miscellaneous,	. . .	. . .	. . .	48,342
Total resources,	$ 121,281,950	$ 158,963,519	$ 164,022,702	$ 192,957,579

Liabilities.	*Dec.*, 1848.	*Sept.*, 1850.	*Sept.*, 1851.	*June*, 1852.
Capital,	$ 44,830,553	$ 48,618,763	$ 57,572,025	$ 59,706,685
Profits,	6,635,450	8,284,350	9,409,433	10,489,091
Circulation,	23,206,290	26,425,556	27,254,458	27,940,953
Public deposits,	3,092,960	1,970,640	2,184,564	1,592,611
Individual deposits,	29,206,333	48,903,553	48,901,810	65,034,610
Bank balances,	13,899,637	23,698,960	17,238,468	28,145,173
Miscellaneous,	981,727	1,151,697	1,461,947	49,456
Total liabilities,	$ 121,281,950	$ 158,953,519	$ 164,022,702	$ 192,957,579

The following are the averages of loans, &c. of the several classes of banks, in June, 1852: —

June, 1852.	*City Chartered Banks.*	*City Free Banks.*	*Country Chartered Banks.*	*Banking Associations.*	*Individual Banks.*
Average loans of each bank,	$ 2,450,000	$ 1,890,000	$ 440,000	$ 322,000	$ 91,000
Percentage of loans to capital,	256	236	220	220	267
" of liabilities to capital,	398	300	291	287	485
" of profits to capital,	22	18	24	14.8	16.6
" of deposits to capital,	160	129	.56	64	.58
Average specie to each bank,	516,000	135,000	11,800	5,400	1,980
Percentage of specie to circulation,	.50	.99	.07	.08	.02

The bank-note circulation of the State of New York, under the General Banking Law, we learn from an authentic source, is at present secured as follows: —

New York State stocks,	$ 8,339,176.55
United States stocks,	3,784,955.47
Canal revenue certificates,	1,372,500.00
Bonds and mortgages,	3,766,340.70
Illinois stock,	651,696.60
Arkansas stock,	375,000.00
Michigan stock,	181,000.00
Cash on deposit,	250,000.00
Total,	$ 18,713,669.32

The comparative securities held for the security of New York circulation for the three years 1850 – 1852, inclusive, show as follows: —

Sept. 1, 1850,	$ 14,823,087
Sept. 1, 1851,	16,882,714
Sept. 1, 1852,	18,713,669

The Small-Note Law of Maryland. — By an act of the Legislature of Maryland, on and after the first day of October, 1852, it will not be lawful for any person to give or receive any bank or corporation note, issued out of the State, of a less denomination than five dollars. The penalty for the violation of this law is a fine of five dollars. That part of the law which prohibits the circulation of the notes of Maryland banks of a less denomination than five dollars, does not go into operation until the 1st of next March.

MICHIGAN.

Peninsular Bank, Detroit.

LIABILITIES.	*Jan.*, 1850.	*Jan.*, 1851.	*Dec.* 26, 1851.	*July* 31, 1852.
Capital,	$ 50,000	$ 87,250	$ 100,000	$ 100,000
Individual deposits,	29,000	93,046	206,850	248,026
Circulation,	43,000	89,862	94,036	94,860
Bank balances,			1,634	4,341
Profits, &c.,		8,682	9,558	19,458
Total liabilities,	$ 127,000	$ 278,840	$ 412,080	$ 466,677

RESOURCES.	*Jan.*, 1850.	*Jan.*, 1851.	*Dec.* 26, 1851.	*July* 31, 1852.
Notes and bills discounted,	$ 51,000	$ 72,285	$ 124,274	$ 163,308
Bank balances,	6,400	32,381	77,450	74,664
Stocks with State Treasurer, &c.,		100,030	177,800	152,953
Coin on hand,	9,400	18,768	28,900	30,951
Notes of other banks,		25,156		23,236
Miscellaneous,	60,200	30,200	3,656	21,566
Total resources,	$ 127,000	$ 278,840	$ 412,080	$ 466,677

KENTUCKY.

Farmers' Bank of Kentucky and Branches.

LIABILITIES.	*June*, 1851.	*June* 30, 1852.
Capital stock,	$ 330,300	$ 722,090
Circulation,	561,600	1,331,909
Individual deposits,	105,698	188,194
Discount, exchange, &c.,	13,776	80,114
Due to banks,		813,941
Total liabilities,	$ 1,012,364	$ 3,136,248

RESOURCES.	*June*, 1851.	*June* 30, 1852.
Notes discounted,	$ 159,123	$ 344,198
Bills of exchange,	446,498	1,969,554
Real and personal estate,	21,356	8,372
Bank balances,	832	921,140
Specie,	289,834	492,944
Notes of other banks,	94,731	100,040
Total resources,	$ 1,012,364	$ 3,136,248

A DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF CONNECTICUT.

Continued from page 233, *September No.*

11. *Rights and Liabilities of the Different Parties.*

1. *In General.*

1. The assignee of a note can have no right of action against the assignor, unless the money could not be recovered of the promisor, either on account of its not being due, or of the promisor being insolvent at the time of the assignment, or of some act of the assignor operating as a discharge; and if the assignee receive a part-payment from the promisor, by that act he accepts of him as payor for the whole. *Henshaw* v. *Coe*, Kirby, 50.

2. If the promisor in a note, after notice that it is assigned and that the promisee is bankrupt, gets a discharge from the promisee, he must pay the note to the assignee. *Russel* v. *Cornwell*, 2 Root, 122.

3. A plaintiff may discharge an action in his name brought upon a note, notwithstanding said note is assigned and the plaintiff insolvent. *Casey* v. *Casey*, 2 Root, 269.

4. An indorsee of a note executed in a State where it was negotiable may sue it in his own name in this State. *Bowne* v. *Olcott*, 2 Root, 353.

5. An indorsee of a note executed in Massachusetts, where such notes are negotiable, may sue it in his own name here. *Goff* v. *Billinghurst*, 2 Root, 527.

6. A note executed by one joint merchant in his own name is not binding on the copartnership. *Ripley* v. *Kingsbury*, 1 Day, 150 (note).

7. The indorsee of a promissory note, in attempting to enforce the collection of it by suit against the maker, is not obliged to order the attachment or execution to be levied upon property notoriously of less value than the debt, or lose his hold of the indorser to that amount. *Sheldon* v. *Ackley*, 4 Day, 458.

8. The assignee of a negotiable note payable to order, by sale and delivery without indorsement, on which, by direction of the assignee, a suit has been brought and judgment obtained in the name of the payee, is the creditor of the maker and is the proper person to be served with notice on a petition by the maker for an act of insolvency. *Colbourn* v. *Rossiter*, 2 Conn. 503.

9. Where A, being the authorized agent of a manufacturing company, gave to B a promissory note, in the body of which were the words, "I promise to pay, &c.," the signature being "A, agent for the M. M. Company"; and it appeared that A had been in the constant habit of signing notes in this manner, with the knowledge of the Company, which had been regularly paid; it was *held*, that he was not personally liable. *Hovey* v. *Magill*, 2 Conn. 680.

10. The acknowledgment of one of several joint makers of a promissory note takes it out of the statute of limitations as against the others. *Bound* v. *Lathrop*, 4 Conn. 336.

11. The assignee of a note not negotiable is not an agent, but virtually a purchaser, and the contract of assignment is the measure of his rights and duties. *Welton* v. *Scott*, 4 Conn. 527.

12. If, however, the maker, when the note falls due, is insolvent and

without property sufficient to pay it, that fact of itself constitutes a breach of the warranty, and gives the assignee an immediate right of action against the assignor. *Ibid.*

13. If the maker be not insolvent, and yet property sufficient to satisfy the debt cannot be taken by attachment, it is the duty of the assignee to arrest his body. *Ibid.*

14. In no case is it incumbent on the assignee of a note payable in money, in order to subject the assignor, to attach the land of the maker. *Ibid.*

15. Nor is it the duty of the assignee to attach personal property of the maker insufficient to satisfy the debt. *Ibid.*

16. Nor is it the duty of the assignee to give any special directions to the officer as to the service of the attachment. *Ibid.*

17. If the assignee direct the officer to take specific articles of personal property of less value than the debt, this will not limit his search to those articles, nor absolve him from any duty which the law prescribes. *Ibid.*

18. Privity of contract exists between the maker or indorser of a negotiable promissory note and the indorsee. *Eagle Bank* v. *Smith*, 5 Conn. 71.

19. It is a part of the contract between the maker and payee of a negotiable note, that the former will make payment to the legal holder when the note comes to maturity; and he has no right to pay it to any one before it comes to maturity. *Savings Bank* v. *Bates*, 8 Conn. 505.

20. Where A gave to B a writing in these words: "Whereas B has agreed to indorse C's notes at the Middletown Bank to the amount of $ 4,000, I hereby agree to be responsible to B for one half of the amount of any loss he may sustain by said indorsement; and I agree to pay the one half of any payments which B may be obliged to make, in the same manner and at the same time I should be obliged to pay it provided I was joint indorsee with him on said notes"; it was *held*,— 1. That such writing was not on its face a continuing guarantee, but was limited to the indorsement of notes once only to the amount of $ 4,000; 2. That parol evidence of the subject-matter of the agreement, and of the circumstances under which it was made, was inadmissible to affect the construction; 3. That by virtue of the agreement B was authorized to indorse the notes of C by attorney, the act being fixed, and not requiring the exercise of judgment or discretion, and therefore capable of delegation; 4. That B was not bound to give notice to A of the several indorsements of C's notes as they were made; and 5. That A was not entitled as an indorser to strict notice of the dishonor of such notes. *Hall* v. *Rand*, 8 Conn. 560.

21. The stockholders of a corporation by its charter were made responsible in their private capacity for the debts of the company if it should become insolvent, &c.; the corporation became insolvent; in an action on a promissory note of the corporation against those who were stockholders both when the note was given and the suit was commenced, it was *held*, that the defendants were jointly liable, and the action was sustained. *Deming* v. *Bull*, 10 Conn. 409.

22. Where A and B, makers of a note, described themselves in the body of it thus: "We A as principal and B as surety," — in an action against B alone, it was *held*, that B was responsible to the plaintiff as a principal equally with A, and could shield himself by no defence which was not available to A. *Bond* v. *Storrs*, 13 Conn. 412.

23. Where the declaration "in such case averred that the defendant as surety and A as principal promised the plaintiff jointly and severally to pay him," &c., it was *held*, that the defendant by executing the note himself adopted its language, and thereby admitted that A was a joint and several promisor with himself. Consequently, proof of the handwriting of the defendant alone was sufficient. *Ibid.*

24. Where two makers of a promissory note jointly and severally promise to pay, the presumption of law is that they are responsible equally, though this presumption may be rebutted (where the fact is material) by proof that one signed as surety for the other. *Orvis* v. *Newell*, 17 Conn. 97.

2. *Of Indorsers and Guarantors.*

1. If A recommends B to C, and C thereupon trusts B, and takes his note, payable at a certain time, and A takes B's note for the same sum payable one month after, conditioned to be void in case B pays C and indemnifies A, if B fails to pay C, he will be liable on his note to A, although A has not paid the debt. *Filley* v. *Brace*, 1 Root, 507.

2. A blank indorsement on the back of a note will subject the indorser, in case it cannot be recovered by the indorsee's using due diligence when it falls due. *Bradley* v. *Phelps*, 2 Root, 325.

3. Though a note is void against the maker, it may be good against an indorser, in favor of an indorsee, who took it relying upon the indorsement. *Codwise* v. *Gleason*, 3 Day, 12.

4. Where there are several indorsers of a promissory note, they are in general liable to each other in the order of their respective indorsements. *Talcott* v. *Cogswell*, 3 Day, 512.

5. A being indebted to B by note, and proposing to pay part by a new note, makes his note payable to C, and then procures C and afterwards D to indorse it for A's accommodation; the note becoming due, after having been accepted by B and discounted for him at the Bank, A fails to take it up, and C and D, after notice of such failure, come separately to the bank, and take it up, each paying a moiety. In an action brought more than three years afterwards by D against C to recover back the money paid by D on the note, these circumstances furnish sufficient evidence that the indorsement by both was *joint*, and each having paid what in each case each would be compellable to pay, no recovery can be had. *Ibid.*

6. Where an agent authorized to sell a cargo in the West Indies for bills on England, to be placed subject to the principal's order, sold the cargo for such bills, but, instead of placing them subject to the principal's order, invested them in flour on his own account, it was *held*, that he thereby became responsible to his principal for the amount of such bills; and whether he afterwards by reason of the non-payment of any

of them became responsible for them to the holder, or by reason of the holder's laches became exempted from liability, could be of no avail as between him and his principal. *Thompson* v. *Stewart*, 3 Conn. 171.

7. Where the payees of a bill of exchange indorsed it specially in these words: "Pay G. C. or order, without recourse to us"; it was *held*, that such indorsement precluded a recovery in any event (except for fraud, which is not to be presumed) against the indorsers. *Cowles* v. *Harts*, 3 Conn. 516.

8. Where a note was drawn in these words: "We, A and B, as principal, and C and D, surety, promise to pay, &c.," which A and B signed in the usual place of signature; C and D did not so sign, but put their names on the back of the note; it was *held*, that C and D were liable, not as guarantees merely, but as joint promisors with A and B. *Palmer* v. *Grant*, 4 Conn. 389.

9. If a bank-bill or note be lost, in consequence of an irregular or defective transmission by mail, it is a sufficient excuse for its non-production, and a ground for the admission of secondary evidence. *The Bank of the United States* v. *Sill*, 5 Conn. 106.

10. Where the holder of a bank-bill voluntarily cut it in two, for the sole purpose of transmitting it by mail with greater safety, it was *held*, that this act did not affect his rights upon such bill. *Ibid.*

11. To entitle a party to recover on the production of only one of the parts of a divided bank-bill, he must show that he is the owner of the whole, and account for the absence of the other parts. *Ibid.*

12. The undertaking of the indorser of a promissory note, in favor of the indorsee, is not a specialty, but merely evidence of a collateral liability arising out of a simple contract. *Hinsdale* v. *Miles*, 5 Conn. 331.

13. Though the holder of a promissory note has a right to the actual payment of it, which right the mere act of the law never takes from him, and, so long as he remains passive, or does no act to impair this right, he may enforce such payment from any or all the parties liable, yet as the maker of the note is the party primarily liable, and the indorsers are in the nature of sureties for the performance of his act, and have a right to look to him for indemnity; if the holder do any act the effect of which is to suspend or to impair or to destroy that right, he cannot afterwards resort to them. *Couch* v. *Waring*, 9 Conn. 261.

14. Therefore, where further proceedings on a judgment obtained by the holders of a promissory note against the makers were stayed, for a period of three or four years, by virtue of an injunction obtained in chancery by the maker; but after a nonsuit on the bill in chancery, and judgment rendered for the holder for the damages previously recovered, and interest, so far as the demand in the declaration would allow, execution was issued on the latter judgment, and satisfied out of the property of the maker; in an action by the holder against the indorser for the balance of interest due on the note, not included in the judgment and execution, it was *held*, that the effect of the foregoing proceedings was to discharge the maker of the note from all further liability, and that the holder was precluded consequently from resorting to the indorser. *Ibid.*

15. Where a promissory note made by A, and indorsed in blank by B, was intrusted to C, who had no interest in it, to get it discounted at the bank for A's benefit; and C fraudulently delivered it to D, who, acting fairly, and without knowledge of the fraud, received it in satisfaction and extinction of a preëxisting debt against C; in an action brought by D against B as indorser, it was *held*, that D was a *bonâ fide* holder of the note for a valuable consideration, and, as such, was entitled to recover. *Brush* v. *Scribner*, 11 Conn. 388.

16. Where the payee of a note, having indorsed it, afterwards comes fairly to the possession of it again, he will be regarded, at least *primâ facie*, as the proprietor of it; and may even at the trial strike out all subsequent indorsements, and recover upon it in his own name, without a reindorsement to him. *Bond* v. *Storrs*, 13 Conn. 412.

17. Where a mortgage is given as security for the indorsement of certain notes, the renewal of the paper, if the indorser remain liable, and is ultimately compelled to pay the debt in consequence of his original indorsement, does not affect the lien created by the mortgage. *Smith* v. *Prince*, 14 Conn. 472; *Pond* v. *Clark*, 14 Conn. 334.

18. Though a surety who has paid the debt of his principal may be subrogated into the place of his creditor, as to all the securities and funds in his hands applicable to such debt; yet an accommodation indorser or surety is not entitled to the benefit of such securities or funds, until the whole debt is paid. *The Stamford Bank* v. *Benedict*, 15 Conn. 437.

19. Where one of the joint makers of a promissory note in fact signs the note as surety for the other, as between them and the payee they will both be considered principals. *Bull* v. *Allen*, 19 Conn. 101.

20. Therefore, where the surety several times before the insolvency of the principal, and when the latter had property more than sufficient to satisfy the note, requested the holder to collect it by attaching the property of the principal, and offered to reimburse him for all costs and expenses in so doing; it was *held*, in an action by the holder against both, after the insolvency of the principal *de facto*, that his legal rights against both were the same, and that the facts of the case constituted no defence to the surety more than to the principal. *Ibid.*

12. *Actions on Bills and Notes.*

1. When and by whom maintainable.
2. When subject to Equities between other Parties.
3. Defences.

1. *When and by whom maintainable.*

1. Trover lies for property tendered upon a note, in favor of the promisee, although he did not accept it at the time. *Rix* v. *Strong*, 1 Root, 55.

2. A sum paid on account of a note, and not applied, is recoverable back in an action of book debt. *Brown* v. *Talcott*, 1 Root, 85; *Prentice* v. *Phillips*, Id. 103; *Hurd* v. *Fleming*, Id. 132.

3. An arbitration note for ten pounds is not cognizable by a single minister of justice. *Mills* v. *Borroughs*, 1 Root, 99.

4. In an action against two, upon a note which on the face of it is joint and several, and so declared upon, it is not a material variance, that upon oyer it appears to be signed by one only for self and partner. *Sigony* v. *Richards*, 1 Root, 119.

5. Action of trover lies against a promisor for his note, which he got up through the fraud of a third person. *Nettleton* v. *Riggs*, 1 Root, 125.

6. An arbitration note for £ 10, vouched by two witnesses, is not within the jurisdiction of a justice of the peace. *Desborough* v. *Desborough*, 1 Root, 126.

7. An action upon an arbitration note for more than £ 20 is not appealable, if neither the original matters submitted nor the award amounts to £ 20. *Steavens* v. *Bass*, 1 Root, 127.

8. Where an assignment of a note contains an express promise that it shall be paid when it becomes due, an action lies against the assignor when the note becomes due, if it is not paid. *Perkins* v. *Perkins*, 1 Root, 541.

9. If a bill of exchange is not accepted, an action will lie upon it against the drawer before the time when it is payable. *Sterry* v. *Robinson*, 1 Day, 11.

10. A person injured by a forged note, though the note was not forged in his name, may have an action on the statute for the forgery. *Ross* v. *Bruce*, 1 Day, 100.

11. An action on the statute to recover damages for a forgery is not barred in one year by the statute of limitations. *Ibid.*

12. Action of book debt will not lie to recover money paid on a note and not applied. *Bradley* v. *Goodyear*, 1 Day, 104.

13. An action in favor of the indorsee of a promissory note, a citizen of one State, against the indorser, a citizen of a different State, may be brought before the Circuit Court of the United States, though the maker and payee of such note are citizens of the same State. *Codwise* v. *Gleason*, 3 Day, 3.

14. A received of B two promissory notes, and gave a writing acknowledging the receipt of such notes to collect or return, and promising to account for or return them when demanded. A afterwards received the money specified in the notes, and refused to pay over the same. *Held*, that indebtedness for money had and received to the plaintiff's use would lie. *Pettibone* v. *Pettibone*, 4 Day, 175.

15. In an action by the plaintiff, as the payee and holder, against the defendant, as the indorser, of a note given to the plaintiff by A, payable on the 1st of April, 1819, and indorsed by the defendant, stating that, the plaintiff being about to put such note in suit against the maker, the defendant on the 1st of August, 1819, applied to the plaintiff for forbearance, which the plaintiff agreed to give, and, in consideration thereof, the defendant promised to continue the warranty implied by his indorsement; and the evidence was, of an application by the defendant to B, the assignee of the note, from the plaintiff for forbearance, at the time mentioned in the declaration, when the defendant had become dis-

charged from liability as indorser by the laches of the holder, and of a parol promise thereupon made by the defendant to continue the warranty. *Held*, that the plaintiff could not recover, because the promise, being to pay the debt of another person, and not in writing, was within the statute of frauds and perjuries. *Huntington* v. *Harvey*, 4 Conn. 125.

16. The holder of a negotiable note payable to a third person, deriving his title not by indorsement, but by an assignment under the insolvent law of another State, cannot maintain an action here in his own name on such note. *Brush* v. *Curtis*, 4 Conn. 312.

17. An action for money had and received, or for money lent, may be maintained by the indorsee of a promissory note against the maker or indorser. *Eagle Bank* v. *Smith*, 5 Conn. 71.

18. If the indorsee of a promissory note give it up through a mistaken belief of its being paid, he may, on proof of these facts, recover against the maker or indorser, on the common money counts, in the same manner as if it had been lost by time and accident. *Ibid.*

19. Promissory notes not negotiable, in regard to the form of action and the mode of declaring are in this State to be treated as specialties. *Chaplin* v. *Canada*, 8 Conn. 286.

20. In a suit on a specialty, executed to one person in trust for the benefit of another, the action must be brought in the name of the person having the legal title. *Ibid.*

21. Therefore, where A made a promissory note, expressing the consideration on which it was founded, for $33, payable to B, C, and D as trustees for the society of E, and an action was brought thereon in the name of such society, it was *held*, that such action could not be sustained; the trustees, who had the legal title, being the only persons entitled to bring the action. *Ibid.*

22. An action on a promissory negotiable note can be brought and sustained only by the party who has the legal interest therein. *Lee* v. *Jilson*, 9 Conn. 94.

23. Therefore, where the payee of a promissory note commenced an action thereon against the maker, and subsequent to the institution of such suit parted with all his interest in the note by indorsement in full to a third party, he is incapable further to maintain his action. *Ibid.* *Munsell* v. *Sanford*, 1 Root, 257.

24. Where negotiable promissory notes for money only, indorsed in blank, were left with the Farmers and Mechanics' Bank by A, a debtor to that institution, as security for his debt; and while such notes were thus in the possession of the Farmers and Mechanics' Bank, and before any of them had been paid or became payable, B, a creditor of A, attached them by process of foreign attachment, they being in amount and value more than sufficient to satisfy A's debt to the Farmers and Mechanics' Bank; in the *scire facias* against the Farmers and Mechanics' Bank, it was *held*, that such notes were choses in action, and not subject to this process, consequently the plaintiff could not recover. *Grosvenor* v. *The Farmers and Mechanics' Bank*, 13 Conn. 104.

25. Where the promise of the defendant was to give the plaintiff a note for $ 100, payable in sixty days, and the defendant refused to give

such note, it was *held*, — 1. That this was a promise to give the note immediately or within a reasonable time; and the defendant's refusal to do this was a breach of that promise, upon which a right of action accrued immediately; 2. That in such action, though brought within sixty days after the promise, the plaintiff was entitled to recover, not merely nominal damages, but the damages actually sustained. *Stoddard* v. *Mix*, 14 Conn. 12.

26. Where A, B, and C gave a promissory note payable to A or order, for value received, it was *held*, that A could not sustain an action at law on such note against B and C. *Moore* v. *Denslow*, 14 Conn. 235.

27. But if indorsed to a third person, the indorsee might have sustained an action against all the makers. *Ibid.*

28. If B assign the promissory note of a third person to A, in payment of a preëxisting debt, and afterwards give a discharge to the maker of such note, without receiving any payment from him, an action of assumpsit for money had and received will lie in favor of A, against B, for giving such discharge. *Maples* v. *Park*, 17 Conn. 333.

29. Where an attorney and counsellor at law of the State of New York purchased in that State an inland bill of exchange, with intent and for the purpose of bringing a suit thereon in the State of Connecticut, in an action brought on such bill, in this State, by the purchaser against the acceptor, residing here, it was *held*, that such purchase was not prohibited by the statute of New York (2 Revised Statutes, 288) regarding the purchase of bills, &c. by attorneys, &c., and consequently the plaintiff was not precluded thereby from sustaining such action. *Roe* v. *Jerome*, 18 Conn. 138.

30. A promissory note executed to a person for the purpose of securing a particular loan or advancement, to be made by him, or another person by his procurement, is available by either of them making such loan or advancement. *Dulles* v. *De Forest*, 19 Conn. 190.

31. If such note is negotiable, an action on it is sustainable against the maker, by the person from whom the payee has procured such loan or advancement, and to whom he has indorsed it; or by the payee for the benefit of such person, if it has not been indorsed. *Ibid.*

2. *When subject to Equities between other Parties.*

1. A negotiable note, before it has been negotiated, may be attached on a demand against the payee, liable to be defeated by the transfer of the note at any time before it falls due. And even after the transfer, if it was merely voluntary, or fraudulently made to protect the debt from creditors, it is attachable in the same manner. In such case, however, a judgment in favor of the attaching creditor against the debtor will be no bar to the claim of the assignee, he being neither party nor privy, but the debtor, if subsequently assailed by the assignee, must recur to the merits of his case for a defence. *Enos* v. *Tuttle*, 3 Conn. 27.

2. A being indebted to B in a certain sum, C at the request of A gave his promissory note to B for that sum, payable on demand; such note being given by C and received by B as collateral security for such debt, and to be in full thereof, when paid. Afterwards D, being indebted to

C, gave, at C's request, his promissory note to B for the amount due in C's note, and B thereupon delivered up C's note to D. D's note has not been paid, nor has B taken any measures to collect it, though several years have elapsed since it was given, and D has at all times been able to pay it. *Held*,—1. That the effect of giving up C's note was not payment of the original debt; 2. That it constituted no appropriation of the pledge; 3. That the taking of D's note in the manner stated did not operate as a payment, conditional or absolute, but as a mere substitute for the note of C, which, by the express agreement of the parties, was received as collateral security for the original debt; 4. That, B not having taken upon himself the obligation of collecting D's note, his forbearance to resort to that measure for satisfaction of his debt did not convert what he received as security into payment. *Stebbins* v. *Kellogg*, 5 Conn. 265.

3. A promissory note, made on the 3d of September, 1817, payable on demand, and indorsed on the 25th of May, 1818, is a note negotiated when overdue, and as such is subject, in the hands of the indorsee, to every infirmity which it had when in the hands of the payee. *Nevins* v. *Townsend*, 6 Conn. 5.

4. But where a note, after the dissolution of a partnership consisting of A and B, and while their concerns were unsettled, was given by them, in the partnership name, for $600, payable to the order of A on demand, expressed in the note to be for cash borrowed of A, it was *held*, in a suit brought by C, to whom A had for value indorsed the note when overdue against the makers, that the plaintiff was entitled to recover, there being originally no infirmity or want of equity in the contract. *Ibid.*

5. The indorsee of a negotiable promissory note, negotiated after it is due, is considered as receiving dishonored paper, and takes it subject to every infirmity, equity, and defence to which it was liable in the hands of the payee. *Robinson* v. *Lyman*, 10 Conn. 30.

6. But in order thus to affect the note in the hands of the indorsee, the infirmity, equity, or defence relied on for that purpose, must have existed against, and attached to, the note itself, before the transfer, and not have arisen out of subsequent or collateral matters. *Ibid.* (*S. P. Stedman* v. *Jillson*, 10 Conn. 55; *Fairchild* v. *Brown*, 11 Conn. 26.)

7. Therefore, where it was agreed between the original parties to a negotiable promissory note, while it was in the hands of the payee, that a sum then ascertained to be due from the payee to the maker, payable *in futuro*, should be applied on the note, and it was afterwards negotiated when overdue, it was *held*, in an action by the indorsee against the maker, that such sum, being an equity which attached to the note itself before its transfer, ought to be set off or applied on the note. *Ibid.*

8. But where A in October, 1827, gave a negotiable promissory note, payable thirty days after date; in April, 1828, or afterwards, B indorsed it to C; and in October, 1829, A was compelled by legal process to pay a debt to D, which A and B, in 1823, had contracted as partners, and which it was the duty of B to pay; also in June, 1829, B gave to A a writing, stating therein a balance due from B to A, to be accounted for on

said note; in an action brought on such note by C, as indorsee, against the maker, it was *held*, that neither the money so paid by A to D for the benefit of B, nor the balance so stated as due from B to A, could be set off against the note in suit. *Ibid.*

9. The indorsement by the payee of a note of a sum of money thereon, furnishes no presumption as to what time thereafter it was negotiated. *Ibid.*

10. The equity which attaches to paper not negotiable, or to negotiable paper assigned after it is due, is the equity which exists in favor of the *original debtor*, not that of a third person against the assignor. *Fairchild* v. *Brown*, 11 Conn. 26.

11. Where the security for a debt is a promissory note secured by mortgage, the mortgage is not impaired in consequence of the note's being barred by the statute of limitations. *Belknap* v. *Gleason*, 11 Conn. 160.

12. In such case, the finding the note due, as the basis of a decree of foreclosure, would not preclude the maker from availing himself of the statute of limitations in a subsequent action on the note. *Ibid.*

13. Where it appeared on the trial of an action on a promissory note, brought by the assignee in the name of the payee against the maker, that, previous to the assignment of the note, the estate of C had been represented insolvent, and commissioners had been appointed, who made their report some months after the assignment, allowing the amount of the note to B, and the plaintiff claimed that B could not at this time act in the payment of debts due from the estate of C as executor, but that all payments made by him of claims against the estate, after the appointment of commissioners, and before the acceptance of their report, would be regarded in law as done by him in his individual capacity, and would confer upon him all the rights of an assignee of such claims; it was *held*, that, although B had a right to purchase the note in his individual capacity, and although he was not at that time bound as executor to pay the note, or to do any thing with it, yet he might legally and with propriety purchase and receive it as executor. And if in such transactions he acted solely for the benefit of the estate, it is to be presumed that he acted as executor, and the action brought could not be sustained. *Johnson* v. *Blackman*, 11 Conn. 342.

14. A, residing at Saybrook in this State, being the holder of a bill of exchange drawn by B in London on C in New York, and accepted by C, payable to the order of A, indorsed it, and transmitted it sometime before it became due to the East Haddam Bank for collection. The cashier of this institution, without indorsing it, transmitted it with other bills to the Merchants' Exchange Bank in New York for collection. When it came to maturity, the latter bank had it presented to C, who then was and still is insolvent, for payment; and payment not being made, it was protested for non-payment, and due notice was given to B, the drawer, but no notice was given to the East Haddam Bank, or to A, the holder. Two or three weeks afterwards, the East Haddam Bank, supposing the bill had been paid in New York, credited A with the amount, and paid it to him on his check. On discovering the mistake, the East Haddam

Bank sought to recover back the money so paid, in an action for money had and received against A. *Held*, that the plaintiffs were not precluded from a recovery, — 1. By reason of their not having indorsed the bill before they transmitted it to the Merchants' Exchange Bank, or advised that bank of A's place of residence; or, 2. On the ground that the plaintiffs were responsible for the fault of the collecting bank; or, 3. By reason of their having credited A with the amount of the bill, and paid over the money to him. Consequently, the plaintiffs, having obtained a verdict, were entitled to retain it. *The East Haddam Bank* v. *Scovil*, 12 Conn. 303.

15. A sold land to B for $1,100, of which $100 was to be paid in cash and the residue in two notes of C for $500 each, to be indorsed by D and by B. The $100 in cash was paid down; and the agent of B shortly afterward offered A two notes of C for $500 each, and payable in one year, indorsed by D, but not indorsed by B, which A refused to accept for want of B's indorsement. It was then proposed by the agent of B, in B's absence, and agreed to by A, that B should give A a writing promising to indorse those notes. B gave such writing accordingly, and thereupon A received the notes and delivered a deed of the land to B. B neglected to indorse the notes. Before they came to maturity, A lodged them in a bank for collection; and when due, the notary of the bank, having made the usual inquiries for C, the maker, without finding him, protested them for non-payment, and gave due notice. They were then put in suit against C and D, and judgment obtained, but the executions were returned unsatisfied, C and D being insolvent. In an action of assumpsit brought by A against B for the price of the land, it was *held*, — 1. That the delivery to A of the notes unindorsed by B, together with such written promise of B, was neither payment for the land nor a waiver of A's right to B's indorsement. 2. That B, having neglected, in violation of his agreement, to become an indorser, could not claim the rights of an indorser against A, nor hold A to the situation of an indorsee. Consequently, whether all the diligence necessary to subject an indorsee had been used or not, A was entitled to recover. *Boardman* v. *Steele*, 13 Conn. 547.

3. *Defences.*

1. One defendant cannot take advantage of the other s minority to avoid a note. *Hallam* v. *Mumford*, 1 Root, 58.

2. A parol condition not permitted to be proved to control a note. *Converse* v. *Moulton*, 2 Root, 195.

3. In an action on note against several copartners, it is not a good defence for one of them, that he executed the note in the copartnership name, after the suit was instituted, and antedated it, with a view to secure to the attaching creditor the property attached, without the knowledge of the others. *Barber* v. *Minturn*, 1 Day, 136.

4. In an action by the indorsee of a negotiable note against the maker, a discharge by the payee is not available as a defence, until it be shown by the maker that the receipt was given before the indorsement was made. Per Livingston J., in *Stuart* v. *Greenleaf*, 3 Day, 311. (Contrary opinion, Edwards, J.)

5. In a suit brought by A against B and C on their joint promissory note, the defendants pleaded in bar a writing executed by A subsequently to the date of the note, acknowledging that he had received of B a certain other promissory note secured by mortgage, and declaring that this note, when paid, would be in full of all demands; *held*, that such writing was no release of the note in suit. *Tryon* v. *Hart*, 2 Conn. 120.

6. The *lex loci* is applicable only to the validity and interpretation of contracts, and not to the time, mode, or extent of the remedy. Therefore, where the statute of limitations of another State was pleaded in bar of an action on a promissory note brought in this State, the note having been made and delivered in the former State, where the parties resided at the time, such plea was *held* to be insufficient. *Medbury* v. *Hopkins*, 3 Conn. 472.

7. The statute of limitations of another State is no defence to an action on a bill of exchange in this State, although the liability was contracted and the debtor lived in the former State. *Atwater* v. *Townsend*, 4 Conn. 47.

8. Where the defendant in an action on a promissory note, to which the defence was the statute of limitations, had said that such note had been paid by the services of his wife in the dwelling-house of the plaintiff, and the plaintiff proved that the payment had not so been made, it was *held*, that this did not amount to an acknowledgment of the debt, sufficient to take it out of the statute. *Marshall* v. *Dalliber*, 5 Conn. 480.

9. The failure of title in the vendee of land, through the guarantor's want of right to sell without fraud, is not a ground of relief, at law or in equity, against a promissory note given for the purchase-money. *Barkhamsted* v. *Case*, 5 Conn. 528.

10. Total fraud in the consideration of a promissory note is a sufficient defence at law. *Ibid.*

11. Though the holder of a negotiable promissory note, which has been fraudulently assigned, may recover upon it against the maker or a prior indorser, if it was taken by such holder in the usual course of trade, and for a fair and valuable consideration, without notice of the fraud; yet if it was taken without due caution, and under circumstances which ought to have excited the suspicion of a prudent and careful man, the maker or prior indorser may be let into his defence. *Hall* v. *Hale*, 8 Conn. 336.

12. If the word *renewal* were written upon the margin of a note, indorsed for the accommodation of the maker, and intended solely for the renewal of another note in the bank, and that word remained upon it when it was negotiated to the holders; or if such word had been partially erased, leaving such appearances as would in the ordinary course of business excite the suspicion of a careful and prudent man; in either case a misapplication and fraudulent transfer may be shown as a defence. *Ibid.*

13. But the caution required of the indorser of a note, who takes it in the course of business, is only that of ordinary prudence, and not that close examination which it is proper a jury should make of a paper exhibited in evidence. *Ibid.*

14. Therefore, where the defence to an action by the indorsee against the indorser of a promissory note was, that the note was indorsed for the accommodation of the maker, and was intended solely for the renewal of another note in the bank; and that the word *renewal* had been written upon the margin of the paper, and erased by a penknife, but by close examination certain letters in that word might be partially seen; and the judge charged the jury, that if they should find that the note was so intended and indorsed, and the word *renewal* had been written thereon, although it had been erased before it had been negotiated to the plaintiff, yet if at that time there was any *trace* or *mark* of the word *renewal* remaining, it was sufficient to put the plaintiff upon inquiry, and he could not recover; it was *held*, that this direction was wrong, inasmuch as it made the scrutiny proper for a jury the standard by which the caution required of the plaintiff was to be determined; and, a verdict having passed for the defendant, a new trial was granted. *Ibid.*

15. Where the maker of a promissory note not negotiable, having been taken on an execution obtained in a suit on such note, was discharged out of custody by direction of the creditor, at the request and by the consent of the guarantor of such note, in a suit by the creditor against the guarantor, it was *held*, that such discharge out of custody was no defence to the action. *Terrell* v. *Smith*, 8 Conn. 426.

16. The same presumption of payment from lapse of time is applicable to promissory notes not negotiable as to bonds; and the presumption is rebutted by similar circumstances in both cases. *Daggett* v. *Tallman*, 8 Conn. 168.

17. Where the declaration in an action on a note against a corporation alleged that the note was made by the defendants by their committee, J. A. A. and two others, and the note produced was signed by J. S. A. and such two others, who were the committee of the corporation for that purpose; it was *held*, that there was no variance. *The Chestnut Hill Reservoir Co.* v. *Chase*, 14 Conn. 123.

18. In an action against the maker of a note for the amount specified therein, brought by the assignee in the name of the payee, after an assignment of all the payee's interest, with notice to the maker, the defendant cannot avail himself of a discharge obtained from the payee subsequently to the assignment. *Ibid.*

19. A promise made by one of two joint makers of a promissory note to pay it, is sufficient to take it out of the statute of limitations as against the other. *Clark* v. *Sigourney*, 17 Conn. 511.

20. Neither the admissibility in evidence nor the effect of such promise is varied by the circumstance that the person sought to be charged signed the note as the surety of him who made the promise. *Ibid.*

21. Whether the promise was made is a question of fact to be determined by the jury; but what is the construction and effect of it if made is a question of law to be decided by the court. *Ibid.*

22. Though it is generally true that the declarations of a former holder of a bill, made while it was in his hands, are not admissible against a party who took it, *bonâ fide*, in the course of business, before it became due; yet where the defence in an action by the indorsee against

the acceptor of a bill was that the acceptance was procured by fraud, and was without consideration, and in support of this defence the defendant offered in evidence the declaration of a former holder of the bill, since dead, made while it was in his hands; it was *held*, that such declarations were admissible for that purpose, but not to affect the plaintiff, unless such holder, from whom the plaintiff received it, had knowledge of the fraud at the time he took it. *Roe* v. *Jerome*, 18 Conn. 138.

23. Where one person by his words or conduct causes another to believe in the existence of a certain state of things, and thus induces him to act on that belief, so as injuriously to affect his previous position, he is concluded from averring a different state of things as existing at the time. *Ibid.*

24. Thus, where the defence to an action against the acceptor of a bill was that it was accommodation paper, and the acceptance procured by the fraud of the drawer; to repel this defence, it was shown by the plaintiff that the defendant, for the purpose of enabling the drawer to negotiate the bill, had given a writing signed by him in the following terms: "Any note or notes which may be offered by the bearer, for discount or otherwise, signed by me, and payable to the order of F. M. [the payee and first indorser of this bill], and dated March 1, 1844 [the date of this bill], are good and true business notes." The defendant claimed that this writing was obtained from him by fraud and misrepresentation, being part of the original scheme to defraud him, by which his acceptance was obtained; it was *held*, — 1. That the defendant, aside from any fraud practised on him, could not be permitted to deny that this was good business paper as against the plaintiff, whose indorser was induced to take it by means of such writing; 2. That such fraud, if proved, would not counteract the effect of the writing, as the defendant ought to suffer the consequences of his own credulity, rather than to transfer them to a *bonâ fide* holder of the bill. (One judge dissenting on the latter point.) *Ibid.*

25. A subsequent promise to pay by one of two joint makers of a promissory note is sufficient to take it out of the statute of limitations as against the other; even though the party sought to be charged signed the note as surety of him who made the promise. *Caldwell* v. *Sigourney*, 19 Conn. 37.

26. Where two of the defendants, representing to the plaintiff that they and the remaining defendants were jointly interested in a contract with a third party, obtained moneys from the plaintiff on the faith of such representations, upon the security of three promissory notes made by such third party and indorsed by the defendants, in an action against the defendants as joint indorsers for the amount of the notes, the defendants uniting in such representations are estopped from setting up as a defence, that the remaining defendant was not a joint contractor with them, but was simply their agent, and that there was consequently no privity of contract between them. *East Haddam Bank* v. *Shailor*, 20 Conn. 18.

13. *Pleadings and Evidence.*

1. The drawer of a bill or order cannot be a witness to prove either the payment or acceptance of it. (Sherman, J. dissenting.) *Huntington* v. *Champlin*, Kirby, 166.

2. *Non est factum* is a good plea in an action upon a note. *Ives* v. *De Wolf*, 1 Root, 503.

3. A joint and several promissory note must be declared on as such. *Brown* v. *Pierce*, 2 Root, 95.

4. A note that is lost must be declared on with an averment of the loss. *Church* v. *Flowers*, 2 Root, 144.

5. In an action by A against B for falsely and deceitfully affirming C to be a man of property, by which A was induced to trust C and take his note, C is a competent witness for A to prove the facts, though the note be unpaid. *Wise* v. *Wilcox*, 1 Day, 22.

6. Evidence that a note is in the hands of the defendant, and that it was forged, is admissible without producing the note. *Ross* v. *Bruce*, 1 Day, 100.

7. In such case it is unnecessary to give the defendant notice in the declaration to produce the note. *Ibid.*

8. A party cannot in any case be a witness to prove that money was paid on a note, and not applied. *Bradley* v. *Goodyear*, 1 Day, 104. (See recent statute.)

9. In an action on a promissory note executed by A and B jointly, brought against B only, after the bankruptcy of A under the laws of the United States, it was *held*, that the admissions of A were evidence against B. *Howard* v. *Cobb*, 3 Day, 309.

10. In an action by the indorsee of a promissory note against the defendant as indorser, on the ground, that, though the indorsement was a forgery, yet he had made it his own; and it having been proved that his name had been forged on *other notes* discounted at the bank, of which he had had notice, *he* cannot be permitted to prove that the names of *other persons* had been forged, under similar circumstances, of which *they* had had notice. *Hartford Bank* v. *Hart*, 3 Day, 493.

11. In an action by the indorsee of a promissory note against the indorser, it appeared that an officer, having in his hands an execution obtained in a suit on such note against the maker, took personal property of less value than the debt, and afterwards relinquished that property to the debtor, and took his body. *Held*, that the officer was not a competent witness for the plaintiff to prove the fact of relinquishment, the effect of his testimony being to protect himself from a suit by subjecting the defendant. *Shelden* v. *Ackley*, 4 Day, 458.

12. A, as the agent of B, having received a note to collect of C, without authority and without consideration delivers it up to C, the maker, C being insolvent; *held*, in an action on the case brought by B against A for delivering up the note, that the insolvency of C might be given in evidence in mitigation of damages. *Andrews* v. *Pardee*, 5 Day, 29.

13. A, being a citizen of Connecticut, jointly and severally with others, citizens of Vermont, executed a promissory note to the Vermont State

Bank, payable at the bank, and, the note not having been paid, the bank instituted a suit against A, in Connecticut. A, pending the suit, offered payment of the debt and costs in the bills of the Vermont State Bank, and, in pursuance of the laws of Vermont, pleaded the same by way of set-off to the plaintiff's demand. *Held*, that such plea was sufficient. *Vermont Bank* v. *Porter*, 5 Day, 316.

14. A being sued on a promissory note executed in Vermont, and payable at the Vermont State Bank, for $400, with interest, pleaded in bar a tender of a certain sum in full of the debt and costs; the plaintiff replied new matter, without traversing the sufficiency of the sum tendered; to which replication there was a demurrer. *Held*, that the plea was good, although on the face of the declaration and pleadings, computing the interest at the rate of *six per cent. per annum*, the sum tendered appeared to be less than the plaintiff's demand. *Ibid.*

15. In an action on a promissory note, the defendant pleaded that after the execution of the note, and before the commencement of the suit, he performed certain services for the plaintiff in satisfaction of the debt, and that the plaintiff accepted such services in full satisfaction; on trial of the issue, after a traverse of the plea, the defendant offered evidence to prove that, before and at the time of the execution of the note, it was agreed between the parties that such services should be performed and accepted to the amount of the sum due on the note, and in full satisfaction thereof. *Held*, that evidence was admissible. *Blinn* v. *Chester*, 5 Day, 359.

16. Where the defence to an action on a promissory note was fraud in obtaining it, the defendant stated that the note was given as security for a debt due from him to the plaintiff, in lieu of certain accepted drafts which the plaintiff was to give up on receiving the note, but which he retained for several months afterwards, and then, having received a payment thereon from the acceptor, and given him a receipt in full, gave them up with the acceptances erased; *held*, that proof of these facts was relevant to establish the defence. *Shepard* v. *Hawley*, 1 Conn. 367.

17. In an action by the holder of a promissory note against the indorser, the defendant offered in evidence a writing signed by the plaintiff, acknowledging an agreement between them that the plaintiff should sue out a special writ against the maker, and direct the officer to secure the debt if possible; *held*, that such evidence was admissible. *Phelps* v. *Foot*, 1 Conn. 387.

18. In such action a deed conveying land to the maker of the note, recorded while the execution obtained against him on the note was in force, is relevant and material evidence for the defendant, and may be proved by a copy from the registrar's office, the original not being in the possession or power of the party. *Ibid.*

19. Where the declaration stated a promise, that, in consideration the plaintiff *would indorse* a note signed by a third person, the defendant would hold himself liable thereon in the same manner as though he had signed it with his own proper name, and the evidence was of a promise in consideration of the plaintiff *having indorsed* such note; it was *held*,

that the evidence did not conduce to prove the declaration. *Bulkley* v. *Landon*, 2 Conn. 404.

20. Where a promissory note was made payable "in cotton-yarn at the wholesale factory prices," it was *held*, that evidence of the usage of manufacturers and dealers in that article was admissible, to show that by those terms was meant a certain scale of prices different from the actual wholesale prices in market. *Avery* v. *Stewart*, 2 Conn. 69.

21. Where one having funds in the hands of his correspondent drew a bill on him for the amount, which the latter accepted, but failed to pay; it was *held*, in an action brought by the payee against the drawer, that the acceptor was a competent witness for the drawer. *Barnewell* v. *Mitchell*, 3 Conn. 101.

22. Where the declaration in an action on a promissory note stated that the defendants, by a note *under their hands*, promised to pay; and the note exhibited in evidence appeared to have been signed by procuration; it was *held*, that this was no variance, the allegation being according to the operation of law. *Phelps* v. *Riley*, 3 Conn. 266.

23. Where a person, who had executed a promissory note in behalf of and by procuration from another, and had afterwards given bond for his principal to prosecute an appeal from a judgment on that note, was called by the payee, as a witness to the execution; it was *held*, that he was not protected from giving his testimony on the ground that it would be against his interest, having voluntarily assumed that interest at the request of the adverse party, and not in the common course of business, for his own profit, after the payee had an interest in his testimony. *Ibid.*

24. Where the payee of a bill of exchange indorsed it specially in these words: "Pay G. C. or order without recourse to us"; it was *held*, in an action on such, by the indorsee against the drawer, that the payees were competent witnesses to establish the plaintiff's title. *Cowles* v. *Harts*, 3 Conn. 516.

25. If, in an action on a promissory note expressed to be *for value received*, the declaration omit that expression, the variance will be fatal. *Rossiter* v. *Marsh*, 4 Conn. 196.

26. If a note, signed by A, be declared on as the act and deed of B, the variance will be fatal. *Ibid.*

27. If a note signed by A individually be declared on as "executed for and on behalf of B, by his agent A," the variance will be fatal. *Ibid.*

28. In an action on a promissory note, the plaintiff may declare in the words of the contract, or according to its legal effect. *Sherman* v. *Goble*, 4 Conn. 246.

29. Where the plaintiff in an action on a promissory note declared that the defendant promised the plaintiff to pay *to his order* a certain sum, which promise he had neglected to perform; and the declaration was demurred to; it was *held*, that the plaintiff was entitled to have such averment considered as descriptive of the terms of the contract; and the legal construction of such a contract being a promise to pay to the party himself, the declaration was sufficient. *Ibid.*

30. Where the defendant, in an action against him as the indorser of a promissory note, proved the interest of a witness produced by the plaintiff, by the testimony of other witnesses, showing him to be a subsequent indorser, after which his competency was restored by a release; it was *held*, that this did not preclude the defendant, in the subsequent progress of the same trial, from showing the interest of the same witness, arising from a set of facts relating to a separate transaction, by examining him on the *voir dire*. *Stebbins* v. *Sackett*, 5 Conn. 258.

31. Where it appeared, in an action against the maker of a promissory note, that a former holder of such note, after delivering it to the plaintiff, executed to him a deed of assignment of all his property, including by the agreement of the parties interested such note, in trust for his creditors, the assignor remaining liable to his creditors for so much of those debts as were not paid by the property assigned; it was *held*, that such assignor was not a competent witness for the plaintiff, inasmuch as the effect of the plaintiff's failure to recover would be to diminish by the amount of such note the trust fund, and leave so much more for him to pay his creditors. *Ibid.*

32. The first indorser of a negotiable promissory note is a competent witness, without a release, in a suit by the holder against a subsequent indorser, to prove that the defendant indorsed the note merely for the accommodation of the maker, and that the maker negotiated it fraudulently. *Hall* v. *Hale*, 8 Conn. 336.

33. In an action on the guarantee of a promissory note not negotiable, to which the defence was, that the maker of such note had been taken in execution for the same debt, and discharged out of custody; it was *held*, that the maker was an incompetent witness for the defendant. *Terrell* v. *Smith*, 8 Conn. 426.

34. Though the holder of a negotiable promissory note overdue, which is not produced at the trial, in an action against the maker, is not bound to prove its absolute destruction, yet he must give such proof as shows that the defendant cannot afterwards be compelled to pay the amount to a *bonâ fide* holder. *Swift* v. *Stevens*, 8 Conn. 431.

35. But direct and positive evidence on this subject is not required. *Ibid.*

36. Therefore, where the plaintiff in an action against the maker of a promissory note, payable to bearer, proved by the cashier of a bank, to whom the note had been confided for safe-keeping, that he had made diligent search for it, but was unable to find it; that he had never delivered it to any person; and that he had no doubt, and verily believed, it had been by accident destroyed; it was *held*, that this was proper evidence to go to the jury to prove the destruction or non-existence of the note. *Ibid.*

37. So where, on the trial of an action on such note, it appeared that more than four years had elapsed from the time it fell due, and that there had been two former trials of the same action without the production of the note; it was *held*, that these circumstances were entitled to great consideration on the question of its destruction. *Ibid.*

38. On a bill in chancery, brought by the plaintiffs, A, B, and C, who

were creditors of D, against the latter, and his sons, E, F, G, charging them with a fraudulent conspiracy to prevent the plaintiff from recovering their debt by means of notes given by D to the other defendants and suits by attachment thereon, and praying for an injunction against such suits, &c., it was *held*, — 1. That D was an incompetent witness for the other defendants to prove the validity and consideration of the notes given by him to them, he being a party to the suit, interested in the costs, and the person principally concerned in the conspiracy; 2. That E was also incompetent to prove the consideration and validity of the notes given by D to F and G, although he had withdrawn the suit commenced by him against D. *Dwight* v. *Brown*, 9 Conn. 83.

39. An arbitration note, indorsed down by the arbitrators to the amount of the award, may be declared on as a note for the sum expressed on its face. *Gregory* v. *Allyn*, 10 Conn. 133.

40. In an action on a promissory note brought and prosecuted by the assignee in the name of the payee, against the maker, it was *held*, that the plaintiff on the record was a competent witness for the defendant. *Johnson* v. *Blackman*, 11 Conn. 342.

41. It is no objection to the competency of a witness, called to impeach the validity of a note, that he had assigned it, and thereby given it currency. *Ibid.*

42. The assignor of a note not negotiable is not precluded by the statute of 1822, sec. 1, (p. 61, ed. 1835,) from giving testimony to prove payment of the note to him. *Ibid.*

43. Where A, the payee of a note made jointly and severally by C and D, assigned it to B with an indorsement thereon in these words: "I assign the within note to B" (signed by A), — and received another note of the same amount from B who was executor of C; in an action on the former note against D, it was claimed that this note was paid by the note of B, and a witness offered by D to establish this defence testified that the indorsement was not made by A until after the note in question was paid, but at the same interview; it was *held*, that this testimony was not exceptionable, as being either within the rule that, when an agreement is reduced to writing, all previous negotiations are merged in the writing, or within the rule that parol evidence cannot be received to contradict or vary a written instrument, D being a stranger to the transaction between A and B relative to the payment and indorsement of the note, and not estopped by their acts from proving a fact essential to his defence. *Ibid.*

44. Where the defendant in an action by the holder of a note not negotiable against the payee, alleging that the defendant had assigned it to the plaintiff and had afterwards withdrawn a suit brought by the plaintiff in the name of the payee against the maker, and had thereby defeated the collection of the note, offered the maker as a witness to prove that he had paid the note to the payee previous to the alleged assignment, and that it had never been in fact assigned to the plaintiff, it was *held*, that such witness had no interest in the event of the suit, and was therefore competent. *Fitch* v. *Boardman*, 12 Conn. 345.

45. In a suit brought by the indorsee of a bill against the acceptor,

the drawer is a competent witness; unless there are circumstances in the case showing a greater interest in favor of one party than the other. *Jackson* v. *Packer*, 13 Conn. 342.

46. Where a bill was drawn by A and accepted by B for the accommodation of B, and was then placed in the hands of A, that he, as the agent of B, might get it discounted and pay over the avails to B; in the prosecution of this object A delivered the bill, with some other paper, to C, who indorsed such paper, got it discounted, and paid a part of the avails to A; the bill not being paid at maturity, C brought a suit on it against B, as acceptor; and B, in support of his defence, offered A as witness; it was *held*, that there was nothing in the circumstances of the case making A liable for the cost of such suit if B should be subjected; and consequently A, having no greater interest in favor of one party than the other, was a competent witness. *Ibid.*

47. Where the defence to an action by the indorsee of a promissory note against the maker was, that it was then the property of the original promisee; and, to establish this fact, the defendant offered testimony as to the books of such promisee without producing them, and as to his declarations; it was *held*, that neither the books nor the declarations of such promisee were admissible, he not being party or privy in interest with the plaintiff, the fact to be proved being in his favor, and he being alive and a competent witness in the cause. *Bucknam* v. *Barnum*, 15 Conn. 67.

48. In an action brought in the name of the payee of a promissory note not negotiable, for the benefit of the assignee, against the maker, the declarations of such payee, made after the assignment and notice thereof to the maker, are not admissible in favor of the defendant. *Scripture* v. *Newcomb*, 16 Conn. 588.

49. The evidence of a party to the suit is admissible to prove that a promissory note, to recover the amount of which the action is brought, is destroyed or lost, so as to let in secondary evidence. *Fitch* v. *Bogue*, 19 Conn. 285.

50. In an action containing a count on a promissory note with the common count, the plaintiff may go into proof of the consideration of the note, and recover therefor on one of the common counts; and this, if the note is not negotiable, without producing and cancelling it. *Ibid.*

51. The offer of a release by the plaintiff in such case would have no effect as an excuse for the non-production of the note; for an outstanding note not negotiable would be no defence, and if negotiable, it must, if in existence, be produced and cancelled. *Ibid.*

52. In an action on a promissory note, the plaintiff offered the testimony of two witnesses to prove its loss, with the view of letting in secondary evidence. One testified, that "he informed the defendant that the plaintiff said she had lost her note against him, and requested him to give her another; which the defendant refused to do, remarking that if he should, and the old note should come to light, he should be accountable for both." The other witness testified, that "the defendant said to him that the plaintiff had told him she had lost her note, and wanted him to give her another, and that he told her he would, if

she would give him a writing to kill the first-mentioned note if it should ever come against him." *Held*, that this evidence, though it showed an admission by the defendant that he once gave a note to the plaintiff, which remained unpaid, did not tend to prove the loss of it. *White* v. *Brown*, 19 Conn. 577.

53. In such case, the silence of the defendant, when informed of the loss of the note, implied no admission of its loss, as he had no means of knowing whether the statement made to him was true or false. *Ibid.*

54. In a suit between the original parties to a note not negotiable, such note is good evidence under the money counts, there being in such case no distinction between a negotiable note and one not negotiable. *Ibid.*

55. Where a party, having a claim against the estate of a deceased person by a promissory note then lost, presented such claim to the executor as a debt due by note, describing it by its date and amount and as payable on demand, and informing him of its loss; it was *held*, that this was a sufficient presentment of the claim without the production of the note. *Ibid.*

56. To support a claim by note against a deceased person's estate, or under the money counts, less particularity of proof is necessary than in an action on the note specially describing it. *Ibid.*

57. In an action on a promissory note, where the defence was that the note was altered and made negotiable after it was signed by the defendant, without his consent or knowledge, the defendant is a competent witness to establish these facts. *Eld* v. *Gorham*, 20 Conn. 9.

14. *Damages.*

1. In assessing damages on a protested foreign bill of exchange, the custom of the place where the bill is drawn is to be respected. *Shipman* v. *Miller*, 2 Root, 405.

2. In an action on a promissory note, wherein the defendant promised to pay the plaintiff, twelve months after date, $250 in brown cotton shirting at the price of thirty cents per yard, the defendant, on a hearing in damages, after a default, offered evidence to show that cloth of that description, at the time the note became payable, was of less value than thirty cents per yard; *held*, that such evidence was inadmissible, the sum specified in the note furnishing the rule of damages. *Brooks* v. *Hubbard*, 3 Conn. 58.

3. Though the purchaser of a promissory note may not be entitled to recover from the party from whom he received it a greater sum than the consideration paid; yet in an action against a third person, who indorsed the note as the surety of the maker, the rule of damages is the same as against the maker, viz. the face of the note and interest. *Belden* v. *Lamb*, 17 Conn. 441.

4. Where a bill was drawn, accepted, and transferred in the State of New York, the acceptance of which was obtained by fraud, and without consideration, but the holder took it *bonâ fide*, without any knowledge of the fraud; in an action on such bill, brought in this State, against the

acceptor, it was *held*, — 1. That the rule of damages was to be in conformity with the law of New York; 2. That by the law of that State the plaintiff was entitled to recover all that he had actually paid for the bill, but nothing more. *Roe* v. *Jerome*, 18 Conn. 138.

III. Interest.

1. When interest is claimed in an action of book debt, it ought to be declared for as parcel of the debt, that the defendant may have notice thereof, on oyer. (Dyer, J. dissenting.) *Thompson* v. *Wales*, Kirby, 36.

2. After the average is struck on an insolvent estate, no future interest can arise on such average payable out of the estate; but if the administrator so act, as to subject himself personally to the payment of interest, the action must be brought accordingly. *Fitch* v. *Huntington* Kirby, 38.

3. Standing rule for computing interest on obligations, where one or more payments have been made, established by the Superior Court, March term, 1784. — Compute the interest to the time of the first payment; if that be one year or more from the time the interest commenced, add it to the principal, and deduct the payment from the sum total. If there be after payments made, compute the interest on the balance due to the next payment, and then deduct the payment as above; and in like manner, from one payment to another, till all the payments are absorbed; provided the time between one payment and another be one year or more. But if any payment be made before one year's interest hath accrued, then compute the interest on the principal sum due on the obligation for one year, add it to the principal, and compute the interest on the sum paid from the time it was paid up to the end of the year; add it to the sum paid, and deduct that sum from the principal and interest added as above. If any payments be made of a less sum than the interest arisen at the time of such payment, no interest is to be computed, but only on the principal sum, for any period. Kirby, 49.

4. Interest may be recovered in an action of book debt, for which there is either an express or implied contract. (Law, J. dissenting.) *Phenix* v. *Prindle*, Kirby, 207.

5. Where payments are made upon a contract bearing interest, in the absence of express directions for their application in reduction of the principal or interest, the intention of the parties must be inferred from the common custom of the place where the contract and payments were made, and their own conduct respecting the matter. *Kissam* v. *Burrall*, Kirby, 326.

6. Taking more than lawful interest upon a note will not avoid it, if at first it was fairly made without any corrupt agreement. *Hovey* v. *Shumway*, 1 Root, 70.

7. Interest not recoverable in an action of book debt by an agreement made more than three years before action was brought. *Smith* v. *Purdy*, 1 Root, 129.

8. Interest allowed upon a *scire facias* against an administrator by special agreement. *Starr* v. *Henshaw*, 1 Root, 242.

9. Interest not allowed on a book debt contracted in New York. *Temple* v. *Belding*, 1 Root, 314.

10. Interest for the delay of the debt by an *audita querela* is not recoverable on the bond. *Smith* v. *Canfield*, 1 Root, 372.

11. Interest allowed on a note not expressed to be on interest. *Dyer* v. *Elderkin*, 1 Root, 412.

12. Interest allowed on an administration bond. *Huntington* v. *Mott*, 1 Root, 423.

13. Interest allowed on the consideration paid for land, in an action for breach of covenant. *Smith* v. *Pilkin*, 2 Root, 46.

14. Interest given in an action of indebtedness for money received. *Hosmer* v. *Barrett*, 2 Root, 156; *S. P. Shipman* v. *Miller*, 2 Root, 405.

15. Interest by our law is allowed on the ground of some contract, express or implied, to pay it, or as damage for the breach of some contract, or the violation of some duty. Per Swift, J., in *Selleck* v. *French*, 1 Conn. 32.

16. Interest will be allowed in all cases where there is an express contract to pay it. *Ibid.*

17. The law will imply a contract to pay interest where such has been the usage of trade or the course of dealings between the parties. Where it is known to be the custom of merchants or others to charge interest on their accounts for goods sold after a certain term of credit, the law will presume the purchaser promised to pay such interest. So where, in accounts, settled interest has been charged and allowed, and the account afterwards continued, it will be presumed that interest was agreed to be paid. *Ibid.*

18. Where there is a written contract to pay money or other things on a day certain, and the contract is broken, then interest is allowed by way of damage for the breach, as in the case of notes and bills of exchange. Though a policy of insurance contains no certain day on which the losses are to be paid, yet interest will be computed from the time the money becomes due. *Ibid.*

19. Where goods are sold and delivered, to be paid for on a day certain, and are charged on book, interest will be allowed after the term of credit has expired. If partial payments are made, interest will be allowed on the balance, though the account is unliquidated. *Ibid.*

20. Where one has received money for the use of another, and it was his duty to pay it over, interest is recoverable for the time of the delay; but if the holder of money for another is guilty of no neglect or delay, he will not be charged with interest. *Ibid.*

21. Where money is obtained by fraud or deceit, and the party injured, waiving the tort, brings his action on the implied promise, interest will be allowed as damages. *Ibid.*

22. Where an account has been liquidated, and the balance ascertained by the parties, interest will be allowed thereon, unless there be some agreement to delay the payment. *Ibid.*

23. Where articles are delivered, or services performed, and charged

on book, and no time of payment agreed on, yet, if it appear from the nature of the transaction that they were to be paid for in a reasonable time, and not to rest on book as a mutual account, then, if payment be unreasonably delayed, interest will be recoverable as damages, though partial payments have been made, and the account has not been liquidated. *Ibid.*

24. But where there are current accounts, founded on mutual dealings, unless there be some promise or usage to pay interest, it will not be allowed. *Ibid.*

25. In an action of book debts, where no mutual dealings were established between the parties, but the advancements were all on the part of the plaintiffs, it not being denied that the debt was due, and the payment unreasonably delayed, the defendant was *held* liable to pay the interest, though the account was not settled, and there was no promise or usage to pay it. *Ibid.*

26. An agent entitled to retain property for his indemnity, although he disposes of it without authority, is not chargeable with interest on the avails of that property during the continuance of his lien. *Thompson* v. *Stewart*, 3 Conn. 171.

27. Interest cannot be allowed by way of damages for the breach of an agreement to convey by deed of warranty certain lots of land on demand, until demand made by the plaintiff, succeeded by the defendant's non-performance. *Wells* v. *Abernethy*, 5 Conn. 222.

28. Where the full amount of the penalty of a bond is found to be due, interest thereon is recoverable. *Lewis* v. *Dwight*, 10 Conn. 96.

29. Where great delay in the adjustment of an account has intervened, not satisfactorily accounted for, interest is recoverable on the balance due. *Russell* v. *Green*, 10 Conn. 269.

30. Mode of computing interest. Rule of Superior Court of 1784 confirmed. *Treat* v. *Stanton*, 14 Conn. 445. (*See* INTEREST, *No.* 3.)

31. A contract for the payment of compound interest, made before the interest sought to be compounded has accrued, is to that extent void, and will not, unless in special cases, be enforced either in law or equity. *Rose* v. *The City of Bridgeport*, 17 Conn. 243.

32. Where a coupon, acknowledging that a certain sum, being half a year's interest on a certain bond, would be due to the bearer on a certain day, was issued, and a suit was brought by the holder to recover the sum specified in such coupon, with interest, after it became due; it was *held*, — 1. That the only obligation to pay either principal or interest arose from the bond; 2. That the action brought was essentially an action on the bond; 3. That the plaintiff was not entitled to recover interest on the sum specified in the coupon after it became due. *Ibid.*

33. If there is an express agreement to pay interest, it may be recovered; but if otherwise, and the interest is merely incidental to the debt, and the latter is paid in full, a recovery for the former is not sustainable. *Canfield* v. *New Milford Eleventh School District*, 19 Conn. 529.

IV. Usury.

1. *In General.*

1. A contract is not within the statute against usury, unless it be for the repayment of a greater value than the thing loaned, besides the advance of six per cent. (Dyer and Pitkin, J. dissenting.) *Hamlin* v. *Fitch*, Kirby, 260.

2. In a loan of final settlement notes, an agreement to secure the repayment of said final settlement at a future day, in notes of the same tenor, date, and value, with the lawful interest, and to give a note for a further sum, in good money, for the loan of said final settlements, is a corrupt agreement, and will render both notes given in pursuance of such agreement usurious and void by the statute. *Fitch* v. *Hamlin*, 1 Root, 110.

3. If a sum is included in an obligation above the principal and interest, by mistake, it is not usury. *Livingston* v. *Bird*, 1 Root, 255.

4. A note for a sum in final settlement notes, and the lawful interest in silver and gold, not usurious. *Patten* v. *Thompson*, 1 Root, 526.

5. Six per cent. interest in specie reserved on a note taken for soldiers' notes, not usurious. *Hobart* v. *Norton*, 2 Root, 46.

6. The including in a note, given as security for an antecedent debt, a fair and reasonable charge for the expenses of the creditor in securing the debt is not usury; and whether such charge was fair and reasonable is a question of fact, to be left to the jury. *Kent* v. *Phelps*, 2 Day, 483.

7. Whether the including *seven per cent.* interest in a note taken in this State, as security for a debt contracted in New York, was a cover for usury, is also a question of fact, to be left to the jury. *Ibid.*

8. A corrupt agreement, in which the minds of the parties meet, is necessary to constitute usury. Therefore, where more than lawful interest was reserved, with the knowledge of the lender, but without the knowledge of the borrower, it was *held*, that the transaction was not usurious. *Smith* v. *Beach*, 3 Day, 268.

9. If a usurious security be given up, and a new security taken for the principal sum due, and legal interest, the latter will be good. *Kilbourn* v. *Bradley*, 3 Day, 356.

10. Where a debt was contracted in the State of New York, carrying seven per cent. interest, and afterwards a security for that debt was taken in this State, including the same rate of interest, both for the time then past since the debt was contracted and for ninety days to come, at the end of which term it was to be paid; it was *held*, that the transaction was not usurious. *Phelps* v. *Kent*, 4 Day, 96.

11. A loans to B $ 800, and as security takes an absolute deed of a piece of land of much greater value than the sum loaned, under a parol agreement that B may redeem the land upon repayment of the loan, with interest at 12 per cent. per annum, and that B shall hold possession of the land, and pay to A $ 48 per annum for the rent; B afterwards executes to A his promissory note for the simple interest of the

money loaned under the name of rent; *held*, that such transaction is usurious, and the note void. *Mitchell* v. *Preston*, 5 Day, 100.

12. A bill of exchange given upon a usurious consideration is void, even in the hands of an indorsee for a valuable consideration, without notice of the usury. *Townsend* v. *Bush*, 1 Conn. 260.

13. In an action by the indorser of a usurious bill of exchange, who was also the payee, against the acceptor, the plaintiff at the time of indorsing it and the defendant at the time of acceptance having no notice of the corrupt agreement, it was *held*, that the plaintiff, who had paid the amount of the bill to an indorsee, could not recover against the defendant either upon the bill or in a count for money paid to the defendant's use. *Ibid.*

14. A, having given a usurious security, paid the amount thereof to B, who was surety for him, and B in consequence of such payment gave his own note to the creditor for the same amount; *held*, that the latter note was not usurious. *Scott* v. *Lewis*, 2 Conn. 132.

15. Where A, being a *bonâ fide* purchaser, for a valuable consideration, of a note infected with usury, given by B to C, gave up that note, and, in consideration thereof, B gave a new one to A for the same amount, it was *held*, that the latter note was not usurious. *Church* v. *Tomlinson*, 2 Conn. 134 (note).

16. The sale of a promissory note indorsed by the seller at a discount exceeding the lawful rate of interest is not in all cases usurious, but is *primâ facie* valid; and it is incumbent on the party claiming it to be usurious, to show the circumstances which bring it within the statute. *Lloyd* v. *Keach*, 2 Conn. 175.

17. A held a promissory note given by B on a usurious consideration, and indorsed by C as surety; B being in failing circumstances, C applied to A for the note, that he might secure it out of B's estate, and offered to give A his own note for it, which was agreed to, and done; *held*, that C's note, so given, was usurious, the transaction being a mere substitution of one security for another, by parties to the original usury. *Botsford* v. *Sanford*, 2 Conn. 276.

18. In such case, C afterwards obtained payment of B's note by a suit thereon against him, and was thereby fully indemnified, in consideration of which he gave a new note to A for the amount. *Held*, that the latter note was not usurious. *Ibid.*

19. In an action *qui tam* for taking usury on a loan of $ 850, secured by a note of $ 950, dated October 2, 1811, the plaintiff offered to prove that in March, 1813, the plaintiff agreed with the defendant to pay, and afterwards did pay, unlawful interest on a balance at that time due on said note; *held*, that such evidence was irrelevant and inadmissible. *Hutchinson* v. *Hosmer*, 2 Conn. 341.

20. A sheriff having demanded payment of an execution in his hand against the defendant, which was nearly out, the defendant made his promissory note payable to the order of a third person, and by him indorsed in blank, and delivered it to the sheriff, contracting with him, that, if the defendant should not pay the execution in ten days, it might be sold in market, or otherwise disposed of, and the avails applied in

payment of the execution. After the expiration of the ten days, the execution remaining unpaid, the sheriff delivered the note in the state in which he received it to the plaintiffs, on their advancing to him a sum of money less than the face of the note by more than the legal interest for the time the note had to run. *Held*, that the note so received by the sheriff was in security of the execution; that he had an interest in it, coupled with a power to sell; and that consequently it was an effective instrument in his hands, and, not being usurious in its original concoction, it did not become so by the subsequent sale to the plaintiff. *Tuttle* v. *Clark*, 4 Conn. 153.

21. 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. *Wales* v. *Webb*, 5 Conn. 154.

22. 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.*

23. But the borrower of money on a usurious consideration may waive the benefit of the statute by making payment; and if he pay the usurious debt to a third person, a new security, given by such third person in consideration thereof, will, in the absence of any contrivance to evade the statute, be valid. *Ibid.*

24. Therefore, where A took the promissory note of B on a usurious consideration, and afterwards, in pursuance of an agreement between them, B substituted the bond of C, procured from C in consideration of B's promising to pay him the amount thereof, which B in fact paid; it was *held*, that this transaction amounted to a voluntary waiver of the statute by B, and that such bond, executed on a new consideration and with no design in any one to evade the statute, was valid. *Ibid.*

25. An absolute deed of land given to secure the repayment of money loaned on usurious interest may, as between the parties to such deed, be avoided by parol proof of the usury. *Reading* v. *Weston*, 7 Conn. 409.

26. But no person, other than the oppressed party to a usurious contract, can avoid such contract on the ground of usury. *Ibid.*

27. Usury may be shown as a defence to a bill of foreclosure. *Cowles* v. *Woodruff*, 8 Conn. 35.

28. Where a note made in 1825, for discount at the Eagle Bank, was discounted by that institution, upon the principle of Rowlett's tables, reckoning sixty days as the sixth of a year, and three days as the tenth of a month; it was *held*, that, whether such note was usurious in its inception or not, the defence of usury (assuming its existence) was taken away by the validating act of 1827. *Savings Bank* v. *Bates*, 8 Conn. 505.

29. Where it was agreed between A, a commission merchant in New York, and B, a country trader, that, on being furnished with a letter of indemnity, A would become responsible to a limited amount, and charge for lending his name if put in funds in time to meet the payment half a per cent., and two and a half per cent. in all cases of advance; and

it appeared that the latter charge was intended by the parties as a fair compensation to A for his trouble in providing for acceptances which it was the duty of B to pay, and not as a cover for a usurious loan; it was *held*, that the commissions charged under such agreement were not usurious. *De Forest* v. *Strong*, 8 Conn. 513.

30. Where the stipulations in an agreement were, that the plaintiff should deposit in the Eagle Bank the sum of $ 3,000, to the credit of the defendant; that in consideration thereof the plaintiff might receive of the bank, for the use and benefit of a particular fund, the dividends which should accrue on $ 3,000 of the stock of the bank, standing in the name of the defendant on the books of the bank, from the time of the next semiannual dividend until the expiration of one year after notice in writing given to the cashier; that the defendant would repay to the plaintiff said sum of $ 3,000, when the defendant should refund said sum accordingly; and further, that the defendant should refund said sum within six months after demand in writing made therefor; after which, and the repayment of said sum, the right of the plaintiff to receive dividends should cease; it was *held*, that, in the absence of any actual intention to evade the statute against usury, the agreement, in connection with the facts, that when it was entered into the market value of Eagle Bank Stock was, and for several years before had been, ten per cent. above par, and that the dividends averaged seven per cent. per annum, was not usurious. *Potter* v. *Yale College*, 8 Conn. 52.

31. An agreement to pay interest on interest which has become due is not usurious. *Camp* v. *Bates*, 11 Conn. 487.

32. The performance of such an agreement is required by natural justice and equity; and its breach is a violation of moral duty. *Ibid.*

33. Therefore, where A gave a promissory note to B, dated the 1st of January, 1829, payable in two years, with annual interest; no payment or demand of payment having been made until the 14th of February, 1832, A and B then came together, and B proposed that the interest on the note should be computed, together with the interest on that interest, up to the 1st of January, 1832, and, such compound interest being added to the principal, a new note should be given for the amount, payable in two years with interest annually from the 1st of January, 1832, and that, on A's compliance with this proposition, B would extend the time of payment of the debt until the 1st of January, 1834; the pecuniary circumstances of A were such at this time that he could not pay the debt without a great sacrifice of property; to prevent which, and also to avoid being arrested for the debt, he acceded to such proposition and gave his note accordingly; in an action on such note, it was *held*, that it was not usurious. *Ibid.*

34. There is a settled distinction between usurious contracts, which are void both in law and equity, and oppressive contracts, which a court of equity will refuse to enforce, or will set aside. *Ibid.*

35. By the settled construction in Pennsylvania of the statute of that State relating to usury, a contract embracing a usurious consideration is not void; and the plaintiff in a suit on such contract may recover the principal, and legal interest. *The Philadelphia Loan Co.* v. *Towner*, 13 Conn. 249.

36. Where a corporation established by the Legislature of Pennsylvania was authorized by its charter to loan money and charge interest thereon at a rate not exceeding six per cent. per annum, it was *held*, that the intention of the Legislature was to place such corporation on the same footing as to usurious contracts as the citizens of that State were under the general law. *Ibid.*

37. Therefore, where a suit on a note given in Pennsylvania to such corporation, as security for a loan of money there made on which usurious interest was taken, was brought in this State, it was *held*, that such note was not void, either by the general law of Pennsylvania, or by reason of the restrictions as to interest in the plaintiffs' charter. (One judge dissenting.) *Ibid.*

38. A contract to receive a reasonable compensation for indorsing the notes of another, payable at banks, is not of itself usurious; though, as such contracts are liable to be perverted to usurious purposes, they are to be viewed with great jealousy. *Beckwith* v. *The Windsor Manufacturing Company*, 14 Conn. 594.

39. In such case, the intent of the parties in making the contract must govern; and that intent is a matter of fact, proper to be submitted to the jury; the court having no rule by which to determine, as matter of *law*, what compensation may be lawful and what usurious. *Ibid.*

40. Where it was agreed between A and B, that A should indorse B's notes, payable at the banks, from time to time, as B should require, for the term of one year, to an amount not exceeding in the whole at any one time $ 15,000, and should also during that time advise B's agent respecting his financial affairs as far as he could consistently with his other engagements; and for his indorsements and services B was to pay him a sum equal to six per cent. per annum on the amount of his indorsements, from the time such notes were given until they should be taken up by B; and it was found that the contract fairly expressed the intention of the parties, that it was not designed by them to be a contract for the loan of money, and that the sum stipulated to be paid to A for his indorsements and services was no more than a fair and reasonable compensation therefor, having reference to the general embarrassments of the country at the time and the kind of security agreed to be given; it was *held*, — 1. That the contract was not upon its face usurious; 2. That the presumption resulting from the terms of the contract, and especially the peculiar manner in which A's remuneration was to be made, that it was designed as a cover for a usurious loan, was repelled by the finding. *Ibid.*

41. If a promissory note be good at its inception and effective in the hands of the payee against the maker, it may be sold by the holder, like any chattel or other chose in action, for such price or rate of discount as the parties may stipulate for, without the imputation of usury. *Belden* v. *Lamb*, 17 Conn. 441.

42. But if the note is made only to raise money upon, and is not to become effective until it is negotiated, the discounting of it at a greater rate than the lawful interest is treated as a loan by the indorsee, and will be considered as *primâ facie* usurious. *Ibid.*

43. The distinction therefore is, with reference to the question of usury, between *business* and *accommodation* paper. *Ibid.*

2. *Evidence.*

1. A defendant may not be a witness to prove his bill of usury. *Payne* v. *Payne*, 1 Root, 367.

2. Usury may be given in evidence under the general issue. *Culver* v. *Robinson*, 3 Day, 68.

3. In such case the defendant must give the plaintiff notice of the defence. *Ibid.*

4. In an action *qui tam* for taking excessive usury, the declaration stated the taking to have been in pursuance of a loan of $ 200 by means of a promissory note, and the evidence was of a loan of $ 200 *and the interest thereon for more than six months*. *Held*, that this was a material variance. *Drake* v. *Watson*, 4 Day, 37.

5. In an action against the indorser of a promissory note, the maker, for whose accommodation the defendant indorsed the note, and who had executed a mortgage deed to the defendant as security, was *held* to be an inadmissible witness for the defendant to support a defence of usury, being interested in the event of the suit. *Cowles* v. *Wilcox*, 4 Day, 108.

6. In an action *qui tam* for usury, the plaintiff alleged a loan by the defendant to A for sixty-three days, and produced in evidence a note executed by A and B, jointly and severally, payable to the defendant in sixty days. *Held*, to be a fatal variance. *Wilmot* v. *Monson*, 4 Day, 114.

7. If the plaintiff in an action *qui tam* for usury sets out specifically the contract on which he alleges the usurious sum to have been received, he must prove the contract precisely as set out. *Ibid.*

8. In pursuance of a corrupt agreement, A loaned a sum of money to B, and took his note, reserving usurious interest, payable in thirty days, and indorsed by C and D as sureties. When this note became due, it was agreed between C and A that A should give it up to C, in consideration of which C would give A his note payable in ninety days and indorsed by D. Afterwards, while the first note remained in the hands of C and the second in the hands of A, both unpaid, it was corruptly agreed between A, B, and C, upon a usurious consideration, that A should give further day of payment for the amount of the second note, to be secured by D's note payable to C and indorsed by C to A, in consideration of which C was to give up the first note to B, and A the second note to C. This arrangement was carried into effect. In an action on the last note, in the name of C against D, the defendant pleaded usury, stating these facts; and it was *held* to be a good defence. *Fields* v. *Gorham*, 4 Day, 251.

9. A party to a negotiable instrument, who is divested of his interest, is a competent witness to show it void in its creation, as being founded on a usurious agreement. *Townsend* v. *Bush*, 1 Conn. 260.

10. Where a second mortgagee, on an application in chancery for a foreclosure, wishing to avoid a prior mortgage, offered evidence of usury

in that mortgage, without having made any allegation of usury in his bill; it was *held*, that the evidence, for want of such allegation, was inadmissible. *Baldwin* v. *Norton*, 2 Conn. 161.

11. The defendant in an action *qui tam* for taking usury, having placed his defence on the ground that the sum received by him beyond the lawful interest was a compensation for time, trouble, and expense in obtaining the money from certain banks, and *running* his notes, offered in evidence sundry notes signed by him payable at the banks specified, corresponding in date and amount with the statement, which, after being discounted at such banks, had been duly paid by the defendant, and were respectively indorsed, "*Paid at the bank*"; *held*, that these notes were admissible, as they conduced to prove the fact on which the defence rested. *Hutchinson* v. *Hosmer*, 2 Conn. 341.

12. To take a compensation exceeding the lawful rate of interest, for obtaining money at a bank on one's own security for the use of another, is not usury. *Ibid.*

13. If such compensation be unreasonable and extravagant, though it will not necessarily contaminate the contract with usury, yet it may furnish evidence of an intent in this way to cover a usurious loan; and whether the transaction is in its nature and design a compensation for time, trouble, and expense, or a cover for usury, is a question of fact, to be submitted to the jury. *Ibid.*

14. In an action on a promise "to pay $88 in current bank-bills such as pass at N. between man and man," to which the defence was usury, the defendant having proved that the consideration was only $80 in specie, the plaintiff to repel this defence offered to prove that such bills, at the date of the contract, were worth ten per cent. less than their nominal amount; it was *held*, that this was a promise to deliver bank-notes, of the specified description, to the nominal amount of $88, and that therefore such evidence was relevant and proper. *Phelps* v. *Riley*, 3 Conn. 266.

15. In an action of ejectment, evidence of usury, in the consideration of a mortgage deed by virtue of which the plaintiff claimed title, was *held* to be admissible, as a defence under the general issue, without notice. *Holton* v. *Button*, 4 Conn. 436.

16. A general notice of usury, without stating therein the facts relied on, in a case in which notice is necessary, is insufficient. *Ibid.*

17. On a complaint of usury, filed by the defendant under the third section of the statute, the defendant himself cannot be examined to prove the facts alleged in such complaint. *Williams* v. *Denison*, 16 Conn. 28.

3. *Remedy.*

1. When usury is pleaded, the plea ought to set forth the principal sum loaned, and the sum included for interest, that it may appear whether the contract be usurious or not. *Clark* v. *Moses*, Kirby, 143.

2. A note obtained by extortion, fraud, or duress is not within the statute of usury to be relieved against by filing a bill in equity. *Ely* v. *Stow*, 1 Root, 115.

3. It is inadmissible for a defendant to file a bill of usury against an obligation after a trial by jury and a new trial granted. *Fleming* v. *Bates*, 1 Root, 129.

4. A bill of usury filed against a mortgage deed on a petition for foreclosure may be received as an answer or a cross-bill. *Watson* v. *Gaylord*, 1 Root, 137.

5. A made his promissory note to B, upon a usurious agreement; B transferred the note to C. In a suit on the note against A in the name of B, A, with full knowledge of the transfer, procured and pleaded the release of B in bar. Whereupon C brought his action against A for the fraud; *held*, that such action was not sustainable, on the ground that the note was usurious. *Bacon* v. *Hills*, 5 Day, 128.

6. The same principle applies to negotiable notes. *Ibid.*

7. In an action against the maker of a promissory note, which was valid in its inception, brought by an indorsee who took it of the payee on a usurious consideration, the defendant may avail himself of such intermediate usury to impeach the plaintiff's title to sue. *Lloyd* v. *Keach*, 2 Conn. 175.

8. The principal sum for which the plaintiff is entitled to judgment in an action on a promissory note, after a bill of usury under the statute filed by the defendant, and a finding in his favor, is the sum justly due on such note, without the allowance of interest on that instrument. *Sheldon* v. *Steere*, 5 Conn. 181.

9. Therefore where A, in 1806, loaned a sum of money to B on usurious interest, secured by B's note, and at the end of each successive year a new note was taken for the amount of the next preceding note, including usurious interest, until 1819, when a new note was taken for the amount of the last note bearing lawful interest; an action being afterwards brought by A on this note, B filed his bill of usury, and the court upon these facts, having expunged all the usurious interest and the lawful interest on the note in suit, rendered judgment for the plaintiff to recover the sum of money originally loaned in 1806, and lawful interest thereon compounded annually until the date of the note in suit; it was *held*, that such judgment was correct. *Ibid.*

IMPORTANT DECISION. — THE BANK TAXATION LAW DECLARED UNCONSTITUTIONAL. — In the Commercial Court, a judgment was rendered by Judge Key in favor of the Lafayette Bank, against Henry Debolt, late Treasurer of Hamilton County, for $12,300.42, being the value of coin seized by the defendant as treasurer to satisfy the taxes imposed by the law of 1851. The cause was submitted to the court upon an agreed statement of facts. Judge Key held that the act establishing the bank, and the subsequent law of 1836, fixed the rate of taxation to which the bank was liable during the life of its charter, — that the act of 1851, imposing a higher rate, and fixing a new basis of taxation other than that contemplated in the charter, was unconstitutional and void, and that the treasurer, although acting in strict pursuance of the statute, was liable, as an individual, for the property seized. — *Cincinnati Atlas, August*, 1852.

A DIGEST

OF THE

DECISIONS OF THE SUPERIOR COURT OF RHODE ISLAND, RELATING TO BANKING, &c.

I. Banks and Banking.

1. (In Equity.) A bank charter contained the following section: "The stockholders of said bank shall be personally and individually liable for all losses, deficiencies, and failures of the capital stock of said bank." *Held*, that this section made the stockholders personally liable to the creditors of the bank for its debts, in proportion to their respective shares in the stock of the same. *Atwood* v. *Rhode Island Agricultural Bank*, 1 R. I. 376.

2. In a petition to the General Assembly, which was acted upon, the stockholders declared the private property of the stockholders holden for the debts of the bank, and also published upon the bills of the bank, "Stockholders' private property holden"; *held*, that these acts were a construction of the charter by the parties themselves, which they could not be permitted afterwards to repudiate. *Ibid.*

3. A liability created by a statute is a specialty, and an action thereon in equity is not barred by the statute of limitations, though not commenced within six years after it has accrued. *Ibid.*

4. Actions against stockholders for the debts of a bank involve complex contributions among the stockholders, and are the proper subject of equity jurisdiction. *Ibid.*

5. Where the receiver, appointed to wind up the affairs of the bank, stated in his answer, that he did not deem it his duty to sue the stockholders on behalf of the creditors, *held*, that the creditors were authorized in commencing their suit against the stockholders without first requesting the receiver to sue them. *Ibid.*

See *Rights and Liabilities of the Different Parties*, 2.

II. Bills of Exchange and Promissory Notes.

1. *Construction.*

1. The figures in the margin of a bill of exchange are merely an index for convenience of reference, and form no part of the bill, and an alteration in them, without the consent of the drawer, making them conform with the body of the instrument, does not vitiate the bill. *Smith* v. *Smith*, 1 R. I. 398.

2. A bill drawn in one State upon a resident of another is a foreign bill. *Aborn* v. *Bosworth*, 1 R. I. 401.

2. *When a Discharge of the Original Cause of Action.*

1. If a debtor gives and a creditor receives, in full satisfaction of the debt, the note of a third person for a smaller sum than the amount of the debt, it is a valid discharge. *Smith* v. *Ballou*, 1 R. I. 496.

2. Parol evidence is admissible to show what was the real nature of the transaction to which the words of a receipt apply, and explain their meaning. *Ibid.*

3. *Presentment, Demand, and Notice.*

1. Notice of non-payment by the maker is not necessary to charge a surety, who signed his name in blank upon a note at the time it was made. *Matthewson* v. *Sprague*, 1 R. I. 8.

2. The fact that a bill is lost is an excuse for delay in making a demand upon the drawee, but for no more than reasonable delay. *Aborn* v. *Bosworth*, 1 R. I. 401.

4. *Protest.*

1. The notarial protest and certificate is the proper evidence, all the world over, of demand and notice of payment upon a foreign bill. Green, C. J. in *Aborn* v. *Bosworth*, 1 R. I. 403

5. *Rights and Liabilities of the Different Parties.*

1. A person who signs his name in blank on the back of a promissory note, at the same time that the principal signs it, is a surety by the laws of Rhode Island. *Matthewson* v. *Sprague*, 1 R. I. 8.

2. (In Equity.) Where there is a provision in a bank charter, "that the stock of each stockholder shall at all times be pledged and liable for the payment of any debt (other than an original instalment) due, or owing, from said stockholder to the bank; and may be sold, or so many shares thereof as shall be necessary, at public auction, for such debt, on default of payment thereof"; *held*, that this provision was not adopted with the view to secure *indorsers* or sureties; though unquestionably they may be entitled to relief against *abuse* of the power which it confers. *Cross* v. *Phenix Bank*, 1 R. I. 39.

3. Where a person, whose signature is forged to a promissory note,

upon being asked by one who afterwards purchases it if he shall purchase, tells him that he may, or where, after purchase, when the note falls due, he promises to settle it, he cannot afterwards excuse himself from paying it on the ground that it is a forgery. *Crout* v. *De Wolf*, 1 R. I. 393.

4. If a person whose signature is forged treats the forged notes as valid, and thereby leads the community to believe that the forger has authority to draw notes in his name, he will be bound to pay similar notes purchased by one who is deceived by his conduct. *Ibid.*

5. Where the person whose signature is forged promises the forger to pay the note, this amounts to a ratification of the signature, and binds him. *Ibid.*

6. The failure on the part of the holder to have a foreign bill protested for non-payment is a discharge of the drawer, unless the drawer had no funds in the hands of the drawee, and no authority to draw. *Aborn* v. *Bosworth*, 1 R. I. 401.

6. *Actions on Bills and Notes.*

1. In an assumpsit upon a promissory note, where the plea was "that the cause of action did not accrue to the plaintiff at any time within six years next before the commencement of the plaintiff's action," *held*, that the issuing of the writ is the commencement of an action. *Hail* v. *Spencer*, 1 R. I. 17.

2. Nothing but an express promise, or that from which a new promise can be clearly inferred, will take a demand out of the statute of limitations. Per Durfee, C. J., in *Read* v. *Johnson*, 1 R. I. 81.

3. Where, in an assumpsit upon a note, the defendant pleads the statute of limitations, and the plaintiff replies a new promise, *held*, that a deed of assignment made by a debtor for the payment of certain debts, and for the payment of his debts generally, and partial payment made by the assignee to a creditor, is not sufficient evidence of a new promise to avoid the statute of limitations. *Ibid.*

4. In an action of assumpsit upon a note, *held*, that a payment and compromise made by any one copartner, as provided by the "Act for the relief of partners and joint debtors," after the dissolution of the partnership, are wholly on his own individual account, and is not such an acknowledgment of indebtedness as will bind the other copartners in reference to the statute of limitations. *Turner* v. *Ross*, 1 R. I. 88.

5. As a general rule, a partial payment, made by one of several joint promisors, is necessarily a payment for the benefit of all, and is a renewal of the original promise, as against all. *Ibid.*

6. A certificate of discharge under the bankrupt law, unless impeached for fraud, is an absolute discharge of a preëxisting debt, and is a good defence to an action on a note if the debt is not revived by a new promise. *Harrison* v. *Peck*, 1 R. I. 262.

7. In an action on a promissory note, the defendants have not a right to plead as set-off the part performance of their written contract to build a house for the plaintiff at a stipulated price, on such

proof of a breach of said contract by the plaintiff as would excuse the defendants from its entire performance. *Smith* v. *Eddy*, 1 R. I. 476.

8. Where, in an action upon a note, it appeared in evidence that the defendant said to the plaintiff's wife, "You need not be concerned, I calculate to pay you all I owe you within a year," *held*, that, if these words were any thing, they constituted a promise to pay at the end of a year, and that, when a person makes a qualified acknowledgment of a debt barred by the statute, it must be taken with its qualifications. *Shaw* v. *Newell*, 1 R. I. 488.

7. *Pleadings and Evidence.*

1. Where the marginal figures differ from the body of a bill, evidence is not admissible to show that the bill was negotiated for the value expressed by the marginal figures, and not for the value expressed in the body of the bill. *Smith* v. *Smith*, 1 R. I. 398.

2. In an action upon a lost bill of exchange, the plaintiff may put in his own affidavit to prove the loss. *Aborn* v. *Bosworth*, 1 R. I. 401.

3. The holder is not entitled to recover upon a lost bill, without first proving that the bill was destroyed, or unindorsed, or so indorsed that no third party could recover upon it. *Ibid.*

See *When a Discharge of the Original Cause of Action*, 2.

III. Interest.

1. (In Equity.) Interest at the end of every month may be charged and recovered, if such be the contract, although the principal may not be due. *Sessions* v. *Richmond*, 1 R. I. 298.

2. Interest may be recovered upon the penalty of a bond from the time it was demanded. *Wolcott* v. *Harris*, 1 R. I. 404.

IV. Usury.

1. It is the interest of the parties that taints a contract with usury, and not the mere words in which that contract is expressed. *Daniels* v. *Mowrey*, 1 R. I. 151.

2. (In Equity.) Rent will not be considered a cover for usury, unless it be so excessive that, taken in connection with other facts, it affords a presumption that such is the interest. *Sessions* v. *Richmond*, 1 R. I. 298.

3. (In Equity.) The second section of the "Act fixing the rate of legal interest," which makes the parties, upon a special plea of usury, legal witnesses, is as applicable to suits in equity as at law. *Ibid.*

FREE BANKING IN THE UNITED STATES.

By W. Logan McKnight.

From De Bow's Review of the Southern and Western States.

It is our purpose, in this and its succeeding articles, to discuss the subject of Free Banking. Our inquiry will be directed first to banking in general, and lastly to that system which obtains in the State of New York, and is now proposed for adoption in the State of Louisiana. Whilst we will attempt no formal defence of the banking laws of Louisiana now in operation, we will, as fairly as possible, meet all the arguments urged in favor of the New York system, and endeavor to prove it faulty in its nature, and ill adapted to the wants of our condition.

To facilitate our inquiry, we will examine, as briefly as possible, the system of a paper currency, and deduce therefrom such principles as may test the soundness of the schemes which are proposed for our adoption.

As words often mislead, and have been well called "the counters of wise men, but the money of fools," we will, without delay, fix the meaning of the words which head our article.

Free Banking is a taking phrase, and well adapted to the popular ear, but its meaning is entirely technical; and when the words are used, that system only is referred to which has, for the basis and guarantee of its circulation, municipal, State, or national stocks. Under this classification, there may be a multitude of varieties, but it is not now our business to examine their details. The existence of this system necessarily implies a national, State, or municipal debt of considerable extent. Without such debt, no stock would exist; and in its proper place we will discuss the propriety of making State or municipal credits the basis of our medium of exchange. We will only add in this connection, that the extent of such debt is the measure of free banking, and that prosperous and debt-paying States can alone furnish a suitable basis for such currency; else the circulation and capital of the banks will be as uncertain as its basis, and will prove as unfit a medium of currency as the promissory notes of private individuals.

We will make our inquiry still easier if we go at some length into the nature of banks in general, and, from the history and experience of the past, eliminate such general truths as may guide us in coming discussions.

By the general term *banks*, we of course allude to those institutions which receive deposits, discount notes, and issue paper money.

Important as all their functions are, the last named is far the most potent. Although banks of mere discount and deposit may wield immense power through the agency of bills of exchange and the use of large deposits, yet their evils are few, and their abuses and benefits confined to classes purely commercial. Far more extensive are the powers of banks of issue. Their operations touch every branch of industry,

and, either for weal or woe, most sensibly affect the great producing and laboring classes of the community.

What is then a bank-note?

For simple as the question may appear, its answer deserves to be constantly remembered by us. So much are men led away by the mere forms of life, that it is often important for us to call to mind the simple but fundamental and primary, truths which lie beneath the mere exterior of society.

Trite as the truth is, we must in this discussion unceasingly remember that paper money is nothing but a loan from the public to the bank which issues it. They are mere substitutes for money, and bear no higher relation to the public wealth than individual promissory notes.

So far and so long as the public receives them in exchange for their products, so far and so long is the loan made to the banks. We do not deny to banks invaluable service to the commercial community. But such institutions can no more create money than the mill which converts rags into paper.

Their great uses are found in affording simple and convenient modes of paying and collecting money, in aiding business-men to anticipate the maturity of their credit sales, and in furnishing a portable and convenient medium for the exchange of commodities. Their functions are no higher, and all the complicated movements attending their operations are foreign to their essential nature.

Another fruitful source of popular error here stares us in the face. It is the supposed influence of banks on credit. The earnest advocates of these institutions generally commence by an exaggerated statement of the benefits resulting to individuals and nations from the greatest possible extension of credit. Assuming that the banking system is the one most likely to effect this object, they forthwith declare it the *credit system*, and denounce any attempt to reform its abuses as a war upon credit itself. It is hardly necessary to disprove such statements. For it is not true that individuals or nations are benefited by the greatest possible extension of credit.

Credit may be pushed to an excess which generates extravagance and wild speculation, results that bear with them, as we of the South know too well, a train of the most disastrous consequences.

It is not true, as is often urged by the friends of this system, that the great prosperity of the United States has been owing to the principle of credit.

Labor is the only ultimate source of the wealth, and, we may add, the welfare of nations. It has been well called "the massy Doric" which sustains the fabric of society.* The secret of our national success is the steady, resolute, persevering, indefatigable, self-denying labor, performed for the first time in the history of the world, for their own account, by the whole population of a great country.

The favorite topics of our fathers were not the advantages of getting credit, but of industry, economy, temperance, and freedom from debt.

* Mackintosh.

Credit, absolutely viewed, is a good thing; but every transaction that brings it into operation generates an element of directly opposite character.

There are two parties to all transactions of credit. If one gives credit, the other gets into debt. Now debt, absolutely viewed, is a bad thing, and it is only by comparing the results of the operation as viewed under both of these aspects, that we can decide whether it will prove beneficial or otherwise. Credit is, therefore, far from being an unmixed good. We may have too much of it; and the only way of assuring ourselves that we are within the proper limits is to follow the dictates and laws of nature.

If a man have sufficient confidence in his neighbor to trust him with *real* capital, the credit will no doubt be beneficial to both parties. But where credit is artificially stimulated by law, — where companies are incorporated for the express purpose of making loans, and virtually supplied by the state with unlimited amounts of fictitious capital, to be employed in this way, it is apparent that the principle will and must be pushed to ruinous excess.

Having thus attempted to divest banking of some of those errors which cluster around it, and wellnigh conceal the true character of the fabric, let us now ascertain what are the requisites to a sound paper currency.

The first essential of sound banking is, that its paper shall be instantly, and on demand, convertible into the money it professes to represent. We had almost pronounced this an axiom in banking. But unfortunately the disasters of 1836 and 1840, recent as they are, have failed to impress this truth deeply on our minds. Already we hear of schemes advocating inconvertible and irredeemable paper money, based on the landed property of the State. It is true that they are mere theories, and ever may they remain such.

All men are forced to acknowledge the salutary check which specie payment imposes on a system whose worst feature is its constant tendency to excess.

Legislatures have in vain enacted penal clauses to prevent mismanagement of banks.

In vain have they attempted a supervisory control over them, through boards of currency and examining committees.

All such expedients, good enough as far as they go, utterly fail to guarantee to us a sound paper currency.

The ingenuity of man is superior to the restraints of law; and where interest impels, legal hindrances are mere cobwebs in the path of the adroit. "To drive a coach and four through a bill in chancery" is not easier than to drive one through a banking law.

Instant convertibility to specie is therefore vitally important in securing a sound paper currency. Gold and silver are mighty conservators in our world of commerce, acting as comptrollers over the evil and radical tendencies which always attend banking in this country. No wonder, then, that their importance is greatly exaggerated, and their exportation viewed as a national calamity.

Lest we may be thought to have the taint of such exaggeration, we will close this article with some inquiry into the relation borne by the precious metals to other articles of value, and in what consists their superiority as a medium of exchange.

It is clear that gold and silver, whilst they have in themselves an inherent value, are not desired by the tradesman, the laborer, and the merchant for such innate worth. Their value is twofold. First, like corn, tobacco, and cotton, they are worth precisely the cost and trouble of their production. If the miner and capitalist did not get a just return for their labor and capital in the price of the ore, they would at once abandon its production, until a decrease of supply enabled them to obtain a fair remuneration for their toil and outlay. Thus far the precious metals differ in no wise from corn or tobacco; and either of these two commodities might be, and in fact have been, employed in the same functions as gold and silver. But custom and convenience have found the precious metals the best instrument of exchange. In illustration and support of this view, we quote at length from one of the ablest politico-economical writers of the day: —

"On the whole, no commodities are so little exposed to causes of variation. They are more constant than almost any other things in their cost of production; and from their durability, the total quantity in existence is at all times so great in proportion to the annual supply, that the effect on value even of a change in the cost of production is not sudden. Gold and silver are more fit than any other commodities to be the subject of engagements for receiving or paying a given quantity at some distant period. If the engagement were made in corn, a failure of crops might increase the burden of payment in one year to fourfold what was intended; or an exuberant harvest might sink it in another to one fourth. If stipulated in cloth, some manufacturing invention might permanently reduce the payment to a tenth of its original value.

"The thing which people would select to keep by them for making purchases must be one which, besides being divisible and generally desired, does not deteriorate by keeping. This reduces the choice to a small number of articles.

"In order that the value of the currency may be secured from being altered by design, and may be as little as possible liable to fluctuation from accident, the articles least liable of all known commodities to vary in their value, the precious metals, have been made in all civilized countries the standard of value for the circulating medium; and no paper currency ought to exist, of which the value cannot be made to conform to theirs." *

PART II.

Let no one imagine that the specie-convertibility of paper money is a subject which needs no discussion. The crudest notions still prevail on

* Mill's Political Economy, Vol. I.

this topic, and ideas are now boldly announced, which we have heretofore considered obsolete and absurd. With all the admonitions of the past, we soon forget its lessons.

The specie payment of paper money has been placed by us at the very head of the requisites for sound banking. And yet we constantly hear of projects of new systems dispensing with this, and making other tests of security for paper money. Perhaps an inconvertible paper might be sustained without any great public detriment, if ours were a nation without any foreign commerce. Then such notes would act as mere signs of value. But such a currency could have no existence beyond our own limits.

Its effect would be to degrade the precious metals to such an extent, that they would seek other and more profitable fields of employment. Our commerce would then, instead of being borne along in the plain old roads it had formerly frequented, be suspended aloft, in the language of Adam Smith, by the "Dædalian wings of a paper currency."

The circulating medium of a commercial community must be one which will also circulate in other communities, or can be converted into such medium without material loss. The difference of currencies should not be represented by much more than the expense and risk of transporting the specie itself. Every item beyond that is a needless tax on the labor and capital of the community, and is stealthily but surely draining away the productive power of the nation. The circulating medium must not merely pass in the receipts and payments of the individuals of the same society and state; it must be something which has a value abroad, as well as at home, which will satisfy both foreign and domestic debts.

Gold and silver alone fulfil this duty. They alone are, therefore, money, and whatever else purports to represent them must be convertible into them at will. So long as bank paper retains this quality, it is a substitute for money; strip it of this attribute, and nothing can restore its character. No sufficiency of assets, no unbounded fields of land, no solidity of stocks, no confidence in ultimate solvency, has ever enabled banks to keep their paper equal to gold and silver any longer than they paid their notes in specie on demand.

We are strangely unmindful of the past, when we conceive of any thing but a convertible paper as sufficient for the circulating medium of the community. Not even the Bank of England, with all her wealth, was enabled to maintain her notes at par, when the suspension of 1797 took place. Notwithstanding that that institution enjoyed the entire confidence of the community, that it was rich and powerful, and was the great government agent in the collection and distribution of its immense revenues; yet, in 1801, her bills were at a discount of seven per cent. And although a resolution was passed by the House of Commons in 1811, declaring that "the promissory notes of the Bank of England had hitherto been, and were then held to be, in public estimation, equal to the legal coin of the realm," still, in spite of all this, those notes depreciated ten, then twenty, and finally twenty-five per cent.

How any one can, in the face of such facts, advocate a system hav-

ing any other basis of circulation than gold and silver, seems almost incredible. And yet, at this very moment, one of our ablest journals is filled with essays favoring real-estate banks, and deriding the specie-paying currency as unworthy the progressive spirit of the age.* The spirit of John Law appears to be revisiting us. To him belongs the credit of the conception of making the property and real estate of the nation the basis of paper money and the measure of its issue. With what effect, history can best answer.

"Banks," said Mr. Webster, "are the props of national wealth and industry, not the foundations of them. They are useful to the state in their proper place and sphere, but they are not sources of national income. The fountains of revenue must be sunk deeper. The credit and circulation of bank paper are the effects rather than the causes of a profitable commerce and a well-ordered system of finance. Whoever shall attempt to restore the fallen credit of this country by the creation of new banks, merely that they may create new paper, and that government may have a chance of borrowing where it has not borrowed before, will find himself miserably deceived."

Would that every delegate to the Constitutional Convention of Louisiana might weigh well these words of wisdom!

But paper money is not merely to be restricted by being convertible to gold and silver.

It is not enough to secure your circulation, but you must confine its issue by some known and steady standard. It is plain that the money value of commodities will be materially affected, if the currency were suddenly expanded one third or one fourth more than its former amount. A derangement of relative prices will at once occur; goods already imported will become dear, and high prices as speedily check exports and encourage imports. It is true, that the regular and unerring laws of nature — which, after all, overrule all the minor machinery of the world of commerce — would, in time, check this sudden inflation of prices; but the mischief will have then been committed, and escape will be impossible. Prosperity in its full tide always carries us beyond the point of reason and discretion. It is only when the ebbing wave forewarns us, that we are convinced of the futility of our plans, and with equal heedlessness we are wont to fly from the impending calamity.

It is not enough, then, to make paper money convertible into specie. But the whole currency must vary in amount and value, exactly as a metallic currency would, were the paper withdrawn, and coins substituted in its stead.

In the very year just past, we witnessed the evil of such expansion. An inflated circulation prevailed in all the Northern and Western banks; under its exhilarating influence speculation ran rife, and prices advanced. Suddenly the reaction took place, prices tottered, and the panic-stricken banks commenced curtailing their discounts and contracting their issues, — thus defeating one of the great purposes of their creation, viz. the assistance of individual enterprise and labor, when distrust and suspicion

* Hunt's Merchants' Magazine.

diverted from them the floating capital of the country. That such a system has in it inherent evil, we believe no one can deny. Such an alternation of expansion during times of prosperity, and contraction during the consequent period of depression and recoil, has been well likened in its effect to an intermittent fever. The patient public, now suffering from a hot and anon from a cold fit, realizes, though faintly, the punishment allotted to the damned by the poet: —

> "And feel by turns the bitter change
> Of fierce extremes, — extremes by *change* more fierce,
> From beds of raging fire, to starve in ice
> Their soft ethereal warmth."

To guard against such extremes in the circulation of the Bank of England, Sir Robert Peel proposed, and carried through, the act of 1844, which regulates the issues of that institution by the influx and outflow of bullion.

It has frequently been urged, that an increase of currency has a quickening influence on the industry of a country.

This doctrine, first enunciated by Mr. Hume, has received such complete refutation at the hands of Adam Smith and Mill, as to render superfluous any remarks on it here. We only mention it, that those who now lean towards it may know that it is an exploded opinion, falsified by the history of every paper-money mania which has ever existed.

The next requisite of sound banking is the limitation of its issues to sums not under five or ten dollars. The general wisdom of this provision is commonly acknowledged, although practised in but few States. In the ordinary working of the banking system, few provisions are more important. Without it, the country will be inevitably deluged with that species of notes, opprobriously termed "Shin-plasters." Every item of change will be banished from the minor channels of trade; and in case of suspensions and failures, which, in spite of all precautions, will often occur, the loss will fall most grievously on that class least able to bear it. Let any one travel in the Western or Northern States, and our remarks will be strongly confirmed by his experience of the every-day currency which meets him at the hotel, the steamboat, the railway, and the retail shops. Notes of ten dollars are scarcely used in circulation. Specie of every kind is nearly expelled from use. The little which circulates is of a smooth and clipped coin, worth three or four per cent. less than it passes for. This species of paper circulation is highly profitable, and all banks endeavor to retain it. Some idea of the profits, made on various denominations of notes, may be formed by the following figures, showing the time and amount of circulation of notes of the Bank of England in the October quarter of 1847: —

	Amount.	*Average Days in Circulation.*
£5	£5,816,000	74.0
10	3,759,000	73.6
20	1,398,000	54 3
100	2,294,000	26.2
1,000	2,921,000	7.3

We here see, that, at but three per cent. interest, a profit of near

£ 40,000 is made on the £ 5 notes, whilst on the £ 20 notes the profit is but £ 6,000, and on the £ 1,000 notes but £ 1,500. And if such is the disparity in profits of her circulation, how immense must it be in the United States, where the use of bills under five dollars almost supersedes the use of specie from what we have called the minor channels of trade. As a general rule, we may look for the prevalence of this circulation where specie is scarce, and for an abundance of coin where the issues are not for small amounts.*

Nor is it sufficient to have such small-note circulation "specie-paying." It being the cheapest currency will at once throw it in the market, to the prejudice of the gold and silver change.

An incidental evil which attends a small-note currency is its great liability to being counterfeited and mutilated. Forgery may, without stretch of language, be said to revel in such small and contracted issues. Their circulation being chiefly amongst the innocent and ignorant laborers and trades-people, counterfeits are not easily detected by them. And in this wise, the greatest nuisance of a paper currency is inflicted on those who are least able to bear it. A prohibition of the issue of small notes by banks, we believe to be more highly conservative in its effect than all the boards of currency, bank commissioners, and legislative committees of inquiry ever convened.

The last requisite we shall enumerate, as needful to sound banking, is the personal responsibility of the directors or stockholders of such institutions for any loss that may occur.

We know there are many minor plans of checking abuses in banks. Boards of currency, supervisory committees, limitations of issue by an arbitrary standard of one dollar in specie for three dollars in paper,—these and a host of other stays, checks, curbs, and guards, of very respectable character and much pretension, we pass over entirely. They are quite good in their place, but never yet could they protect the public from most disastrous imposition. They are continually evaded, and the public is never made conscious of their worthlessness until the bubble has burst, the failure has occurred, and the paper wealth is scattered to the winds. The idea of making stockholders, or directors, pecuniarily responsible for the shortcomings of their banks, will sound very radical to many. It will be conceived as utterly subversive of all joint-stock banks, and will be declared utterly impracticable. But let us pause, and inquire what is demanded of the stockholders, and what is given in return. A, B, C, and D are partners in business, under the style of the Bank of E. They have mutually participated in the transactions of this bank; they have, perhaps, aided in directing its affairs, and reaped all the benefits derived from being employed in its management. These partners have, from time to time, been called on to examine the affairs of their joint firm, or bank; they have elected their officers; they have declared publicly the amount of their profits, and they have pocketed those profits. Such are their relations to the joint

* The banks of Louisiana are cases in point. Having no small notes, their circulation is but $ 4,000,000, whilst their coin is $ 7,000,000.

concern, or bank. Now, what has the public done for them? It has allowed them to exercise that almost regal privilege of making their promissory notes the money of the land. Their bills have been circulated in the exchange of products, and have been invested by the community with all the attributes of real and tangible value. Could a more magnificent boon be given to any set of men? With it they have the purse of Fortunatus almost made real, for their coffers are never exhausted by the outpouring of their real possessions.

Is it, then, asking too much of these partners, in return for such munificent endowments, that they shall make good any losses to which their joint firm may subject the community? Theirs have been the profits and patronage. Theirs was the privilege and duty of seeing that the bank was pursuing a safe and discreet line of policy. In other occupations, partners are subjected to losses by such errors as they make in the management of their affairs. They are compelled, too, to make good losses incurred through the malpractices of their associates and agents. Why, then, make the distinction in the pursuit of banking?

The principle has been practised on in Scotland for nearly thirty years, and has, as much as any thing else, tended to impart that efficiency and prudence which have eminently distinguished the Scotch banks.

Since 1826, there have been nearly 50 banks established in that kingdom, each having numerous branches. In 1848 there were, of these 50 banks, 18 banks of issue in full operation, having in the aggregate 14,235 partners or shareholders, 400 branches, and employing a paid-up capital of over $ 50,000,000.* With a few exceptions, these banks were conducted on the principle of personal responsibility of the stockholders for all obligations made. They have declared an annual average dividend of nearly 7 per cent., and their stock is generally at a premium of nearly 40 per cent. In one instance, the enhancement of stock is so enormous, as to be worthy of notice. An original share of £ 150 of the Aberdeen Banking Co., established in 1767, is now (1848) worth no less than £ 2,500.

Such figures are the best arguments we can adduce, in favor of the personal liability of stockholders. If Scotch banking, with this principle engrafted on it, prove so profitable as to raise its stock immensely above its par value, can we doubt its efficacy as applied to the still more profitable banking prevalent in this country? But the history of these banks furnishes a still stronger argument in their favor. From 1826 to 1848, a period involving the greatest commercial crises and pecuniary embarrassments, there were only six failures amongst the banks of Scotland, and three of these afterwards paid up in full. We challenge any other banking system to produce similar results.

Having now stated some general rules to guide us in our inquiry into the subject of banking, let us proceed at once to examine the free banking system itself.

The New York law presents us with the experiment in its best per-

* McCulloch on Banking.

fected and most approved form, and we will give but a passing notice to the schemes which obtain in other States. The constitution of New York wisely leaves the details of the banking system to the Legislature, and only confines its action by general clauses, to most of which we see no reasonable ground of objection. For our opposition is not to banks in general, or to free banking (using the words in no technical sense) in particular. We do not hesitate to say that the present condition of banking in Louisiana is faulty, and should be changed, and that speedily. After giving all due security against the evils we have referred to, we think the system should be left open to all who are willing to embark their capital in it. But it is as a friend of the proposed reform, sincerely wishing it God-speed, that we deprecate the evils we believe to be inherent in the New York system.

It is not necessary to give the details of that plan. The banking laws of New York, in some shape, are accessible to every one.

Our first remark is, that a power almost despotic is given to the superintendent of the banking department. This important officer receives his appointment from the Governor for the term of three years. He has, by law, the entire control of the seals and plates used in the engraving of bank paper. He can withhold notes if he does not deem the security deposited as sufficient, or if he considers that already accepted as an inadequate guarantee of previous circulation. He has power to tax, in such proportions "as he shall deem just and reasonable," the various banks of the country for the expense of sustaining his office. He has the power to examine the books and papers of any banks he may think unsafe, or the correctness of whose reports he may have reason to doubt. In fine, this is an officer irresponsible to the people, because appointed by the Governor, who holds in his hands, not the keys of the treasury of the government, but of the currency of the land, — who has power to make and unmake, to tax and coerce; to sit in inquisitorial power, and to condemn to a fate and punishment, surpassed only by the punishment of the Inquisition itself, every banking institution in the State. For, great as is the power of this superintendent in making banks and issuing money, and judging security, still greater is his power to unmake these institutions. In him is vested the right to sell all the mortgages and stocks deposited by the banks. With him have the note-holders to deal to get their *pro rata* of security, and in his integrity does the public rely for the soundness of the money they circulate. We need not describe how the law may be evaded by him, if he is so disposed. It is sufficient to know that it is human, and the temptations to violate it innumerable. Such one-man power is assuredly dangerous to the public welfare; and yet it is but the least objection to this system. Any one familiar with banking, knowing the immense power it wields, its means of influence and corruption, will pronounce this duty as beset with imminent peril to the community. Let a feud spring up between the superintendent and some of the banks, or let high political excitement prevail, and these moneyed institutions will either become instruments of vengeance or of bribery in the hands of intriguing politicians. It is in the power of this superintendent in one month to stop scores of the banks, to plunge the

community into a sea of the wildest speculation, from which it will only emerge a bankrupt and disabled wreck.

Thus far, New York has been fortunate in its comptrollers and superintendents, and no such disasters have yet occurred. Indeed, she has been still more fortunate in having a period of unexampled prosperity in which to try the scheme of free banking. There has been no dreadful crisis to test the temper and strength of these institutions. But will she be always as fortunate? Is it wise to subject the labor and capital of the State to such dangerous risks? We are not called to prepare a mere fair-weather system, but one that will stand the severest trial, and outride the most fearful storm. It is in the hour of danger that a sound bank is valuable. In prosperity, all are good enough, and as with individuals, so with them, credit gets cheap and money goes begging. But when the cloud gathers up, the prudent and frugal, the laborer and artisan, the widow and orphan, seek shelter in the stanchest institution they can find.

But the power of the comptroller or superintendent may be exercised in a still more prejudicial manner; not indeed by befriending the banks, but by attempting to crush a part of them, — by arraying against a particular class the prejudices and hostility of party. The bare mention of the danger recalls to mind the disgraceful scenes enacted in many of the States in 1838 and 1839. The dominant party, indulging bitter enmity against the management of some particular banks, would set to work to break them down. The banks in turn, endeavoring to counteract such attempts, would set to work to break down the party. And thus a struggle commenced, which must end in the ruin of credit and commerce.

The memory of every one will supply the details of such a contest. How prostrate and desolate such struggles leave the monetary world, let the history of 1837 to 1840 tell!

Will Louisiana, then, intrust such despotic power over her commerce and prosperity to any one? It is utterly at war with all our sentiments and instincts, and can hardly find a foothold in our State.

The next objection to the New York system is found in the nature of the security given. The propriety of making the State or national debt the basis of currency involves the vastest considerations, and will be reserved for our next article.

Good Breeding. — Of Count D'Orsay the *London Chronicle* says: — "He was the best-bred man we ever knew; and good breeding of the highest order is not to be acquired by study, like an art. *Its perfection consists in never giving pain, either from ignorance or designedly.* It therefore requires the most exquisite fineness of perception to discover what is pleasing or displeasing to others, and the most imperturbable good nature to turn the discovery to good account, so as to diffuse agreeable emotions and promote friendly feelings. It was D'Orsay's unceasing aim to make every one at home and at their ease; and he was always sure to address his conversation, naturally and unaffectedly, to any shy and embarrassed member of the company, till he saw that any passing awkwardness or embarrassment was at an end."

PROGRESS OF THE MANUFACTURE OF COTTON

DURING THE LAST AND PRESENT CENTURIES.

1. *Manufacture in the Seventeenth Century.* 2. *The Spinning-Jenny.* 3. *Cotton Yarn.* 4. *Cotton Cloth.* 5. *Power Looms.*

FROM A LECTURE DELIVERED AT THE MANCHESTER MECHANICS' INSTITUTION, ENGLAND, BY W. FAIRBURN, ESQ.

If we take — I will not say a statistical — but a cursory view of the recent position of Manchester and the surrounding districts, and compare it with what it was at the close of the last and the commencement of the present century, we shall find that at that period the useful and industrial arts were comparatively of little importance. We shall also find that the germs of a new, and, above all others, an important branch of manufacturing industry, were springing into existence. I have no returns of the state of our manufacturing industry at that period, but the writings of one of our earliest and most intelligent spinners, to whom this country is indebted for many improvements in machinery, Mr. John Kennedy, informs us that the spinning of cotton yarn antecedent to the year 1798 was of an exceedingly limited description.

That gentleman, in his account of the rise and progress of the trade, states that the hand-loom, as a machine, remained stationary for a great number of years, without any attempts at improvements until 1750, when Mr. John Kay of Bolton first introduced the fly-shuttle, and that the spinning of cotton yarn from that period, and for many years previous, was almost entirely performed by the family of the manufacturer at his own house. This united and simple process went on till it was found necessary to divide their labors, and to separate the weaving from the spinning, and that again from the carding and other preparatory processes. This division of labor, as Mr. Kennedy truly says, led to improvements in the carding and spinning, "by first introducing simple improvements in the hand instruments, with which they performed these operations, till at length they arrived at a machine which, though rude and ill-constructed, enabled them considerably to increase their produce." Thus it was that improvements and the division of labor first led to the factory system, and that splendid and extensive process which at the present moment, and for years to come, will affect the destinies of nations.

Spinning-Jenny. — From 1750 to 1770, when Mr. Hargreaves, of Blackburn, first introduced his spinning-jenny (by means of which a young person could work from ten to twenty spindles instead of one), there was little or no change; but a very material alteration took place shortly after the introduction of these improvements, which were immediately followed by Mr. Arkwright's machinery for carding and roving. These, accompanied by the introduction of Mr. Crompton's mule, in 1780, may be justly considered the origin of the factory system, which has now grown to such colossal dimensions, as to render it one of the

most important and most extensive systems of manufacture ever known in the history of ancient or modern times. Mr. Arkwright built his first mill in Cromford, in Derbyshire, in 1771. It was driven by water; but it was not till 1790, or some time after, when the steam-engine of Watt came into use, that the cotton trade advanced at such an accelerated speed as to render its increase and present magnitude almost beyond conception. This immense extension is not only a subject of deep interest to the philosopher and statesman, but one which is likely to furnish a large field of observation for the future historian of his country.

Cotton Yarn. — I will not trouble you with the statistics of the cotton trade, as it now exists, but simply observe, — as many of you are doubtless better informed on this subject than myself, — that I am within the mark when I state that not less than 31,500 bales of cotton are consumed weekly in the two kingdoms, England and Scotland; that nearly 21,000,000 spindles are almost constantly in motion, spinning upwards of 105,000,000 hanks, or 50,000,000 miles of yarn per day, — in length sufficient to circumscribe the globe 2,000 times. Out of this immense production, about 131,000,000 yards of yarn are exported; the remainder is converted into cloth, lace, and other textile fabrics. This marvellous increase, this immense extent of production, could not be effected without considerable changes in the prospects of the moral as well as the physical condition of society. It has entirely changed the position of the resident population of the district, and the secluded valleys, farmhouses, and neat cottages — the beauties of Lancashire landscape of the last generation — are rapidly giving way to the conversion of villages into populous towns, with innumerable erections, which resound with the busy hum of the spindle and the shuttle. Along with these changes we see a new generation springing into existence, factories, steam-engines, and tall chimneys rising in every direction, and the noise and smoke which meet the eye and the ear of the stranger at every step give evidence of the activity and prosperity of the industrious hive, which at some future time in English history will announce to succeeding generations the inventions and discoveries of the nineteenth century.

Cotton Cloth. — In this attempt to place before you a short account of the use and progress of our national industry, I must not forget that yarn, however finely and dexterously spun, is not cloth; and here we enter upon another and equally ingenious process. The yarn must be woven before it is fit for use; and we shall find weaving one of the most interesting as well as elaborate operations of the useful arts. I need not inform you the ancient Hindoos, Egyptians, and probably the early Chinese, converted their yarn into cloth. The Indian and Oriental department of the Great Exhibition of 1851 exhibited the mode and primitive character of their looms and other implements, which have been handed down from generation to generation from the earliest periods, without change or improvement, till the present day. Looms of this rude construction were introduced into Europe during the first glimpses of civilization, and for many centuries even the most advanced nations were content to use the same instruments, almost without improvement,

until the introduction of the flying shuttle, and the subsequent invention of Hall and Arkwright, opened a new and untrodden field for improvements in every department of manufacture.

Power Looms. — Power looms at that period were unknown, and although attempts were made by Mr. Cartwright, as early as 1774, to convert the hand loom into a machine to be moved by power, it was not until the beginning of the present century that the power loom assumed its present form, and presented that intelligence of structure which rendered it self-acting, and enabled it to compete with the hand-loom weaver. From that time (about 1810 or 1812) we may date the commencement of that increase to which that important branch of our manufacture was extended. The improvements introduced by Mr. Bennett Woodcroft and others, for weaving twills and similar fabrics, created new expedients and applications, and greatly increased the demand for this description of manufacture; whilst the inventions of Jacquard for weaving figured cloth startled every one with their extreme ingenuity and beauty, and accomplished the perfection of machinery for the production of textile fabrics. The increase and extent of cloth manufactured from power looms may be estimated from official returns kindly furnished me by Mr. Leonard Horner. There are now at work in the United Kingdom above 250,000 power looms. Now, as each loom will, upon the average, produce from five to six pieces of cloth per week, each 28 yards long, say 25 yards a day per loom, we have 250,000, which, multiplied by 25, gives 6,250,000 yards or 3,551 English miles of cloth per day; the distance between Liverpool and New York. Only think of the importance and extent of a manufacture that employs upwards of 12,000 hands in weaving alone, supplying from that source (the power loom) an annual produce of cloth that would extend over a surface, in a direct line, of upwards of 1,000,000 miles.

But although much has been done, much has yet to be accomplished before the supply equals the demand. It must appear obvious to those who have studied and watched the unwearied invention and continued advancement which have signalized the exertions of our engineering and mechanical industry. But neither difficulties nor dangers, however formidable, can stand against the indomitable spirit, skill, or perseverance of the English engineer; nor will it be denied that the ingenuity and never-failing resources of our mechanical population are not only the sinews of our manufactures, railways, and steamboats, but the pride and glory of our own country. It is for this important class that I have ventured to address you, and I trust that the time is not far distant when we shall witness establishments suitable for their education; such as will teach them to reason and to think, and to impart that knowledge essential to a more correct acquaintance with physical truth, and a clearer conception of the varied manipulation of those arts in which consist the true interests of the country.

Specimens of Cotton grown in Australia. — Some exceedingly fine specimens of cotton grown in Australia have recently been submitted by the Rev. Dr.

Lang to the examination of Mr. Thomas Bazley, President of the Manchester Chamber of Commerce, and the opinion of this gentleman, who is acknowledged to be a first-rate judge of the qualities of cotton, is of great interest, as showing that this quarter of the world gives promise of becoming one of the finest cotton-fields which have yet been discovered in our colonies, if not, indeed, in the world. The samples of cotton were accompanied by a schedule, giving a brief history of each description of cotton. The following is Mr. Bazley's answer, as submitted through the Secretary of the Chamber: —

Chamber of Commerce and Manufactures, Manchester, July 15, 1852.

Reverend Sir, — I have submitted the samples of Australian cotton, sent by you to the Chamber, yesterday, to the criticism of our President, Thomas Bazley, Esq., whose knowledge and judgment in such matters are not surpassed by any gentleman connected with the trade. He has instructed me to make the following report thereon, according to the numbers adopted in your schedule.

No. 1. Grown by Mr. Hobbs, of Brisbane. Excellent cotton, and in perfect condition for the spinner; value, 22*d.* per lb.

No. 2. Grown by Mr. Douglas, of Ipswich. Really beautiful cotton; worth, if perfectly cleaned, 2*s.* per lb.

No. 3. Grown by the Reverend Mr. Gibson, "Big Cream." Very good cotton, but not well got up; worth 21*d.* per lb.

No. 4. Grown by the same. Very excellent and in good condition; worth 23*d.* per lb.

No. 5. Grown by the same. Excellent cotton; worth 22*d.* per lb.

No. 6. Grown by A. Lang, Esq. Short stapled cotton, of the New Orleans class worth 5½*d.* per lb.

No. 7. Grown by Mr. Scoble. Good cotton; worth 20*d.* per lb.

No. 8. Grown by J. Bucknell, Esq. Good and useful cotton, but of the common Sea Island class; now worth 18*d.* per lb.

No. 9. Grown by the same. Like the preceding; worth 17*d.* per lb.

I am further instructed to assure you, that in the preceding estimates Mr. Bazley has been careful to keep within the limits which his own appreciation of their worth would have led him to fix; and I am to express his opinion that such superior and excellent attributes of perfect cotton have been rarely seen in Manchester, and that your samples indisputably prove the capability of Australia to produce most useful and beautiful cotton, adapted to the English markets, in a range of value from 6*d.* to 2*s.* 6*d.* per lb.

I am, Reverend Sir, your most obedient servant,

Thos. Boothman, *Secretary.*

The Rev. John Dunmore Lang, D. D.,
Brunswick Hotel, Manchester.

Ancient Coins. — Mr. Thomas Singleton, of Boston, has in his possession an old Massachusetts pine-tree sixpence, bearing date 1652. The curious fact connected with the sixpence is this: — A member of Mr. Singleton's family was engaged on Gray's Wharf, picking over and assorting a cargo of gum from Africa, and this coin was found embedded in the gum. — *Boston Herald.*

We can mention a similar fact equally curious and unaccountable. We have in our possession a Massachusetts pine-tree threepence, of the date of 1652, which we obtained in New Grenada, three or four years since, while making a collection of some of the rude coins of ancient times which are still to be found among the aborigines of Central and South America. In making change with an old Indian woman for the purchase of some oranges in a remote mountain district, we asked her to show us the most ancient coins she had, knowing that the natives were always glad to exchange such pieces for Yankee dimes. She went into her hut and brought out the threepence of which we speak. She did not know that it was an American coin, and we could only learn from her that it had been in possession of her family ever since her remembrance. She gladly exchanged it for a new dime, evidently thinking she had made a lucky trade. — *Worcester Transcript.*

MONEY AND MORALS.

From the London Bankers' Magazine, August, 1852.

Money and Morals: a Book for the Times. By JOHN LALOR. London: John Chapman. 1852.

THE present state of monetary and commercial affairs, so different to what might safely have been predicted from the circumstances that have occurred had there been any truth in the principles on which the "currency theory" of Sir Robert Peel and Jones Loyd is founded, and on which all recent legislation for the "regulation of the currency" has proceeded, will no doubt call into existence a host of pamphleteers, as soon as they can at all see their way, or think they see their way, out of the fog which at present envelops the subject. So far the field has been left to newspaper writers, and to a few essayists, who have noticed the circumstances under which the gold discoveries have taken place; but no attempt has been made to test the truth of the prevailing currency theories by any philosophical examination of the facts which have become known on the subject of the recent accumulations of bullion; the few essayists we have referred to contenting themselves with briefly stating their opinions on individual questions connected with the increase of gold, leaving altogether untouched the important collateral topics connected with the inquiry.

From the imposing title of the work before us, — "Money and Morals," — we were led to expect that Mr. Lalor would be the first to break ground successfully in the new field of inquiry which has opened for the investigation of scientific writers on the currency. He is a man of considerable ability, as a writer on economical subjects, and was, for a long time, a very able contributor to the leading colums of the *Morning Chronicle*. As far as literary ability is required, he is therefore, in every respect, qualified to undertake the task of investigating some of the curious phenomena that have recently presented themselves in monetary affairs; and though we might not expect any startling discoveries from his inquiries, we at least depended on having clear statements of facts, and logical deductions from them, in this work on "Money and Morals." We are sorry to say that the reader will be disappointed with the book. It is not a treatise on money, nor a treatise on morals. The object with which the author commences his work seems entirely to be lost sight of before he has proceeded more than a chapter or two in the volume: and although there is an appearance of scientific arrangement of the subject, in the table of contents, the reader will seek in vain throughout the volume for any connected argument, or logical deduction from the few facts which are given in the work.

The subject the author appears to have intended to write upon is thus described in the preface: —

The following pages begin with an attempt to overthrow one of the fundamental principles of the reigning system of political economy. That principle is, that the

accumulation of capital cannot proceed too fast, and its governing law is supposed to be that of uniform increase, retarded only by the diminishing returns obtained from new investments in the cultivation of the soil. It is here attempted to show that the true law is wholly different. The increase and changes of the capital which consists of real commodities are entirely regulated by the fluctuations in the quantity of that other kind of capital which is commonly known as money (quite a different thing from the currency); and the law of the increase of money, where habits of thrift are so strong as they are in England, is, that it constantly tends to excess, which excess passes off periodically in some more or less delusive industrial excitement, in the progress of which it for a time, and only for a time, disappears.

The working of this law was discerned and expressed as a law by Lord Overstone, in his well-known passage descriptive of the cycles of alternate commercial excitement and depression. With him, however, it was only what Mr. Mill calls an "empirical generalization," — a generalization, indeed, which none but a scientific mind could have made; but still empirical, because it was not traced back to its causes. But then it was a *reality*. He, a man of high intellect and great practical insight, placed at the very best point for observation, *saw* the facts. Science is good for nothing if she cannot explain them. Hitherto she has *not* explained them. Very near approaches to the truth, however, had been previously made, on the side of abstract speculation, by Sismondi, Malthus, and Chalmers, all of whom were, as I conceive, better observers of social phenomena than either Say or Ricardo, and even than one who was in some respects greater than any of them, — James Mill.

The second part of the following work contains a series of practical suggestions; some directly growing out of the principles established in the first part, others having an indirect, but still close, connection with that view of our industrial condition which the first part exhibits. In this, and in the third part, which is little more than an introduction to that which was at first intended to be the substance of the work, but which it has been found impossible to execute at present, there are various criticisms on public questions, religious as well as political, and on public men, the tone of which may appear presumptuous. I shall be sorry if they produce this impression, which I think would be an unjust one, but cannot help it.

Now, a writer on a scientific subject, who commences his work by declaring that he is about "to attempt to overthrow one of the fundamental principles of political economy," ought, at least, to give us a statement of his proposition. The reader has a right to expect from him a clear explanation of what he conceives to be erroneous in "the fundamental principle" which he intends to endeavor to overthrow. Mr. Lalor gives himself no trouble on this point. Even in the preface, when he might, at least, have stated briefly the general nature of his work, the only reference to its plan and argument is contained in the extracts above quoted, although he devotes not less than sixteen pages to this preface. The space which ought to have been devoted to epitomizing the argument in the book is filled with desultory and uninteresting remarks and criticism on a few writers on political economy and the currency; the chief of whom, in the estimation of Mr. Lalor, appears to be an anonymous author of an article in the *Quarterly Review*, a few years back, whose sentiments coincided with those of Mr. Lalor on the subject of "the accumulations of capital"! From this description of the preface to a work of nearly 350 pages, on "Money and Morals," the reader will not be surprised to learn that a part of it is even devoted to a lament "for the deplorable result of the Liverpool election"; the rejection of Mr. Cardwell being in some way mixed up in the mind of the writer with "Money and Morals"! while the possible rejection of Mr. Gladstone at Oxford is made the subject of a doleful paragraph, which concludes this curious introduction to a work on monetary science and moral philosophy.

This book illustrates, in a very striking manner, the fact that a man may be an excellent writer of newspaper leaders, but a most incompetent author. The talent required by the daily press is peculiar. Some of our best writers have failed on the press, while men of no eminence in literature have taken the highest position as writers of "leaders." Who has ever heard of Stirling as an author? and yet for many years, and during the memorable conflict for the Reform Bill, he was editor, and the most brilliant and powerful writer, on the *Times*. Mr. Lalor has, in like manner, contributed some most valuable and excellent leaders to the *Morning Chronicle*, and while he was connected with that journal exercised no unimportant influence on public opinion. His essays were terse, logical, and conclusive; and yet here we have a book from him which no one will willingly read, and which, being read, will convey no instruction to the mind of the reader.

It would be unfair to pass this censure on the book, without giving some extracts to show that it is deserved; but we cannot spare space for any lengthened quotations. The extracts we give are by no means unfavorable specimens of the author's style. Here is his definition of money: —

Chapter II. — Money.

"The awful shadow of some unseen power
Floats, though unseen, amongst us." — Shelley.

Money is Gold, Notes, and Bank Credits. — There is in England, existing separately from and in addition to the sum total of its material wealth, excepting bullion, a certain *purchasing and paying power*, established by convention, a small part of it depending on the possession of bullion, but the much larger part on certain legal rights; the whole being placed, as it were, face to face with the gross stock of commodities, fixed property, and marketable personal qualities belonging to the people. This purchase power is in the aggregate, at any one time, of a definite ascertainable amount, though capable of being enlarged or diminished. It may be possessed by persons without land or goods, and who render no useful service to society, but who, nevertheless, can take the full amount of their claim out of the general stock. It may be divided into the minutest parts, transferred from hand to hand indefinitely, used immediately as income, or accumulated for future use as capital. The same portion which, when held by one man, is capital, may be income when transferred to a second, and after a third transfer, again capital; its character being determined by the manner in which its possessor intends to apply it. It includes the whole of the currency, — that is, coin and bank-notes, and bullion in private hoards, together with a large additional sum in the form of *transferable bank credits*.

Money is *not* synonymous with the gold and bank-note currency, because he who has a credit with a London banker is universally felt to have money in the same effectual sense as if he had the sum under lock and key. His transfer of that credit, by check, operates as an absolute payment, simply by two lines in the books of the banker. In the words of Colonel Torrens, it "closes transactions."

Bills of Exchange not Money. — A bill of exchange never closes a transaction. It is itself only the evidence of one or more transactions, all of which are closed then only when the bill is paid by means of coin, notes, or bank transfer, that is to say, in money. Bills of exchange play a most important part in effecting transfers of mercantile and banking capital, but they *do not enter into income*, the amount of which determines prices. A bill of exchange is not used for wages or salaries, nor paid away to a butcher or a landlord. For the same reason, government securities, however nearly equivalent to money, in many cases, and even acting as money amongst the Scotch bankers, who settle balances in Exchequer bills, are yet not money in the popular and correct sense of the term. They will neither pay a bill of exchange nor a railway call, and they do not pass into incomes.

Further, with respect to bills of exchange, on those occasions when the light of monetary science is most needed they not only cannot be considered in the same line with money as means of payment, but must be placed in direct opposition to it. In a crisis, bills of exchange constitute the precise difficulty that has to be met. Gold, notes, and transferable bank credit, so far as it then exists, are the only means of meeting that difficulty.

We need not comment on the loose, unscientific character of this definition. Our readers can judge for themselves how far it is deficient in many essentials required in an accurate definition of money.

Mr. Lalor enlivens his book by poetic quotations at the commencement of each chapter, indicative of their contents. Shelley, Southey, Shakspeare, and Spenser all furnish their contributions, but we think our old friend "Johnny Gilpin" might have been advantageously excused. Chapter VI., on the important subject of prices and currency, with an extract from which we must conclude our notice of "Money and Morals," commences as follows: —

Chapter VI. — Prices and Currency.

"So down he came, for loss of time,
Although it grieved him sore,
Yet loss of pence, full well he knew,
Would trouble him much more.

. . . . . .

"'T was long before the customers
Were suited to their mind." — Cowper.

Prices distribute Commodities. — Prices form a mechanism of extreme delicacy, by which, on the one hand, those real commodities which constitute real income are distributed to the consumers, and, on the other, the money incomes of consumers are drawn back into the form of money capital, so as to complete the operation of the capitalist. All produce of labor as it leaves the hand of the wages-paid laborer is capital, in the form called in this work *specific*. The grain from the farm, the cotton or the sugar from the plantation, the goods from the factory, are all specific capital; but sooner or later these masses break up into minute subdivisions, and become the specific ingredients of income. Their purpose is to be useful to man, and they can only be so by coming to be consumed by him in this form. That movement of money capital and money income which, constantly revolving in a contrary direction, corresponds to and meets this revolution of specific capital and specific income, has been already sufficiently explained. But there is still required an explanation of the laws regulating the variation of prices, and of the connection which income and prices have with the amount of the currency.

Retail Prices govern Wholesale. — Prices are of two kinds, retail and wholesale.

Retail prices are those at which commodities are bought by consumers, but, in any scientific reasoning, must be considered as far as possible free from those accidental additions which custom or carelessness may make to them in particular cases. The general retail price of a commodity will then be that average price at which the actual supply of it can be disposed of by the whole body of retailers to those who want it for consumption.

Taken in this sense, it will be evident that retail prices must govern wholesale prices, or those paid by one dealer to another. No matter how many dealers may intervene between the producer and the consumer; these two parties at the extremities of the chain determine the permanent points between which prices oscillate. No speculation can cause more than a temporary disturbance.

Retail Prices limited by Incomes. — Every consumer proceeds upon some estimate of the sum which he can *spend* in a given period. Whether this be fixed or variable, his expectation of what it will be governs him. The amount of money which passes through his hands as capital, supposing him to be a dealer, or the extent of credit which he may have with his banker, or the merchant or manufacturer who supplies him with goods, have properly nothing to do with the matter. If a shopkeeper, in

turning a capital of ten thousand pounds, derives from his profits a spending income of only five hundred a year, his power as a consumer is exactly the same with that of the surgeon who receives fees to the same amount, and sees them vanish to landlord, tax-gatherer, and tradesmen, as fast as they come in. Dishonest exceptions do not hinder the generality of the rule. Each can only pay, for all the goods and services he requires, the sum total of his spending income. If he pays more for bread and meat, he must pay less for wine and coach-hire. When necessaries become dearer, he either obtains luxuries cheaper or goes without them. But if the income of each consumer determines the sum total of the prices that he can pay, the aggregate incomes of the body of consumers must determine the sum total of prices that can be paid for all things that go into consumption. Hence, prices and incomes being measured in money, it is totally inconceivable that an enhancement can take place in prices *generally*, without an enlargement of the aggregate of income. It is true that every change in prices affects one or more classes of incomes, and that in a general rise of prices many commodities become dearer, while certain incomes only follow the movement, and others remain stationary; but still it will also remain true, that each portion of commodities, as it goes into consumption at the higher price, is bought by the consumer upon a previous view of his income. Hence a rise in general prices requires, as an indispensable antecedent condition, a rise, *not* in each class of incomes, but in the aggregate of income, that is to say, in the sum total of the fund which the body of consumers calculate upon as available for expenditure.

THE FUTURE RATE OF INTEREST.

From the London Bankers' Magazine, August, 1852.

THE following very able paper by an old contributor to our Magazine is one of a series of articles on the currency recently published in the *Morning Chronicle*.

We have already expressed our opinion that the accumulation of gold in the Bank of England is the immediate cause, as it was the cause in 1844, of the extreme abundance of money and low rate of interest. This accumulation may have occurred, both in 1844 and now, from the generally prosperous state of the country, or it may now be more especially the result of the gold discoveries, — which we believe to be the fact. But the immediate cause of the low rate of interest is the abundance of money in the hands of the bank seeking employment; and it does not appear to us that this conclusion is at all affected by the circumstance of the money remaining in the bank unemployed, as the *reserve*, and not having gone into circulation. The endeavor of the bank to force it into circulation is the cause of their having reduced their rate of discount to its present low minimum.

We do not think that *secondary causes* should be sought for, when the immediate cause of the low rate of interest is so apparent; and we are not sure that sufficient importance is attached, in the following article, to the effects always produced in monetary affairs when the bullion of the bank accumulates.

THE facts of the case with which we have to deal are as follows: — At the present time, the *minimum* rate of discount at the Bank of England is 2 per cent. per annum; and at that rate very few bills are sent to the bank. The rate of discount in Lombard Street on first-class bills is between 1½ and 2 per cent., according to dates. The interest allowed by the bill-brokers on funds left with them "on call" is 1½ per cent., but with the qualification that the brokers may not always be able to take charge, at that rate, of the sums which may be offered to them. The supply of capital, therefore, in London, is so abundant, that in cer-

tain quarters it does not readily and at once find employment at any rate of interest. As regards the interest on other securities, there is at present a general tendency towards decline. Railway debentures carrying 5 per cent. are renewed at 4 per cent., and even the less eligible class of mortgages may often be effected at reduced rates of interest. Consols are above *par*, and there has been a rapid and considerable rise during the last six months in the market price of most interest-bearing securities — British, colonial, and foreign — which have any reasonable pretensions to solidity.

These are the facts at present. But is this the first time that such a state of things has prevailed? By no means. The description just given of the state of the money market at the present time applies, with scarcely the alteration of a word or a figure, to its condition during the greater part of 1844. The rate of discount at the Bank of England was practically 2½ per cent. during the greater part of that year, and the market rate of discount for good bills was for some time between 1⅝ and 2 per cent. There was then, as at present, considerable difficulty in placing money "at call," with the brokers, at 1½ to 1¾ per cent.; and we know that, in the summer of 1844, considerable sums were refused at those rates, on the ground that there was no immediate means of employing them. What is taking place now, therefore, has taken place before, and that within the last eight years; and it is the more important to notice this fact, because, as frequently happens on the occurrence of any thing at all varying from the most ordinary routine, there is a mischievous disposition to increase the excitement, by representing the events as new and unparalleled.

In 1844 there were no increased supplies of gold, as there are now, and the state of the money market, and the rate of interest, did nevertheless very closely correspond with what we see at present. We are not justified, therefore, on the face of the evidence, in attributing the present plethora and its attendant phenomena wholly, or even mainly, to the increased supplies of gold. The causes which led to the plethora of 1844 may have led to that of 1852; and before we can connect the increased supplies of gold with the low rates of interest now prevailing, we have first of all to satisfy ourselves that the causes which led to a similar state of things, eight years ago, have not been wholly or principally concerned in producing the low rates of the present time. Now, what were the most important of these causes? In the most general terms, — abundance of food and employment among the industrious classes, and, as a result of that employment and abundance, confidence on the part of capitalists, leading them to employ freely masses of capital, which a previous state of distress and disquiet had led them to retain inactive. The same description applies at present. It is at once the good and the bad fortune of this country, that its accumulations of capital go on so rapidly, and are so vast, that the rate of interest is much more under the influence of what may be called *moral* than of *numerical* causes. The rate of interest in England, during the last twenty or thirty years, has hardly ever been very high; not because the capital of the country was inadequate to the demand, but because the prevalence

of danger and alarm induced large holders of capital to withdraw from the market, and to stand aloof until perfect confidence was restored.

We are disposed, therefore, to trace the present plethora, primarily and mainly, to the natural causes which produced a similar plethora in 1844, and on several previous occasions.

But have the increased supplies of gold had no influence in producing this plethora? To some extent they have. We shall see by and by that it by no means follows, that, because the quantity of metallic money may be increased, the rate of interest on capital necessarily falls. And it is most important to bear in mind, that, thus far, the increased supplies of gold have not in this country passed into circulation as metallic money at all, but exist almost wholly in the form of deposits in the Bank of England; and it is only as such that they have produced any effect on the money market. In 1844, the bullion slightly exceeded sixteen millions sterling; it now exceeds twenty-two millions. For this reserve the Bank of England has to find profitable employment, in order to make a dividend for its proprietors, — and more particularly so since the act of 1844, which is construed by the bank directors as placing them on the level of any other large establishment carrying on the business of banking. It is easy to understand, therefore, that when, with so immense a reserve, the bank found that 2½ per cent. did not bring them business, they should be disposed to try 2 per cent. The latter rate has not brought them much, if any, more business than the former; and numerically, therefore, it may be true, that so far the large bullion reserve in the bank has not actually come into the money market through the medium of discounts. But that is not the whole case. The bank exerts a *moral* influence — an influence of *example* — at seasons like the present, far beyond that directly arising from its advances. From the movements of the Bank of England people infer the tone and direction which may be safely given to their own engagements and speculations; and it is in this way that we are feeling the effects of the six or seven millions of new gold at present in the bank. It is not that the new gold has been actually added to the metallic circulation outside the Bank of England, or to the amount of bank-notes in the hands of the public. Neither of these things has taken place; for we believe that scarcely a single sovereign has been added to the metallic circulation of this country in consequence of the Californian and Australian discoveries; and the weekly accounts in the *Gazette* prove, beyond all doubt, that the quantity of bank-notes in the hands of the public remains without any material change. The fact is, that the new gold has been added to the *reserve* of the "banking department" of the Bank of England; that, under the act of 1844, the directors are at full liberty to find employment for that reserve by operating on the rate of interest; and that the example of lowering the rate of interest, as set by the Bank of England, has a powerful effect on the whole financial system of the country.

We now come to the next question, namely, What would be the effect upon the rate of interest, supposing the metallic circulation of this country to be largely increased, — say, for the sake of illustration, doubled?

This question is not, perhaps, a very difficult one. There is a radical difference between an abundance of money and an abundance of capital, — meaning by *capital* all those accumulations of the former industry of a country which may be employed either to support human existence or to facilitate further production, — and meaning by *money* either actual coin, or a paper circulation at once convertible into coin at the will of the holder. The question supposes the period to have arrived when the increased supplies of gold will have so thoroughly incorporated themselves with the previous stock of gold existing in the country as coin, merchandise, or bullion, as to have produced their full effect on prices. Under such a state of things, the rate of interest would be determined by the action of the same causes which determined it before the discovery of the Californian supplies; namely, by the demand for the use of capital on the one hand, and the supply of it on the other; and it is a perfectly legitimate supposition, that the impetus given to enterprise and production by the gold discoveries may be so great as to lead to a permanently high rate of interest. The point to be observed is, that the ultimate destination of the new gold will be to make such addition to the metallic circulation of the world as to increase the prices of commodities as measured by gold; but the prices of commodities and the rate of interest (or what may be called the price of capital) are two things essentially different, and dependent on wholly different causes. As we have said, it is quite supposable that an increased demand for capital may permanently raise the rate of interest; and if the rate of interest were (say) doubled, and the prices of commodities also doubled, the condition of those persons or classes who derive their incomes wholly from interest would remain the same as it is now. Or, if the rate of interest were doubled, and, by reason of increased production, the prices of commodities were not increased, then the condition of the persons and classes we have mentioned would be improved in the proportion of a hundred per cent., — that is to say, while the price of hats and sugar would remain the same, the receivers of interest would have forty shillings wherewith to buy hats and sugar, in place of twenty.

It will be seen that there is nothing, in what is here said on the subject of the ultimate effect of the new gold upon the rate of interest, inconsistent with the influences we have pointed out as at present exerted, by the increased reserve of the bank, in producing a low rate of interest. The low rate of interest, as the consequence of the augmented reserve of the bank, may be expected to continue until some means are found of launching the increased quantity of gold fairly into use and circulation; and it is not until that important change has fully taken place that the above reasonings will apply.

The next question to be considered refers to the probable effect of the increased supplies of gold upon the extent of commodities to be produced and brought to market, as well as upon the prices which commodities may bear, in consequence of the augmented quantity of gold ready to be exchanged for them. And with this fourth question we may, with advantage, combine the fifth and last; namely, that which relates to the new and apparently powerful influences which are at work for carrying

capital and enterprise into deeper and more remote channels than any in which they have been accustomed to flow.

Great facilities in obtaining the command of capital nearly always lead to great extensions of production; and, as a general rule, one of the principal causes of the superiority of this country in the markets of the world arises from the easy terms on which the capital necessary for the production of manufactured and other articles can be obtained in Great Britain. It is highly probable, therefore, that among the first important effects of the increased supplies of gold will be an immense extension of production, in consequence of the low rate of interest and the general facilities in obtaining the use of capital, which, in the first instance at least, will be presented by the new supplies operating, as they are doing, upon the money market through the medium of the reserves of bankers, — or, in other words, as capital seeking objects of investment. Lower, therefore, instead of higher prices, are likely to be occasioned — at all events at present — by the increased supplies of gold; and it may happen that the extension of production out of which these lower prices will arise may go so far as to occasion a glut and a violent commercial revulsion.

If we extend our view to some future time, not perhaps very remote, it is possible that the amazing improvements which have taken place during the last few years in those arts, discoveries, and means of intercourse upon which extent of production mainly depends, as well as in the supply of raw material, may lead to a permanent expansion in the quantity of commodities produced, — an expansion so great as to countervail, in no mean degree, the increased volume of metallic money. And, still speaking of a future time, the exact commencement of which no man can fix, it is very probable that the new channels and the distant enterprises which are now presenting themselves, on all hands, for the employment of capital, may go very far to prevent altogether, as regards fixed incomes arising from the interest of capital, those violent disturbances anticipated by many persons in the relation borne by such incomes to the price of commodities. We are only beginning to develop the wants and resources of our more distant colonies; and already the rapidity of our means of communication with even the most remote parts of the world is exceedingly great. At this moment the rate of interest — that is, the demand for capital compared with the supply — is, in Australia and some parts of the United States, four or five times as high as it is in England; and it may happen that quick transit and other facilities may lead to such an equalization in the supply of capital in the more commercial parts of the world, and especially in those which are or have been colonies of our own, as may at once relieve this country from the inconvenience of an extremely low, and others from the disadvantage of an extremely high, rate of interest.

We are aware that these are only speculations; and that their immediate bearing upon the questions of the present day is very slight. Still, it may not be wholly useless to indicate some of the considerations that forbid us to acquiesce in those prevalent conclusions which represent the annuitant and the capitalist as the certain, and almost the only,

victims of a great revolution in the economical condition of the world. We would suggest, that whenever the period arrives — and no man can pretend to say when it will arrive — when the increased supplies of gold shall have become fairly incorporated with the previously existing masses of that metal, it is highly probable that the main results produced will be an extension of enterprise and industry into new channels, the development of new wants and of new ways of supplying them, the indefinite extension of present modes and kinds of production, — in a word, the expansion and perfection of forms of civilization now confined to small classes and circles. The world will move at a higher velocity, and the wear and tear will be greater. We must not, however, forget the present in forming conjectures as to a future which we may never see; and, as regards the present, we may state in a few words the conclusions which the facts seem to warrant.

In the first place, it does not appear that, primarily or mainly, the increased supplies of gold have led to the existing plethoric state of the money market. Indirectly, and to some extent, they have done so, by operating on the rate of interest through the medium of the reserve of the Bank of England. They have produced no effect on prices, or on the rate of interest, in consequence of being added to the circulation, for the very sufficient reason that they have not been so added, either as metallic money or as bank-notes.

In the second place, it does not appear that there are at present any accurate means of saying when the temporary action of the increased supplies upon the rate of interest will cease, by the accumulation of new gold leaving the reserves of bankers and becoming fairly added to the previous stocks of gold in the various markets and countries of the world.

In the third place, it is very probable that the first practical effect of the new supplies will be to produce *lower*, instead of *higher* prices, by extending the facilities of enterprise and manufactures.

And lastly, it is quite in accordance with former experience that these extensions of enterprise and production, aided by the impatient and speculative spirit already becoming manifest, may lead to a commercial reaction, more or less severe.

THE ENGLISH MINT IN 1852. — Sir John Herschel has informed Mr. Hunt, the keeper of the Mining Records, that since November last there have been coined at the Mint 3,500,000 sovereigns and half-sovereigns. The bulk of this coined money has got into circulation either at home or abroad, and, as the work of coining continues both in the United States and in England, it supplies good evidence that money is more valuable and more wanted than bullion. It may be, that the Mint regulations both of England and of the United States, converting bullion into coin at an insufficient charge, imparting to it an additional value at little cost, give a bounty on the conversion. Still it will be in use as money after being coined, as there cannot be a temptation both to smelt and to coin the same bullion; and whether so used here or abroad, whether it be in the pockets of the public or in bank coffers, authorizing an increased issue of notes, all that additional gold coinage is in existence. One man may see none of it, another may see part of it; but whether seen or not, gold is continually coined at the rate we have stated. It has been coined also to a large extent in France, and more, consequently, must be in use and circulation.

NEW PUBLICATIONS.

I. Report made to the Hon. Thomas Corwin, Secretary of the Treasury, by Professor Richard S. McCulloch, of his Operations at the Mint of the United States, in refining California Gold by his Zinc Method.

II. Letter of Professor R. S. McCulloch to the Secretary of the Treasury, in Reply to the Report of the Director of the Mint upon Charges preferred against Professor James C. Booth, Melter and Refiner of the United States Mint.

Mr. McCulloch states that by the new processes suggested, —

1. The granulating of gold, with zinc or silver, to prepare it for refining, can be more perfectly, economically, and expeditiously done by machinery than by hand, and much waste avoided.

2. That besides saving the interest now incurred by the nation, there might have been saved $ 106,579 out of $ 212,285 charged to the depositors of gold bullion, for silver alloy, and for materials and labor, required to separate the silver from their gold, during the period from November 14. 1850, to December 31, 1851; and of which $ 212,285, all that portion charged as silver alloy, and amounting to $ 88,337, was lost, not only to the depositors, but also to the industry and wealth of our country.

III. Lectures on Gold, by Professors Forbes, Playfair, Hunt, and others. Published by the English Government School of Mines. — 1. The Geology of Australia, with especial Reference to the Gold Regions, By J. B. Jukes, M. A. 2. On our Knowledge of Australian Rocks as derived from their Organic Remains. By Edward Forbes, F. R. S. 3. The Chemical Properties of Gold, and the Mode of distinguishing it from other Substances resembling it. By Lyon Playfair, C. B., F. R. S. 4. The Dressing or Mechanical Preparation of Gold Ores. By John Percy, M. D., F. R. S. 5. The Metallurgical Treatment and Assaying of Gold Ores. By John Percy M. D., F. R. S. 6. The History and Statistics of Gold. By Robert Hunt, Keeper of Mining Records. 12mo. London, 1852. Price 75 cents.

These lectures were delivered in the Museum of Practical Geology, in consequence of a request from the Council of the Society of Arts. A deputation from that Society, appointed to confer with the director and professors of the "Government School of Mines and of Science applied to the Arts," stating that the necessity of a course of lectures on gold had been urged upon them, it was thought that the resources of the Museum of Practical Geology and of the Government School of Mines would afford great facilities for such a course of lectures as would prove instructive.

IV. Report upon Coinage and Seigniorage, prepared by Hon. James Brooks, M. C. from New York, as one of the Committee of Ways and Means of the House of Representatives of the United States. July, 1852. 8vo. pp. 16.

V. Blackwood's Edinburgh Magazine, May, 1852. This No. contains an elaborate and curious essay on "Gold; its Natural and Civil History." This article is rather too long for our work, being twenty-five pages; but is well worth a perusal by those who are fond of examining the subject of the precious metals.

VI. Notes on the Distribution of Gold throughout the World. 8vo. London, 1851.

VII. An Historical Inquiry into the Production and Consumption of the Precious Metals. By William Jacob, F. R. S. New Edition. 8vo. London, 1851.

VIII. A Short History of Paper Money and Banking in the United States; including an Account of Provincial and Continental Paper Money. To which is prefixed, An Inquiry into the Principles of the System, with Considerations of its Effects on Morals and Happiness. By William M. Gouge. Fourth Edition. New York. 12mo. Price, 25 cents.

IX. Money and Morals: a Book for the Times. By John Lalor. London, 1852. Price, 10s.

X. A Letter to Thomas Baring, Esq., M. P., on the Effects of the Californian and Australian Gold Discoveries. By Frederick Scheer. London, 1852. (Pamphlet.)

XI. A Few Words on the Effect of the Increase of Gold upon the Currency. London, 1852. (Pamphlet.)

XII. Observations on the Effect of the Californian and Australian Gold; and on the Impossibility of continuing the Present Standard, in the Event of Gold becoming seriously depreciated. London, 1852. (Pamphlet.)

XIII. Official Documents relative to the Recent Discovery of Gold in Australia. London, 1852. (May be had for a trifling sum, at the Parliamentary Paper Office, Great Turnstile, London.)

XIV. On the Mischief of the Usury Laws; showing the Futility of regulating the Price of Money by Law. Illustrated by Extracts from the ablest Writers on this Subject in France, England, and America. 8vo. pp. 26. Cincinnati, Ohio.

XV. Effects upon the Civilized World of a Material Increase in the Quantity of the Money Metals. By R. W. Haskins, A. M. Buffalo, N. Y. February, 1850. (Pamphlet.)

XVI. De Bow's Review of the Southern and Western States: a Monthly Industrial and Literary Journal; Commerce, Agriculture, Manufactures, Internal Improvements, Statistics, &c. Among the original contributions to the August No. are the following: — 1. The History, Condition, and Resources of Canada. By Professor Duncan, of Louisiana. 2. Free Banking. By W. Logan McKnight, Esq., of Louisiana. 3. Modern Greece. By Professor Koeppen. 4. Manufactures and Internal Improvements of Tennessee. By Mr. Sykes. 5. Overflow of the Mississippi Delta. 6. Production and Manufacture of Sugar. — Published monthly by J. D. B. De Bow, New Orleans. Five dollars per annum.

XVII. Appleton's Mechanics' Magazine, for September, 1852, contains various and valuable contributions upon the following topics: — Suspension Bridges, Anthracite and Bituminous Coals, Steam Carriages, Electro-Metallurgy, Ericsson's Caloric Engine, Marine Engines. This work is copiously illustrated with fine engravings of machinery. Published monthly, by Appleton and Co., New York. Three dollars per annum.

MISCELLANEOUS.

AUSTRALIAN GOLD. — The government of Great Britain has appointed an assay office at Adelaide, at which gold, of a not less quantity than twenty ounces, shall be received and weighed, and a receipt given for the weight; the same shall then be assayed, converted into ingots, stamped, and delivered at a bank, to be named in the receipt, to, or to the order of, the owner, for the weight deliverable; two parts out of every hundred to be taken; one for the expense of the assay, and the other to be deposited in the treasury in case of the correctness being disputed. It may afterwards be reassayed. In exchange for such assayed and stamped gold, the banks shall pay at the rate of £3 11*s.* per ounce in notes, which they may issue to the value of the gold bullion they shall so acquire. The banks are allowed to issue notes to three times the value of their coin; so that for every £100 of bullion they may issue £100 of notes, and for every £100 of coin they may issue £300 of notes. These proportions are to be strictly adhered to, under a penalty of £100 for every failure. Accounts to be furnished to the treasury every week of the notes in circulation, and the coin and bullion held. The notes of banks to be a legal tender, so long as they pay on demand in coin or bullion, by all except the banks themselves. Ingots stamped at the assay office shall be a legal tender by the banks in payment of notes, bills, and checks, at the rate of £3 11*s.* per ounce. Forgery, &c. to be punished with imprisonment and hard labor, for a period not more than fifteen years, and not less than two years. The act to continue in force for twelve months.

RELICS OF THE OLDEN TIME. — There lies before us a bank-note for fifty dollars, of the Bank of Rhode Island, dated at Newport on the 8th of January, 1796, and signed, "Chris. Champlin, President"; "M. Seiscas, Cashier."

The history of this note is remarkable. About three years ago, this and another bill for the same amount were presented at the bank for payment, having been placed in the Suffolk Bank, Boston, for collection. One of them was dated in 1795, and was the first bill ever issued by the Bank of Rhode Island. No bills of the kind had been issued for thirty-five years previously, and the presentation of these at the bank was of course unexpected. They were, however, promptly redeemed, and their history elicited. They were found among the effects of an old man, who had recently died at Salem, Mass., who lived in poverty, and who probably believed the bills to be worthless, as they were found in a package of others of broken banks.

The presidency and cashiership of the Bank of Rhode Island have been held in the same family for half a century, Mr. Peleg Clarke being now president, and Mr. W. A. Clarke cashier. We know of no older incorporated institution in New England,* except the Washington Insurance Company of Providence, chartered in 1787, of which the venerable Sullivan Dorr is still the president.

We have also before us another money relic, dated April 12, 1760, being a bill for "three pounds," which "by law shall pass current in New Jersey, for eight ounces and fifteen pennyweights of plate." It is printed in red ink, on thick paper, and is about three inches and a half long by an inch and three quarters broad. The signatures are nearly effaced. — *New York Commercial Advertiser.*

FALSE ECONOMY. — The State Bank of Ohio is calling in its old notes, in consequence of so many counterfeits, and is issuing new ones. We were shown yesterday a ten-dollar bill, new issue, which was infinitely worse, both in the engraving and in the impression, than the old ones. It would be more economical were they to pay the engraver a little more for a good plate, than to issue bills so very imperfect and so easily counterfeited. — *Cincinnati Gazette.*

* The Massachusetts Bank, in Boston, is an older institution, having been chartered in 1784; and the Union Bank, in Boston, in the year 1792. — ED. B. M.

THE MERCHANTS' MAGAZINE. — The *New York Independent* notices the honorary degree conferred upon Mr. Freeman Hunt, by Harvard University, as follows: —

"We are glad to see that the Faculty of Harvard College have conferred the honorary degree of A. M. upon Freeman Hunt, Esq., the founder of the *Merchants' Magazine*, and its editor for the thirteen years it has existed. Such a compliment from our oldest University to the self-made graduate of the printing-office is a compliment which nothing but merit could win."

We most cheerfully respond to all that is said in the above paragraph, complimentary to our old friend of the *Merchants' Magazine*. Few men connected with the press of this country have so wide and well deserved a reputation as Freeman Hunt. He has often received the highest commendations of the first literary and scientific institutions of Europe, and this new compliment from one of the oldest and most prominent of the literary universities of this country shows that home merit may sometimes be appreciated and honored as it deserves. — *Rochester Daily Advertiser.*

NEW BRITISH COINAGE. — The new florin is now current. It is a larger, or rather broader, piece than the former one, the reverse being if possible in worse taste. The obverse presents the crowned bust of the Queen, with the legend in *Gothic characters!* VICTORIA D. G. BRIT. REG. A. D. MDCCCLII. The reverse, an exaggeration of the absurd device which appeared on its predecessor: legend, ONE FLORIN — ONE TENTH OF A POUND. We have heard that the late government contemplated contracting with some house at Birmingham for the striking of the coin of the realm, a rumor which at that time caused us no little astonishment. Our surprise has, however, much abated after an inspection of this piece, which we consider as intended to prepare us for a *Brummagem* mintage. While on the subject of the designation of this new coin, we may observe that the word *florin*, however unfit at this period of the world, is not in other respects inapplicable, since in the Middle Ages the Italians had their *florino d' argento* as well as *florino d' oro*; and with regard to the indication of its current value, we have, as some people seem to have never noticed, good authority for the practice in ancient coins. — *Literary Gazette.*

SAVINGS BANKS OF GREAT BRITAIN. — In the year 1830 the number of individual depositors in the Savings Banks of Great Britain was 412,217, and the amount of their deposits £ 13,507,565 sterling. Their conditions at three several periods may be stated as follows: —

	No. of Depositors.	*Amount of Deposits.*
November, 1830,	412,217	£ 13,507,565
November, 1849,	1,065,031	26,671,203
November, 1850,	1,092,581	27,198,503

According to a report made by Mr. Scratchley, there were in 1849 no less than 10,433 *enrolled* Friendly Societies, numbering 1,600,000 members, who subscribe an annual revenue of £ 2,800,000, and have accumulated a fund of £ 6,400,000. There are also a vast number of unenrolled societies. Of the Manchester Unity there are 4,000 societies, with 264,000 members, who subscribe £ 400,000 a year. In addition to these there are the unenrolled Foresters, Druids, &c. The total is taken at 33,233 societies, with 3,052,000 members, who subscribe £ 4,980,000 a year, and have a capital fund of £ 11,360,000. The whole adult male population of the United Kingdom may be estimated at about 7,000,000; nearly one half of these, therefore, without distinction of rich and poor, are actually members of some of these societies. — *London Literary Gazette, August 7.*

AUSTRALIA. — Australia and emigration are, in England, now that the elections have terminated, the most prominent subjects of interest. A little while ago the outpouring stream of emigration seemed inclined to flow in any direction save that of Australia. Now the whole scene is changed, and more emigrants sail to Port Philip or Melbourne in a week than sailed in a year previous to the discovery of the golden treasures of Victoria and New South Wales. We passed three large vessels in the Thames last week filled with emigrants for Australia, and there is scarcely a day that does not witness the departure of two vessels; this from London alone. If the southern colonies possessed no other resources than their gold fields, this extraordinary spectacle might well give rise to serious apprehensions; but it fortunately happens that nearly all who dislike the work of gold-digging, or who are unfitted for it by previous habits, may reasonably count upon getting employment of some kind or other. — *Correspondence of the National Intelligencer.*

NEW UNIVERSAL COIN. — We have now before us a specimen of a new universal coin, designed to facilitate the system of exchanges among the different civilized nations of the world, and which, if adopted, would certainly tend materially to put an end to the confusion about the currency of various places, of which every traveller has had such annoying experience. The designer of it is a gentleman well known in the scientific world for his politico-economic essays on many important subjects, Professor Neilson Hancock, and the coin is executed with very great taste and skill, by Messrs. Allen & Moore, of 35 and 36 Great Hampton Row, Birmingham. Without diagrams it is not easy to give an exact idea of it, but the description may be thus given: — The coin is of silver, containing 37 parts of that metal to 3 parts of copper. Its weight is one ounce Troy, and its value in the coin of Great Britain and Ireland is 5*s.* 2*d.* The weight is expressed in English, German, and French on one side, and on the reverse the proportions of the two metals in the same languages. Its value in the existing currencies of 12 countries is likewise stamped on it thus: — England, 5*s.* 2*d.*; America, 1 dollar, 19 three fifths cents; France, 6 francs, 39 centimes; Naples, 1 ducat, 50 grani; Austria, 2 florins, 27 three fifths kreutzers; Prussia, 1 thaler, 21 two thirds silber groschen. On the reverse: — Spain, 1 dollar, 5 reals, 28 maravedis; Portugal, 1 milrei, 71½ reis; Russia, 1 rouble, 60 copecs; Holland, 2 gulden, 99 cents; Hindostan, 2 rupees, 10 annas, 10 pice; China, 7 mace, 8 candareens, 4 four fifths cash. There is no device of any sort, if we except the very minute representation of the terrestrial globe, which hardly deserves the name; and it is a plain, unpretending, but thoroughly useful piece of money, and well calculated to serve the purposes for which it has been designed. On the continent of Europe, especially, it would be very desirable to have such a coinage in lieu of the miserable depreciated currency now so general there. — *Cork Southern Reporter.*

BOGUS BANKING. — The following notice appears under the money head of one or two of the morning papers. We have also been requested by Mr. John Thompson to give it an insertion; which request we now comply with, "under protest" against a proceeding so discreditable to all concerned: —

"We are informed, from a reliable source, that the stocks which have been deposited as security for the circulation of the National Bank at Washington are placed in the hands of Messrs. Selden, Withers, & Co., bankers of that city, and cannot be withdrawn except on the return of the notes. The responsibility of the house in question is undoubted, and the circulation of the National Bank, under these circumstances, is unquestioned. Mr. John Thompson, at the corner of Broadway and Wall Street, holds himself responsible for the redemption of the notes of this bank, at a half per cent. discount."

On this we remark: — 1. There is no such "institution" as the "National Bank," authorized by even the semblance of law, or in actual operation. It has no office, — no abiding-place, — no charter, as a "bank," in Washington or out of it. 2. It is a pure fiction of the maker of the small notes purporting to emanate from Washington, but really manufactured in New York and for New York use; a DODGE resorted to in defiance and to defeat the healthy action of the free banking law of New York. 3. It is a violation of the small-note law of the District of Columbia. 4. It has no legal basis of security. It can have none, because wholly unauthorized by law. 5. The pretended pledge of stocks is equally a fiction with the title of the bank. Such a pledge could not be enforced. Selden, Withers, & Co., if disposed to act against their own associate in this operation, could not legally hold the stocks against the party lodging them a moment, if, from any lapse of the intermediate agents of the maker of the notes, the "bank" should involve a heavy loss; or if, to aid a panic, or assist a convenient depreciation, the party lodging them should call for their removal to his own hands in New York. 6. Mr. John Thompson makes no definite pledge, as to time, of half per cent. redemption. If he did, neither the respectability nor regularity of the operation would be elevated, because it is an open, lawless evasion of the spirit and letter of the banking system of his own State, and of the District of Columbia. 7. Mr. Thompson does not avow ownership. His repugnance, as a reputable broker and bank-note detector, to do so, is natural enough, and we rejoice to know he has self-respect sufficient to endeavor to keep his own credit, as publisher and banker, as far as possible in the background. But this will not suit the public. His half per cent. may grow, and, we dare say, will grow, to 1, 2, or even 5 per cent., if high rates of interest should return to Wall Street, and panic seize the bogus litter of Washington, of which the "National Bank" is the first bastard fruit. — *New York Times.*

BANK OF ST. MARY'S, COLUMBUS, GEO. — John G. Winter, President of the Bank of St. Mary's, has published the following card in the Alabama Journal, in relation to the present condition of the bank: —

"For the information of the creditors of the Bank of St. Mary's, I subjoin a condensed statement of its condition on the 23d of April last, when it suspended payment, and of its condition on the 18th of July, about eighty days subsequent thereto.

"On the 23d of April, its entire indebtedness, including circulation, deposits, outstanding checks, &c., was $585,888.64. On the 18th of July, the entire indebtedness (embracing every form of liability) was $251,115.32; thus exhibiting a redemption in eighty days of no less a sum than $334,773.32, — which does not include nearly $100,000 of my own small change bills that have been promptly redeemed in that period, as presented.

"I embrace this opportunity of renewing my assurance to the public, that my efforts shall continue unremitted to redeem the issues of the bank; and that, so far from its being insolvent, it will be able, within a reasonable time, to redeem, at par, its entire liabilities, her good assets amounting to *more than double her present indebtedness!* It is hoped that this notice will secure the attention of all such editors as may be disposed to guard the people against the sacrifice of the notes of the Bank of St. Mary's.

"JOHN G. WINTER."

TEXAS. — The New Orleans *Picayune* states that the Supreme Court of Texas has decided in favor of the validity of the charter of the Commercial and Agricultural Bank of Texas. The charter was granted by the colonial government of Coahuila and Texas, and confirmed by the authorities of the Republic of Texas. The question raised was, whether it was annulled by the adoption of the State constitution, which prohibits chartered banks. The Supreme Court decided it was not.

DEBT OF PENNSYLVANIA. — The following circular has been issued by Mr. McCahen, the agent of the Commonwealth of Pennsylvania, who is now in London, on business in connection with the conversion of the present State bonds into a new issue drawing a less rate of interest, but having a longer time to run, and specially exempted from taxation of every kind. As this document contains some useful information relative to the finances of Pennsylvania, we copy it entire: —

To the Loan-holders of the State of Pennsylvania. — The undersigned, duly appointed and commissioned by the authorities of the State of Pennsylvania a commissioner of loans for said State, respectfully announces to the holders of the loans created by her laws his arrival in this city, with all lawful powers to negotiate an exchange of any of the existing obligations of the State, and conclude new loans for a period not exceeding thirty-five years, at a rate of interest not more than 4 per cent. per annum, free from every kind of taxation, so expressed upon the bond, with coupons or interest certificates attached, payable semiannually, on the first days of February and August of each year. The bonds to be issued in the sums of one, five, or ten thousand dollars each, according to agreement.

The whole debt of Pennsylvania is forty millions of dollars, or about eight millions of pounds sterling. The State has the right to pay off the same at the periods designated in the following table: —

At the present time (and will be paid during this year),	$2,314,325.20
In the beginning of the year 1853 (will be paid as soon as the period arrives),	688,479.51
Loan made in 1841,	650,163.00
Bank-charter loans, payable at any time,	119,500 00
During the year 1853, and Jan. 1, 1854,	2,744,057.83
During the year 1854,	2,146,529.83
August 1, 1855,	4,478,040.26
July 1, 1856,	2,731,190.49
March and July 1, 1858,	7,022,233.01
July and August 1, 1859,	1,209,999.59
July 1, 1860,	2,592,386.48
The remainder of the loans are payable in 1861, 1862, 1863, 1864, 1865, 1868, and 1870, $400,000 due in 1879, and $850,000 in 1882, amounting in all to	13,062,000.00
Total,	$40,748,905.20

It will be perceived by the foregoing, that the State has the right to pay off, during

this year, $3,314,325.20; during the year 1853, $4,202,200.34; during the year 1854, and August, 1855, $6,624,670.09; and July 1, 1856, $2,731,190.49; the first half-year of 1858, $7,022,233.01; in two years after, $4,392,386.07; making an aggregate of $28,287,005.20, payable in less than eight years. It is for the holders of these loans to determine, in the present condition of the money market of the world, the prospect of vast accumulation of capital which may become idle or unproductive, or the rates of interest everywhere materially reduced, if it is their interest now to make a permanent investment for any period not exceeding thirty-five years.

Should all or any believe the present opportunity the Executive, Treasurer, and Legislature of Pennsylvania has afforded them, through their commissioner, worthy of acceptance, the undersigned will be most happy to carry out the object of his mission, and upon the surrender of the certificates of either loan or interest, will issue authorized receipts for the fulfilment of the same, taking effect immediately. Or, if they prefer an arrangement to exchange their certificates upon the delivery of the new bonds, he is prepared to negotiate the same.

The following exhibits the comparative revenue of the State of Pennsylvania for the years 1843 and 1851, and the estimated revenue of 1852, from general and regular sources. The fiscal year terminates on the 30th of November:—

	1843.	1851.	1852.
Loans,	$8,254.03	$43,152.96	$45,000
Auctioneers' commission and duties,	88,972.28	71,316.47	70,000
Tax on banks, corporations, and their dividends,	67,040.55	392,830.61	420,000
" loans, offices, enrolments, &c.,	42,844.03	202,672.95	225,000
" real and personal estate,	554,452.06	1,372,170.37	1,400,000
" collateral inheritances,	22,337.05	150,625.48	100,000
Licenses, retailers', tavern, &c.,	119,952.34	297,999.90	300,000
Public works, railroads, and canals,	1,010,401.15	1,719,788.54	2,000,000
Other sources, ordinary receipts,	10,573.87	70,853.21	100,000
Balance of available funds at end of fiscal year,	115,466.91	543,979.21	1,000,000
Total,	$2,040,294.27	$4,865,389.70	$5,660,000

The prosperity of the State cannot be retarded, unless by some improbable casualty; the completion of the last link of her improvements has been provided for, and it is expected that in one year the North Branch Canal will pay a revenue upon more than three and a half millions of dollars, hitherto entirely unproductive. The railways are now improving, and, being adapted to increased business and celerity in transporting passengers and freight, we may confidently predict that, in less than two years, the receipts upon our public works will exceed two and a half million dollars per annum. The single article of anthracite coal will illustrate the productive wealth of the State. In 1843, there were sent to market from our eastern coal-fields 1,340,710 tons, and in 1851, 4,383,730 tons,—showing an increase of production of 3,142,020 tons. The amount mined in 1852 will equal 5,300,000.

The proposals for the Five Million Loan, at a rate of interest not exceeding five per cent. per annum, for twenty-five years, advertised to pay off so much of the debt, will be opened at Harrisburg, the capital of the State, September 7. Those who desire to bid for any part of it can leave sealed proposals, addressed to the Secretary of the Commonwealth, care of the undersigned, until the 19th instant. Whatever amount the holders of the loan which the State has now the right to pay off convert, will reduce the allotment of the same to the bidders.

In thus addressing the loan-holders, it may be proper to state, that the authorities of Pennsylvania believed it was due to the holders of our debts in Europe to make known to them the passage of the law authorizing the foregoing, and afford them such facilities in embracing its provisions as the presence of an authorized commissioner would give; and also, at the same time, exhibit to them the prosperous condition of her affairs.

Communications addressed to the undersigned, at Long's Hotel, New-Bond Street, or, care of Messrs. Baring Brothers & Co., or Messrs. George Peabody & Co., will meet prompt attention.

JOHN J. McCAHEN,
Commissioner of Loans for State of Pennsylvania.

London, August 5, 1852.

NEW JERSEY FREE BANK LAW. — REDEMPTION OF CIRCULATION. — If the agent named does not in fact redeem such notes as are presented to him, then the bank whose agent refuses is liable to pay twenty per cent. interest after the time of presenting the notes. This appears to be the sole penalty; so that it will be perceived this part of the law is inefficient, and probably of very little value. But there are other provisions of the law which appear to us of more importance, and which we hope will not be overlooked. Every bank established under the general bank law is required to have a regular *bonâ fide* banking-house or office in some public situation, in the place of its location, to be used for that purpose only, and to keep a regular cashier or clerk in attendance therein at the usual business hours, and carry on a regular banking business. If any bank neglects to do this, and any creditable citizen of the State shall make an affidavit, in writing, setting forth that, from personal knowledge and examination, he hath reason to believe, and doth believe, that it is violating any of those provisions, and shall forward such affidavit to the Attorney-General, he is required to apply to the Chancellor, and have the facts inquired into, and the bank declared insolvent, and all further issues of notes stopped. The bank commissioners are also authorized to inquire into this matter officially, and proceed accordingly. — *Bridgton Chronicle.*

LETTERS OF CREDIT. — The well-known banking firm of Duncan, Sherman, & Co., 48 William Street, New York, is prepared to furnish letters of credit, mercantile credits, and circular notes, on the Oriental Bank of London, available at the following branches of that institution: — Canton, Hong Kong, Shanghai, (China); Columbo and Kandy (Ceylon); Madras, Singapore, Bombay, and Calcutta. They also furnish credits and bills of exchange, available at sight, on the following Pacific ports: — Lima, Valparaiso, Panama, San Francisco. Also, on every important city in Europe; on Alexandria (Egypt) and Cairo, and many other prominent places, for the use of travellers and merchants.

LOWELL TAXES. — A list of corporations who pay fifty dollars and upwards of taxes on property in this city: —

Appleton Bank,	$ 122.40	Hamilton Company,	$ 6,528.00
Proprietors of South Congregational Meeting-House,	102.00	Lawrence Company,	8,160.00
Lowell Institution for Savings,	207.40	Lowell Bleachery,	1,632.00
Boston and Lowell Railroad,	370.60	Lowell Corporation,	5,974.84
Nashua and Lowell Railroad,	95.20	Lowell Machine-Shop,	3,264.00
Nashua and Lowell and Lowell and Lawrence Railroad,	149.60	Massachusetts Mills,	9,792.00
Lowell and Lawrence Railroad,	54.40	Merrimack River Lumber Company,	183.60
Lowell Gas Company,	1,088.00	Merrimack Company,	13,600.00
Appleton Corporation,	3,264.00	Middlesex Company,	5,440.00
Boott Manufacturing Company,	6,528.00	Suffolk Company,	3,264.00
		Tremont Company,	3,264.00
		Proprietors of Locks and Canals,	1,142.06

THE FRENCH MINT. — A commission was some time ago appointed to superintend the grand affair of the recoinage of the copper currency. Pradier, the sculptor, was one of the number. The place left vacant by his death has not yet been filled. They have done but little yet, as the mints are too busy with the gold and silver coins to pay much attention to the baser metals. They are engaged in examining the question, whether it will be more or less expensive to bring the copper from the departments to Paris, and, when it is re-struck, carry it back again, or to put the mints of Strasbourg and Bourdeaux, and perhaps others, in a condition to do their share of the work. The least onerous plan will be adopted. The models for the pieces of 1, 2, 5, and 10 centimes are ready, but the dies have not yet been engraved. Operations will not probably be commenced before October. The coinage of the 5 franc pieces is nearly terminated; that of the 10 franc gold coins has just been begun; the 20 franc pieces, gold, and the 2 franc, 1 franc, 10 sous, and 4 sous, silver, are yet untouched. The edge of the 5 franc pieces, which is unmilled, bears the inscription, *Dieu protége la France*; the large spaces between the words are occupied by stars; these are to be replaced by eagles, and the Mint has been for several days running short time, while the engravers effect this important transformation. — *Paris Correspondence of the New York Commercial Advertiser, July*, 1852.

LOUISIANA. — The new constitution recently adopted by the Convention of Louisiana, as a substitute for that of 1845, has the following provisions in reference to the public debt, &c.: —

Bank Stocks. — *Art.* 108. The State shall not subscribe for the stocks of, nor make a loan to, nor pledge its faith for the benefit of, any corporation or joint-stock company created or established for banking purposes, nor for any other purposes than those described in the following article.

Internal Improvements. — *Art.* 109. The Legislature shall have power to grant aid to companies or associations of individuals formed for the exclusive purpose of making works of internal improvement, wholly or partially within the State, to the extent only of one fifth of the capital of such companies, by subscriptions of stock, a loan of money, or public bonds; but any aid thus granted shall be paid to the company only in the same proportion as the remainder of the capital shall be actually paid in by the stockholders of the company; and in case of loan, such adequate security shall be required as to the Legislature may seem proper. No corporation nor individual association receiving the aid of the State as herein provided shall possess banking or discounting privileges.

Limit to State Liability for Aid to Internal Improvements. — *Art.* 110. No liability shall be contracted by the State as above maintained, unless the same be authorized by some law, for some single object or work, to be distinctly specified therein, which shall be passed by a majority of the members elected to both houses of the General Assembly; and the aggregate amount of debts and liabilities incurred under this and the preceding article shall never, at any one time, exceed the sum of eight millions of dollars.

Interest on New Public Debt. — *Art.* 111. Whenever the Legislature shall contract a debt exceeding in amount the sum of one hundred thousand dollars, unless in case of war, to repel invasion, or suppress insurrection, they shall in the law creating the debt provide adequate ways and means for the payment of the current interest, and of the principal, when the same shall become due.

And the said law shall be irrepealable until principal and interest are fully paid and discharged, or unless the repealing law contain some other adequate provision for the payment of the principal and interest of the debt.

Lotteries. — *Art.* 113. No lottery shall be authorized by this State, and the buying or selling of lottery-tickets within this State is prohibited.

Bank Charters, Special and General. — *Art.* 118. Corporations with banking or discounting privileges may be either created by special acts, or formed under general laws; but the Legislature shall in both cases provide for the registry of all bills or notes issued or put in circulation as money, and shall require ample security for the redemption of the same in specie.

Suspension of Specie Payment. — *Art.* 119. 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.

Insolvency of Banks. — *Art.* 120. In case of insolvency of any bank or banking association, the bill-holders thereof shall be entitled to preference in payment over all other creditors of such bank or association.

The Citizens' Bank. — *Art.* 121. The Legislature shall have power to pass such laws as it may deem expedient for the relief or revival of the Citizens' Bank of Louisiana, and the acts already passed for the same purpose are ratified and confirmed. Provided that the bank is subjected to the restrictions contained in articles 119 and 120 of this constitution.

J. J. SPEED. — We have to record the death of Joseph J. Speed, Esq., of Baltimore, in the fifty-sixth year of his age. Mr. Speed lost his life in consequence of the accident to the steamboat Henry Clay, on the Hudson River, on the 28th of July last. Mr Speed was a member of the Baltimore bar for many years, and had acquired a high character for talents and integrity. His letters on the subject of Repudiation, published in this Magazine, and in other American journals, had made him well known to the citizens of Maryland and to the reading public of the United States. Few men exercised more influence in restoring the public credit of Maryland during the years 1844 – 48.

BANK ITEMS.

MASSACHUSETTS. — George Howe, Esq., has been elected President of the State Bank, Boston, in place of Samuel Frothingham, Esq., resigned. Mr. Frothingham had held the office since August 2, 1841, after having, for many years, held the post of Cashier of the Branch United States Bank at Boston.

RHODE ISLAND. — Augustus M. Tower was, on the 20th of August last, elected Cashier of the Merchants' Bank, Providence, in place of William B. Burdick, Esq., resigned.

Foster. — The Mount Vernon Bank, at Foster, Rhode Island, was entered between Saturday, the 4th of September, and the following Monday morning, and robbed of $ 10,300 in bills of the bank. About $ 7,000 were of the denomination of $ 50, and numbered mostly from No. 400 to 500, $ 2,000 of which had never been put in circulation. The remainder were in bills of $ 10, $ 20, and $ 100. The bank has issued the following advertisement: —

"CAUTION. — The Mount Vernon Bank, of Foster, hereby cautions the public against receiving bills of the bank of the denomination of $ 20, $ 50, and $ 100, issued prior to this date. All parties holding bills of those denominations, which have been put in circulation by the bank, are informed that said bills will be redeemed on presentation at their counter.

By order of the Directors,

R. G. PLACE, *Cashier.*

Mount Vernon Bank, Foster, September 6, 1852."

CONNECTICUT. — William H. D. Callender, Esq., at present Teller of the State Bank, Hartford, has been elected Cashier of the Hartford County Bank, a new institution organized under the general banking law of Connecticut.

NEW YORK. — A new banking institution, under the title of the "Alliance Bank," is about to be established in the city of New York. Jacob R. Pentz, Esq., Cashier of the Astor Bank, has been selected as the President of the new concern. The bank has purchased the property in Chambers Street, adjoining Stewart's marble store.

Suffolk Bank, New York. — W. Earl Arnold, acting President of the Suffolk Bank, an institution organized in June last, was arrested on the 13th of September, on the complaints of Erasmus D. Foot, a stockholder and director, and of Mr. J. M. Taylor, the Cashier of the bank, who charged in their affidavits that he had received about $ 17,000 of the funds of the bank, for which he refused to account. The accused was taken before Justice Osborne, but was fully acquitted of all charges.

Gloverville. — The Fulton County Bank at Gloverville has commenced operations, with a capital of $ 100,000. J. McLann, Jr., Esq., Cashier.

Lowville. — The Bank of the People has commenced operations at Lowville, with circulation secured by a deposit of United States and New York State stocks.

Brooklyn. — The Mechanics' Bank commenced operations, August 24, at No. 8 Court Street, Brooklyn. The directors have spared no pains to make the bank fire and robber proof. The banking-room is on the first or street floor of the building, is easy of access, and the location is central. The foundation of the vault is laid in solid masonry, commencing about two feet below the cellar floor, and the floor of the banking-room is built of heavy granite. The vault is also of granite, lined with extra plate boiler iron; between the lining and the walls is a place about three inches wide filled with plaster of Paris, as an additional security against fire. The vault is 5 by 13 feet in the clear, and divided into two apartments. The doors are secured by Day & Newell's and Butterworth's best bank-locks. The directors' room and the banking-room are fitted up in a neat and substantial manner, under the direction of Messrs. D. & M. Chauncy.

The circulating medium of this bank has been secured by the deposit with the Comptroller of United States and New York State stocks.

The officers of the bank are: — *President*, Conklin Brush; *Cashier*, A. S. Mulford; *Directors*, Wm. F. Bulkley, Conklin Brush, Daniel Chauncy, Isaac Carhart, Stephen Haynes, George W. Bergen, G. B. Lamar, John Studwell, Samuel Sloan, Abraham B. Baylis, Loomis Ballard, Samuel W. Slocum, J. C. Johnson.

Bank of Ulster. — This Bank, says the *Saugerties Telegraph*, will be in full operation in the early part of next week. The securities have all been deposited, the bills registered, and it only remains to put the finishing touch upon the banking-house, when the officers will step in, prepared to do all legitimate business connected with a bank of discount and deposit. The banking-house is a substantial brick building, finished in imitation of Quincy granite, and presents a very pretty appearance.

New Jersey. — The following is the supplement to the act against usury, which has passed both branches of the New Jersey Legislature: —

Sec. 1. *Be it enacted by the Senate and General Assembly of the State of New Jersey*, That upon all contracts hereafter made in the city of Jersey City and the township of Hoboken, in the county of Hudson, in this State, for the loan of or the forbearance or giving day for payment of 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 longer 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.

Sec. 2. *And be it enacted*, That this act shall take effect immediately.

Delaware. — *Bank of Milford.* — We learn that it was expected this institution would go into operation this week, but owing to some misunderstanding or disagreement between the commissioners and stockholders, a temporary delay has been occasioned. The stock has been taken by some gentlemen of wealth and standing from the city of New York, who have given the most satisfactory references as to character and property, and who have sent down a sufficiently large amount in specie to commence operations forthwith. An office has been rented, immediately adjoining the Town Hall Buildings, and fitted up for the purpose. — *Wilmington Republican, Sept.* 6.

Indiana. — The Bank of Connersville, in the town of Connersville, Fayette County (about fifty miles from Cincinnati), commenced operations on the 28th of July, with a capital of $ 100,000. This sum will be gradually increased to $ 300,000. This is the first institution that has been organized under the free banking law of Indiana.

Missouri. — The President of the Bank of Missouri, during his late trip to the East, discovered in the possession of the Bank of America $ 215,000 of the bonds of the State, duly executed by the proper State officers and indorsed by the bank. They had been deposited there for sale as far back as 1837 or 1838; but the singularity of their condition was the fact that neither the State nor the bank had any record of their existence. If the State ever had such evidence, it may have been destroyed by the burning of the State-House in 1838. But it is very strange that the books of the bank contain no notice of them. The president (Mr. Hughes) received them, and has returned them to the proper State authorities to be cancelled.

Illinois. — The Shawneetown papers contain advertisements for the sale of the lands belonging to the Bank of Illinois at Shawneetown, at the dates and places following: — Albion, 24th September; Fairfield, 27th do.; Carson, 30th do.; Benton, 4th October; Raleigh, 6th do.; Elizabethtown, 9th do.; Golconda, 12th do.; Metropolis, 14th do.; Shawneetown, 18th do; Caledonia, 1st November. The creditors of the bank are advised to attend the sales, and either purchase the lands or furnish bills and certificates to others for that purpose. The lands will now be sold to the highest bidders, without regard to valuation; and, as many of them are represented to be valuable, great bargains may be expected.

Notice. — In answer to numerous inquiries for the proposed *Manual for Notaries Public*, we state that the volume will be issued on or before the 1st of January next.

Postage Stamps. — Those persons who have occasion to remit postage stamps should be careful to inclose them so that the gummed sides shall not come together, — otherwise the heat or dampness of the mails may render them useless.

Notes on the Money Market.

BOSTON, SEPTEMBER 24, 1852.

Exchange on London, 60 days, 10¼ a 10½ premium.

EACH successive month adds to prior indications of an increasing business throughout the country, promoted by an increased volume of bank circulation and an accumulation of coin. The money market wears an easy aspect, with indications of abundant facilities during the coming season for all legitimate business. The amount of foreign capital seeking investment in this country is very large, giving an impetus to all descriptions of sound public securities.

The importations of foreign dry goods are very heavy this fall, as compared with last year. Although not pertinent to the subject of "*the money market*," we may hazard the remark, that this country has never exhibited so much extravagance as at this time in the articles of wearing-apparel and household furniture. Silks, satins, and woollens, of a most costly character, now enter largely into consumption in our leading cities and towns. At New York alone the importations for last week, in foreign dry goods, were $ 1,194,000, against $ 896,000 for the same period last year.

This will be compensated for in a great measure by the increased and increasing demand abroad for American cotton and bread-stuffs. The indications to this effect are highly favorable, and as long as we can pay in our own agricultural products for the large supplies of foreign manufacturers we shall be safe.

Many of our readers will have observed a considerable influx of bank-notes *purporting* to be from banking institutions at Washington, D. C. We may as well caution our readers against this new currency. These new issues are based upon nothing solid, and emanate from irresponsible parties. The *old* and established banks of the District of Columbia are noted below; — all others from that section have not yet established for themselves any character.

Bank of Washington, District of Columbia.
Patriotic Bank of Washington, District of Columbia.
Bank of the Metropolis, Washington.
Farmers and Mechanics' Bank, Georgetown, District of Columbia.

As banking in the District of Columbia is under the control of Congress, this spurious currency can be abated by an act to restrain the issue of bills by other parties than those that have heretofore possessed charters. There are issues from no less than ten individual concerns in the District of Columbia, only two of which, it seems, have banking-houses there; the notes of the others being merely *Wall Street fictions*. The two exceptions are the Bank of the Republic and the National Bank, both of which transact a regular business in deposits and loans, but are withdrawing their circulation, finding that the other issues have thrown a discredit upon the *bonâ fide* issues of that District.

The abundance of capital enhances the market value of the better class of public loans. These will continue to improve, and we should not be surprised to see government six per cents reach fifty per cent. advance. The current price for United States six per cent. loans of 1868 is now 119 *a* 120 in the New York market.

The leading stock operations of the month have been as follows: —

I. Buffalo and New York City Railroad first mortgage bonds, $ 294,000; average proceeds, 90½ per cent. This is the last issue of the sum of $ 700,000, and will insure the construction and equipment of the road.

II. Pennsylvania Railroad loan, $ 3,000,000, at six per cent., was awarded to Mr. H. C. Fisher at a premium of 3.20 per cent. It is reported that this loan is taken for account of the Messrs. Baring Brothers & Co., London. Other bids were received for portions of the loan at higher rates, say 5 per cent.; but the offer of Mr. Fisher was for the whole or none, and was, therefore, on the whole, the most acceptable. The loan is to run till the year 1880, bearing six per cent. interest, and is issued in coupon bonds of $ 1,000 each, convertible into stock, at the option of the holder, at any period prior to December 1860. The road is about 248 miles in length to Pittsburg, a single tract of which will cost $ 12,500,000, of which sum $ 9,000,000 have already been expended.

III. A loan of $ 340,000 has been secured, through Messrs. Page, Bacon, & Co. of St. Louis, for the St. Louis and Belleville Railroad Company, which will secure the early construction of this improvement. The charter of this company allows a connection between the road and any other railroad in the State.

IV. Wheeling City six per cent. bonds, $ 300,000; average, 106.88 per cent., or $ 320,660 in the aggregate. These bonds are guaranteed by the State of Virginia. The highest offer was 8.10 per cent. premium, and the lowest accepted bid 5.03 per cent.

The comparative monthly exports of specie from New York for the last five years have been as follows: —

	1848.	1849.	1850.	1851.	1852.
January,	$1,183,000	$122,000	$90,000	$1,266,000	$2,869,000
February,	433,000	107,000	279,000	1,008,000	3,551,000
March,	453,000	86,000	172,000	2,369,000	612,000
April,	1,176,000	86,000	290,000	3,482,000	200,000
May,	2,450,000	374,000	742,000	4,506,000	4,835,000
June,	1,972,000	596,000	880,000	6,463,000	3,656,000
July,	745,000	138,000	1,518,000	6,004,000	2,971,000
August,	331,000	360,000	1,442,000	2,673,000	2,936,000
September,	562,000	326,400	1,034,000	3,490,000	. . .
October,	882,000	1,831,000	1,421,000	1,780,000	. . .
November,	482,000	635,000	906,000	5,034,009	. . .
December,	366,000	142,000	1,209,000	5,668,000	. . .
Total exports,	$11,035,000	$4,803,000	$9,963,000	$43,743,000	. . .

We annex a comparative statement of the total specie in the banks and Sub-Treasury at the dates annexed, reported for the *New York Journal of Commerce*: —

Date.	*In Banks.*	*In Sub-Treasury.*	*Total.*
May 13, 1848,	$6,413,000	$468,000	$6,881,000
Sept. 29, 1848,	4,608,000	2,401,000	7,009,000
May 19, 1849,	8,238,000	2,139,000	10.377,000
Sept. 11, 1849,	8,117,000	3,600,000	11,717,000
May 15, 1850,	8,828,000	4,711,000	13,539,000
May 13, 1851,	7,967,000	4,400,000	12,367,000
July 23, 1851,	7,843,000	2,051,000	9,894,000
Sept. 8, 1851,	7,113,000	3.430,000	10.543,000
Sept. 25, 1851,	5,865,000	4,067,000	9,932,000
Dec. 20, 1851,	7,364,000	2,660,000	10,024,000
Mar. 27, 1852,	9,716.000	2,533,000	12,249,000
May 26, 1852,	13,090,000	3,876,000	16,966,000
June 26, 1852,	12,152,000	4.340,000	16,492,000
Sept. 9, 1852,	9,493,000	6,735,000	16,228,000

This statement, added to copious tables furnished in our late Nos. as to the condition of the banks in Kentucky, Ohio, Tennessee, Connecticut, Maine, and other States, will demonstrate that there is a largely accumulating amount of coin in the vaults of the banking institutions of the whole country.

THE BANKERS' ALMANAC FOR 1853. — The new volume, for the approaching year, is now in course of preparation, and will contain a large amount of useful details for merchants and bankers, — together with a revised List of Private Bankers, Banks, Coins, &c.

DEATH.

AT NEW LONDON, CONN., on Tuesday, August 31, in his 72d year, JONATHAN STARR, Esq., President of the Union Bank of New London. As a man and a merchant, he was without blemish and without reproach, and as the principal officer of our oldest and one of our most important moneyed institutions, his unsullied probity and his efficiency will long be remembered. In his capacity of President of the Union Bank, an office which he had holden for a long period, and held at the time of his death, he was alike distinguished for his intelligence, his financial efficiency, and the urbanity with which he presided over its affairs.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. NOVEMBER, 1852. No. V.

THE SUFFOLK BANK SYSTEM.

THERE is a slight interruption to the hitherto pleasant business relations between the Suffolk Bank of Boston and some of the country banks of New England. Owing to the increased tariff of charges by the former upon the various institutions in the interior, arising out of the largely increased redemptions of country money in Boston, some of the Rhode Island and other banks have declined acceding to the new terms of *par redemption*. This is the case with all the Providence banks, who cannot deposit country money in Boston at a better rate than a tax of fifty cents *per thousand dollars*. Hitherto the compensation to the Suffolk Bank has been a deposit at the latter by the interior banks of such a sum (without interest) as could be agreed upon—say from $2,000 to $5,000, according to the ordinary and aggregate redemption or the circulation of the latter.

The arrangement has been for many years a highly beneficial one; in the first place to the community, in saving them a broker's tax of ¼ to ¾ per cent. on about two hundred millions of dollars annually, which was the minimum charge formerly for discount on country bills; *secondly*, to the country banks, in a vast saving of capital to each, in obviating any necessity for their keeping more coin in their vaults than five or ten per cent. of their actual circulation; *and finally*, to the Suffolk Bank, because the arrangement furnishes them with an additional *working capital of one million of dollars*, without any loss, beyond the salaries of some 40 or 45 clerks, who are employed in counting and assorting this accumulating circulation of nearly one million of dollars per day.

This admirably working system, which originated in the year 1825,

with five associated banks of Boston, (then nicknamed the *Holy Alliance*,) and with Mr. Sprague, Cashier of the Globe Bank of Boston, was finally perfected under the administration of the late Henry B. Stone, for many years President of the Suffolk Bank.

The operations of this system have been healthful and beneficial in every respect; but of late, some of the interior banks, especially those in Providence, have thought the requirements of the Suffolk Bank unreasonable and exacting; and this feeling has induced some of them to conceive measures *among themselves* by which this *par redemption* can be accomplished by their own appointed agent, so as to avoid entirely the present cost to each.

That this may be readily accomplished, can be seen by any one who will figure out the basis of operations and its results. A bank specially chartered or specially appointed at Boston for this purpose, could, upon a capital of $1,000,000 and a deposit by the country banks of $2,000,000, (or a little more than two per cent. of the present eighty millions of bank capital in New England,) transact all the business for nothing and pay the associated banks a fair dividend annually.

The advanced rate of charges to the country banks of New England, added to the rapidly increasing business between New York and the manufacturing towns of New England, has driven many of the banks to keep their accounts in New York. This applies to nearly all the banks in Western Vermont, Hartford, New Haven, Providence, and other towns; and finally their accumulating business will further concentrate here until they will favour a New York connection in preference to any other. In other words, banks, like individuals, will transact business where it can be done upon *the best and cheapest terms.*

We copy the following synopsis of bank returns from the *Bankers' Magazine*, to illustrate the present condition of the New England banks and those of New York:—

	Capital.	*Circulation.*	*Coin.*
Maine,	$4,300,000	$3,200,000	$630,000
New Hampshire,	2,500,000	2,200,000	150,000
Vermont,	2,700,000	3,400,000	200,000
Massachusetts,	43,500,000	18,000,000	3,000,000
Rhode Island,	13,000,000	3,500,000	400,000
Connecticut,	15,000,000	6,700,000	900,000
	$81,000,000	$37,000,000	$5,280,000
New York,	60,000,000	33,000,000	10,000,000

The entire redemption at the Suffolk last year was, in round numbers, $240,000,000, and this year will probably approach $280,000,000, by which it will be seen that the bank issues are redeemed at least six or eight times every year *at one point;* besides the ordinary redemption at their own counters.

The plan adopted by the Metropolitan Bank of New York has proved entirely successful, and will fully reimburse the projectors and stockholders. The stock of that institution is now selling at 110 per cent., and 12 per cent. premium is demanded by some holders. The last semi-annual dividend was at the rate of eight per cent. per annum, and a re-

sulting balance of profit and loss undivided, on the 4th of September last, of over four per cent. on the present capital of two millions of dollars.

This plan of redemption has also been adopted by several other banking institutions in the city of New York—viz., the Bank of the Republic, the Grocers' Bank, the Nassau Bank, the Ocean Bank, and the new Market Bank, which latter went into operation on the 21st of October. This is all done in concert with the Metropolitan Bank.

The system works so well for the depositors and for the country banks, that the latter now withhold their opposition, and find that their own interests are best consulted by the change. It serves to keep the country bank issues so nearly at par, that they are kept in circulation a much longer period than formerly—and upon a much smaller specie basis.

It has been objected that the Metropolitan system is injurious to the community, because it absorbs perpetually large sums which are *in transitu*, or sealed up for redemption, that would, under other circumstances, be in actual circulation. This objection has apparently some force; but we may reply, that there is a certain amount of bank circulation required for the business operations of the community, and if one-fiftieth, or half a million, of the issues are temporarily withdrawn by the redemption process, a further supply will be promptly created from other sources to meet that demand. But what is the fact in relation to the operation of the mode of redemption by the Metropolitan Bank? The bills are received one day and sent to the agencies for redemption the next, or charged to the accounts of such banks as keep an account with that bank, and are sent to such country banks as often as they desire to have them. This process therefore locks up a smaller amount of bank bills than any hitherto adopted, and therefore keeps the aggregate of active circulation greater than formerly.

Mr. A. B. Johnson very appropriately observes in his little work:*

The Currency of the State is a sort of a Measure of the Business of the State.—The small variation in our State from month to month, in the aggregate amount of bank circulation and deposits, evinces that the commerce of the State employs a given amount of circulation and deposits. They constitute the currency of the State, for usually the other items of currency (specie and foreign bank-notes) are small in comparative amount. Commerce cannot ordinarily expand without an expansion of the currency, nor can either contract without a contraction of the other. And we may all have experienced, that business is more usually contracted from inability to obtain currency, than currency is contracted from diminution of business. A proof of this is the expansion, apparently illimitable, that gradually occurs in business whenever banks become able to expand the currency.

The Business of the State is a sort of Guarantee to Banks for the Permanence of a given amount of Currency.—The connection which thus exists between business and currency constitutes a practical guarantee to the banks that their bank-notes will not all be suddenly returned for payment, nor all deposits be withdrawn. But for this

* A Treatise on Banking: by A. B. Johnson, President of the Ontario Branch Bank 12mo. New York 1850

guarantee no banker would dare to issue bank-notes beyond the amount of his specie in bank, or to lend any portion of the money that he holds in deposit. If we examine the magnitude of the currency of our State when money is said to be scarce, and compare it with the magnitude that exists when money is said to be abundant, the difference will be small, and thereby shows that the guarantee above alluded to is potent. The currency will occasionally suffer a diminution that may distress bankers, but the great bulk of it must be as permanent as the business operations of men.

In other words, if out of an aggregate bank issue of twenty millions required for the people of this State, it were found that one million were perpetually sealed up, or temporarily unavailable, the deficit would be readily filled up from the same or other sources, and the volume would soon swell to the requisite amount, leaving still twenty millions *bona fide* circulation among the people.

But then we are told that only a specific and limited bank circulation can be manufactured in this State, owing to the scarcity of public stocks receivable as collateral security by the bank department. This is true; but we will find that the vacuum created by this incessant absorption is thoroughly supplied by the sound issues of the New England banks. These being less restricted in their circulation, have adopted the policy of using large amounts of their bills* for discounted paper, in Rochester, Buffalo, Ogdensburg, Cleveland, and many other Western towns; so that, although the Metropolitan system may, and actually does, absorb some half a million of dollars while in process of transmission to its numerous issuers, and thereby destroys for a moment its usefulnesss as a currency, yet the chasm is filled by other and equally responsible paper which is *at par* in every portion of the State.

One of the results of the present mode is to give increased activity to the circulation at all points. Like the blood of the human system, it is in a perpetual course of exhaustion and of supply. Every moment the process is in full vigour and enforcing greater purity to the system throughout.

THE NORTH AMERICAN TRUST AND BANKING CO.

THE decision of the Court of Appeals of New York, in the case of the North American Trust and Banking Company, still occupies the attention of parties in the street. We do not think the effect of this decision is understood. By this decision the North American Trust and Banking Company is declared "to be a monied corporation within the meaning of the Statutes of this State, relating to monied corporations. That it is a banking corporation, and possesses only authority to carry on the business of banking, in the manner and with the powers specified in such statutes; that it had no power to purchase State or other stocks, for the purpose of selling them for profit or as a means of raising money." It

* We have heard of one bank in Massachusetts that employs $10,000 per day in this way throughout the year.

is well known that almost the entire business of this company was the purchase and sale of State stocks for the purpose of raising money on them, and the issuing of post notes or bills of exchange, payable on time, and negotiated for the same purpose. The capital of the company in cash and bond and mortgages was between two and three millions of dollars, and upon this the directors and managers contracted debts and loans to the amount of $18,000,000. These transactions are declared by this decision to be entirely void. In the case of the State of Ohio, the transaction was this: the company purchased of that State certain State stocks, and gave in return negotiable certificates of deposit, payable on time, and assigned certain bonds and mortgages to secure the payment of these certificates. The State of Ohio sought to foreclose one of those mortgages, and the Court have decided that the whole transaction was void; including the assignment to that State of the bonds and mortgages. The bonds and mortgages, therefore, are the property of the receiver, and a part of the funds in his hands which will go to the stockholders. During the brief period of its existence the company issued bills of exchange and post notes payable on time, with interest, to an amount exceeding two and a half millions of dollars. This has also been decided to be illegal and void, and that the holders cannot recover, because the statute relating to monied corporations says, "No monied corporation subject to the provisions of this act shall issue any bill or note of the said corporation, unless the same *shall be made payable on demand, and without interest.*" By far the greater portion of these latter claims have been claimed against the receiver, and disallowed upon this and other grounds by the referees appointed to examine them, and their decision acquiesced in. The decision in this case is in the form of resolutions; a very unusual mode of making a decision, and was made in this form, as we are advised, in order not only to decide this case, but to decide and put at rest all other cases involving the same question, and save further litigation to all parties. These resolutions, emanating from the Court of last resort, are of course binding upon all the Courts in this State, and decide every cause now pending in this matter.

There are now in the hands of the receiver, we believe, upwards of one million and a half of assets, which, if we rightly understand the decision, are declared not to be subject to the claims of the foreign creditors as they are called, and which must be distributed among the stockholders.—*New York Courier and Enquirer.*

GIRARD'S ESTATE.—In the United States Circuit Court of Pennsylvania, an action brought by the heirs of the late Stephen Girard, against the city of Philadelphia, was decided. It was a suit brought to obtain possession of eleven tracts of land in Schuylkill County, supposed to contain valuable coal mines, and estimated to be worth one hundred thousand dollars a tract. The point upon which the plaintiffs claimed was, that at the time Mr. Girard made his will, bequeathing these lands, among other property, to the city, in trust for certain purposes, he did not own the whole title to them, but afterwards acquired the outstanding title, which so altered the estate owned by him as to render the will inoperative in passing the lands to the city. The Court sustained this view of the case, and the verdict was rendered in accordance with the charge of the judge.—*New York Courier and Enquirer.*

BANK STATISTICS.

MASSACHUSETTS.

We are enabled to furnish a comparative Statement of the Dividends of the Boston Banks for October and April, 1852, from which it will be seen that the profits of the last six months are not so great as for the six months ending in April last. This is owing, not to the want of business, but to a lower rate of interest that has prevailed this season :

Boston Bank Dividends, April and October, 1852, with the Capital of each and Current Value of Stock in Market.

Name.	*Capital.*	*Dividends.* *April.*	*Oct.*	*Stock.* *Sept.*
Atlantic Bank,	$500,000	4	4	113½
Atlas Bank,	500,000	3½	3½	107
Blackstone,	250,000	3	4	106
Boston,	900,000	4	4	116
Boylston,	250,000	4½	4½	115½
City,	1,000,000	3½	3½	108½
Cochituate,	250,000	4	4	105
Columbian,	500,000	3½	3	108½
Bank of Commerce,	1,500,000	4	4	109
Eagle,	500,000	3½	3½	108½
Exchange,	1,000,000	4	4	111½
Faneuil Hall,	500,000	3	4	107½
Freeman's,	300,000	4½	4½	110
Globe,	1,000,000	4	4	114
Granite,	750,000	4	4	108½
Grocers',	300,000	4	4	108½
Hamilton,	500.000	4	4	114
Market,	560,000	5	5	125
Massachusetts,	800.000	3	3	102
Mechanics'.	150,000	4	4	106
Merchants',	3,000,000	4	4	114½
New England,	1,000,000	4	4	114
North Bank,	750,000	3½	3½	107
North America,	500,000	4	4	109
Shawmut,	500,000	4	4	110½
Shoe and Leather,	1,000,000	4	4	113
State,	1,800,000	3½	3	110
Suffolk,	1,000,000	5	5	130
Traders',	600,000	4	3½	111
Tremont,	1,000,000	4	4	113½
Union,	1,000,000	4	4	114
Washington,	500,000	3½	3	106
Total, October, 1852,	$24,660,000			

The increase of capital and dividends of the Boston banks will be seen as annexed :—

Year.	*Capital.*	*Dividends.*	*Year.*	*Capital.*	*Dividends.*
1845	$17,480,000	$1,112,100	1850	$19,760,000	$1,539,000
1846	18,030 000	1,188,500	1851	23,660,000	1,754,300
1847	18,030,000	1,269 300	April, 1852	24,460,000	953.500
1848	18,330.0 0	1,373.100	Oct 1852	24,660.000	952.000
1849	19,802,000	731.3,100			

At the Legislative Session of 1850, a large increase of bank capital for the City and State was authorized; but at the session of 1851 a General Banking law was adopted, and all special charters and renewals were refused. No banks have been established under this general law, requiring deposits of State Stocks as collaterals: nor were any additional charters granted at the recent session of the Legislature.

The official documents show the following progressive changes in the population, bank capital, and bank circulation of Boston:

Year.	*Population.*	*No. of Banks.*	*Capital.*	*Circulation.*
1803	27,000	2	1,600,000	714,609
1810	33,000	3	4,600,000	906,000
1815	38,000	6	9,100,000	1,540,000
1825	58,000	14	10,300,000	3,770,000
1835	79,000	33	20,110,000	4,260,000
1846	118,000	24	18,180,000	5,920,000
1850	138,000	30	20,000,000	6,000,000

Year 1851.	*29 Banks in Boston.*	*97 Country Banks.*	*Total, 126 Banks.*
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks, ...	$35,375,960 97	$27,954,063 60	$63,330,024 57
Total amount of the resources of the banks, .	44,053,329 82	32,641,634 47	76,694,964 29
Amount of dividends since the last annual returns, ...	766,050 00	606,260 00	1,372,310 00
Amount of reserved profits at the time of declaring the last dividend, ...	1,841,138 49	1,006,148 53	2,847,287 02
Amount of debts due to each bank, secured by pledge of its stock, ...	187,292 00	286,646 33	473,938 33
Amount of debts due and unpaid, and considered doubtful, ...	28,188 69	165,199 83	193,388 52

The sudden increase in the number of these institutions soon after 1830, may be traced to the *Pet Bank* system adopted in 1833, at a time when the State of Mississippi created a bank capital of ten millions of dollars, now reduced to nothing.

The decrease following the years 1836–7 was owing to the failures of several of the pet banks of Boston, and to the bad management of others; so that at this moment that city has *no more* banks than she had in the years 1834–5.

The last published Report of their Banks (1851) showed an aggregate specie basis of $1,800,000, while the yearly redemption of country money by the Suffolk Bank is $250,000,000, or an average of about five millions of dollars *weekly*. This enormous circulation is thus fully sustained, *at par*, upon a very small sum in coin; but such are the checks and counter-checks upon the system, and such its uniform and general workings among the community, that a country bank is rarely called upon for $1000 in metal, while perfect security is felt by the bill-holders that the $35,000,000 of New England currency is equivalent to coin in Boston, although that coin bears so small a proportion to the bulk of paper afloat.

New York Banks.

Capitals and Dividends for 1852.

Banks.	*Location.*	*Capital.*	*For first half of the year.* 1851.		1852.		1852.	
			1st div.	*Am'nt.*	*1st. div.*	*Am'nt.*	*2d div.*	*Am'nt.*
American Exchange,	50 Wall,	1,500,000	5	75,000	5	75,000	5	75,000
Bank of America,	46 "	2,001,200	4	80,048	4	80,048	4	80,048
" of Commerce,	32 "	4,882,400	4	183,956	4	183,956	4	195,296
" of New York,	48 "	1,000,000	4	40,000	5	50,000	5	50,000
" of North America,	27 "	1,000,000	new	..	3½	35,000	3½	35,000
" of Republic,	1 "	1,000,000	new	..	3½	35,000	4	40,000
" of State of N. Y.,	30 "	2,000,000	4	80,000	4	80,000	4	80,000
Bowery,	153 Bowery,	356,650	4	17,266	4	17,266	4	14,266
Broadway,	336 Broadway,	600,000	4	20,000	4	20,000	4	24,000
Butchers and Drovers',	124 Bowery,	500,000	5	25,000	10	50,000	10	50,000
Chatham,	Chatham Street,	400,000	new	..	4	12,000	4	16,000
Chemical,	270 Broadway,	300,000	6	18,000	6	18,000	6	18,000
Citizen's,	64 Bowery,	350,000	new	..	4	15,000	4	14,000
City,	52 Wall,	720,000	5	36,000	5	36,000	5	36,000
Empire City,	336 Broadway,	106,010	new	..	.	..	.	..
Fulton,	268 Pearl,	600,000	5	30,000	5	30,000	5	30,000
Greenwich,	402 Hudson,	200,000	5	10,000	5	10,000	5	10,000
Grocers',	55 Barclay,	300,000	new	..	.	..	.	.
Hanover,	105 Pearl,	500,000	new	..	3½	17,500	4	20,000
Irving,	273 Greenwich,	300,000	new	..	3½	10,500	3½	10,500
Knickerbocker,	141 8th Avenue,	300,000	new	..	.	..	.	..
Leather Manufacturers',	45 William,	600,000	4	24,000	4	24,000	5	30,000
Manhattan,	40 Wall,	2,050,000	4	82,000	4	82,000	4	82,000
Mechanics',	33 "	1,440,000	5	72,000	5	72,000	5	72,000
Mechanics' Banking Ass.,	38 "	632,000	4	25,280	4	25,280	4	25,280
Mechanics and Traders',	398 Grand,	200,000	5	12,000	6	12,000	6	12,000
Mercantile,	182 Broadway,	600,000	new	..	5	30,000	5	30,000
Merchants',	42 Wall,	1,490,000	5	74,500	5	74,500	5	74,500
Merchants' Exchange,	173 Greenwich,	1,235,000	5	61,750	4	49,400	4	49,400
Metropolitan,	54 Wall,	2,000,000	new	..	.	..	4	80,000
National,	36 "	750,000	5	37,500	5	37,500	5	37,500
N. Y. Dry Dock,	139 Avenue D,	200,000	5	10,000	5	10,000	5	10,000
N. Y. Exchange,	187 Greenwich,	130,000	new	..	4	5,200	4	5,200
North River,	187 "	655,000	5	32,250	5	32,250	5	32,750
Ocean,	222 Fulton,	1,000,000	5	50,000	4	40,000	5	50,000
Pacific,	461 Broadway,	422,710	4	16,908	4	15,908	4	16,908
People's,	173 Canal,	412,500	new	..	3½	14,406	3½	14,437
Phenix,	45 Wall,	1,200,000	4	48,000	3	48,000	4½	54,000
Seventh Ward,	234 Pearl,	500,000	6½	31,250	6½	31,250	4½	22,500
Tradesmen's,	177 Chatham,	400,000	5	20,000	5	20,000	7½	30,000
Union,	34 Wall,	1,000,000	5	50,000	5	50,000	5	50,000
	Total,	$35,833,470	4½	$1,962,758	4.15	$1,459,964	22½	$1,576,585

Our readers will find in another portion of this number a copious table, showing the resources and liabilities of the banks of New York on the 4th of September last, compiled from the Official Report of the Bank Department at Albany, with comparative tables of their condition during the years 1849, 1850, and '51. A cursory examination of these tables will enable the reader to observe that the banking facilities of the great metropolis are rapidly increasing from year to year, and keep pace with the accumulating business and requirements of the City and State.

ILLINOIS.

List of Banks organized under the General Banking Law of Illinois; amount of capital stock set forth in their certificates of organization; amount of public stocks deposited with the auditor as security for circulating notes; market value of the same, and the amount of circulating notes delivered to the banks on or before Oct. 9, 1852.

	Location.	*Name.*	*President.*	*Cashier*
1.	Chicago,	Marine Bank of Chicago,	J. Young Scammon,	Edward J. Tinkham.
2.	"	Merchants and Mechanics' Bank,	Levi D. Boone,	Stephen Bronson, Jr.
3.	"	The City Bank,	D. Ogden Bradley,	Charles E. Curtiss.
4.	"	Commercial Bank,	Isaac Cook,	Ashley Gilbert.
5.	"	The Bank of America,	George Smith,	E. W. Willard.
6.	"	The Chicago Bank,	Thomas Birch,	Isaac H. Brush.
7.	Danville,	Stock Security Bank,	Enoch Kingsbury,	G. Merrill.
8.	Ottawa,	The Bank of Ottawa,	George H. Norris	George S. Fisher.
9.	Peoria,	Central Bank,	Gideon H. Rupert,	R. Arthur Smith.
10.	Rock Island,	The Rock Island Bank,	M. B. Osborn,	Seth H. Mann.
11.	Quincy,	The Quincy City Bank,	Newton Flagg,	Isaac O. Woodruff.
12.	Springfield,	Clarks' Exchange Bank,	N. H. Ridgely,	James Campbell.
13.	"	The Bank of Lucas and Simonds,	Antrim Campbell,	Robert Irwin.

	Name.	*Amount of Capital Stock proposed.*	*Amount of Public Stocks deposited.*	*Value of Public Stocks.*	*Circulating Notes.*
1.	Marine Bank of Chicago,	$550,000	$103.565	$101,208	$78,085
2.	Merchants and Mec. Bank, Chicago,	100,000	50,000	54,700	54,700
3.	The City Bank, Chicago,	200,000	50,000	50,000	49,995
4.	Commercial Bank,	264,000	50,000	50,000	35,000
5.	The Bank of America, Chicago,	1,000,000	93,501	50,060	10,000
6.	The Chicago Bank, Chicago,	1,000,000	108,707	52,615	24,000
7.	Stock Security Bank, Danville,	300,000	50,000	50,000	49,995
8.	The Bank of Ottawa,	500,000	50,000	50,000	49,995
9.	Central Bank, Peoria,	500,000	50,000	50,000	20,000
10.	The Rock Island Bank,	500,000	50,000	50,000	49,995
11.	The Quincy City Bank,	1,000,000	50,000	50,000	..
12.	Clarks' Exchange Bank,	600,000	558,445	279,403	269,000
13	The Bank of Lucas and Simonds,	250,000	52,800	51,120	50,000
	Total,	$6,764,000	$1,317,018	$939,106	$740,765

In addition to the above, the following have filed certificates, but no securities had been deposited, and no circulating notes had been issued, October 9, 1852—showing the amount of capital stock set forth in the certificates of organization.

	Location.	*Name.*	*Proposed Capital.*
1.	Chicago,	Bank of North America,	$1,000,000
2.	"	The Bank of Chicago,	500,000
3.	"	The Union Bank,	200,000
4.	Belvidere,	Belvidere Bank,	75,000
5.	Bloomington,	Bank of Bloomington,	500,000
6.	Freeport,	Stephenson County Bank,	50,000
7.	Geneva,	Geneva Bank,	100,000
8.	Peru,	Peru Bank,	200,000
9.	"	Illinois River Bank,	250,000
10.	Quincy,	Farmers' and Mechanics' Bank,	500,000
11.	Springfield,	The Merchants and Farmers' Bank,	1,000,000
		Total Capital proposed,	$4,375,000

New York.

Condition of the Banks of the City of New York in September, 1849, 1850, '51, and '52.

Resources.	1849.	1850.	1851.	1852.
Loans and discounts,	$46,665,650	$57,705,810	$59,910,252	$79,039,394
" to directors,	2,725,760	2,912,332	4,203,951	3,909,444
" to brokers,	1,687,610	2,268,380	1,312,150	5,866,626
Real estate,	2,113,620	1,956,284	2,397,980	2,702,410
Bonds and mortgages,	148,110	290,427	248,626	248,611
Stocks,	3,821,390	3,152,662	4,814,880	5,245,243
Promissory notes,	132,270	3,800	26,652	45,961
Total investments,	57,294,610	68,219,895	72,914,491	97,057,689
Loss and expense account,	304,390	306,393	392,327	404 950
Overdrafts,	24,034	33,151	42,040	41,210
Specie,	8,022,250	9,056,135	6,032,463	8,702,895
Cash items,	6,377,510	9,292,290	10,900,135	11,866,284
Bills of solvent banks,	657,431	815.200	1,065,842	1,195,842
Due by solvent banks,	3,815,490	4,950,592	4,174,367	4,216,743
Due from suspended banks,	4,833	4,833	4,512	11,467
Add for cents,	50	27		155
Total resources,	$76,500,598	$92,678,516	$95.526,177	$123,497,235
Liabilities.	1849.	1850.	1851.	1852.
Capital,	25,068,700	27,440,070	34,603,100	36,791,750
Profits undivided,	3,726,360	4,352,048	5,348,666	5,464,511
Circulation not registered,	282,637	275,690	272,880	256,834
Circulation registered,	5,707,463	6,419,320	7,103,234	8,421,830
Due Treasurer State of N. Y.,	212,494	275,583	221,840	187,200
Deposits on demand,	28,482,228	37,018,220	36,640,617	49,608,800
Due Corporations, &c.,	68,864	212,160	317,253	607,610
Bank balances,	12,352,280	16,412,280	10,777,040	20,884,620
" " on credit,	40,000			941,984
Miscellaneous,	559,572	273,145	241,547	332,096
Total liabilities,	$76,500,598	$92,678,516	$95,526,177	$123,497,235
Number of incorporated banks,	17	17	17	17
Number of banking associations,	9	11	21	24

Bank Dividends.

New York City.—Mechanics' Bank, 5 per cent. Fulton Bank, 5 per cent. Greenwich Bank, 5 per cent. Union Bank, 5 per cent. Bank of New York, 5 per cent. American Exchange Bank, 5 per cent. Mechanics and Traders' Bank, 6 per cent. Chatham Bank, 5 per cent.

Baltimore.—Marine Bank, 4 per cent. Farmers and Merchants' Bank, 4½ per cent.

North Carolina.—Bank of Cape Fear, 4 per cent.

Dividend.—The stockholders of the late City Bank are hereby notified that a further dividend of 5 per cent. out of the surplus profits will be paid to them, or their legal representatives, on demand, after the 31st inst. New York, October 21, 1852.

For the trustees. G. A. Worth.

Bank of America.—October 22, 1852.—The trustees of the first Bank of the United States, the charter of which expired in 1812, have just made a dividend of (70) seventy cents a share, as the *final* dividend of its effects. The above dividend will be paid (at this Bank) to the shareholders, who empowered this Bank to receive their dividends.

J. Punnett, Cashier.

THE AUSTRALIAN GOLD FIELDS.

From the London Times, September 23.

THE statement furnished yesterday with regard to the production of gold at the Mount Alexander mines, in the colony of Victoria, is sufficient to account for the non-arrival of vessels from that quarter, although as some, which were known to have sailed before the date of the last advices, have not yet been reported, it is probable that adverse winds have also caused delay. When it appears that the amounts brought in, to be sent by escort to Melbourne for the weeks ending respectively the 11th, 18th, and 25th of June, were 80,000, 91,000, and 105,000 ounces, making an average of 92,000 ounces per week, or about £370,000 sterling, it may be supposed that the attraction must be such as almost to preclude the possibility of crews being retained by any precautions, however stringent. A striking fact in connection with the present information is, that the yield appears to have increased with enormous rapidity week by week, so that it is impossible to conjecture, unless some sudden and unlooked-for check should be experienced, what will be the limit of the supply when the number of adventurers shall be swollen, as it will be in the course of a short time, by the emigrants daily arriving not only from Europe, but also from the adjoining colonies, and even from Canada and the United States. Indeed, the totals now given appear so astounding, showing, as they do, from the Mount Alexander mines alone, a rate of production little short of £20,000,000 per annum, that they suggest the possibility of some mistake in the figures, and as they rest upon an extract from a single letter, they may, perhaps, be accepted with some reserve. All the collateral information at hand, however, tends to confirm the probability of their correctness. The communications from Sydney mention the increase of excitement which had been caused there by the last arrivals from Victoria, and the fresh impulse which had been given to the general population of New South Wales to desert their own mines, in order to share the more extraordinary wealth of their neighbours. It will also be seen, by reference to the accounts received in London from Victoria on the 31st of August last, that the gold entrusted to the escort for the week ending the 28th of May was larger than had ever before been known, the total being nearly 38,000 ounces, and the supposition is consequently strengthened, that with the advance of the rainy season and the augmentation in the supply of water, the gatherings would increase in an unprecedented ratio. At the same time, the fact of our having had information of the sums brought in up to the 28th of May, leaves only the week ending June 4 to be accounted for, and we are consequently precluded from an explanation that might otherwise be offered, of the largeness of the present totals, by assuming that they consisted of the accumulations of several previous weeks, kept back by the badness of the roads, or other causes. Under these circumstances, the next advices will be looked for with the greatest interest, and if they should establish the circumstances now mentioned, they will produce among merchants and ship-owners a

stronger impression than any thing that has yet been communicated. It must be borne in mind that hitherto the amounts brought by escort have by no means represented the whole earnings of the miners—the estimate being that at least a third of their gains are retained or sent to town by private hands. In contemplating the riches of the country, we must also recollect that although the New South Wales mines are likely to be neglected, owing to the want of population caused by the drain to Mount Alexander, the last intelligence regarding them was very favourable, and that they appear to offer an unlimited field whenever the increase of competition resulting from immigration shall lead the colonists to consider moderate earnings to be worth looking after. It is difficult, however, to form an opinion as to when that period may arrive. Hitherto it has been supposed that the labours at Mount Alexander could be carried on with great success only during the winter season, but if its deposits should with any degree of permanency offer the rewards now presented, there can be little doubt that before the next dry season methods of irrigation will be devised, whatever may be the outlay required for them, and that hence the receipts from that singular locality will be more or less continuous.

From the London Times, September 24.

With reference to the statement received by the overland mail, of the production of gold at the Mount Alexander mines, in the colony of Victoria, the following is an extract from another private letter, addressed to a mercantile firm in London, which tends to corroborate the probability of its accuracy. The news was obviously current at Sydney at the date of these communications, and there would consequently now be no reason to hesitate in regarding it as certain, but for the possibility that it may have been fabricated by some of the passengers of the Shamrock, by which vessel it was brought to that port:

EXTRACT FROM A LETTER, DATED SYDNEY, JUNE 25, 1852.

The Shamrock is just in. It is reported 95,000 oz. of gold arrived in Melbourne the week the Shamrock sailed, 85,000 the previous week, and no less than 105,000 were expected the week following.

The subjoined additional paragraph from the letter originally quoted, likewise indicates that even at Sydney the difficulty of getting crews had greatly increased, while it also mentions that a considerable quantity of the Mount Alexander gold had just been received:

The departures for London this month are, the Ganges, on the 13th; the Maitland, on the 26th; and the San Francisco, on the 27th. There are several vessels ready for sea, but the difficulty of obtaining seamen prevents their getting away. Even £10 per month will not tempt them to go to London; and the Glenbervie and Neptune have scarcely a hand on board. The Shamrock, from Melbourne, has brought 10,000 ounces of gold on freight, and about an equal amount in private hands. Those large quantities do not affect the price, as at Sydney 67*s.* is freely given, and at Melbourne, 63*s.* 9*d.*

RECENT PAMPHLETS ON THE GOLD QUESTION.

From the London Bankers' Magazine, August, 1852.

1. *A Letter to Thomas Baring, Esq., M. P., on the Effects of the Californian and Australian Gold Discoveries.* By FREDERICK SCHEER. London: Effingham Wilson.
2. *A few Words on the Effect of the Increase of Gold upon the Currency.* London: Ridgway.
3. *Observations on the Effect of the Californian and Australian Gold; and on the Impossibility of continuing the present Standard, in the Event of Gold becoming seriously depreciated.* London: Aylott & Jones.

ALL these pamphlets are devoted to a consideration of one question connected with the gold discoveries, viz.: — What effect will the increase of bullion have on the value of the currency and the prices of commodities?

Mr. Scheer's essay is the best we have seen on the subject, because he fully argues the question, without assuming, as other writers have done, that certain effects must necessarily follow from certain assumed data, which may, possibly, hereafter turn out to be erroneous, or capable of being greatly modified by circumstances. Mr. Scheer does not think that the influx of gold will produce any immediate or decided effect, either on the currency or on prices. He says: —

> The experience of the great rise of prices, during the two centuries succeeding the discovery of America, and concurrent with the influx of the precious metals from thence, is generally alleged as proof presumptive of what is now to be expected. It will be, however, made manifest, that circumstances differ, and that we ought to be cautious in allowing our judgment to be guided by precedent. Before entering into these circumstances, a few preliminary discussions must be allowed.
>
> Abundance and scarcity of money are expressions of daily occurrence, and the opinion that abundance of money occasions high prices is very prevalent. Practically, this has not always, nor even very often, been the case. On the contrary (as has been so ably shown by Mr. Tooke), frequently, in times when money was said to be scarce, high prices have prevailed, sometimes as the result of speculative operations, sometimes as the consequence of bad seasons and catastrophes, causing actual scarcity of commodities, not to be remedied by abundance or scarcity of money. In truth, it may be taken as a rule, that scarcity of money, in its ordinary sense, means scarcity of credit; which is likely enough to prevail in times of high prices, by which, in fact, it is caused; and this consideration would seem to establish the probability of a concurrence of low, rather than of high prices, with abundance of money, and might predispose us to believe, that the addition of a few, or even of many, millions to our circulating medium would not necessarily raise prices, assuming, which is not to be done without hesitation, that the circulating medium will be largely increased.

It must be borne in mind, however, that although a tightness of the money market and withdrawal of credit may for a short time be attended with high prices, yet the effect of the scarcity of money and the withdrawal of banking accommodation is to oblige merchants to submit to reduced prices. Indeed, it is an established principle of the Bank directors to raise their rate of interest, with the intention of forcing down prices, when they have been artificially raised by undue speculation.

With reference to the probable amount of gold which may be received here, Mr. Scheer says: —

If the increase of gold is to act according to the same rules, the quantities previously existing, the number of recipients, the power of production of commodities against which it is to exchange, in fact, the *opposing forces*, should be clearly comprehended, not only as now in operation, but, if we go by precedent, as formerly existing. Now, if all these data were furnished with the nicest accuracy, one might fondly hope to determine the future course of prices by means of an elaborate algebraical equation; but the following brief chronicle of the prices of wheat and stocks of coined money, from the beginning of the sixteenth century down to our times, chiefly extracted from Mr. Jacob's valuable work, will induce us to put little faith in such calculations: —

Years.	*Stock of Gold and Silver Coin.*	*Prices of Wheat.*	*Population of England and Wales.*
1500, ...	£34 millions	8*s.*	3,000,000
1600, ...	130 "	27*s.*	3,600,000
1700, ...	226 "	36*s.*	5,500,000
1809, ...	380 "	115*s.*	10,000,000
1829, ...	313 "	82*s.*	12,800,000
1849, ...	315 "	44*s.*	18,000,000
1852, ...	405 "	42*s.*	18,500,000

Nevertheless, the possibility of an overwhelming supply of gold is not to be overlooked. The supposition that gold may become as abundant as tin and iron is somewhat startling, and causes a species of involuntary alarm. Would gold then become as cheap as iron? Would a ton, now coined into 127,195 sovereigns, purchase no more than a ton of iron, which now costs five? What ought to be the supply of gold to effect such a revolution? This inquiry may be left to more curious speculators. It is not possible to guess what would, but it is possible to show what quantity will not, produce such effects. Sixty-two millions from California in less than three years, with ten millions from Russia, and probably thirty from other sources (the latter chiefly silver), together one hundred and five millions, or thirty-eight millions annually, have not affected the general range of prices; these have mostly been declining. Recurring to the railway mania, it will be found that, if not in bullion yet in money, an amount little short of two hundred and fifty millions, of which about two thirds in England, were disbursed in five years, from 1843 to 1848, without any permanent effect on prices of commodities. No deficiency of labor for other purposes was experienced. The puzzle is, what the parties concerned in the construction of railways would have done with their labor and materials if this vent had not been found.

His conclusion from an examination of the facts he brings forward is as follows: —

It would appear that no present or probable supply of the precious metals is likely to depreciate their purchasing power, or to affect the general range of prices in an upward direction. On the contrary, promising to stimulate the enormous productive powers of our days to further progress, one might feel disposed to believe that prices would generally still fall. Temporary and local causes will not cease to have their usual influences upon prices; but experience has shown that such circumstances leave no lasting traces. But should this conclusion not be borne out by the event, — should the increasing mass of gold and silver exhibit an unexpected and overpowering influence, — should it have an irresistible tendency to realize popular expectations, — it is not unlikely that the first symptom of this phenomenon would be a general and steady rise *of the interest of money*, because lenders would expect a premium, as it were of insurance, beyond the rate charged for the use of money, to compensate them for the loss of purchasing power in the interval between loan and repayment. Admitting the premises, this conclusion cannot be avoided, though it does not correspond with the general expectations that money must now be abundant and cheap. There would be plenty of borrowers, but few lenders, of money. There would be few sellers, but plenty of buyers, of real property. Public funds would cease to be a favorite investment. Wages of labor would advance, — unskilled probably before skilled. On the same principle, commodities entirely the product of nature, such as furs or timber,

would advance in the first instance in price. Considering the enormous mass of things to be affected, such a revolution would, however, at best, be very slow, and not to be compared with fluctuations, the offspring of ordinary vicissitudes of commerce. Supposing, for instance, that wheat were to rise, through this influx of gold, to double its present price by the end of the century, that would only amount to about tenpence the quarter in the year. A rainy week at harvest time has raised it as many shillings in a few days.

The essay "*A few Words on the Effect of the Increase of Gold upon the Currency*" takes an opposite view of the question to the preceding. The writer believes that gold will be soon depreciated in value, and he recommends the adoption of the course pursued in Holland, viz. a silver, instead of a gold standard. He says: —

Such additional quantities of the precious metal have already affected the currencies of several countries. Gold has so declined in value, that, where both gold and silver are legal tenders, the former, as the cheaper metal, is beginning to supplant the latter. This is going on in France and parts of Germany, and a bill has been lately passed by Congress, reducing the weight of the silver coin in the United States about 6½ per cent. and limiting it as a legal tender to the amount of five dollars. By an act of 1792, the gold eagle was to contain 247½ grs. of fine metal, and 22½ grs. alloy, — total, 270 grs. By an act of 1837, the weight was reduced to 232½ grs. fine metal, and 25½ grs. alloy. Gold then became a legal tender in the United States, at a rate somewhat debased as compared with the silver branch of their standard. That depreciation increased according as the value of gold diminished through the fertility of Californian gold fields, and therefore in America, as in other countries where the double standard was in use, the silver coin was passing out of circulation.

One remedy for this state of affairs would have been to increase the intrinsic value of the gold coin; and had uniformity of standard been their object, some such course would have been followed. But the intrinsic value of gold had fallen, and will fall; and it is a convenient thing to discharge debts with coins of the same metal and weight as were current when those debts were contracted, if such coins have become less valuable in the interim. Accordingly, the act of Congress reduces the value of the dollar so as greatly to depreciate it with respect to the eagle, and limits it, as a legal tender, to five dollars, making it a mere token subsidiary to the gold coin. Gold alone is thus established as their standard; and, as the value of that metal is falling, and must fall, the United States will enjoy the benefit of discharging national obligations with a depreciated currency. Whatever may be the opinion of creditors, most of the indebted States and private debtors in "the Union" are in favor of the proceeding.

Nor should we assume that the value of gold will fall but gradually. The rate of decline will, indeed, vary under the influence of traffic in bullion and money, and according as the gold fields shall be more or less productive. But it seems to be agreed, on all sides, that henceforth the metal will be thrown upon the market continuously, or from time to time, in unparalleled quantities, to which neither science nor experience enable us to assign a limit. Owing to its abundance, to the numbers employed in gathering it, and to the wonderfully improved means of commercial intercourse, the additional supplies will circulate through the civilized world, and affect all ranks of people much more rapidly than the increase of precious metal did in former times, and (under the existing systems of currency) will more speedily raise the cost of labor, — a preliminary, according to Hume, to that general rise in prices which an increase of gold and silver may be expected to produce.

In England, the effect upon labor and commodities has been trifling hitherto; for, although the value of stocks and shares has increased, and in some degree through the prospect of abundance of gold, and, consequently, of cheap money, yet the share and stock markets seem to be chiefly affected from their being no longer any great expenditure on railways, so that large sums are at present held for investment.

But, however slight may be the influence on prices, the Bank Act, 7 and 8 Vic., c. 32, is already becoming inoperative. When the Bank and Mint prices of gold were prescribed by law, it was assumed that the then existing market values of gold and silver would not vary much in any country for many years, and that gold bullion and

bank-notes convertible into gold coin would respectively continue to have a steady value in exchange for silver and other commodities. But suppose the intrinsic value of a sovereign should fall to five shillings in silver, to what purpose should we have rendered it imperative on the Bank of England to buy whatever quantities of standard gold might be offered to it for sale at £3 17*s.* 9*d.* per ounce, if the money might be paid in notes, convertible into gold coin, worth only one fourth of the sum intended?

The writer seems to lose sight of the fact that bank-notes, issued on account of gold deposited in the bank, are simply vouchers for the return of the same quantity of gold to the bearer when required. The rise or fall in the intrinsic value of gold has nothing to do with the price at which the bank receives and subsequently repays it.

If we are to continue the wise policy we have adhered to since 1820, — if we are still to have a uniform measure of value, — something must be done to counteract the effect upon our standard which the immense increase of gold will otherwise infallibly produce. Nor will it be difficult to provide a remedy. Some such plan as that suggested by the late Mr. Ricardo might be found economical and effectual. Bank of England notes might be made a legal tender for all sums above twenty shillings or five pounds; the bank being obliged to pay them on demand in standard bars of silver or gold of not less than certain prescribed weights in any one payment. The value of silver has varied but little, and probably will remain comparatively steady for many years, and thus a simple standard of silver may be preferable. But by reference to the value of silver, the depreciation or fall in the value of gold might be sufficiently ascertained, and the legislature might provide for reviewing the relative values of the precious metals from time to time, and declaring the rate at which bank-notes should be convertible into bars of gold.

The third essay in our list takes nearly the same view as the last writer, but he thinks the depreciation in the value of gold, as compared with silver and other commodities, will be gradual. His practical recommendation is perhaps worth considering. He says: —

It is, perhaps, not necessary to take any immediate steps for procuring a change in the standard; but it should be borne in mind, that the longer that measure is deferred the more difficult it will become, as interests, instead of expectations, will be in existence to oppose the change. Even since a part of these remarks was written, accounts have arrived of deposits of gold in California said to surpass in richness all previously found.

It has often been discussed how it is to be discovered that a depreciation in the value of gold has commenced, but for the present purpose it will be sufficient to ascertain when its value begins to fall as compared with that of silver; so soon as this takes place, it will become necessary to agitate this question. In the mean time it will be highly advisable for all parties who are about to lend money for a period of years, to instruct their solicitors to insert a clause in the deed, stipulating for repayment in silver after a given rate, — say four ounces Troy for every pound sterling; this precaution will at least do no harm; it may be of great importance, and there are no legal difficulties in the way.

As security must be a great object with all persons who insure their lives, any insurance company who would undertake, if required, to pay the sum insured in silver, would probably obtain a large amount of business.

LECTURES ON GOLD.

From the London Economist, August 7, 1852.

Lectures on Gold, for the Instruction of Emigrants about to proceed to Australia. Delivered at the Museum of Practical Geology. D. Bogue, Fleet Street.

THIS book is an excellent example of scientific and learned men adapting their studies, writings, and lectures, like newspapers, to the wants of the day. It is a part of the overwhelming influence of the present which, in spite of preaching and learned deductions, will compel men to attend to it and disregard the past. The gold which attracts gold-seekers to California and Australia from all parts of the earth is equally powerful in arresting the attention of men of science, and more knowledge has been obtained and diffused through the public, of those distant regions, in a few short months, than was before gathered in many years. We are, in truth, astonished at the vast and sudden production. If it be true, as "Blackwood" states, and as can scarcely be doubted, that this is a part of the dispensation of Providence at once to disperse the crowded people of Europe and the Northeastern States of America to "islands and archipelagos transcendent alike for beauty and productiveness, — where nature has been enriching the soil by the fall of the leaf throughout five-and-forty centuries, — where sun and breeze, wood and water, shore and sea, present endless prizes to the enterprise of civilization," and bring them into contact with the "hermit nation of China," at once diffusing population and uniting the most distant people, how insignificant and futile, how utterly imbecile in contrast, do all our schemes of policy and government appear, that have for their object to provide for the welfare of society! What scheme of emigration, what plan of providing for the closely packed people of Europe, is or can be half so effectual as the displaying of gold to the eyes of man in California and Australia? Like light or electricity, its influence pervades all classes, and gives sudden life to learned men, and double and treble usefulness to lecturers on geology, as well as provides for the delving, overwrought population of Europe. The lectures originated in a request from the Council of the Society of Arts, — showing another body, only lately warmed into very useful life, active in diffusing a now necessary knowledge of Australia. The Society, too, moved in the matter from being urged by intending emigrants, so that the lectures clearly sprung from a felt want of the day. They are the spontaneous offspring of the discovery of gold, quickening into life the hoarded knowledge of men of science and suddenly making it useful. But if this be in the design of Providence, if the revelation, we may call it, of gold to man in the remotest parts of the earth thus moulds society and quickens the spirit in Europe, making many little hoarded nuggets of knowledge suddenly useful, can any human imagination detect the part of society which is not influenced and regulated by the same Divine Power? So,

from the wants of the emigrants, the exertions of the Council of Arts, and the request of Sir H. de la Beche, J. Beete Jukes, M. A., F. G. S., Edward Forbes, F. R. S., Lyon Playfair, C. B., F. R. S., W. W. Smyth, M. A., F. G. S., John Percy, M. D., F. R. S., and Robert Hunt, Keeper of Mining Records, delivered these lectures, to which Mr. Bogue has judiciously given the wider circulation of a book. That our readers may know what it contains, we must mention that two of the lectures are devoted to the geology of Australia, in connection with the gold discoveries, that three relate to the properties and chemical treatment of gold, and one — the last, by Mr. Hunt — to the "History and Statistics of Gold." A quotation or two will be useful. Mr. Jukes, who has been in Australia, gives us a very good sketch of the country, and supplies also this graphic description of

The Deposits of Gold.

When the waters acted on rocks containing gold, whether the gold were disseminated through the mass of the rock, or confined to the quartz veins traversing it, fragments of the auriferous rock would, of course, be detached equally with pieces of all other rocks. These fragments, either slightly water-worn, or altogether broken and ground down, would afterwards be found in the drift clays, sands, and gravels. But it is important to remark, that these *drifted materials would, in all probability, be much richer in gold than the actual gold-bearing rocks themselves.* This arises from the circumstance, that water moving with a given force or velocity communicates motion to matters suspended in it, or lying on its bottom, according to their shape and specific gravity. Now, the specific gravity of quartz and of most other heavy compact rocks is about 2½, whilst the specific gravity of gold is 18 or 19. Gold, therefore, is somewhere about seven times as heavy as any rock or stone with which it is likely to be associated. A current of water, accordingly, having sufficient strength to bear along sand or pebbles of quartz or any other rock, might not be able to move the fragments of gold associated with them. Speaking roughly, it might be unable to move grains of gold the size of a pin's head, while it swept away fragments of rocks as big as peas. Moving water, therefore, has done for the auriferous rocks formerly just what the miner would do now, break it, namely, up into fragments, sweep away the lighter particles, and leave the gold behind it.

No conceivable current of water would be able to carry very far large fragments of gold, or even large fragments of quartz or other rock containing much gold. Whenever, then, you find these large fragments, you may be sure you are not far from their parent site. Gold dust, on the contrary, especially if in the form of scales or spangles, may be carried over very considerable distances. In this way the actual total amount of gold may be pretty equally distributed over large spaces of auriferous drift, because the currents that had force enough to move the larger fragments a few hundred yards would carry all the smaller ones miles away. In the one case, rich lumps would be dropped sparingly here and there; in the other, scales and dust would be sown broadcast, as it were, equably over the wide spaces where the currents began to lose their force and velocity.

The passage we have marked in italics is particularly worthy of the attention of those who jump rather hastily to the conclusion, that where they find gold in the rivers it must be easily and cheaply obtained from the rocks in the neighborhood. The deposits in the rivers are the result of Nature's washings for ages, and man in a few days or weeks cannot rival her continuous labor.

Natural Cradles.

A river traversing a country of auriferous drift is engaged in resifting and reassorting the materials that have once been sifted by the waters in which the drift was formed, carrying all the matters that fall into it *forward*, but soon depositing the

heavier among them, and sweeping off all the lighter particles into lower regions. As a river winds through its valley, it attacks first one bank and then another, eating into the base of a cliff where the full force of the current is shot against it, causing the perpetual falling of small portions of it into its waters, carrying those portions on, and then depositing them below in places where the force of the current is checked.

In examining a river for gold, therefore, it is the inside curve of its bends, where sandbanks and spits are accumulating, or wherever the force of the current is slackened, and the materials carried by it are consequently dropped, that should be first searched. Similarly, where a river has cut down through the drift to the solid rock below, especially if hard jutting ribs of rock stretch across it, as is often the case, gold is most likely to be dropped on the upper side, and in the holes and crevices of these rocky bars, where they check the force of the stream, and catch any heavy matters that might be rolled along at its bottom.

Rivers are, indeed, *great natural cradles*, sweeping off all the lighter and finer particles at once, the heavier ones either sticking against natural impediments, or being left wherever the current slackens its force or velocity.

Professor Forbes gives the Australians the hopes of also .

Finding Diamonds.

As these precious bodies are probably of vegetable origin (a notion long ago held by Sir Isaac Newton and rendered still more likely by the researches of Sir David Brewster), and possibly even a crystallized gum, I may fairly claim them as fossils, and, therefore, coming under my dominion. I am anxious to call attention to the chance of their being discovered in Australia, and likelihood of being overlooked. Some time ago Mr. Tennant, who has kindly permitted me to exhibit these specimens illustrative of the condition in which diamonds might be expected to be found, urged the search for them upon persons going to gold regions, especially to California, reminding us of their great comparative value, diamonds in their rough state being worth about £50 an ounce. They have been found associated with gold in several parts of the world, as in Brazil and Russia, and in similar drift, especially in the ferruginous concretions of pebbles forming the beds of rivers running through the gold drifts. But in seeking for them you must not mistake every glittering and transparent crystal for a diamond. These may be "Bristol diamonds" or "Irish diamonds," but are sorry substitutes for precious stones. This morning I saw one of these glittering crystals of quartz picked up in California by an unlucky adventurer, who refused £260 for it there, and brought it to England to learn that it was worthless. Had he known that diamonds never assume the form of a six-sided prism with six-sided pyramids at its ends, he would not have built castles in the air upon this imaginary jewel. Look for crystals that are eight-sided, such as are two four-sided pyramids, for example, joined base to base. In this shape, and in the form of cubes and dodecahedrons, true diamonds occur. Do not trust to file or hardness. Mr. Tennant, who has much practical knowledge on this matter, has sent forth some valuable warnings about the danger of such rude methods of treating diamonds, which are really very brittle gems, and may sometimes be broken more easily than quartz.

Much valuable and interesting instruction is given as to the mode of detecting gold and treating it; but we content ourselves with another extract or two from Mr. Hunt's lecture on the statistics of gold. From the beginning of history gold has had great influence over mankind, as it has now, and see with what care Nature has endowed it with charms to attract his attention, while she has shut the great mass of it into rocks or buried it under rivers to excite his industry to obtain it: —

Natural Attractions and Diffusion of Gold.

Gold differs remarkably from the other metals, with a very few exceptions, in the fact, that it is found in nature in its metallic state.

Curious by its yellow color, it would attract the eye of the most uneducated man, whereas the other substances likely to lie on his path would offer no features of attraction to his scarcely awakened powers of observation.

In the very rough sketch of the history of gold which I have given you, I hope I may have sufficiently indicated the fact, that there is evidently a law of distribution and a providential order in the sequence of discoveries. Man started on his race of civilization from the great plains to the south of the Caucasus. The Indus and the Euphrates were the earliest spots from which he obtained gold. Nubia and Ethiopia on the south, and Siberia on the north, in the course of a short time handed up their auriferous treasures to gratify human necessity and to indulge human luxury.

Europe then began to unfold its golden stores, and Illyria and the Pyrenees, together with the lands of the Hungarians, and many parts of Germany, to the Rhine, were sought successfully for gold. Our islands yielded something to the store; and then the New World of the Americans opened by Columbus a source from which the Old World was to supply its golden waste. On and on still westward rolled the golden ball, — which, in many respects, was not unlike the ball of the Oriental tale, — until, at length, it rested in California. Europe and Asia rush equally to that new El Dorado, and the man of China is found at the side of the English gold-streamer. Then, as if to double the girdle, the islands of the Pacific and our own Australia open their exceeding stores.

Mr. Hunt has also gathered some fresh information on the present demand for the precious metal, which leads him to the conclusion that the value of the metal will be but little altered: —

The Standard.

Let it not be forgotten that the exportation of coin from England is rapidly increasing, and the English sovereign is becoming every year more extended as a medium of exchange. Formerly the Spanish dollar passed everywhere, and now the English sovereign is taken as current coin over three fourths of the globe; and its exportation keeps pace with the importation of raw gold.

From November, 1850, to June, 1851, the Bank of England issued 9,500,000 sovereigns, being at the rate of 18,000,000 a year; and so great is the demand for our gold coins that, Sir John Herschel informs me, since November last there have been coined at the Mint 3,500,000 sovereigns and half-sovereigns, and the rate of production can scarcely keep pace with the increasing demand. This must have a material influence in maintaining that stability which is desirable in our standard of value.

From information with which I have been most obligingly furnished, I learn that in Birmingham not less than 1,000 ounces of fine gold are used every week, and that the weekly consumption of goldleaf is as follows: —

	Ounces.		*Ounces.*
London,	400	Liverpool,	15
Edinburgh,	35	Leeds,	6
Birmingham,	70	Glasgow,	6
Manchester,	40	Total weekly consumption,	584
Dublin,	12		

Of which, an eminent gold refiner informs me, not one tenth part can be recovered. For gilding metals by the electrotype and the water-gilding processes, not less than 10,000 ounces of gold are required annually. One establishment in the Potteries employs £ 3,500 worth of gold per annum, and nearly £ 2,000 worth is used by another. The consumption of gold in the Potteries of Staffordshire for gilding porcelain and making crimson and rose color varying from 7,000 to 10,000 ounces per annum.

The consumption of gold and silver in Paris has been fairly estimated at 14,552,000 francs a year. The wear upon gold coin in circulation is about four per cent. per annum; and from this knowledge and the foregoing details we may deduce the fact that nearly £ 2,000,000 a year is necessary to maintain the metallic currency at its present value; therefore a supply of between £ 8,000,000 and £ 9,000,000 is necessary for the arts and manufactures, and the purposes of coinage; and when we add to this our constantly increasing exportation of coin, it appears that the influx of Australian and Californian gold will produce but little change in its value in Europe.

The book is much more immediately useful than most of the productions of our scientific teachers, and is a well-timed and acceptable present to the public.

A SKETCH OF THE BANK OF ENGLAND.

By the London Correspondent of the National Intelligencer.

THE great moneyed institution of Great Britain, the Bank of England, has now been in existence for a period of one hundred and sixty years; and, although it dates its commencement five hundred and twenty years after the Bank of Venice, nearly one hundred years later than the Bank of Amsterdam, and about seventy-five years after that of Hamburg, it has played a much more important part in the history of the world, although indirectly, and has operated more upon the finances and the regulation of the sinews both of war and commerce in Europe, than all the other banking institutions of the world put together. We shall not attempt even a synopsis of the history of the "*Old Lady in Threadneedle Street*," as the Bank is jocularly styled; that history exists in the two respectable octavo volumes of Mr. Francis, and in the more abridged publication of Mr. Lawson, in one volume octavo, and to them we refer the comparatively few persons who care to go much into the subject.

One of the great questions of the day which will soon press for a solution is the effect which the prodigious influx of gold into the commercial business of the world will have upon the currency and the monetary relations of society, and the various business interests of mankind. The Bank of England will, from its position, take a prominent part in this "gold question"; and it may be worth while to give a brief sketch of the present position and condition of that institution, the mode in which it is now operating, and its relations to the great financial and commercial interests of England.

The charter of the Bank of England was renewed by Parliament in 1833, for twenty-two years, or until 1855, and after that time until Parliament gave a year's notice of its intention to revise such charter. Parliament retained the power, after the lapse of ten years from 1833, say in 1844, to give notice to the Bank of a desire to revise its charter; and on the 6th of May, in that latter year, Sir Robert Peel made his famous speech in the House of Commons, in which he introduced his plan for remodelling the Bank, which was afterwards adopted, and which now forms the constitution and regulates the operations of that institution. By Sir Robert Peel's currency bill of 1844 the Bank was permitted to keep in circulation notes to the amount of fourteen millions sterling on *national securities*, — being the amount of the debt due to it by the Government of eleven millions, and the amount which it generally holds of unfunded debt, about three millions, in exchequer bills, &c.; all further issues beyond the fourteen millions to be based on bullion actually in the vaults of the Bank. Thus, when the Bank holds twenty millions of bullion, it can legally issue its notes (independent of seven days' sight or other post bills) to the amount of thirty-four millions. This was the leading principle in Sir Robert Peel's new charter; and it is the foundation of all the present operations of the Bank. We should

like to accomplish two objects: first, to give a view of the present condition of the Bank; and, secondly, an exhibit of the probable effects which the increase of gold bullion may have upon the Bank, and the general money operations of the world. We have the materials for giving the first, but the latter subject is not yet ripe for discussion. We do not know either the quantity of the precious metals produced, or the extent of the demand for them, or whether that demand is increasing or decreasing. It will take time to collect all the elements for a correct appreciation of this great phenomenon. The Bank returns to the 3d of August, as published in the *Gazette*, are as follows. And first as to its capacity to issue notes as legalized by its charter: —

The Government debt, as before stated,	£ 14,000,000
Gold and silver coin and bullion on hand,	22,197,300
Allowed to issue,	£ 36,197,300
Had in circulation 3d July,	22,241,175
Legalized circulation unemployed,	£ 13,956,125

Obligations of the Bank.

Proprietors' capital,	£ 14,553,000
Public deposits,	7,647,476
Private deposits,	12,968,501
Notes in circulation,	22,241,175
Post bills and seven days' sight bills,	1,332,527
Profits undivided, or rest,	3,102,133
Total obligations,	£ 61,844,812

Assets.

Government debt,	£ 14,000,000
Invested in public securities,	13,873,545
Discounts and private advances,	11,773,967
Coin and bullion on hand,	22,197,300
Total assets,	£ 61,844,812

Thus the Bank, after discharging all its liabilities and paying off the whole of its capital at par, has an undivided profit on hand of £ 3,102,133; or, in other words, a capital of £ 17,655,133 to trade upon. Upon the strength of this capital, and by the authority of its charter, it is, at present, a borrower and a lender to the following extent. It borrows from the public: —

By notes and bills in circulation,	£ 23,573,702
By Government deposits,	7,647,476
By individual or private deposits,	12,968,501
Total,	£ 44,189,679
And it lends to the Government,	£ 14,000,000
To individuals on securities,	11,773,967
And invests in Government securities,	13,873,545
Total,	£ 39,647,512

On the total sum that it borrows it pays no interest whatever. On the amount that it loans it receives interest, determined in part by its arrangement with the Government, and in part by the market rate of

interest. The receipts are probably something approaching the following: —

On £ 11,000,000, part of the Government debt, 3 per cent., per agreement,	£ 330,000
On £ 28,647,512, remains of its loans, public and private, and its public investments, probably all together about 2½ per cent.,	714,569
For management of the national debt,	248,000
Total,	£ 1,292,569

Thus, in round numbers, it probably receives for interest, &c., from the state and from its private debtors, about £ 1,300,000 per annum. We can only approximate to its expenses: —

It pays to the Government for its exclusive privilege of issuing notes, &c., annually,	£ 120,000
As a composition for stamps,	60,000
Expenses of issuing notes, calculated by Sir Robert Peel at	113,000
Total,	£ 293,000

Clerk hire, rent, stationery, &c. we have no means of estimating.

A dividend of 6 per cent. upon the stockholders' capital would leave a balance of £ 126,000, which we suppose would be abundantly ample to pay all expenses, seeing that the cost of the notes has already been allowed for.

The Bank has another function to perform. It is bound to give, in exchange for all the gold bullion brought to it, bank-notes at the rate of £ 3 17*s.* 9*d.* per ounce of gold; and as the gold when coined will redeem bank-notes at the rate £ 3 17*s.* 10½*d.* per ounce, the difference more than covers the expense of coining, and leaves a small profit on the transaction for the Bank; so that the more it buys upon these terms, the greater is the profit.

It must not be supposed that the Bank loses by having such an immense stock of bullion in its vaults. So long as it has more than its entire amount of capital employed making interest, and pays no interest upon the deposits which it holds of either the public or individuals, there cannot be said to be any *loss*, although there is an undoubted negation of gain, through the want of ability to loan *all* that it is legally empowered to loan. Thus the entire capital stock of the Bank is only £ 17,655,133, but its loans and investments bearing interest are £ 39,647,512. Its inactive surplus of £ 13,956,125 consists of its own notes, which nobody will borrow on the Bank terms. The Bank would undoubtedly make more profit if it could loan more money; but it cannot be said to *lose* any thing so long as more than double its capital is employed, and realizes to its stockholders annual dividends of at least six per cent.

Chicago City Bonds. — Messrs. Duncan, Sherman, & Co. have negotiated with the city of Chicago $ 150,000 of the Water Loan of that city, being the remainder of the bonds issued for the purpose of supplying Chicago with pure water. The price at which they were taken has not transpired, but it was at least 5 per cent. higher than the first portion of the loan was taken by the same house. Such is the increasing public confidence in the wealth and future growth of this flourishing city, that Messrs. Duncan, Sherman, & Co. were induced to take the remainder of this loan, even at the advanced rate. They also have negotiated with the city of Mobile $ 50,000 eight per cents, issued in aid of the Mobile and Ohio Railroad Company.

COMMERCIAL AND EXCHANGE TABLES.

From Tate's Modern Cambist.

GREAT BRITAIN.

London. — Accounts are kept in pounds, shillings, and pence; which money is called Sterling, to distinguish it from the Colonial money, and from some moneys of the Continent which bear similar denominations.

The rate of the value of the pound sterling in gold is for 1,869 sovereigns, or pounds, to be coined out of 40 Troy pounds' weight of gold 11-12ths fine. The full weight, therefore, of a sovereign is 5 pennyweights $3\frac{11}{623}$ grains, and the fine weight is $113\frac{1}{623}$ grains.

The rate of coinage for silver is 66 shillings from 1 pound Troy of silver 37-40ths fine. The full weight of a shilling is therefore 3 pennyweights $15\frac{3}{11}$ grains, and the fine weight $80\frac{8}{11}$ grains.

In the following estimations of the gold coins of other countries, they are valued at the above mintage rate of £3 17*s.* 10½*d.* per ounce British standard; but the silver coins are rated at the assumed price of 60 pence per ounce British standard.

WEIGHTS AND MEASURES.

The gold and silver weight is the Troy pound of 12 ounces. The ounce is 20 pennyweights each of 24 grains.

The commercial weight is the pound avoirdupois, weighing 7,000 Troy grains: 112 pounds make 1 cwt., and 20 cwt. 1 ton. The pound is divided into 16 ounces, each of 16 drams.

The measure for liquids is the imperial gallon. Its contents of distilled water of the temperature of 62 degrees of Fahrenheit's thermometer, or 13⅓ degrees of Reaumur's thermometer, weigh 10 pounds avoirdupois, or 70,000 Troy grains, and it is computed to measure 277.274 cubic inches. The gallon is divided into 4 quarts or 8 pints.

The measure for seeds and dry goods is the imperial bushel of 8 imperial gallons. Its contents are therefore 2,218.192 cubic inches. 8 bushels make 1 quarter; and 10 quarters 1 last.

The usual commercial measure of length is the yard of 3 feet or 36 inches. An ell is 5 quarters of a yard. 1,760 yards make 1 mile, called a statute mile, as being fixed at this length by act of Parliament; it is also so called to distinguish it from the geographical mile, or 60th part of a degree of the meridian, which degree in the latitude of London, reduced to the level of the sea, is computed at 69.146 statute miles.

The chief of the late measures of capacity were, the wine gallon of 231 cubic inches, the beer gallon of 282 cubic inches, and the Winchester bushel of 2,150.42 cubic inches.

Hence 5 imperial gallons are nearly 6 wine gallons, and 31 imperial bushels nearly 32 Winchester bushels.

The standards of the weights and of the measures of length are the

same as formerly; but the working standards or models of the weights having become diminished by use, they were altered to the correct weights when the imperial standards of capacity were adopted.

Tables of the Relation of the Imperial Weights and Measures to the Chief Weights and Measures of the Continent.

TROY WEIGHT.

100 Ounces Troy are equal to, in

France,	3.11002	Kilogrammes of 1,000 Grammes.
Netherlands,	3.11002	Ponden or Kilog. of ditto.
Hamburg,	13.3037	Cologne Marks of 16 Loths.
Prussia,	13.301	Prussian Marks of 16 Loths.
Sweden,	14.769	Marks of 16 Lods.
Russia,	7.597	Pounds of 32 Loths or 96 Solotnicks.
Turkey,	9.696	Chequees of 100 Drams.
Austria,	11.077	Vienna Marks of 16 Loths.
Naples,	116.363	Neapolitan Ounces.
Spain,	13.518	Castilian Marks of 8 Ounces.
Portugal,	13.553	Marks of 8 Ounces.

AVOIRDUPOIS WEIGHT.

100 lbs. Avoirdupois are equal to, in

France,	45.35	Kilogrammes.
Netherlands,	90.71	Half Ponden or Kilogrammes.
Hamburg,	93.62	Pounds of 16 Ounces or 32 Loths.
Denmark,	90.80	Pounds of 32 Lods.
Prussia,	96.98	Pounds of 16 Ounces.
Sweden,	106.71	Pounds, Victualie Weight.
Russia,	110.78	Pounds of 32 Loths.
Turkey, Constantinople,	35.35	Okes of 400 Drams.
Austria,	80.96	Pounds of 16 Ounces.
Naples,	141.41	Pounds of 12 Ounces.
Leghorn,	133.58	Pounds of 12 Ounces.
Genoa,	143.10	Pounds of 12 Ounces.
Spain,	98.57	Pounds of 16 Ounces.
Portugal,	98.82	Pounds of 16 Ounces.

112 lbs. Avoirdupois are equal to, in

France,	50.79	Kilogrammes.
Netherlands,	101.59	Half-Ponden.
Hamburg,	104.85	Pounds.
Denmark,	101.69	Pounds.
Prussia,	108.62	Pounds.
Sweden,	119.50	Pounds.
Russia,	3.102	Poods of 40 lbs.
Turkey, Constantinople,	39.59	Okes.

Austria,	90.67	Pounds.
Naples,	0.5702	Cantaro of 100 Rottoli.
Leghorn,	1.496	Quintal of 100 Pounds.
Genoa,	1.0685	Cantaro of 100 Rottoli.
Spain,	4.416	Arrobas of 25 lbs.
Portugal,	3.459	Arrobas of 32 lbs.

100 Imperial Gallons are equal to, in

France,	454.34	Litres.
Netherlands,	454.34	Kans.
Hamburg,	62.75	Viertels, 20 to 1 Ahm.
Denmark,	58.79	Viertels, 30 to 1 Oxhoft.
Prussia,	396.79	Quarts, 64 to 1 Eimer.
Sweden,	173.66	Kannen, 30 to 1 Eimer.
Russia,	36.97	Wedros, 18 to 1 Oxhoft.
Turkey,	86.54	Almudes.
Austria,	8.03	Eimers.
Naples,	10.97	Barile of 60 Caraffi.
Leghorn,	9.96	Barile of 20 Fiasche.
"	13.58	Barile of Oil.
Genoa,	6.12	Barile.
Spain,	28.10	Cantaros of 8 Azumbras.
Portugal,	27.47	Almudes of Lisbon.
"	17.83	" of Oporto.

10 Lasts or 100 Imperial Quarters are equal to, in

France,	290.77	Hectolitres.
Netherlands,	9.69	Lasts of 30 Mudde or Hectolitres.
Hamburg,	9.18	Lasts of 30 Scheffels.
Denmark,	17.42	Lasts of 12 Toendes.
Sweden,	176.41	Tunna of 36 Kappar.
Prussia,	7.34	Lasts of 72 Scheffels.
Russia,	138.64	Chetwerts.
Turkey,	828.41	Killows of Constantinople.
Austria,	472.86	Metzen.
Naples,	568.58	Tomoli.
Leghorn,	397.89	Sacks.
Genoa,	241.51	Mine.
Spain,	514.78	Fanegas.
Portugal,	2151.5	Alqueires of Lisbon.
"	1704.7	" of Oporto.

100 Yards English are equal to, in

France,	91.43	Metres.
Netherlands,	91.43	Ells or Metres.
Hamburg,	159.58	Ells.
Denmark,	145.67	Ells.
Sweden,	154.00	Ells.
Prussia,	137.10	Ells.

Russia,	128.57	Arshines.
Turkey,	135.21	Pikes.
Austria,	117.35	Ells.
Naples,	43.27	Canne of 8 Palmi.
Leghorn,	153.87	Braccia.
Genoa,	36.575	Canne of 10 Palmi.
Spain,	107.83	Varas.
Portugal,	83.45	Varas.

COURSE OF EXCHANGE.

London receives from or gives to

Amsterdam,	12 3	Florins and Stivers	for 1 £	Sterling.
Hamburg,	13 12	Marks and Schillings	" 1 £	Sterling.
Paris,	25 50	Francs and Cents	" 1 £	Sterling.
Frankfort,	121	Z. V. Florins	" 1 £	Sterling.
Vienna,	10 2	Florins and Kreuzers	" 1 £	Sterling.
Genoa,	25 35	Lire and Centisimi	" 1 £	Sterling.
Berlin,	6 25	Dollars and Silver Gros.	" 1 £	Sterling.
Milan,	30 30	Lire Aust. and Centisimi	" 1 £	Sterling.
Leghorn,	30 50	Lire Tosc. and Centisimi	" 1 £	Sterling.
Lisbon,	53¼	Pence Sterling	" 1	Milreis.
Madrid;	47	Pence "	" 1	Peso of Exchange.
Gibraltar,	48½	Pence "	" 1	Hard Dollar.
Naples,	39⅝	Pence "	" 1	Ducat.
Palermo,	119½	Pence "	" 1	Onza.
Venice,	47	Pence "	" 6	Lire Austriache.
St. Petersburg,	38¼	Pence "	" 1	Silver Ruble.
Rio Janeiro,	35	Pence "	" 1	Milreis.
New York,	47⅛	Pence "	" 1	U. S. Dollar.
Calcutta,	23	Pence "	" 1	Comp. Rupee.

The rates of Rotterdam and Antwerp are similar to the Amsterdam rate. That of Altona is similar to Hamburg, but by custom it is usually quoted ⅛ Sch. Bco more, or, as it is called, worse. The Trieste rate is similar to the Vienna rate, and the Cadiz, Bilboa, Barcelona, and Seville rates are similar to that of Madrid.

The usance of bills drawn from France, Holland, and Germany is 30 days' date; from Spain and Portugal 60 days' date; and from Italy 3 months' date.*

The days of grace are three. Bills are not presented for payment until the third day, except this is a Sunday, Christmas Day, or Good Friday, when the bill is reckoned due on the day before.

The days for the negotiation of foreign bills of exchange are Tuesdays

* The term *usance* means the customary or usual time for which bills are drawn from the given place upon the place of payment. Double usance signifies double that time.

In bills drawn from London it is most usual to specify the time; and in general, abroad, the practice of drawing bills at usance is wearing away.

and Fridays. These are called foreign post days, being the principal post days in consequence of the exchange business. It is the custom in London, with houses of established credit, to pay for the foreign bills they buy on one post day on the following post day, when they receive the second and third bills of exchange.*

The stamp duties are paid by the seller or drawer.

The brokerage on bills is 1 per 1000; or $\frac{1}{10}$th per cent.

The present stamp duties on sets of bills are, for each bill—

not above £ 100,	One Shilling and Sixpence.
above £ 100, and not above £ 200,	Three Shillings.
" 200, " " 500,	Four Shillings.
" 500, " " 1,000,	Five Shillings.
" 1,000, " " 2,000,	Seven Shillings and Sixpence.
" 2,000, " " 3,000,	Ten Shillings.
" 3,000, and above,	Fifteen Shillings.

Bills drawn upon Great Britain or Ireland from abroad, are not required to be stamped.

FRANCE.

PARIS AND BOURDEAUX, ... 100 Centimes = 1 Franc.

Francs are also divided, nominally, each into 20 sous, called sous of francs, the sou being a piece of 5 centimes or cents.

The 20-franc piece in gold is, at the full rate, worth 15*s.* 10½*d.*, and the 5-franc piece in silver, 3*s.* 11*d.* sterling. The par in gold is 25 fr. 22 cents, and in silver 25 fr. 57 cents.

The former money of account was in livres, sous, and deniers. 81 livres are equal to 80 francs.

100 Kilogrammes	= 220.48 lbs. Avoirdupois.
100 Litres	= 22.01 Imperial Gallons.
100 Hectolitres	= 275.12 Imperial Bushels.
100 Hectolitres	= 34.39 Imperial Quarters.
100 Metres	= 109.36 English Yards.

COURSE OF EXCHANGE.

Paris gives to

London, ...	Frs. 25.30 Centimes for	1 £ Sterling.
Amsterdam, ...	209¼	" 100 Florins.
Antwerp, ...	99¼	" 100 Francs in Antwerp.
Berlin, ...	376	" 100 Pr. Dollar.
Frankfort, ...	212½	" 100 Florins in 24 G. f.

* Foreign bills of exchange are usually drawn in sets of three bills, either of which being paid discharges the claim upon the other two.

Genoa,	Frs. 99¼	for 100 Lire Nuove.
Hamburg,	187	" 100 Marks Banco.
Leghorn,	83	" 100 Lire Toscane.
Lisbon,	5.50 Centimes	" 1 Milreis.
Madrid,	15.50	" 1 Pistole of Plate.
Milan,	83⅞	" 100 Lire Austriache.
Naples,	423½	" 100 Ducats.
Palermo,	12.67½	" 1 Onza.
Petersburg,	401	" 100 Silver Rubles.
Vienna,	256	" 100 Florins.

EXAMPLE 1.

To exchange £ 500 into Francs at Fr. 25.42½ Cts.

£		Francs.		£
If 1	——	25.425	——	500 ?
		500		

Francs 12712.50 Cents.

42½ Centimes are here expressed as 425 Millièmes.

EXAMPLE 2.

To exchange £ 454 10s. 6*d*. into Francs at 25.25.

Francs.
454.525 amount at 1 Franc per £.
25.25

11363125
11363125

Francs 11476.76 Cents.

When the shillings and pence in the sum in sterling are valued in decimal parts of a pound, there must be as many figures rejected from the right of the product, as there are decimal figures; and if, as in Ex. 1, the rate is rendered into millièmes, an extra figure must also be struck off.

Instead of the above, we may multiply the rate by the number of the pounds, and take parts for the shillings and pence; thus,

Francs 25.25 by 454

11463.50 for 454 £
12.62½ 10s.
.63 6*d*.

Francs 11476.76 Cents.

EXAMPLE 3.

To exchange Francs 11476.76 Cents into Sterling at 25.25.

Fr.		£		Fr.
If 25.25	——	1	——	11476.76 ?

31 * 24

£ £ s. d.
25.25)1147676(454 10 6 Sterling.
13767
11426
1326
)26520(10*s.*
1270
)15240(6*d.*

N. B. The lowest usual variation in the rate with London is $1\frac{1}{4}$ cents; as 20, $21\frac{1}{4}$, $22\frac{1}{2}$, $23\frac{3}{4}$ cents, &c. In case the rate contains a fraction, the first and third terms may be multiplied by 2 or 4.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1,000 into Francs at 25.17½	Francs 25175.00
2.	£ 248 12 6 into Francs at 25.35	Francs 6302.64
3.	£ 554 13 7 into Francs at 25.41¼	Francs 14095.78
4.	Francs 10,000 into Sterling at 25.45	Ster. £392 18 7
5.	Francs 4782.50 Cents into Sterling at 25.37½ . .	Ster. £188 9 5
6.	Francs 8897.57 Cents into Sterling at 25.51¼ .	Ster. £348 15 1

BELGIUM.

BRUSSELS AND ANTWERP, . . 100 Centimes = 1 Franc or 1 Florin.

The official money of account is in francs and centimes, but Netherland florins and centimes are also used, particularly in Antwerp, in mercantile accounts and exchanges.

The old Brabant money in schillings and grotes is generally employed in the rate of exchange with London.

The fixed relative value of the franc to the florin is,—

47½ Centimes of a Florin = 1 Franc.

The relative value of the schillings and grotes to the florin is given in the following page.

The value of the Belgian money in francs is the same as that of France, and in florins, the same as that of the Netherlands; and the pars of exchange on London in these moneys are consequently the same. The par of exchange on London in schillings and grotes, from either the French silver par of 25 frs. 57 c., or the Netherland gold par of 12 flor. 9 c., is 40 schillings 3 grotes per £ sterling.

WEIGHTS AND MEASURES.

The standards of these are the same as those of France or the Netherlands, but with some difference in the denominations; as livres for kilo-

grammes or ponden, litrons for litres or kannen, and aunes for metres or ells.

COURSE OF EXCHANGE.

Antwerp gives to

London, ...	39	9	Schillings and Grotes	for	1 £ Sterling.
Hamburg, ...	35⅝		Netherland Florins	"	40 Marks Banco.
Frankfort, ...	36½	"	"	"	20 Rix. Dol. W. Z.

The rate of exchange on Amsterdam is usually formed of a percentage premium or discount.

That on Paris is either the same, or in florins; as 47½ florins for 100 francs.

That in London is sometimes expressed in either francs and centimes, or florins and centimes, as in the rates of Paris and Amsterdam.

THE NETHERLANDS.

AMSTERDAM AND ROTTERDAM, ... 100 Cents = 1 Florin.

The florin is also divided into 20 stivers,* and in the late money of exchange it was reckoned at 40 grotes Flemish, of which 12 grotes made 1 schilling Flemish, 10 schillings Flemish being equal to 3 florins.

A rixdollar, a nominal money, is 50 stivers, or 2½ florins.

The value of the 10-florin piece in gold is 16*s.* 6½*d.* sterling, and of the florin in silver, 1*s.* 8*d.*, the par in gold being flor. 12.09 cents, and in silver, flor. 11.97 cents.

100 Ponden	= 220.48	lbs. Avoirdupois.
100 Kannen	= 22 01	Imperial Gallons.
100 Lasts	= 103 16	Imperial Lasts.
100 Ells	= 109.36	English Yards.

COURSE OF EXCHANGE.

Amsterdam gives to

London, ...	11.95	Florins and Cents	for	1 £ Sterling.
Frankfort, ...	36	Florins	"	20 Rixdollars.
Genoa, ...	47¼	"	"	100 Lire.
Hamburg, ...	35	"	"	40 Marks Banco.
Leghorn, ...	43¼	"	"	100 Lire Toscane.
Lisbon, ...	46	"	"	40 Crusados of 400 Reis.
Madrid, ...	100¾	"	"	40 Ducats of Exchange.
Naples, ...	79¾	"	"	40 Ducats del Regno.
Paris, ...	57⅛	"	"	120 Francs.
Petersburg, ...	1.92	"	"	1 Silver Ruble.
Vienna, ...	36⅛	"	"	30 Florins.

* The stiver is still used in the London rate of exchange, but not in the Amsterdam rate.

The usance of bills from England is one month's date. There are no days of grace.

EXAMPLE 1.

To exchange £ 500 Sterling into Florins, at Florins 12 2½ Stivers.

Flor. 12 2½ St. = Flor. 12.11¼ Cents.

Florins.
12.1125
500
Flor. 6056.25 Cents.

EXAMPLE 2.

To exchange £ 864 17 4 Sterling into Florins at Flor. 12.07½ Cents.

£ 864 17 4 = £ 864.8666.

	Florins.	
	864.8666	
	12	
	10378.3992	
½ . .	43.243	for 5 Cents
	21.626	" 2½ "

Flor. 10443.26 Cents.

If, instead of this method, the rate should be multiplied by the number of pounds sterling, the 12 fl. 7½ cents must be expressed as flor. 12.075. In the above, the multiplier may be this number, but in the regular performance of the multiplication, it requires a greater number of figures than the taking of the parts.

EXAMPLE 3.

To exchange Flor. 6056.25 Cents into Sterling at Flor. 12.11¼ Cents.

Flor.		£		Flor.
If 12.11¼	——	1	——	6056.25 ?
48.45				24225.00

£
4845)2422500
£ 500 0 0 Sterling.

There being a quarter of a cent in the rate, the extreme terms are multiplied by 4 to reduce it.

EXAMPLE 4.

To exchange Flor. 10443.26 Cents into Sterling at Flor. 12.07½ Cents.

Flor.		£		Flor.
If 12.07½	——	1	——	10443.26 ?
48.30				41773.04

£

483)417730.4

£ 864.866 = £ 864 17 4 Sterling.

The extreme terms are here multiplied by 4, instead of 2, to get rid of the fraction, in order to make fewer figures in the divisor, and if the multiplier in Ex. 3 had been 8 instead of 4 it would have had the same effect.

Formerly the rate on London was quoted in schillings and grotes Flemish; some houses still use this form, with which the calculation is made as in the following example.

EXAMPLE 5.

To exchange Flor. 6056.25 Cents into Sterling at 40 Stivers 4½ Grotes Flemish.

Reckoning 40 sc. as 12 florins, and 4½ grotes as 2¼ stivers or 11¼ cents, the statement is made as in Ex. 4; otherwise,

Sc.	Gr.		£		Flor.
If 40	4½	—	1	—	6056.25 ?
12					40
484½					242250.00

£

4845)2422500

£ 500 0 0 Sterling.

The principle of this form of calculation is derived from 12 grotes making 1 schilling Flemish, and 40 grotes 1 florin.

EXERCISES.

	Exchange	Products.
Ex. 1.	£ 1,000 Sterling into Florins at Fl. 11.95 Cents.	Flor. 11950.00.
2.	£ 1,275 16 6 Sterling into Florins at Fl. 12 1½ Stiv.	Flor. 15405.59 Cents.
3.	Florins 8,000 into Sterling at Fl. 12.05 Cents.	£ 663 18 0 Ster.
4.	Florins 475.35 Cents into Sterling at 11 Fl. 18¾ Stiv.	£ 39 16 5 Ster.
5.	£ 1,000 Sterling into Florins at 39 Stiv. 10 Gr.	Flor. 11950.00.
6.	Florins 5574.43 into Sterling at 40 Stiv. 1½ Gr.	£ 463 1 9 Ster.

HAMBURG.

12 Pfennings = 1 Schilling. 16 Schillings = 1 Mark.

3 Marks or 48 Schillings are called, in exchanges, a Rixdollar.

There are two valuations of Hamburg, otherwise Lubec, money; the one called Banco, and the other Currency.

Banco is a nominal valuation of the Cologne mark weight of fine

silver, at 27¾ marks banco;* from which estimation the value of the mark is 17½*d.* sterling, and the par of exchange 13 mks. 10½ schill. per pound sterling. It is this money which is used in the accounts of wholesale business and in exchanges, and it is of the same value as that called Flemish, 2 grotes Flemish being equal to 1 schilling Hamburg banco; 32 grotes to 1 mark banco; and 8 schillings Flemish to 3 marks banco.

Currency is the value or rate of the coined money; this also is valued from the Cologne mark weight of fine silver which is to be coined into 34 marks current; hence the value of the 3 current mark piece is 3*s.* 7*d.*, or of the mark current 14¼*d.* sterling, making £1 sterling equal to 16 mks. 12 sch. current.

The difference between the value of banco and currency is called Agio. It is continually fluctuating, because the market price of fine silver is always varying; at the above valuation the agio is nearly 22½ per cent.

When goods at Hamburg are sold in currency, the agio is generally either fixed at 20 or 25 per cent. The agio is reckoned upon the banco; and in a like manner the allowance called Rabat of 8⅓ per cent. or 4⅙ per cent. is reckoned upon the net amount. It is therefore to be noticed, that at 25 per cent. the agio is ⅕th of the current or ¼ of the banco; and at 20 per cent. it is ⅙th of the current or ⅕th of the banco; also that the rabat at 8⅓ per cent. is $\frac{13}{163}$ds of the given amount, and at 4⅙ per cent. it is 7 out of 107 parts.

WEIGHTS AND MEASURES.

100 Marks = 751⅓ oz. Troy.
100 lbs. = 106.82 lbs. Avoirdupois.
100 Viertels = 159.35 Imperial Gallons.
100 Lasts = 108.85 Imperial Lasts.
100 Ells = 62.66 Yards.

COURSE OF EXCHANGE.

Hamburg, in Banco, *gives to* or receives from

London,	13 8	Mks. and Sch.	for	1 £ Sterling.
Amsterdam,	35 40	Florins and Cts.	"	40 Marks Bco.
Augsburg,	147	Florins	"	200 Do.
Berlin,	152	Pruss. Dollars	"	300 Do.
Copenhagen,	204	Rix-Bco. Dollars	"	300 Do.
Frankfort,	148¼	Rixd. W. Z.	"	300 Do.
Genoa,	187½	Lire	"	100 Do.
Leghorn,	218	Lire Toscane	"	100 Do.
Lisbon,	48⅓	Schill. Bco.	"	1 Milreis.
Leipzig,	152	Dollars	"	300 Marks Bco.
Paris,	188¼	Francs	"	100 Do.
Prague,	146⅓	Florins	"	200 Do.

* The Cologne mark weight, of the Hamburg standard, is 3,608 grains Troy, or 7 oz. 10 dwts. 8 grs. Troy; and this weight of fine silver at the rate of 60*d.* sterling per oz. standard, is worth 40*s.* 7½*d.* sterling.

Spain, ...	45	Schillings Banco	for 1 Ducat of Plate.
Petersburg, ...	34	"	" 1 Ruble.
Vienna, ...	147¼	Florins	" 200 Marks Bco.

The usance for bills from England, France, and Holland, is one month's date. The days of grace are twelve.

The exchanges of Altona are the same as those of Hamburg.

EXAMPLE 1.

To exchange £550 10 0 into Banco at 13 6.

1	550	10	
	13	6	
	7150		
½	137	8	for 4 Schillings.
	68	12	" 2 "
	6	11	" 10*s.* Sterling.
Marks Bco.	7362	15	Sc.

We here multiply 550 mks. by the 13, and take parts out of the 550 for 6 sch.; then for the 10*s.* we take the half of 13 mks. 6 sch.

Instead of this we may reduce the 13 mks. 6 sch. into schillings (making 214 schillings), multiply these by the number of the pounds, take parts for the shillings sterling, and then divide the total by 16, to bring it into marks.

EXAMPLE 2.

To exchange Bco. Mks. 4896 12 Sc. into Sterling at 13 10½.

Mks. Sc.		£		Mks. Sc.
If 13 10½	——	1	——	4896 12?
218 Sc.				78348 Sc.
873 Qrs.				313392 Qrs.

£
873)313392
£358 19 8 Sterling.

EXAMPLE 3.

To find the net produce of Mks. 11363 9 Sc. at an Agio of 20 per cent. and Rabat of 8¾ per cent.

	Mks.	Sc.	
1	11363	9	Currency.
	1893	15	Agio.
Mks.	9469	10	Banco.
		13	
153)	123105	2	
	755	4	Rabat.
Bco. Mks.	8714	6	Net proceeds.

30

This rabat is 8⅔ per cent. calculated upon the net proceeds.

N. B. If the fluctuating agio, which is generally about 23 per cent., is used, we must work the proportion; thus, for the above, at 23¼ per cent., we say,

Mks.		Mks.		Mks. Sc.	
If 123¼	——	23¼	——	11363 9	Curr.?
				93	
493		93			
				493)1056811 5	
				2143 10	Agio.
				Mks. 9219 15	Banco.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1,000 Sterling into Banco at 14 0	Mks. 14000 0
2.	£534 15 0 into Banco at 13 11¼	Mks. 7336 2
3.	£372 13 6 into Banco at 13 13¼	Mks. 5153 6
4.	Bco. Mks. 8765 4 into Sterling at 13 8	£649 5 6
5.	Bco. Mks. 6000 0 into Sterling at 13 13⅜	£432 18 5
6.	Bco. Mks. 9257 11 into Sterling at 13 11¾	£674 1 1

PRUSSIA.

BERLIN, ... 30 Silver Groschen = 1 Prussian Dollar.

The Prussian dollar used until lately to be divided into 24 good groschen.

The value of the dollar is obtained from the standard rate of 14 dollars being coined from 1 Cologne mark weight of fine silver, from which the value of the dollar is 2*s*. 10¾*d*. sterling, and the par of exchange P. D. 6 27 S. G. per £ sterling.

The money of account, and the weights and measures throughout the Prussian dominions, are now uniformly regulated by the Berlin standards.

WEIGHTS AND MEASURES.

100 Pounds = 103 11 lbs. Avoirdupois.		100 Scheffels = 151.21	Imperial Bushels.
100 Quarts = 25.20	Imperial Gallons.	100 Ells = 72.93	English Yards.

COURSE OF EXCHANGE.

Berlin gives to

London, ...	P. D. 6 24¾ Gr.	for 1	£ Sterling.
Amsterdam, ...	" 143.3-10ths	" 250	Florins.
Augsburg, ...	" 103½	" 150	Florins, Convention.
Frankfort, ...	" 103¼	" 100	Rix Doll. W. Z.

Hamburg, ...	P. D. 152.2	for 300	Marks Banco.
Paris, ...	" 81.2	" 300	Francs. m
St. Petersburg, ...	" 1.2½	" 1	Silver Ruble.
Vienna, ...	" 103.4	" 150	Florins, effective.

EXAMPLE.

To exchange £500 Sterling into Prussian Currency at P. D. 6 28½.

	D.	Gr.
	6	28½
		100
	695	0
		5
P. Doll.	3475	0

REVERSE.

To exchange P. Doll. 3475 0 at 6 28½.

D.	Gr.		£		D.	Gr.
If 6	28½	——	1	——	3475	0 ?
208	Gr.				104250	Gr.
417	½ Gr.				208500	½ Gr.

£
417)208500
£ 500 0 0 Sterling.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1000 Sterling into Prussian Currency at 7 1½ . .	P. D. 7041 20
2.	£807 18 6 into Prussian Currency at 6 21½ . .	P. D. 5426 17
3.	Pruss. D. 8000 into Sterling at 6 27½	£1156 12 6
4.	Pruss. D. 4382 16 into Sterling at 6 23 . . .	£ 647 13 4

RUSSIA.

ST. PETERSBURG, ... 100 Copecs = 1 Ruble.

The value of the metallic or silver ruble is 37½*d.* sterling.

By an edict of the 13th of July, 1839, the former money in banco or paper rubles was ordered to be discontinued, and the accounts kept in them to be exchanged, in their amounts, into silver rubles, at the rate of 350 paper rubles for 100 silver rubles.

WEIGHTS AND MEASURES.

100 Pounds = 90.26 lbs. Avoirdupois.	100 Tschetwerts = 72.12 Imperial Quarters.
100 Wedros = 270.46 Imperial Gallons.	100 Arschines = 77.77 English Yards.

COURSE OF EXCHANGE.

St. Petersburg receives for 1 Silver Ruble, from

London, ...	at 3 months	38¼	Pence.
Amsterdam, ...	" 65 days	194½	Cents.
Hamburg, ...	" 65 "	34¼	Schillings Banco.
Paris, ...	" 70 "	405½	Centimes.

The days of grace are ten for bills after date, and three for bills after sight.

The Old Style, or Julian Calendar, is still used throughout Russia. In comparison with the New Style it is 12 days later; thus the 10th of April in Russia corresponds with the 22d of April in England.

Example.

To exchange £816 14 4 into Silver Rubles, at $37\frac{13}{16}d.$

d.		S. R.		£ *s. d.*
If $37\frac{13}{16}$	——	1	——	816 14 4 ?
605 Sixteenths				3136192 Sixteenths.

S. Rubles.

605)3136192

S. Rubles 5183.79 c.

Reverse.

To exchange S. R. 5183.79 into Sterling at $37\frac{13}{16}$.

d.		£	
5183.79	(or)	518.379	for 2*s.*
37		259.1895	" 1*s.*
		21.5991	" 1*d.*
19180023		10.7995	" 8-16ths.
259189 for 8-16ths.		5.3997	" 4 "
129594 " 4 "		1.3499	" 1 "
32398 " 1 "			
d. 196012		£ 816.716	
s. 16334 4			
£816 14 4			

Exercises.

	Exchange	Products.
Ex. 1.	£1000 Sterling into Silver Rubles at $37\frac{1}{4}d.$ . . .	S. R. 6442.95
2.	£644 10 5 Sterling into Silver Rubles at $38\frac{1}{4}d.$ . .	S. R. 4044.05
3.	S. Rubles 8000.00 into Sterling at $37\frac{1}{2}d.$	£1250 0 0
4.	S. Rubles 4876.56 into Sterling at $37\frac{13}{16}d.$ . . .	£ 770 17 0

N. B. The rate of exchange of Odessa on London is still generally made in paper rubles, the par of exchange in which is 2,240 paper rubles for £ 100 sterling.

FRANKFORT ON THE MAIN.

90 Kreuzers = 1 Rixdollar.

A Rixdollar* is 1½ Florins. A Florin is 60 Kreuzers or 15 Batzen, the Batz being 4 Kreuzers. A Kreuzer is 4 Hellers.

There are two moneys of account at Frankfort, viz. Reichsgeld or 24 Guldenfuss, and Wechselzahlung.

Reichsgeld is called 24 Guldenfuss, or florin-foot, from the Cologne mark weight of fine silver being valued at 24 of these florins.

Wechselzahlung, or exchange-reckoning, is deduced from the estimation of the Carolin at 9 florins 12 kreuzers in Wechselzahlung, the value of the same being 11 florins in 24 Guldenfuss; from which

46 Rixdollars W. Z. = 55 Rixdollars in 24 G. F.

Wechselzahlung is very nearly of the same value as convention-money, or money in 20 Guldenfuss, in which the fine silver contained in 20 florins is to weigh one Cologne mark; the former is only 4-11ths per cent. above the latter, the Carolin being valued at 9 florins 10 kreuzers in 20 Guldenfuss; therefore

275 Rixdollars in 20 G. F. = 276 Rixdollars in W. Z.

The sterling value of the rixdollar in each of these valuations is, in

24 Guldenfuss, . . 30.47 Pence. 20 Guldenfuss, . . 36.56 Pence.
Wechselzahlung, . 36.43 Pence.

The value of the batz in W. Z. is 1 penny 62-100ths sterling, and the par of the exchange on London 148.2 batzen per £ sterling.

WEIGHTS AND MEASURES.

100 lbs. heavy weight	= 111.42	lbs. Avoirdupois.
100 lbs. light weight	= 103.16	" "
100 Malters	= 39.45	Imperial Quarters.
100 Viertels	= 157.83	Imperial Gallons.
100 Ells	= 59.85	English Yards.

COURSE OF EXCHANGE.

Frankfort gives, in Wechselzahlung, to

London, ...	150¾	Batzen	for 1	£ Sterling.
Amsterdam, ...	139½	Rixdollars	" 250	Florins.
Augsburg, ...	100¼	"	" 150	Florins.
Bremen, ...	110¼	"	" 100	Rixdollars.
Hamburg, ...	146	"	" 300	Marks Banco.
Paris, ...	78¾	"	" 300	Francs.

In 24 Guldenfuss, to

Berlin, ... 104¼ Kreuzers for 1 Prussian Dollar.

* It is to be noticed that a Reichsthaler, or Rixdollar, is a dollar of account, and that it is three fourths of a species-dollar, or a dollar in coin. The latter is 2 florins.

The rate with Augsburg is similar to that with Vienna; and the rate with Berlin to that with Breslau.

The usance of bills not payable at the fairs of this place is 14 days' sight. The days of grace are four.

The Prussian money is also used for the payment of duties, in Frankfort, and in all the states of the German Customs-Union, the value of 1 Prussian dollar being fixed at 105 kreuzers, or $1\frac{3}{4}$ florins in 24 Guldenfuss, and making the silver groschen equal to $3\frac{1}{2}$ kreuzers in 24 G. F.

EXAMPLE 1.

To exchange £500 Sterling into Frankfort money in 24 Guldenfuss at $150\frac{3}{4}$.

Batz. $150\frac{3}{4}$ = 603 Kreuzers.

500

90)301500

Rixdollars 3350 0 in W. Z.

55

46)184250

Rixdollars 4005 39 in Reichsgeld.

EXAMPLE 2.

To exchange R. D. 3350 W. Z. into Sterling at $150\frac{3}{4}$.

B.		£		R. D. Kr.
If $150\frac{3}{4}$	——	1	——	3350 0?
603 Kr.				301500 Kr.

£

603)301500

£ 500 0 0 Sterling.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1000 into Frankfort W. Z. at $151\frac{1}{4}$ . . .	Rixd. W. Z. 6722 20
2.	£814 14 6 into W. Z. at $150\frac{3}{4}$ . . .	R. D. W. Z. 5458 59
3.	£1000 into Reichsgeld at Frankfort at 152 . .	R. D. 24 G. F. 8077 27
4.	Rixd. 4000 W. Z. into Sterling at 151 . .	£596 0 6
5.	Rixd. 4406 44 W. Z. into Sterling at $150\frac{1}{2}$ . .	£658 15 7
6.	Rixd. 8000 in 24 G. F. into Sterling at 151 .	£996 19 0

AUSTRIA.

VIENNA AND TRIESTE, ... 60 Kreuzers = 1 Florin.

A Rixdollar is $1\frac{1}{2}$ Florins or 90 Kreuzers; it is a nominal money used in exchanges, but not in accounts.

The value of the money of account is that called Convention, or 20

Guldenfuss, in which, as before remarked, the Cologne mark weight of fine silver is supposed to be coined into 20 florins.

The value in sterling of the florin at this rate is $2s.\ 0\frac{4}{10}d.$, from which the par of exchange with London is 9 fl. 50 kr. per £ sterling.

The currency of Austria is of both paper and metal. The paper money, called Wiener-Wahrung, or Vienna-value, is at a fixed discount of 60 per cent.; by which 100 florins in cash are equal to 250 florins in W. W.

Bills upon Vienna are generally directed to be paid in effective,* that is, in cash, to guard against their being paid in paper money of the depreciated value.

WEIGHTS AND MEASURES.

100 Pfund or Pounds	=	123.52 lbs. Avoirdupois.
100 Eimers	=	1245.78 Imperial Gallons.
100 Metzen	=	21.15 Imperial Quarters.
100 Ells	=	85.21 English Yards.

COURSE OF EXCHANGE.

Vienna, in effective, gives to or *receives from*

London,	10 3	Flor. and Kr.	for 1	£ Sterling.
Amsterdam,	138½	Rixdollars	" 250	Florins.
Augsburg,	100¼	Florins	" 100	Flor. Augs. Curr.
Constantinople,	425	Paras	" 1	Florin.
Frankfort,	100¼	Florins W. Z.	" 100	Flor. in 20 Kreuz.
Genoa,	118¾	Florins	" 300	Lire Nuove.
Hamburg,	145	Florins	" 200	Marks.
Leghorn,	98	Florins	" 300	Lire Toscane.
Milan,	100¼	Florins	" 300	Lire Austriache.
Naples,	58½	Grani	" 1	Florin.
Paris,	118¼	Florins	" 300	Francs.

The usance of bills is 14 days. The days of grace are 3, reckoned as in England, bills not being presented for payment until the third day after that on which the regular time expires.

Trieste gives to

London,	9 59	Flor. and Kr.	for 1	£ Sterling.
Amsterdam,	49½	Kreuzers	" 1	Florin.
Genoa,	23½	"	" 1	Lira Nuova.
Hamburg,	43½	"	" 1	Mark Banco.
Leghorn,	97½	Florins	" 300	Lire Toscane.
Lisbon,	2 23	Flor. and Kr.	" 1	Milreis.
Messina,	4 51	"	" 1	Onza.
Milan,	98¾	Florins	" 300	Lire Austriache.

* Very frequently the particular money in which the bills are to be paid is specified; as in 20-kreuzer pieces.

Naples, ...	1 36	Flor. and Kr. for	1	Ducat.
Paris, ...	23½	Kreuzers "	1	Franc.
Smyrna, ...	9 22	Flor. and Kr. "	100	Piastres.

EXAMPLE.

To exchange £456 17 8 Sterling into Florins at 10 1.

£ s. d. £
456 17 8 = 456.8833

Florins.
1/10 . . 456.8833
10
4568.833
7.614
Flor. 4576.447 or 27 Kr.

The decimal .447 of a florin is valued in kreuzers by multiplying it by 60.

REVERSE.

To exchange Florins 4576 27 into Sterling at 10 1.

Fl. Kr. £ Fl. Kr.
If 10 1 —— 1 —— 4576 27?
601 Kr. 274587 Kr.

£
601)274587
£456 17 8 Sterling.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1000 Sterling into florins at 9 57½	Flor. 9958 20 Kr.
2.	£216 12 6 into Florins at 10 2	Flor. 2173 28 Kr.
3.	Flor. 4484 20 into Sterling at 10 1	£447 13 9
4.	Flor. 5000 0 into Sterling at 10 1¼ . . .	£498 19 2

LOMBARDO-VENETO.

VENICE AND MILAN, . . . 100 Centisimi = 1 Lira Austriaca.
The Lira is also divided into 20 Soldi Austriachi.

The lira is of the same value as the 20-kreuzer piece, or 1·3d of an Austrian florin. The piece of 3 lire is of the same value as a florin, and the piece of 6 lire as a species-dollar.

The value of the lira in sterling is $8\frac{13}{100}d.$ sterling, from which the par of exchange is lire 29.52 cent. per £ sterling, or $48\frac{3}{4}d.$ sterling for 6 lire.

VENETIAN WEIGHTS AND MEASURES.

100 Libbre, peso grosso	= 105.17	lbs. Avoirdupois.
100 Libbre, peso sottile	= 66.41	lbs. Avoirdupois.
100 Secchi	= 236.19	Imperial Gallons.
100 Staji	= 29.19	Imperial Quarters.
100 Braccia, Woollen Meas.	= 74.47	Yards.
100 Braccia, Silk Measure	= 69.81	Yards.

N. B. The metrical system of weights and measures is also employed, for which see Milan.

COURSE OF EXCHANGE.

Venice gives to

London,	Lire 29.20	Centisimi for 1	£ Sterling.	
Amsterdam,	" 2.44	" " 1	Florin.	
Augsburg,	" 2.96	" " 1	Florin.	
Frankfort,	" 2.45	" " 1	Florin 24 G. F.	
Genoa,	" 1.14⅜	" " 1	Lira Nuova.	
Hamburg,	" 2.16½	" " 1	Mark Banco.	
Leghorn,	" 0 97⅛	" " 1	Lira Toscana.	
Naples,	" 4.89	" " 1	Ducat.	
Paris,	" 1.15¼	" " 1	Franc.	
Rome,	" 6.18	" " 1	Scudo.	
Vienna,	" 2.97¼	" " 1	Florin.	

Example.

To exchange £ 464 10 Sterling into Lire Austriache at 30 Li. 15 Cent. per £ Sterling, and at 47¾*d.* Sterling for 6 Lire Austriache.

£		L. C.		£ s. d.
If 1	——	30 15	——	464 10 0 ?
		464		
		13989.60		
		15 07		

Lire Aust. 14004.67 Cent. 1st Product.

d.		Lire.		£ s. d.
If 47¾	——	6	——	464 10 0 ?
191				445920 Farthings.

Lire.
445920
6
191)2675520

Lire Aust. 14007 95 Cent. 2d Product.

The rate of exchange of London on Venice is according to the latter of the above forms. That of Venice on London was formerly the same, but it was lately changed.

EXERCISES.

	Exchange	Products.
Ex. 1.	£ 500 Sterling into Lire Aust. at 30 Lire . . .	L. A. 15000.00
2.	£ 500 Sterling into Lire Aust. at 48*d.* . . .	L. A. 15000.00
3.	£ 129 16 5 into Lire Aust. at 47½*d.*	L. A. 3956.44
4.	Lire Aust. 8000 into Sterling at L. 30.30 . . .	£ 264 0 6
5.	Lire Aust. 6424 60 into Sterling at 48½*d.* . . .	£ 215 5 4
6.	Lire Aust. 4578 92 into Sterling at 47¾*d.* . . .	£ 151 16 9

NAPLES.

100 Grani = 1 Ducat.

The Ducat is also divided into 5 Tari, or 10 Carlini.

The Neapolitan ducat, which is of silver, is called *del Regno;* its value is 3*s.* 3¾*d.* sterling, making the par of the exchange of Naples upon London 603¾ grani per £ sterling.

WEIGHTS AND MEASURES.

The Cantaro Grosso of 100 Rottoli	= 196.42	lbs. Avoirdupois.
The Cantaro Piccolo of 150 Libbre of 12 oz.	= 106.07	" "
The Barile of Wine	= 9.11	Imperial Gallons.
The Tomolo of Wheat	= 1.41	Imperial Bushels.
A Canna	= 83.18	English Inches.

COURSE OF EXCHANGE.

Naples gives to

London, ...	607.	Grani for 1 £ Sterling.
Amsterdam, ...	50.20	" " 1 Florin.
Genoa, ...	23 80	" " 1 Lira Nuova.
Hamburg, ...	44.15	" " 1 Mark Banco.
Leghorn, ...	19.40	" " 1 Lira Toscana.
Lisbon, ...	57.	" " 1 Crusado.
Madrid, ...	28.	" " 1 Dollar of Plate.
Palermo, ...	119.	" " 1 Scudo of 12 Tari.
Paris, ...	23.75	" " 1 Franc.
Vienna, ...	60.	" " 1 Florin.
Venice, ...	20.10	" " 1 Lira Austriaca.

EXAMPLE.

To exchange £ 500 Sterling into Ducats at the rates of 39½*d.* per Ducat, and of 607 Grani per £ Sterling.

d.		Duc.		£
If 39½	——	1	——	500 ?
79				240000 halfpence.

Duc.
79)240000
Ducati 3037.97 Grani. 1st Product.
And
Gr.
607
500
Ducati 3035.00 2d Product.

EXERCISES.

	Exchange	Products.
Ex. 1.	£ 1000 Sterling into Ducats at 38¾*d.*	Ducats 6193.54
2.	£ 818 12 2 into Ducats at 40¼*d.*	Ducats 4881.14
3.	£ 651 16 6 into Ducats at 605 Gr.	Ducats 3943.54
4.	Ducats 4000 into Sterling at 39¾*d.*	£ 662 10 0
5.	Ducats 3050.50 into Sterling at 39½*d.*	£ 502 1 3
6.	Ducats 8895.36 into Sterling at 612 Gr.	£ 1453 9 10

PALERMO.

20 Grani = 1 Taro. 30 Tari = 1 Oncia or Onza.
The Scudo is 12 Tari, or 2 Oncie are equal to 5 Scudi.

The full value of the oncia is 10*s.* 3½*d.* sterling, making the par of exchange of Palermo on London 58¼ tari per £ sterling.

WEIGHTS AND MEASURES.

The Cantaro of 100 Rottoli	= 175.03	lbs. Avoirdupois.
100 Pounds of 12 Ounces	= 70.01	" "
The Pipe of Wine of 12 Sicilian Barrels	= 94.33	Imperial Gallons.
The Salma of Corn	= 7.61	Imperial Bushels.
The Canna of 8 Palmi	= 76.47	English Inches.

COURSE OF EXCHANGE.

Palermo gives to or *receives from*

London, ...	60	Tari	for	1 £ Sterling.
Genoa, ...	47	Grani	"	1 Lira Nuova.
Leghorn, ...	40	Grani	"	1 Lira Toscana.
Naples, ...	121	Ducats	"	100 Scudi.
Paris, ...	46¾	Grani	"	1 Franc.
Trieste, ...	5 18	Tari and Grani	"	1 Florin.

EXAMPLE.

To exchange £ 136 12 6 into Oncie, at the rates of 120¼*d.* per Oncia, and 59¾ Tari per £ Sterling.

d. Oncia. £ *s.* *d.*
If 120¼ —— 1 —— 136 12 6?
481 Farthings. 131160 Farthings.

Oncie.
481)131160

Oncie 272 20 9 1st Product.

Also,

Tari.
¼ . . 136.625
60

8197.500
34.656

On. Ta. Gr.
Tari 8163.344 = 272 3 10 2d Product.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1000 Sterling into Oncie at 120½*d.* . . .	Oncie 1991 21 0
2.	£865 15 0 Sterling into Oncie at 120*d.* . .	" 1731 15 0
3.	£443 16 8 Sterling into Oncie at 60¼ Tari. . .	" 891 10 19
4.	Oncie 1000 into Sterling at 119*d.*	£495 16 8
5.	Oncie 453 18 16 into Sterling at 120*d.*	£226 16 3
6.	Oncie 636 27 10 into Sterling at 59½ Tari. . . .	£321 2 8

TUSCANY.

FLORENCE AND LEGHORN, . . 100 Centisimi = 1 Lira Toscana.

The value of the Lira Toscana is $7\frac{82}{100}$*d.* sterling, making the par of exchange with London 30.69 lire for £ 1 sterling.

The lira is also divided into 20 Soldi di Lira, each of 5 centisimi.

The late money of exchange in Leghorn was in Pezze, called Pezze da Otto Reali, and their valuation was made in gold at the fixed premium of 7 per cent. on the silver valuation. This money has been discontinued since 1837.

WEIGHTS AND MEASURES.

100 Libbre or Pounds = 74.86 lbs. Avoirdupois.
100 Fiaschi = 50.16 Imperial Gallons.
100 Sacchi = 25.13 Imperial Quarters.
100 Braccia = 63.83 Yards.

COURSE OF EXCHANGE.

Leghorn gives to

London, ... Lire 29.83 Centisimi for 1 £ Sterling.
Amsterdam, ... " 2.46¾ " " 1 Florin.
Constantinople, ... " 0.28 " " 1 Piastre.

Genoa, ...	Lire	1.17½	Centisimi	for 1 Lira Nuova.
Hamburg, ...	"	2.18	"	" 1 Mark.
Lisbon, ...	"	6.83	"	" 1 Milreis.
Madrid, ...	"	4.45½	"	" 1 Dollar of Plate.
Milan, ...	"	0.99½	"	" 1 Lira Austriaca.
Malta, ...	"	2.42	"	" 1 Scudo of 12 Tari.
Messina, ...	"	15.34	"	" 1 Onza. m
Naples, ...	"	5.11	"	" 1 Ducat del Regno.
Paris, ...	"	1.17	"	" 1 Franc.
Rome, ...	"	6.38	"	" 1 Scudo.
Vienna, ...	"	2.95	"	" 1 Florin.

The usance of bills from England is three months' date.

EXAMPLE 1.

To exchange £ 800 into Sterling at 30.25.

L. C.
30.25
800
L. T. 24200.00

EXAMPLE 2.

To exchange L. T. 24274.80 into Sterling at 29.83.

L. C. £ L. C.
If 29.83 —— 1 —— 24274.80 ?

£ £ s. d.
2983)2427480(813 15 5 Sterling.
4108
11250
)23010(771
2129
43

EXERCISES.

	Exchange	Products.
Ex. 1.	£ 600 Sterling into Lire T. at 30 20	L. T. 18120.00
2.	£ 371 11 1 Sterling into Lire T. at 30.55 . . .	L. T. 11350.98
3.	Lire T. 4159.28 into Sterling at 29 85 . . .	£ 139 6 9
4.	Lire T. 8210.15 into Sterling at 29 72½ . .	£ 276 4 1

GENOA.

100 Centisimi = 1 Lira Nuova.

The lira nuova is of the same value as the French franc, or the lira Italiana, viz. 9½*d.* sterling. The late money of Genoa was in lire,

soldi, and denari, called *fuori Banco*. 5 lire nuove are reckoned equal to 6 lire fuori banco.

The exchanges were usually made in pezze of 5¾ lire F. B. and in price currents, &c., this money is still employed. The pezza is divided into 20 soldi, each of 12 denari, called Soldi and Denari *di Pezza*.

WEIGHTS AND MEASURES.

100 lbs. of Genoa	=	69.88 lbs. Avoirdupois.
100 Rottoli of 1½ lbs.	=	104.83 lbs. Avoirdupois.
The Barile of Wine	=	16.34 Imperial Gallons.
The Mina of Corn	=	3.31 Imperial Bushels.
The Braccio of 2½ Palmi	=	22.96 English Inches.

COURSE OF EXCHANGE.

Genoa gives to

London,	L. N. 25.09	Centisimi	for	1	£ Sterling.
Amsterdam,	" 2.10	"	"	1	Florin.
Frankfort,	" 2.55½	"	"	1	Florin W. Z.
Hamburg,	" 1.87	"	"	1	Mark.
Leghorn,	" 0.84	"	"	1	Lira Toscana.
Lisbon,	" 5.60	"	"	1	Milreis.
Madrid,	" 3.74	"	"	1	Dollar of Plate.
Milan,	" 0.85	"	"	1	Lira Austriaca
Naples,	" 4.38	"	"	1	Ducat.
Palermo,	" 13.10	"	"	1	Onza.
Paris,	" 0.99½	"	"	1	Franc.
Venice,	" 0.84¾	"	"	1	Lira Austriaca.
Vienna,	" 2.54	"	"	1	Florin.

Example.

To exchange £ 814 14 10 into Lire Nuove at 25.10.

Lire.
814.7416
25.10
81474160
40737080
16294832
Lire 20450.01 Centisimi.

Reverse.

L. C. £ L. C.
If 25.10 — 1 — 20450.01 ?

£
2510)2045001
£ 814 14 10 Sterling.

These calculations are made in the same manner as the French exchanges; and in reducing sterling into lire, the same attention is to be paid to the decimal valuation as is directed in example 2, under France.

EXERCISES.

	Exchange	Products.
Ex. 1.	£1000 Sterling into Lire Nuove at 24.80 . . .	Lire N. 24800.00
2.	£447 16 5 into Lire Nuove at 25 10 . . .	Lire N. 11240.30
3.	Lire N. 10000 into Sterling at 24.95	£ Ster. 400 16 0
4.	Lire N. 8487.13 C. into Sterling at 25.80 .	£ Ster. 328 19 2

SPAIN.

MADRID. — CADIZ. — MALAGA. — BARCELONA.

PLATE MONEY OF EXCHANGE AND ACCOUNT

34 Maravedis, or 16 Quartos	= 1 Real of Plate.
8 Reals	= 1 Dollar of Plate.
11 Reals 1 Maravedi, or 375 Maravedis	= 1 Ducat of Plate.
4 Dollars of Plate	= 1 Pistole of Plate.

VELLON MONEY OF COIN AND ACCOUNT.

34 Maravedis	= 1 Real Vellon.
20 Reals Vellon	= 1 Hard Dollar.

Hence

17 Reals of Plate	= 32 Reals Vellon.
85 Dollars of Plate	= 64 Hard Dollars.
1 Quarto of Plate	= 4 Maravedis Vellon.

Also 10$\frac{5}{8}$ reals of plate are equal to 1 hard dollar, and 15 reals 2 maravedis vellon, or 512 maravedis vellon, equal 1 dollar of plate; but at Malaga only 15 reals vellon are reckoned to the dollar.

N. B. In Alicant and all Valencia the dollar of plate, or libra, is divided into 20 sueldos, each of 12 dineros.

In Barcelona and all Catalonia the libra is similarly divided, but 5 dollars of plate are reckoned equal to 7 libras.

WEIGHTS AND MEASURES.

100 lbs. or 4 Arrobas	= 101.44 lbs. Avoirdupois.
1 Cantaro or Arroba of Wine	= 3.52 Imperial Gallons.
5 Fanegas of Corn	= 7.79 Imperial Bushels.
1 Vara or Ell	= 33.38 English Inches.

N. B. These are the Castilian or official weights and measures of Spain, but many of the provinces have their own local weights and measures.

COURSE OF EXCHANGE.

Spain receives from

London, ...	36	Pence Sterling	for 1	Dollar of Plate.
Amsterdam, ...	98¾	Grotes	" 1	Ducat.
Hamburg, ...	91	Grotes	" 1	Ducat.
Paris, ...	15 7	Fr. and Sous of Fr.	" 1	Pistole.
or, ...	76¾	Sous of Francs	" 1	Dollar.

The usance of bills from England is at Cadiz 2 months' date; at Madrid 60 days' date.

N. B. Taking the value of the hard or Spanish dollar to be 50⅛*d.* sterling, the value of the dollar of plate is about 37¾*d.*, the real of plate 4¾*d.*, and the real vellon 2½*d.*

Example 1.

To exchange £500 Sterling into Reals of Plate and Reals Vellon, at 36½*d.* per Dollar of Plate.

d. Reals. £

If 36½ —— 8 —— 500?

73 half pence. 240000

Reals.
240000
8
73)1920000

Reals P. 26301 6 Quartos.
32
17)841644

Reals Vellon 49508 16 Maravedis.

Example 2.

To exchange R. P. 8469 10 Q. into Sterling at 37½*d.*

	£	s.	d.	
1 . .	8469	12	6	Amt. at 20s. per Real.
½ . .	1058	14	0	" 30*d.*
	264	13	6	" 7½.
	8)1323	7	6	
£	165	8	5	Sterling.

Example 3.

To exchange R. Vn. 5458 27 Mar. into Sterling at 36½.

R. P.

½ . . 5458

1/16 . . 2729 for 16 Reals P.

170 9 " 1 "

7 " 27 M.

R. P. 2900 0

	£	s.	d.	
1	2900	0	0	Amt. at 20s. per Real.
1/8	362	10	0	" 2s. 6d.
1/40	72	10	0	" 6d.
	6	0	10	" ½d.
	8)441	0	10	
£	55	2	7	Sterling.

5458 reals vellon are 17-32ds of 5458 reals of plate, and 27 maravedis vellon are $6\frac{3}{4}$, called 7 Quartos of Plate.

EXAMPLE 4.

To exchange R. Vn. 18496 30 Mar. of Malaga into Sterling at 37*d.*

	£			
1	18496			Amount at 20s. per Real.
1/8	2312			for 30*d.*
1/8	462	8	0	" 6*d.*
	77	1	4	" 1*d.*
		2	8	" 30 Mar.
	3)2351	12	0	
	5)950	10	8	
£	190	2	2	Sterling.

At the rate of 37*d.* for 34 maravedis we must reckon 32*d.* for 30 maravedis.

15 reals vellon are at Malaga reckoned as 1 dollar of plate.

EXAMPLE 5.

To exchange Libras Catal. 4182 16 4 into Sterling at 39*d.*

	£	s.	d.	
1	4182	16	4	
1/40	697	2	$8\frac{1}{2}$	for 40*d.*
	17	8	$6\frac{1}{4}$	" 1
£	679	14	2	
			5	
	7)3398	10	10	
£	485	10	1	Sterling.

7 libras of Catalonia are reckoned as 5 dollars of plate.

For exercise see after "Gibraltar," pp. 47, 48.

GIBRALTAR.

16 Quartos = 1 Real. 12 Reals = 1 Dollar.

The dollar of account and exchange is the Peso Duro, or Spanish

hard dollar, which by Order in Council, 14th of September, 1838, is made a lawful tender in all the British Colonies in which it is used, at the rate of 50*d.* sterling.

The Spanish doubloon is, by the same order, valued at 64 shillings sterling; but in Gibraltar, as throughout Spain, it is valued at 16 dollars, and it here forms the principal money of payment.

WEIGHTS AND MEASURES.

The weights and measures are those of Great Britain.

COURSE OF EXCHANGE.

Gibraltar receives from

London, ...	49¾	Pence for	1 Dollar.
Genoa, ...	Lire 5.34	Cent. "	1 Dollar.
Marseilles, ...	Frs. 3.35	Cent. "	1 Dollar.

In the exchange business between Gibraltar and Cadiz, Malaga, Madrid, or Seville, the difference of price is a percentage premium or discount.

EXAMPLE.

To exchange H. D. 4400 10 r. 8 q. into Sterling at 49*d.*

£	*s.*	*d.*	
4400	17	6	Amount at 20*s.*
880	3	6	" 4*s.*
18	6	9	" 1*d.*
£ 898	10	3	Sterling.

EXAMPLE 2.

To exchange H. D. 4400 5 6 into Sterling at 47*d.*

	£			
½ . .	4400			
1/20 . ⅛ . .	733	6	8	for 40*d.*
	91	13	4	" 5*d.*
	36	13	4	" 2*d.*
		1	9	" 5 r. 6 q.*
	£ 861	15	1	Sterling.

EXERCISES.

WITH CADIZ.

	Exchange	Products.
Ex. 1.	£ 1000 Sterling into Reals of Plate, at 38½*d.* . .	R. P. 50196 1 Q.
2.	Reals P. 34831 10 Q. into Sterling at 37*d.* . .	£ 671 4 8

* 4*d.* for each real and 1*d.* for 6q.

WITH MADRID.

3. £184 18 8 into Reals Vellon at 36½*d.* . . . R. V. 18311 18 M.
4. R. Vn. 10000 into Sterling at 36½*d.* . . . £100 6 0

WITH MALAGA.

5. £220 10 into Reals Vellon at 36*d.* . . . R. V. 22050 0
6. R. Vn. 45382 17 M. into Sterling at 36½*d.* . . £460 2 7

WITH BARCELONA.

7. £447 10 6 into Libras Cat. at 35½*d.* . . . Lib. C. 4206 2 2
8. Lib. Cat. 8765 17 6 into Sterling at 37*d.* . . £ Ster. 965 5 10

WITH GIBRALTAR.

9. £472 19 5 into Hard Dollars at 47*d.* . . . H. D. 2415 2 0
10. H. D. 8126 10 10 into Sterling at 48*d.* . . £ Ster. 1625 2 6

PORTUGAL.

1000 Reis = 1 Milreis.

From the present money of payment in silver Crusados Novos of 480 reis, the value of the milreis is 56*d.* sterling.

A new gold and silver coinage was ordered by a decree of the 24th of April, 1835, according to which the value of the gold crown of 5000 reis is £1 3*s.* 11¼*d.* sterling, and of the silver crown, or milreis, 56⅝*d.* sterling.

The Crusado of exchange is 400 reis; a Conto of Reis is 1,000 milreis.

WEIGHTS AND MEASURES.

100 Pounds	=	101.18	lbs. Avoirdupois.
The Arroba of 32 lbs.	=	32.38	" "
The Almude of Lisbon	=	3.64	Imperial Gallons.
" " of Oporto	=	5.61	" "
The Alquiere of Lisbon	=	0 37	Imperial Bushel.
" " of Oporto	=	0.46	" "
The Vara	=	43.14	English Inches.
The Covado	=	25.88	" "

COURSE OF EXCHANGE.

Lisbon and Oporto *give to* or receive from

London, ...	54	Pence	for 1 Milreis.
Amsterdam, ...	43½	Grotes	" 1 Crusado.
Genoa, ...	526	Reis	" 3 Lire Nuove.
Hamburg, ...	48¼	Sch. Banco	" 1 Milreis.
Leghorn, ...	152	Reis	" 1 Lira Toscana.

Madrid, ...	670 Reis	for 1	Dollar of Exchange.
Naples, ...	734 Reis	" 1	Ducat.
Paris, ...	525 Reis	" 3	Francs.
Vienna, ...	452 Reis	" 1	Florin.

EXAMPLE.

To exchange £ 647 11 1 into Reis at 57½*d.*

d.		Reis.		£ *s.* *d.*
If 57½	——	1000	——	647 11 1 ?
115				310826*d.*

Reis.

115)310:826.000

Reis 2:702 835

Contos of reis are usually separated from milreis by a double point, and mils from reis by either a single point or a crossed cipher.

REVERSE.

To exchange Reis 2:702 835 into Sterling at 57½*d.*

	£	
½ . .	2702 835	
1/24 . .	675.709	for 60*d.*
	28.154	" 2½*d.*
	£ 647 555	= £ 647 11 1

This is the shortest method, but it is more common to consider the milreis as pence, and multiply by the rate.

EXERCISES.

	Exchange	Products.
Ex. 1.	£ 1000 into Reis at 57*d.*	Reis 4:210 526
2.	£ 245 6 3 into Reis at 56½*d.*	Reis 1:042.035
3.	Reis 10:000.000 into Sterling at 57½*d.*	£ 2395 16 8
4.	Reis 13:572.866 into Sterling at 58*d.*	£ 3280 2 2

EXERCISES ON RATES OF EXCHANGE.

What rate of Exchange at London is established, by exchanging £ 500 Sterling with

Ex. 1.	Paris, ...	for Francs	12950 60	Centimes.
2.	Amsterdam, ...	" Florins	6010 45	Cents.
3.	Hamburg, ...	" Banco Mks.	6848 12	Schillings.
4.	Berlin, ...	" Pruss. Doll.	3483 25	Silver Gr.
5.	Petersburg, ...	" Silv. Rubles	3221 48	Copecs.
6.	Frankfort, ...	" R. D. W. Z.	3361 44	Kreuzers.
7.	Vienna, ...	" Florins	4982 20	Kreuzers.

8.	Venice, ...	for	Lire Aust.	15208 90	Centisimi.
9.	Naples, ...	"	Ducats	3075 48	Grani.
10.	Palermo, ...	"	Onze	1004 24	Tari.
11.	Leghorn, ...	"	Lire Tosc.	15151 41	Centisimi.
12.	Genoa, ...	"	Lire Nuove	13319 95	Centisimi.
13.	Madrid, ...	"	Reals Vellon	48000 10	Maravedis.
14.	Gibraltar, ...	"	Hard Dollars	2517 8	Reals.
15.	Lisbon, ...	"	Reis	2:114.542	

Products.

Ex. 1.	Francs	25 90	Centimes	per	£ Sterling.
2.	Florins	12 2	Cents	"	£ Sterling.
3.	Banco Marks	13 11⅛	Schillings	"	£ Sterling.
4.	Prussian Dollars	6 29	Groschen	"	£ Sterling.
5.	Pence	37½		"	Silver Ruble.
6.	Batzen	151½		"	£ Sterling.
7.	Florins	9 57	Kreuzers	"	£ Sterling.
8.	Pence	47$\frac{5}{16}$		"	6 Lire.
9.	Pence	39		"	Ducat.
10.	Pence	119⅜		"	Onza.
11.	Lire T.	30 30	Centisimi	"	£ Sterling.
12.	Lire N.	26 64		"	£ Sterling.
13.	Pence	37⅛		"	Dollar of Plate.
14.	Pence	47⅛		"	Hard Dollar.
15.	Pence	56¾		"	Milreis.

BREMEN.

5 Schwaren = 1 Grote. 72 Grotes = 1 Rixdollar.

The rixdollar is valued in gold, from the old French and German Louis d'or, at the rate of 5 rixdollars to 1 Louis d'or. Taking the value of this Louis d'or at 16*s.* 5*d.* Sterling, the value of the Bremen rixdollar is 3*s.* 3.4*d.*, and the par of exchange on London is about 609¼ rixdollars of Bremen per 100 sterling.

WEIGHTS AND MEASURES.

100 Bremen Pounds	=	109.90 lbs. Avoirdupois.
100 Stübchen	=	70.90 Imperial Gallons.
The Last of Corn	=	10.19 Imperial Quarters.
100 Bremen Ells	=	63.29 Yards.

COURSE OF EXCHANGE.

Bremen gives, in full weight Louis, Carls, and Fredericks d'or at 5 Rixdollars each, to

London, ...	612	Rixdollars	for	100	£ Sterling.
Amsterdam, ...	127¼	"	"	250	Florins.
Hamburg, ...	133½	"	"	300	Marks Banco.
Paris, ...	17¼	Grotes	"	1	Franc.

Bremen receives for 100 Rixdollars, from

Augsburg,	107½	Rixdollars Currency.
Berlin,	109	Prussian Dollars.
Frankfort,	107½	Rixdollars, W. Z.
Leipzig,	109	Dollars.
New York,	76½	U. S. Dollars.
Baltimore,	79	U. S. Dollars.

LUBEC.

12 Pfennings = 1 Schilling. 16 Schillings = 1 Mark.

The value of this money of account is the same as that of Hamburg currency, the Cologne mark weight of fine silver being valued at 34 marks of Lubec.

WEIGHTS AND MEASURES.

100 lbs. of Lubec	= 106.85	lbs. Avoirdupois.
100 Viertels	= 159.35	Imperial Gallons.
The Last of Corn	= 11.03	Imperial Quarters.
The Ell	= 22.91	English Inches.

COURSE OF EXCHANGE.

Lubec gives to

Hamburg 123½ Marks for 100 Marks Banco.

Almost entirely the whole of the exchange business of Lubec upon other countries is transacted through the medium of Hamburg, and therefore Lubec currency requires first to be reduced into Hamburg banco, from which it may be exchanged into the money of any other country.

Thus to remit marks 10,000 from Lubec to London, at 23½ per cent. from Lubec to Hamburg, and 13 mks. 9 s. from Hamburg to London.

Mks.		Mks.		Mks.
If 123½	——	100	——	10000 ?

Result, Bco. Mks. 8113 9 S.

Mks. S.		£		Mks. S.
If 13 9	——	1	——	8113 9 ?

Result, £ 598 4 8 Sterling.

DENMARK.

COPENHAGEN, ... 96 Skillings = 1 Rigsbank Dollar.

The rigsbank or rix-banco dollar is divided also into 6 marks, each of 16 skillings.

Estimating the Cologne mark of fine silver at 18½ rigsbank dollars, the Danish dollar is equal to 1½ Hamburg mark banco, or to 26.35*d.* sterling; making the par of exchange with London R. D. 9 10 Sk. per £ sterling.

By an edict of the Danish Chancery of the 29th of September, 1837, the banco paper money was made of the same value as the silver money.

WEIGHTS AND MEASURES.

100 lbs. Danish	= 110.13	lbs. Avoirdupois.
100 Viertels	= 170.08	Imperial Gallons.
100 Tonnen	= 47.84	Imperial Quarters
100 Ells	= 68.64	English Yards.

COURSE OF EXCHANGE.

Copenhagen gives to

London, ...	9 35	R. Dollars and Skillings	for 1	£ Sterling.
Amsterdam, ...	195¼	Rigsbank Dollars	" 250	Florins.
Hamburg, ...	201	" "	" 300	Marks Banco.
Paris, ...	35¼	Skillings	" 1	Franc.

N. B. The Danish Species-dollar is equal to 2 rigsbank dollars, and therefore to 52$\frac{7}{10}$*d.* sterling; but as in ordinary calculations 14 Hamburg marks banco are reckoned equal to 1 £ sterling, the value of the species-dollar at this rate is 51¾*d.* sterling. It (the species-dollar) is divided into 48 stivers, each 4 skilling in Sundish valuation, or for the payments of the Sound dues.

SWEDEN AND NORWAY.

STOCKHOLM, . . 12 Runstycken = 1 Skilling. 48 Skillings = 1 Riksdaler.

The money of Sweden is of three kinds, — Specie, or coin; Banco, or notes issued by the States Bank; and Riksgäld, or notes issued by the Riksgäld-Contoir.

The established relative values of these moneys are

3 Riksdr. Silv. Sp. = 8 Riksdr. Banco = 12 Riksdr. Riksgäld.

The value of the riksdaler silver specie is 53⅛*d.* sterling, and the par of exchange on London, in banco, is 12 rdr. 1½ sk. per £ sterling.

SWEDISH WEIGHTS AND MEASURES.

100 Pounds Victualie Wt.	= 93.65	lbs. Avoirdupois.
100 Kannen	= 57.60	Imperial Gallons.
100 Tunna of 36 Kappar	= 56.70	Imperial Quarters.
100 Ells	= 64.94	Yards.

COURSE OF EXCHANGE.

Stockholm gives, in Banco, to

London,	12	Rdr. 2 Sk.	for 1	£ Sterling.
Amsterdam,	125	Skillings	" 2½	Florins.
Berlin,	88½	"	" 1	Pr. Dollar.
Copenhagen,	66½	"	" 1	Rigsbank Dollar.
Hamburg,	129	"	" 3	Marks Banco.
Lubec,	104½	"	" 3	Marks Current.
Paris,	22$\frac{17}{24}$	"	" 1	Franc.
St. Petersburg,	93½	"	" 1	Silver Ruble.

CHRISTIANIA, ... 120 Skillings = 1 Species-Dollar.

The species-dollar is equal to 2 Danish rigsbank dollars, or 3 Hamburg marks banco, and is worth about 52¾*d.* sterling.

The Norwegian weights and measures are chiefly those of Denmark.

TURKEY.

CONSTANTINOPLE, ... 40 Paras = 1 Piastre.

The money of Turkey is so much debased that it bears but little more than a nominal value. Bills and merchandise are chiefly valued from the rate borne by foreign coins, particularly Spanish and German dollars. Reckoning the former at 22 piastres, the value of the piastre is about 2¼*d.* sterling.

WEIGHTS AND MEASURES.

The Rottolo of 100 Drams,	= 1.27	lbs. Avoirdupois.
The Oke of 400 Drams,	= 2.83	" "
The Almud (Liquid Measure)	= 1.15	Imperial Gallon.
The Killow of Corn	= 0.96	Imperial Bushel.
The [illegible]	= 26⅛	English Inches.

COURSE OF EXCHANGE.

Constantinople gives to

London,	109	Piastres	for 1	£ Sterling.
Amsterdam,	360	Paras	" 1	Florin.
Genoa,	172	"	" 1	Lira Nuova.
Leghorn,	148	"	" 1	Lira Toscana.
Marseilles,	172	"	" 1	Franc.
Paris,	173	"	" 1	Franc.
Trieste,	450	"	" 1	Florin.
Vienna,	456	"	" 1	Florin.

EGYPT.

ALEXANDRIA AND CAIRO, ... 40 Paras = 1 Piastre.

The money of Egypt is reckoned to be of the same value as that of Turkey; but by an order of the Egyptian government of the 16th of April, 1836, the following values were given to the following coins as the money of payment.

	Pias.	pa.		Pias.	pa.
English Sovereign,	97	20	Venetian Saquin,	46	13
Spanish Doubloon,	313	29	Tallaro, German Dollar,	20	0
Napoleon, 20 Francs,	77	6	Colonato, Spanish Dollar,	20	28
Dutch Ducat,	45	26	5 Franc Piece,	19	10

WEIGHTS AND MEASURES.

The Cantar of 109 Rottoli, each of 144 Meticals, or 216 Drams, is reckoned equal to 100 lbs. avoirdupois.

The Cantar is also estimated as being 36 Okes, and 40 Okes are reckoned equal to 112 lbs. avoirdupois.

N. B. This is the only Cantar now allowed to be used.

The Ardeb of 24 Cairo Rubbie has been appointed as the sole measure for grain, and it is estimated that 100 Ardebs are equal to 61 imperial quarters, or that 164 Ardebs are equal to 100 imperial quarters.

The long measure is the Turkish Pike, commonly reckoned to be 27 English inches.

COURSE OF EXCHANGE.

Alexandria in Exchange Money of 15 Piastres to 1 Spanish Dollar, gives to

London, ... 74 Piastres for £ 1 Sterling.

receives from

Marseilles,	Francs	5.15	centimes	for 1	Spanish Dollar.
Leghorn,	Soldi	120	"	"	"
Trieste,	Kreuzers	119	"	"	"

GREECE.

ATHENS, ... 100 Lepta = 1 Drachmi.

The value of the 20 drachmai piece in gold is 14*s.* $2\frac{4}{10}$*d.* sterling, and of the 5 drachmai piece in silver, 3*s.* 6*d.* sterling, making the value of the drachmi in gold $8\frac{1}{2}$*d.*, and in silver $8\frac{2}{5}$*d.* sterling, and the par of exchange Dr. 28.16½ l., in gold, and Dr. 28.55 l., in silver, per £ sterling.

WEIGHTS AND MEASURES.

The Cantaro of 40 Okes	= 112 lbs. Avoirdupois.
100 Kila	= 11.44 Imperial Quarters.
100 Pichai, Woollen Measure,	= 74.47 Yards.
100 Pichai, Silk Measure,	= 69.81 Yards.

N. B. The Venetian Libbra Grossa is also used, of which

The Cantaro of 100 lbs. = 105.17 lbs. Avoirdupois.

The long measures are Venetian, the pichi for woollen measure being the same as the Venetian braccio or ell, and also the same as the Turkish pike.

COURSE OF EXCHANGE.

Athens gives to

London, ...	Dr. 28.30 l.	for	1 £ Sterling.
Amsterdam, ...	" 236	"	100 Florins.
Hamburg, ...	" 205	"	100 Marks Banco.
Paris, ...	" 109.60	"	100 Francs.
Trieste, ...	" 283½	"	100 Florins.

THE IONIAN ISLANDS.

CORFU, CEPHALONIA, ZANTE, SANTA MAURA, ITHACA, CERIGO, PAXO.

104 Oboli = 1 Spanish Dollar.

The money of account is either in dollars and oboli, or in pounds, shillings, and pence, the dollar being valued at 4*s.* 4*d.* sterling, or more properly Ionian currency.

Spanish doubloons are valued at 16 Spanish dollars, and German and Venetian dollars at 4*s.* 2*d.* Ionian currency.

N. B. The division of the German dollar into 100 oboli, or 500 obolicci, 10 of which are equal to 1 penny in currency, is in conformity with an act of the Ionian Parliament, dated January 23, 1836.

WEIGHTS AND MEASURES.

The imperial weights and measures of Great Britain are employed, but with Italian denominations.

The Troy pound is the Libbra Sottile; the avoirdupois pound, the Libbra Grossa. The Centinajo is 100 Libbre, and the Migliajo is 1,000 Libbre.

In measures of capacity the Gallone is divided into 8 Dicotoli; 8 Galloni make 1 Chilo (imperial bushel), and 16 Galloni, 1 Barile.

In measures of length, 5½ Yarde make 1 Carnaco, and 22 Yarde, 1 Stadio.

COURSE OF EXCHANGE.

Corfu receives from

London,	51¾	Pence	for 1	Spanish Dollar.
Ancona,	102	Bajocchi	"	" "
Naples,	123	Grani	"	" "
Trieste,	Florins 2.10	Kreuzers	"	" "
Venice,	Lire 6.15	Centisimi	"	" "

MALTA.

20 Grani = 1 Tari. 12 Tari = 1 Scudo.
30 Tari = 1 Pezza, or Sicilian Dollar.

The value of the Maltese pezza is derived from that of the Sicilian scudo of 12 tari, which is 49½*d.* sterling, but for general purposes of business it is valued at 50*d.* sterling, and the Maltese scudo at 20*d.* sterling.

WEIGHTS AND MEASURES.

The Cantaro of 100 Rottoli	=	175.03 lbs. Avoirdupois.
The Barile of Wine	=	9.35 Imperial Gallons.
The Caffiso of Oil	=	4.50 Imperial Gallons
The Salma of Corn	=	7.88 Imperial Bushels.
The Canna of 8 Palmi	=	82.40 English Inches.

64 Rottoli = 1 Cwt. 3½ Palmi = 1 Yard

COURSE OF EXCHANGE.

Malta receives from

London,	49	Pence	for 1 Pezza.

Malta gives to

Genoa,	115	Grani	for 1 Lira Nuova.
Leghorn,	97½	Grani	" 1 Lira Toscana.
Marseilles,	116	Grani	" 1 Franc.
Naples,	24½	Tari	" 1 Ducat.
Trieste,	15	Tari	" 1 Florin.
Venice,	96	Grani	" 1 Lira Austriaca.

ROME.

100 Bajocchi = 1 Scudo Romano.

From the new standards for the Roman coins ordered by a Papal decree of January 11, 1835, the gold 10 scudi piece is worth, very nearly, 42*s.* 8*d.* sterling, and the silver scudo of 10 paoli, 50½*d.* sterling, the par of exchange with London being made paoli 46.88 in gold, and paoli 47.53 in silver.

WEIGHTS AND MEASURES.

100 Roman Pounds = 74.77 lbs. Avoirdupois.
100 Boccali = 40.12 Imperial Gallons.
100 Rubbj = 101.28 Imperial Quarters.
100 Canne of 8 Palmi = 217.69 Yards.

COURSE OF EXCHANGE.

Rome gives to

London,	46	Paoli	for 1	£ Sterling.
Amsterdam,	39	Scudi Romani	" 100	Florins.
Augsburg,	46 80	"	" 100	Florins.
Florence,	15.40	"	" 100	Lire Toscane.
Genoa,	18.28	"	" 100	Lire Nuove.
Leghorn,	15.50	"	" 100	Lire Toscane.
Milan,	15.58	"	" 100	Lire Austriache.
Naples,	78.80	"	" 100	Ducats.
Paris,	18.35	"	" 100	Francs.
Trieste,	46.80	"	" 100	Florins.
Venice,	15.55	"	" 100	Lire Austriache.

LOMBARDO-VENETO.

Milan, ... 100 Centisimi = 1 Lira Austriaca

For the value of this money see Venice, page 37.

The former moneys of account were in Lire Corrente of 20 soldi, each of 12 denari, and Lire Italiane of 100 centisimi.

145 Lire Corrente = 128 Lire Austriache.
100 Lire Austriache = 87 Lire Italiane.

WEIGHTS AND MEASURES.

100 Libbre = 220.46 lbs. Avoirdupois.
100 Pinte = 22.01 Imperial Gallons.
100 Some = 34.39 Imperial Quarters.
100 Metri = 109.36 Yards.

The above are upon the French metrical standards. The Libbra Metrica is the official weight for the whole of the kingdom of Lombardo-Veneto.

COURSE OF EXCHANGE.

Milan, in Lire Austriache and Centisimi, gives to

London,	Lire	30.30	Centisimi	for 1	£ Sterling.
Amsterdam,	"	2.49	"	" 1	Florin.
Augsburg,	"	2.97	"	" 1	Florin.
Frankfort,	"	2.49	"	" 1	Florin 24 G. F.
Genoa,	"	1.18	"	" 1	Lira Nuova.
Hamburg,	"	2.18	"	" 1	Mark.
Leghorn,	"	0.98¼	"	" 1	Lira Toscana.
Naples,	"	4.93	"	" 1	Ducat.
Paris,	"	1.18½	"	" 1	Franc.

GENEVA.

100 Cents = 1 Franc.

The value of the franc is the same as that of the French franc, or 9½*d.* sterling.

WEIGHTS AND MEASURES.

100 lbs. of Geneva	= 121.41	lbs. Avoirdupois.
The Setier	= 10.06	Imperial Gallons.
The Coupe or Sack	= 2.14	Imperial Bushels.
The Ell	45.04	English Inches.

COURSE OF EXCHANGE.

Geneva gives to

London,	25.45	Francs for	1	£ Sterling.
Amsterdam,	209	"	" 100	Florins.
Augsburg,	256	"	" 100	Florins.
Florence,	84	"	" 100	Lire Toscane.
Frankfort,	210	"	" 100	Florins in 24 G. F.
Genoa,	½ per cent. loss.			
Hamburg,	186	Francs for	100	Marks Banco.
Leghorn,	84¼	"	" 100	Lire Toscane.
Milan,	85	"	" 100	Lire Austriache.
Naples,	431	"	" 100	Ducats.
Paris,	½ per cent. loss.			
Rome,	535	Francs for	100	Scudi.

The usance for bills from England is 30 days' sight.

BASIL.

100 Raps = 1 Swiss Frank.

16 Swiss franks are reckoned equal to 1 French Louis-d'or of 24 livres; and the par of exchange with France, reckoning 81 livres to 80 French francs, is therefore 27 Swiss franks for 40 French francs; at this rate, the value of the Swiss frank is about 13½*d.* sterling, and the par of exchange with London is about 17¾ franks per £ sterling.

WEIGHTS AND MEASURES.

100 lbs. of Basil	= 108.61	lbs. Avoirdupois.
The Ohm, liquid measure,	= 10.77	Imperial Gallons.
The Sack, dry measure,	= 3.56	Imperial Bushels.
The Large Ell	= 46.41	English Inches.
The Small Ell	= 21.42	English Inches.

COURSE OF EXCHANGE.

Basil gives to or *receives from*

London,	17.45	Franks and Raps for	1	£ Sterling.
Amsterdam,	142¾	Franks	" 100	Florins
Augsburg,	169¾	Franks	" 100	Florins.
Frankfort,	97¾	Florins in 24 G. F.	" 100	Florins of Basil.
Hamburg,	123½	Franks	" 100	Marks Banco.
Leipzig,	254	Franks	" 100	Dollars Prussian Currency.
Milan,	56⅝	Franks	" 100	Lire Austriache.
Paris,	99	Francs*	" 100	Francs of France.
Vienna,	169¾	Franks	" 100	Florins.

ST. GALLEN.

60 Kreuzers = 1 Florin.

The value of this money is in 24 Guldenfuss, the French Louis-d'or of 24 livres being valued at 11 florins of St. Gallen; the value of florin is therefore very nearly 1*s.* 8¼*d.* sterling.

WEIGHTS AND MEASURES.

100 lbs. heavy weight	= 128.9	lbs. Avoirdupois.
100 lbs. light weight	= 102.5	lbs. Avoirdupois.
The Eimer of 32 Mäss	= 11¼	Imperial Gallons.
The Mütt of 4 Viertels	= 2.09	Imperial Bushels.
The Ell for Woollens	= 24¼	English Inches.
The Ell for Silks	= 31¼	English Inches.

* That is, reckoning 27 franks of Basil for 40 French francs, and then 99 francs in cash for 100 francs in a bill on Paris.

COURSE OF EXCHANGE.

St. Gallen gives, in Louis-d'or valued at 11 Florins, to

London,	12 15	Florins and Kreuzers	for	1 £ Sterling.
Amsterdam,	59¾	Kreuzers	"	1 Netherlands Florin
Augsburg,	119½	Florins	"	100 Florins Aug. Cur.
Frankfort,	99¼	Florins	"	100 Florins in 24 G. F.
Geneva,	100½	Francs	"	100 Francs in Geneva.
Hamburg,	151	Kreuzers	"	3 Marks Banco.
Leipzig,	172	Florins	"	100 Dollars P. C.
Leghorn,	24½	Kreuzers	"	1 Lira Toscana.
Milan,	25¼	Kreuzers	"	1 Lira Austriaca.
Paris,	101	Francs *	"	100 Francs in Paris.
Turin,	28¼	Kreuzers	"	1 Lira Nuova.

AUGSBURG.

60 Kreuzers = 1 Florin.

The florin in Augsburg currency is valued after the Convention rate, or the 20 Guldenfuss; it is therefore the same as the Austrian florin, or 2*s.* 0.4*d.* sterling, and the par of exchange with London is 9 fl. 50 kr. per £ sterling.

In the exchanges of Augsburg upon Amsterdam and Hamburg there is a nominal value, called Giro, given to the florin, by which 127 florins, Convention money, or Augsburg currency, are reckoned equal to 100 florins in giro.

WEIGHTS AND MEASURES.

100 lbs. heavy weight	= 108.30	lbs. Avoirdupois.
100 lbs. light weight	= 104.23	lbs. Avoirdupois.
The Muid of 48 Mass	= 15.08	Imperial Gallons.
The Schaff of 8 Metzen	= 5.65	Imperial Bushels.
The Long Ell	= 24 00	English Inches.
The Short Ell	= 23.32	English Inches.

COURSE OF EXCHANGE.

Augsburg gives to or *receives from*

London,	Florins 9.50	Kreuzers	for	1 £ Sterling.
Amsterdam,	Rixdollars 108½	in Giro	"	250 Florins.
Frankfort,	Florins 99¾	Current	"	100 Florins in 20 G. F.

* The par with Geneva and Paris is 297 florins for 640 francs.

Genoa, . . .	*Soldi	51	di Lira Nuova,	for 1	Florin.
Hamburg, . . .	Rixdollars	114¾	in Giro	" 300	Marks Banco.
Milan, . .	*Soldi	60¾	di Lira Austriaca	" 1	Florin.
Leghorn, . . .	*Soldi	50½	di Lira Toscana	" 1	Florin.
Paris, . . .	Florins	117¼	Current	" 300	Francs.
Vienna, . . .	Florins	99¾	Current	" 100	Florins in Vienna

SAXONY.

Dresden and Leipzig.

10 Pfennige = 1 Neu-Groschen. 30 Neu-Groschen = 1 Dollar or Thaler.

The Saxon money of account in dollars and groschen has, since the 1st of January, 1841, been rated upon the Prussian standard, or the 14 Thaler-fuss, for which see page 31.

WEIGHTS AND MEASURES

100 Saxon Pounds	= 103.10	lbs. Avoirdupois.
100 Dresden Kannen	= 20.59	Imperial Gallons.
100 Dresden Scheffel	= 35.73	Imperial Quarters.
100 Saxon Ells	= 61.94	Yards.

COURSE OF EXCHANGE.

Leipzig, in 14 Thaler-fuss, gives to

London, . .	Dollars 6	18½	Neu-Groschen for	1	£ Sterling.
Amsterdam, .	" 137⅓			" 250	Florins.
Augsburg, . .	" 101½			" 150	Florins.
Berlin, . .	" 99¾			" 100	Prussian Dollars.
Bremen, . .	" 109½			" 100	Rixdollars in Louis-d'or.
Frankfort, .	" 101½			" 100	Rixdollars W. Z.
Hamburg, . .	" 150			" 300	Marks Banco.
Paris, . .	" 79			" 300	Francs.
Vienna, . .	" 101⅛			" 150	Florins.

N. B. The rate at which the late money of account in 20 Guldenfuss was converted into the present money in 14 Thaler-fuss, was, officially, 2⅞ per cent., 100 dollars in 20 Guldenfuss being valued at 102⅞ dollars in 14 Thaler-fuss.

* Or lire for 20 florins.

THE GREAT SCARCITY OF SILVER.

From the London Economist, September 18, 1852.

GREAT inconvenience is being experienced throughout the country from the scarcity of silver coin. The cause has been by many attributed to a scarcity of silver as a metal, and an inference has been drawn that it is an evidence of a rise in its price in relation to gold, and a diminution in the intrinsic value of the latter metal. A short examination of the facts will show, however, that there are no good reasons for such a conclusion, and that we must look elsewhere for an explanation of the fact. It is true that, if the returns of the Bank of England were to be accepted as any evidence of the scarcity or abundance of silver, as we observe they sometimes are, such an inference might appear well founded. Taking the returns as they appeared in the *Gazette* of last week, we find they bear a comparison with the corresponding day in each of the last five years as follows : — .

ISSUE DEPARTMENT OF THE BANK OF ENGLAND.—BULLION.

	Gold.	*Silver.*		*Gold.*	*Silver.*
Sept. 4, 1847, . .	£7,373,815	£1,023,030	Sept. 2, 1850, . .	£15,883,857	£219,958
Sept. 2, 1848, .	12,177,567	705,938	Sept. 5, 1851, .	13,674,190	33,375
Sept. 8, 1849, . .	13,641,173	277,077	Sept. 4, 1852, . .	21,334,921	19,154

No doubt we have here a most striking contrast in the proportions of gold and silver held by the Bank of England at different periods. The gold has risen from £ 7,373,815 to £ 21,334,921, while the silver has fallen from £ 1,023,030 to £ 19,154. This stock of bullion is, of course, independent of the *coin* in the banking department required for the daily ordinary business of the Bank, which according to the last returns amounted to £ 498,497 of gold and silver, the proportions of each not being given.

But however striking the fact may be to which we have just referred, it has no necessary connection with the relative values of the two metals, nor with their relative supplies. In the issue department it would be better, and more strictly correct, that the Bank of England should hold *no silver whatever*. The clause in the Bank charter which permitted a certain portion of the bullion to be held in silver, was evidently based upon an erroneous assumption. Gold, alone, is a legal tender (excepting for sums up to 40*s.*); and it is therefore in gold, alone, that the Bank can redeem its notes. The bullion in the issue department is held avowedly for no other purpose than as a security for the notes which the Bank is permitted under the charter to issue; and it is, therefore, inconsistent with the object of the precaution that silver should be held as a part of the security, when in fact it could not be used for the redemption of the obligation. Silver in the issue department of the Bank of England is no more than any other article of merchandise in which the Bank might invest a portion of its funds, subject to a rise or fall in price, and to a loss or profit, from the transaction of buy-

ing and selling. The inconvenience to which the Bank was put during the crisis in 1847, when its reserves were reduced to so low a point, from the fact that no less than £ 1,023,030 of its assets were locked up in silver, unavailable for the redemption of its obligations, except by being first sold for gold at a considerable loss, taught the directors a salutary lesson, upon which we are glad to see they have steadily acted since, in getting rid of their silver and replacing it with gold. For though it is very true that the Bank Charter Act does permit the Bank to hold a certain portion of its bullion in silver, yet it does not, and could not with any propriety, permit it to be used in the discharge of its obligations. We shall be glad to see the directors extinguish silver from the issue department, and confine their stock of it only to a sufficient supply of *coin* in the banking department.

That the scarcity of silver coin does not arise from a scarcity or high price of that metal, in relation to gold, is obvious, from the fact that the market price last week was but 4*s*. 10⅝*d*. for dollars, and 5*s*. 0⅜*d*. for bar silver (standard), at which rates the quantity imported by the Medway sold, while the rate at which it is coined into British silver is 5*s*. 2*d*. the ounce. So long, therefore, as the market price is below the mint rate, it is impossible that the scarcity of coin can arise from a scarcity of silver. So long as the government can buy silver at 5*s*. 0⅜*d*. per ounce, and issue it in coin at 5*s*. 2*d*. the ounce, a scarcity of coin cannot be attributed to the cause we have alluded to.

The real cause of the scarcity of silver coin is an increased demand for circulation, both at home and in the colonies. At this period of the year, the payment of harvest wages always leads to a considerable increase in the demand for coin, both gold and silver, but especially the latter; but when that cause exists *alone*, it is not sufficient to lead to any special remark. On the present occasion, however, a large demand has arisen from two other causes; first, the extensive and full employment, and the high wages in every branch throughout the United Kingdom; and second, a great additional demand has arisen to supply the increased circulation of the community in Australia, caused by the sudden impulse given to the population, wealth, and expenditure of those colonies, consequent upon the working of the gold "diggings." But this latter demand has not, as has been supposed, any connection with the increased supply of gold, *as gold*. It would have been the same, had the sudden increase of population, creation of wealth, and means of expenditure, arisen from any other industrial occupation.

It has been suggested that the demand for silver coin in Australia has been greater, because silver is there a *legal tender without limit*. We freely admit the vice of such a regulation when it is pretended to have a gold standard, because, the British silver coin being of inferior intrinsic value to the amount it represents in our gold currency (that is, in fact, that the intrinsic value of *one shilling* in relation to gold is less than *eleven pence*), under some circumstances gold coin will rise, as it often has risen, to a premium in relation to silver, and leave the circulation to consist only of the latter; and to the extent of the premium on gold will thus in reality *depreciate* the currency. This, however, will arise gen-

erally from large importations of British silver from other colonies. But it is obvious that the *depreciation* of the intrinsic value of silver coin in relation to gold cannot act as an inducement to ship it from this country, because, though it does not contain the full value of gold for which it circulates, yet no merchant can obtain it, either from the Mint or elsewhere, except at its full nominal price of £ 1 in gold for every *twenty shillings* of silver coin, the profit being retained by the government in part payment of the Mint expenses. At the same time, it is contrary to all sound principle to permit a depreciated silver coin to circulate without a *limit of tender* in a country where gold is the standard. The error has been committed in many of our colonies, and we hope soon to see it rectified by a restriction of tender like that which exists by law at home.

The inconvenience, therefore, does not arise from any permanent cause, but can easily be remedied by greater activity at the Mint, much to the profit of the establishment, and by the return of the increased quantity of silver coin required for the payment of harvest wages. In the autumns of 1835 and 1836 a similar inconvenience was experienced, when a very active state of trade and the harvest demand occurred together. And there is no reason for believing that any more permanent cause exists at this moment. Of course the demand for the colonies may be expected to continue so long as their population and every-day expenditure continue to increase so rapidly; and the home demand, irrespective of harvest wages, will continue so long as trade remains in the present prosperous condition, and so large an amount is required for the payment of wages. But so long as the Mint can buy silver at 5*s*. 0$\frac{3}{8}$*d*. the ounce, and issue it at 5*s*. 2*d*. the ounce, there need be no want of silver coin. The present scarcity indicates no other inconvenience, nor can we infer from it any change in the relative abundance or intrinsic value of the metals.

The great scarcity of silver coinage at present experienced, and the conversation on the subject between the Governor of the Bank of England and Mr. Masterman, at the meeting of the Bank proprietors on Thursday, cannot fail to attract attention to the subject. In conjunction with this complaint, the public will notice that large arrivals of silver are continually taking place from Mexico and other countries, but as soon as the metal reaches our shores it is bought for the Continent or the East Indies. Hardly any of it remains here; it only passes through the country. It is pretty plain, therefore, that commerce is quite ready to supply the public want of silver, but some cause stands in the way of a ready conversion of the metal commerce continually imports to the purposes of coin. The temporary deficiency of silver we may expect, according to the statement of the Governor of the Bank, will be remedied, and it will depend entirely on the Mint and its regulations whether the public will again suffer from a similar short supply.

It is estimated that the amount of coin shipped to Australia is about £ 2,000,000, and, including the sum taken out by emigrants, it may equal in value the gold dust received.

BANK TAX LAW IN OHIO.

At a recent session of the Board of Control of the State Bank of Ohio, the subject of the new tax law of that State was referred to a committee, whose Report has been published and is now annexed. A recent decision of the Supreme Court of Ohio has decided that the law does not apply to the banks chartered and in operation prior to the passage of the new law: but as a matter of interest to the various banking concerns of Ohio, we now republish the whole Report.—Ed. B. M.

REPORT.

The Committee to whom was referred the subject of the new Law taxing the Branches, report:

That they deem a brief review of the State Bank of Ohio, in its origin and nature, as affording the surest means of deciding what is the present duty of the Branches in relation to the new Tax Law. Prior to the enactment of the law relating to the State Bank of Ohio, the Legislature had passed an act to regulate banking in Ohio, which in effect tendered charters to such as should petition for them under the new law. At the next session the law was modified, and without being prayed for as required, a number of banks was created which never accepted the favours granted them. One provision of this law was, that the banks created under it were required to pay a tax of one-half per cent. on their capital stock. The passage of these laws in 1842 and in 1843 showed that the public opinion demanded the increase of banks in Ohio. As no banks were formed under these laws, public opinion also required the enactment of other laws proffering more liberal and secure terms to induce the organization of capital into banking companies. It was accordingly proposed by the act of 24th February, 1845, that Bank capital should be authorized in Ohio to the amount of six millions of dollars, which sum was allotted to twelve districts, with a definite number of banks in each.

It was further proposed that any five persons might form a banking company, by complying with certain formalities, and that on the payment into their vaults of 30 per cent. of the capital subscribed, the Governor of the State was authorized to proclaim them to be corporate bodies, and as such they were authorized to exist until the year 1866, with power during that period to transact all business pertaining to banking. By the same act they were placed under many restrictions, and deprived of many of the rights which pertain to natural persons. They were restricted in the total amount they should owe, and also in the proportions in which their money should be lent. The rate of interest which they might charge was strictly limited to 6 per cent. a year, and if that rate was at any time exceeded, the loan was void, and the debt could not be collected by the aid of law. They were required to pay these notes of circulation in gold and silver coin on demand, and a failure to do so in a single instance, worked a forfeiture of all their powers, and involved, without discretion, an inevitable close of their business. For the debts due to themselves, while all other persons may, by constitutional right, demand gold and silver coin in payment, they were required to receive in payment the notes of each other, even though the distance of

place might cause a difference of exchange equal to a half or the whole of one per cent. At the same time, for the security of the public, they were required to be joint sureties for each other, and to take the notes of a failing branch at par. Experience has shown, that the expense and loss thus caused to the Branches for the security of their customers and of the public, have been fully equal to two per cent. a year during the whole period of their existence hitherto. They were also required to pay the State semi-annually a tax of six per cent. on their profits.

Under the terms of this law, capital was but slowly attracted to the business of banking, and full six months elapsed before seven banks were organized, without which number at least, the Board of Control could not be organized and notes procured. The benefits of the system, both to the Branches, and to the public, have gradually induced the formation of other Branches until the number has augmented to forty-one—distributed through all the allotted districts. Their capitals have all been paid up to the prescribed limits, and circulation notes procured by each to the authorized amount. They have severally and regularly discharged their duty to the public by maintaining liberal and steady lines of discount, and they have afforded and sustained a circulation of uniform value throughout the State, of widely extended credit beyond it—without even a transient imputation upon that credit, and without a trace of loss to any one but themselves. The State Bank of Ohio may claim without arrogance, and may steadily assert, that the Branches have faithfully discharged all the duties devolved on them by the law which authorized their formation. They have regularly paid their taxes according to the charter, and for several years the rate of tax paid by them has been greater than the tax charged on any other species of property.

More than once, the same power which created those banks, or authorized their formation, has sought to change the rule of taxing them, though these attempted changes were a departure from the terms offered, as a guarantee of rights to those who should accept the law, and a departure from that good faith which the law-creating power should observe towards those under the law. The act specifically declares that the six per cent. on the profits of the banks required to be set off to the State, semi-annually, shall be in lieu of all taxes, to which any banking company under this act, or the stockholders thereof, on account of stock owned therein, would otherwise be subject. In like manner, the State has declared to the Government of the United States by special laws, that lands purchased for light-houses, hospitals, and custom-houses, shall for ever be exempt from taxation, and without these previous exemptions the Federal Government will make no expenditure in buildings. Persons have been found to assert that these offers of terms by the sovereign power of a State are inconsistent with sovereignty itself; and that therefore the successive legislative agents, as if they were the sovereignty, and not the mere representatives of it, may disavow its former acts and dispose of private rights at pleasure. We have laws for the making and acknowledgment of deeds for the conveyance of land; these laws may be repealed or changed, but no one claims that the deeds previously made can be affected either as to the estate granted or the terms of rent

reserved in leases. Just as clearly, the acceptance of corporate powers under general or special laws gives a right to the powers granted, as complete and indefeasible, as a deed for land conveys the estate to the grantee.

But the Branches of the State Bank have not tenaciously asserted, as they might have done, the exact measure of their rights, but have manifested a willingness to pay a reasonable tax on their business; and on one occasion a large majority of their number, in answer to a circular which emanated from the Senate of Ohio, agreed to have their charters so amended as to cause their capital stock to be listed on the tax list for taxation as other chattels were taxed; but the bill introduced for that purpose failed to become a law, on the ground that the banks would thereby be paying less taxes than they were then paying. It is well believed that the same spirit prevails now among the stockholders of the Branches, and that they would accede to any fair and equal scheme of taxation, which shall abolish all exemptions of persons, and cause all property, real and personal, except that of public bodies, to be taxed at its actual value; so that every hundred dollars of its actual value shall be taxed equally with one hundred dollars of money lent. And they would consent that the capital stock of the Branches should be listed in the proper county where the bank exists, or that the stock itself should be listed by the owner of it, in his proper township, and the bank be exempt, as the Legislature might elect.

But the banks cannot view with indifference, much less with acquiescence, every attempt that may be made to increase their obligations or to take away their rights. The rule of taxation for banks in the new constitution is itself a nullity, as to these Branches, for it impairs the obligations of contracts. It therefore relates alone to such banks as may be created under the new constitution. The new tax law cannot be regarded as a valid enactment, even under the new constitution, while it is decidedly repugnant to the Constitution of the United States.

The new constitution of the State of Ohio itself declares that no law shall be passed impairing the obligation of contracts; it further declares that all property of persons shall be taxed by a uniform rule, and that the money, property, and debts of banks and bankers shall bear an equality of taxation with other property; and yet this law prescribes a rule for taxing banks which makes a tax of three times, and even five times the amount collected in any other instance, and a like amount of property. The committee cite the following comparison: Take one of the Branches, whose

Capital stock is		$175,000
Authorized circulation,		312,500
Present deposits,		250,000
Making a total of		$737,500
It is required by law to invest in Safety Fund	$31,250	
And must keep in coin,	93,750	
And in currency for depositors, at least	40,000	—165,000
Balance for use,		$572,510

The loans of this bank amount, in reality, to only $173,000, and no

activity can well make them greater. A tax of one and a half per cent. on this sum is $7,099, which is more than four per cent. on the capital. Take $175,000 worth of real estate that may be yielding 10 to 15 per cent. in rents, and valued at three-fourths its value, (and no real estate can be found of a higher value, except that of non-residents in some counties,) and this gives a basis of $132,000; a tax of 1 1-2 per cent. on this sum gives $1,980—a rate of one and one-eighth per cent. on the actual capital, instead of four per cent. as in the case of the bank.

The Branches find themselves placed in this predicament and with this alternative before them, they must either submit to this enactment, which is destructive of their business, or they must ask the aid of the courts—a co-ordinate branch of the government, to protect them against it. The latter alternative they believe to be their duty, both to themselves and to the public. The business of these Branches is so intimately connected with the business of the people of Ohio, and so blended with the value of all property in the State, and all the multiplied contracts yet to be fulfilled, and with the debts to be paid, that they may not suddenly close their affairs, and depart from the trusts they have undertaken to discharge. They will therefore abstain from compliance with the requisitions of the New Tax Law, until the decisions of courts can be had upon it, and until the free action of public opinion shall be brought to bear upon the late enactment. If no protection against it can be had before our courts, or the public will shall, upon review, be expressed in favour of such enactment either by persistence in it, or by a refusal to modify it, the Branches will close their business with the earliest despatch, and distribute the capital to the owners. Meantime duty to themselves requires that they make some preparation for this contingency, by a timely and prudent restriction in their business; and that they shall diligently lessen their liabilities to the public, at the same time taking care to produce the least injury they can to the business of their customers and of the vicinity generally.

Life Insurance in New York.—A case of some moment, as a precedent, occurred before the Supreme Court of New York, before Judge Roosevelt, a few days since. The Mutual Life Insurance Company of New York having no capital, specifically such, but with cash assets to the amount of $1,600,000, resist the levy of taxes by the city.

They argue that Mutual Insurance Companies, like themselves, having no *bona fide* capital, but doing business merely on their profits or accumulated funds, are not liable to taxation on such funds as capital; but the Court decide adversely, and say that this "accumulated fund," by whatever name it may be designated, is the corporate property of the Company, and not the individual property of the stockholders or contributors, and that they are liable to taxation in respect of such funds.

Life Insurance premiums being the earnings generally of hard-working people, should, we think, be placed on the same footing as *Savings Deposits*. In fact, they are nothing more nor less than savings *in a small way*, and should be protected from unnecessary taxation. The case above alluded to will be carried up to the Court of Appeals. It involves not only the taxes for the present year, but for several past years, and must become a precedent in all instances of this kind, several other Companies being in operation upon a similar plan.

MISCELLANEOUS.

DISCOVERY OF ANCIENT COINS.—Some workmen employed in making a culvert for the River Sherbourne, at Coventry, dug up last week, from the bed of the river, a large number of ancient coins and other relics. The most valuable were two gold coins—a rose noble and a half noble, of the reign of Edward the Third. There were also many small silver coins of about the same period, with a number of ecclesiastical pieces, bearing on one side a floriated cross, and on the other a figure of the Virgin, with the words "Ave Maria Gratia;" but the major portion of the discovery consists of foreign brass tokens of various sizes, lettered round the margin "Hans Shules, Nuremberg."—*London Sun, Oct. 5.*

SMALL NOTES.—The recent law of the State of Maryland for the prohibition of the circulation of notes under *Five Dollars*, unless issued by the banks of that State, went into operation on 1st October, 1852.

The Corporation of Washington have taken measures to prevent, if possible, the circulation of small notes in that city, and especially the recent issues of banks purporting to be established there, but which have no actual existence in the city. There are no chartered banking institutions in the District of Columbia, and the four banks now doing business there are in the hands of trustees. A stringent act of Congress was passed, some years since, against the circulation of small notes in the District of Columbia, but little attention has been hitherto given to the law, and the penalties have not been enforced.

UNIFORMITY IN THE INCREASE OF POPULATION.—The following is an extract from a letter from Wm. Darby, an eminent statician, to the Washington National Intelligencer:

"In the six tabular returns of the people of the United States taken in 1790, 1800, 1810, 1820, 1830, 1840, and 1850, we have six decennial enumerations of the amount, affording means to test their accuracy and relative accordance by analysis. We have data which have never before, in any other country or age been possessed, to determine national advance. The six decennial returns of the census—not, let it be premised, of a mean of the whole, but of each separately—comes out so near one and one-third, or a very small fraction still nearer 1.333, that the latter gives the following results:

	Original Census returns.	*Results by adding* 1.333 *on the amount of previous year.*	*Difference.*
1790	3,929,872	——	——
1800	5,305,952	5,227,590	78,312
1810	7,239,814	7,056,650	184,164
1820	9,638,131	9,228,952	10,179
1830	12,866,920	12,818,714	51,794
1840	17,633,930	17,113,300	49,967
1850	23,441,126	23,035,526	108,600

"It may be observed that the results as shown above are remarkable, and go far to give confidence that our estimate of national force approaches reality sufficient for all requisite purposes. From the element here developed it is shown that, when the returns of any decennial period is completed, by adding one-third a very near estimate is made for the gross amount for the next ten years. The ratio for each ten years, as deduced from returns, differ slightly as to relative increase. They could not rationally be expected to eventuate otherwise. But their approach to regular sequence is surely amongst the most remarkable statistical phenomena which ever have enriched the history of the world. The census system of the United States, therefore, stands amongst, if not at the head of, the finest and most beneficial of all human institutions.

"WM. DARBY."

Postage Stamp Envelopes.—We understand that the Postmaster-General has accepted the proposal of Mr. George F. Nesbitt, of New York, to furnish the Department with the post stamp envelopes authorized by the act of the last session of Congress. These convenient little wrappers will consist of three sizes—note, letter, and official. The denominations will be three, six, and twenty-four cents; the latter intended for foreign correspondence. They will be self-sealing, and bear a stamp similar in style to the English stamped envelope, and are expected to be in all respects equal thereto.

As the dies are yet to be prepared, and the paper to be manufactured exclusively for this important purpose, it is probable that the envelopes will not be put in circulation before the first of January next; but every exertion will be made to have them earlier. —*National Intelligencer.*

Singular Discovery of Old Bank Notes.—A large quantity of old papers which had accumulated in the storerooms of the late Dr. Wing, for many years, were put aside, to be taken to the paper-mill, a few days since. On overhauling them, a small parcel was found enclosed in a piece of "Oram's New York Price Current of August, 1804." When opened, it was found to contain $15, as follows:

A $10 bill of the "Farmers' Bank of Troy," No. 1766, dated Feb. 22, 1802; John D. Dickinson, President, and Hugh Peebles, Cashier. On the back of the bill was written the name of "John Potter."

Also, a $2 bill on the "Bank of Albany," No. 342, dated Aug. 24, 1804; Jer. V. Rensselaer, President, and G. W. Van Schaick, Cashier.

Also, a $2 bill on the "New York State Bank," No. 917, dated June 20, 1804; John Taylor, President, and John M. Yates, Cashier.

These notes appear, from a memorandum on the wrapper, to have been set aside to pay a bill. But they never performed their intended functions, and have been lying idle—judging from the date of the paper in which they were enclosed—at least forty-seven years. They were probably wrapped up by the late Matthew Gregory, father-in-law of Dr. Wing.

It so happens that the three banks which issued these bills fifty years ago, are still in existence, ready to redeem these venerable relics of their youth. They are curiosities in point of engraving—presenting a striking contrast to the finished work found upon the bank-notes of the present day.—*Albany Evening Journal.*

Counterfeiters Detected.—Some months ago, says the Cheraw Gazette of the 13th inst., a letter was received by an engraving house in Philadelphia, post marked at Chesterfield Court House, signed by R. W. Smith, requesting to have bills engraved like a three-dollar bill of the Bank of Wadesboro, which was enclosed in the letter. The Bank instructed the engravers to comply with the request. A regular correspondence ensued between the parties in Chesterfield and the engravers. In one of the letters of the former, instructions were sent to forward several packages of bills, one to Chesterfield Court House, one to Hornsboro, and one to some other post-office. In answer to this, and by instructions of the Bank, a few bills were forwarded to Chesterfield Court House, to the address of R. W. Smith. This package, it was ascertained, was called for and taken from the office by Wm. R. Griffith, ordinary of the district.

On Tuesday of last week, Col. Hammond, Cashier of the Bank, was at our Court House, with the letters, which all who saw unhesitatingly pronounced to be in Griffith's handwriting. Somehow, on that night, Griffith got wind of Col. Hammond's business, and fled, and has not yet been arrested. Subsequently, R. W. Smith and Berry Evans, who were concerned with Griffith, fled, and have not been arrested. It is not known that any of the counterfeit bills are in circulation, but the probability is that they are.

The Metropolitan Bank.—The object of this institution is solely to benefit our currency, and to render every dollar in circulation worth what on its face purports to be its value. In this purpose, the citizens of New York, with very few exceptions, are deeply interested. The object is a good one, and the end—if accomplished—one by which the whole city will be benefited. It has, therefore, our very decided approval; and we shall not only refuse to oppose it, as one of our correspondents wishes, but feel it incumbent upon us to say to all our readers, that it is their duty, if they desire to see all bills at par, to sustain the Metropolitan Bank.—*New York Courier and Enquirer.*

FRAUDULENT ISSUES.—The New York Journal of Commerce calls attention to the fraudulent issues with which the city is flooded of bills purporting, by their appearance and wording, to be bank-notes, but which in reality are not such, and are either altogether fraudulent or issued on the personal responsibility of individuals. The latest of these deceptions noticed by the Journal is the issuing of checks on a bank, got up so much in the similitude of a note as to deceive except on a close examination, and for the payment of which there is of course no security other than that of the party issuing it, and who may or may not be responsible. Several hundred dollars of these checks have been put in circulation in New York. The Journal strongly but not unjustly remarks:

Unless something can be done to protect the community against impositions in the guise of banks, they will increase both in number and rascality. We see no good reason why a man, who knowingly circulates a counterfeit bank-note, though it be for a single dollar, should go to the State's Prison, while he who knowingly springs a bank bubble upon the community is permitted to walk abroad, breathing the fresh air and enjoying the pleasant light.

Cases of this kind and other impositions are obviated in Massachusetts by the following laws of the Commonwealth which are now in force:

Penalty for issuing individual notes or bills as currency.—If any person shall issue or pass any note, bill, order, or check, other than foreign bills of exchange, the notes or bills of some bank, incorporated by the laws of this Commonwealth, or by the laws of the United States, or of some one of the United States, or by the laws of either of the British Provinces in North America, with the intent that the same shall be circulated as currency, *he shall, for every offence, forfeit the sum of* FIFTY DOLLARS.—*Rev. Stat.*, Chap. XXXVI., Sec. 70.

Penalty for issuing small promissory notes as currency.—If any person shall issue or pass any note, bill, order, or check, other than the notes or bills of any bank incorporated under the authority of this Commonwealth, or of some one of the United States, for a less sum than five dollars, or whereon a less sum than five dollars shall be due at the time of such issuing or passing thereof, with intent that the same shall be circulated as currency, *he shall forfeit for every such offence the sum of* FIFTY DOLLARS.—*Rev. Stat.*, Chap. XXXIII., Sec. 7.

Penalty for circulating shop bills in the similitude of bank bills.—If any person shall engrave, print, issue, utter, or circulate, any shop bill or advertisement, in similitude, form, and appearance, like a bank bill, on paper similar to paper used for bank bills, and with vignettes, figures, or decorations, used on bank bills, or having the general appearance of a bank bill, every such person so offending *shall forfeit a sum not exceeding* FIFTY DOLLARS for every such offence, to be recovered by indictment; or he shall be imprisoned in the common jail for a term not exceeding ninety days, at the discretion of the court.—*Sup. Revised Statutes*, Chap. V. February 6, 1849.

SILVER COIN.—In relation to the scarcity of silver in England, and the increasing difficulties experienced in providing small coin, the Mark Lane Express of a late date says: "In referring upon several occasions recently, to the necessity of issuing a smaller gold coin, we instanced the minute tokens current abroad, and we may now take occasion to notice the alertness of the United States government in making gold so far available as to relieve the want of silver. A dollar piece, of neat appearance, worth about 4*s.* 6*d.*, has been circulated, and affords an excellent example of the economy of space and weight that may be effected by a similar issue here. Five shilling and seven shilling and sixpenny pieces might serve present purposes; but if gold hereafter pours upon us at the rate prognosticated, there might be other subdivisions such as 15*s.*, 30*s.*, and up to £2 and £5, not alone in order to dispense to a greater extent with silver, but also to facilitate ordinary business transactions. Against the old five-shilling pieces public opinion has long since declared, but we are not sure that the half-crowns have not been found generally convenient, and will be therefore missed, if wholly superseded by florins. The decimal system, however, will offer advantages in compensation.

BANK ITEMS.

MASSACHUSETTS.—William C. Starbuck, Esq., has been elected Cashier of the Cochituate Bank, Boston, in place of Calvin S. Lane, Esq., resigned.

Milbury.—J. S. Farnum, Esq., has been elected Cashier of the Milbury Bank, in place of John Prentiss, Esq., resigned; and entered upon the duties of the office on the 1st July last.

CONNECTICUT.—James B. Powell, Esq., at present Teller of the Farmers' and Mechanics' Bank of Hartford, has been appointed Cashier of the Bank of Hartford County, in place of W. H. D. Callender, Esq., who has been selected as the Cashier of the State Bank of Hartford.

ALABAMA.—A new bank, entitled the Bank of Montgomery, is in process of organization at Montgomery, Alabama, with a capital of $100,000. The President is William Poe, formerly agent at the same place for the Bank of Augusta, and P. B. Smith, Cashier.

The Comptroller of the State of Alabama has issued a notice that the notes of the Bank of Montgomery will be receivable for taxes and other dues to the State. The bank is organized under the Free Banking Law of that State.

TENNESSEE.—The Exchange Bank at Murfreesborough, Tennessee, is also about commencing business under favorable auspices.

NEW YORK.—The Market Bank is a new institution, to be located at No. 8, Fulton street, for the especial accommodation of the butchers and other dealers in the Fulton market.

The Merchants' Bank.—Augustus E. Silliman, Esq., for many years Paying Teller of the Merchants' Bank in the city of New York, has been chosen Cashier of that institution, in place of Oswald J. Camman, Esq., who has resigned. Both of these gentlemen have for a long series of years been identified with the history and progress of this old institution.

Nassau Bank.—The Nassau Bank has been organized by the election of Thomas McElrath, Esq., President, and R. A. Tooker, Esq., of the Ocean Bank, as Cashier. The capital of the bank is fixed at $500,000. Messrs. James S. Libby, Horace Brooks and Wm. D. Cromwell form the Committee for receiving the subscriptions. The following gentlemen form the Board of Directors for the first year. Among these will be found the names of gentlemen who have for many years been identified with "*The Trade*" and with the paper business of this city:—Lemuel Bangs, Horace Brooks, Charles T. Cromwell, William Miles, Addington Reed, William E. Dean, James S. Libby, David Jones, George M. Snow, Augustin Smith, J. S. Redfield, Thomas McElrath, and William D. Cromwell.

The Grain Bank.—The New-York flour and grain merchants are about to establish a Bank and Insurance Company, to be located in the new Flour and Grain Exchange to be erected in Coenties Slip. Mr. N. W. Wolfe is to be the President of the Bank, which is to be called the "Mark Lane Bank."

Syracuse.—The People's Bank at Syracuse, N. Y., will soon commence operations with a capital of $50,000. C. C. Richardson, Esq., President; J. J. Peck, Esq., Cashier. There are already nine banking institutions in that city.

Troy.—The State Bank of Troy commenced business on the 1st of September, with a capital of $250,000. President, A. Watkins, Esq.; Cashier, Willard Gay, Esq.

Schenectady.—The stock of the Mohawk Bank has all been re-taken, preparatory to an organization under the general banking law of the State, and additional subscriptions were offered to the extent of $75,000.

Albany.—The lock on the vault door of the Commercial Bank of Albany, which on account of the derangement of the tumblers could not be opened on Saturday morning, October 9th, nor during the day, was opened about five o'clock Sunday morning, after great labour, by Messrs. Blackalls. They picked it with——a sledge hammer and a cold chisel!—*Albany Express.*

Buffalo.—The Bank of Lake Erie, hitherto located at Buffalo, has been removed to Frankfort, Herkimer County, having been sold to new proprietors.

New Jersey.—About two years ago, James Lindsay was convicted, in the Court of Quarter Sessions, before Judge Parsons, of robbing the Cashier of the Mechanics' Bank of Burlington, New Jersey, of $5,475, and sentenced to two years' imprisonment. A part of the sentence was that he should restore the goods and chattels stolen, if not already restored, to the owner, or pay the like value thereof. The money has never been restored. A short time since, Lindsay, through his counsel, A. V. Parsons, (the judge who sentenced him,) made application to the Court for the benefit of the insolvent laws, and the 28th instant, (yesterday,) was fixed for the hearing. Upon the back of the petition was endorsed, by the judge to whom it was presented, that the Cashier of the Mechanics' Bank of Burlington should be notified of this application, by letter, put into the post-office, and directed to him. No person appearing to contest Lindsay's right to a discharge, under the insolvent acts, his term of imprisonment having expired, he was ordered to be discharged, first making the Cashier of the Mechanics' Bank of Burlington his assignee, and filing his accounts.—*U. S. Gazette, Sept.* 29.

Virginia.—Samuel D. Booker, Esq., has been elected President of the Exchange Bank of Virginia, at Clarkesville, in place of Francis W. Venable, Esq., deceased.

Weston.—A Branch of the Exchange Bank of Virginia has been established at Weston, Lewis County: Cashier, A. J. McCandlish, Esq.

District of Columbia.—Quite a large number of individual banking concerns were started in Washington and Georgetown during the last summer. The Bank of the Union (Mr. R. H. Gallaher, proprietor) has suspended payment; also, the Potomac Savings' Institution; and the others have disappeared, or are about winding up their affairs.

Private banking establishments in the city of Washington (says the Era) "have lately sprung up like mushrooms. It would take more time than we can spare, to ascertain whence they came, what they are, who are their Presidents and Cashiers—and some of them have no local habitations, though they have names. The Bank of the Union, reputed one of the best of them, failed last Saturday, and we suppose others will follow in the train. Meantime the butchers of Georgetown issued a manifesto, declaring that they would receive no other notes issued in the district than the following: The Bank of Washington, Patriotic Bank, Bank of the Metropolis, Farmers' and Mechanics' Bank, Bank of Commerce, Corporations of Georgetown and Alexandria."

Indiana.—Edmund B. Woodson, Esq., Cashier of the Branch of the State Bank of Indiana, at Michigan City, was, on the 25th of August last, elected President of that Branch, in place of Edmund B. Taylor, Esq., resigned. Urial C. Follet, Esq., was at the same time elected Cashier.

Wisconsin.—The Central Bank, at Janesville, Wisconsin, has been organized under the recent general banking law of that State, and will be in active operation in a few weeks.

Commercial Bank of Kentucky.—The amount of capital stock required by the charter of this institution to authorize it to commence banking operations having been paid in, Governor Powell, in accordance with the provisions of the charter of said bank, has issued his proclamation authorizing said bank to commence business as a banking institution.

Canada.—Nine bills of $50 each, issued by the Bank of British North America, at Quebec, have been stolen. They are all dated Quebec, June 1, 1841, and numbered 54, 77, 199, 391, 507, 670, 673, 785 and 787, respectively. Payment of these having been stopped, the cashier offers a reward for the return of the bills.

Bank Notes.—The Cincinnati Enquirer, in noticing the statement of Dr. Buckler, of Baltimore, that small-pox is often communicated by means of bank-notes, says: "The teller of one of the banks of Columbus, an estimable young man, contracted the disease by handling a batch of bills which had been transmitted from this city, where the small-pox was then quite prevalent, and in malignant form. The young man died; and by such a seemingly harmless channel of communication was that loathsome pestilence the cause of a family losing their mainstay in life."

Notes on the Money Market.

Exchange on London, 60 days, 9¼ a 10 premium.

NEW YORK, OCTOBER 28, 1851

A SLIGHT flurry occurred in the money market of this city early in the present month; but the favourable rates which prevailed in September have returned, and abundant facilities exist for negotiating long or temporary loans.

Prime business paper can be readily negotiated at six per cent. in the street, and five per cent. is the current rate for loans on demand, with stock collaterals. We quote:—

1st class endorsed notes and acceptances, short	6	a	6½	per an.
" " " " long	6	a	7	"
" single names (paper) . . .	6	a	8	"
2d class endorsed notes and acceptances, short	7	a	8	"
" " " " long	8	a	10	"
Loans on Government and State Stocks, .	5	a	5½	"
" miscellaneous securities, . .	5	a	7	"

The present enhanced value of cotton, at home and abroad, gives additional confidence to an otherwise firm money market. The export tables published in our papers indicate a growing demand in Great Britain for the great American staple. An increased demand at home gives great firmness to present prices, and promises to produce better results to the planter than the yield of 1851-'52. It would be difficult at this early season to form any correct notions as to the aggregate crop of 1852-'3; but it may be well to state that at the present moment the calculations vary from 2,700,000 (the lowest estimate) to 2,900,000 and 3,000,000 bales.

Assuming the yield at the latter quantity, and at the present increased value as compared with last year, say $41 a $42 per bale against $35, the value of the export to Great Britain will alone reach nearly $75,000,000.

In confirmation of this, we add a statement of receipts for the first six weeks of the present cotton season:—

Cotton Operations from September 1.

	1852.	1851.	1850.	1849.
Receipts at all the ports, . .	$256,000	$200,000	$159,000	$155,000
Exports to Great Britain, . .	69,000	50,000	87,000	27,000
" France, . .	11,000	21,000	23,000	19,000
" other foreign ports, .	9,000	4,000	18,000	14,000
Total exports, ...	89,000	75,000	128,000	60,000
Stock on hand, ...	192,000	172,000	137,000	178,000

Of which, during the week past, included in above:—

	1852.	1851.	1850.	1849.
Receipts at the ports. . .	$69,000	$46,000	$43,000	$42,000
Exports to Great Britain, . .	12,000	10,000	3,000	4,000
" France, . .	4,000	7,000	4,000	..
" other foreign ports, .	2,000	2,000	3,000	2,000
Total exports, ...	18,000	19,000	10,000	6,000

From which it will be seen that the excess in receipts now amounts to 56,000 bales; the increase in exports to Great Britain, 19,000; decrease to France, 10,000; increase to other foreign ports, 5,000. Total increase in exports, 14,000 bales.

One of the accompaniments of the improved money market is a better demand for Railroad Securities for foreign account. Messrs. WINSLOW, LANIER & Co., have sold $100,000 of Western Railroad bonds; DELANO, DUNLEVY & Co., $200,000 Ohio County Loan; DUNCAN, SHERMAN & Co., $25,000 Chicago City Loan; and other houses, some at par, and smaller sums for remittance to Europe within a few days past.

It would be better for us, commercially and financially, to supply tobacco, grain, and other

domestic produce, instead of domestic loans; inasmuch as the former are a clear gain and the latter are merely facilities for a limited time; but the effect of either will be, or would be, favourable upon the general condition of the whole country.

Government and State Stocks are steady and in better demand than supply. In mere speculative stocks the market has a better feeling. Upon a comparison of present prices with those of four weeks since, we find no essential changes; the market having now recovered from the depression existing some ten or fifteen days since.

The rates for Sterling bills for this week's steamer range from 109¼ to 110. The supply of Southern bills is augmenting.

The vast importance of cotton to Great Britain is demonstrated by the recent trade returns for 1852. From these it will be seen that while that country has imported from us during the last year about 1,668,000 bales, at the aggregate value of $60,000,000, and perhaps 500,000 bales from other sources, her exports of manufactured cotton goods are equivalent to £23,000,000 annually; or, in round numbers, one hundred and fifteen millions of dollars, besides supplying a population of 22,000,000 with the similar goods, viz.:—

Total exports of Great Britain for eight months, 1852. Also value of cotton goods and woollen manufactures for the same period, January 1 to September 30, 1852, of each year, 1850, '51, and '52 *(fractions omitted)*:—

	Total exports.	*Cotton goods.*	*Woollen goods.*
1850	£43,851,000	£14,335,000	£7,035,000
1851	47,158,000	16,129,000	7,016,000
1852	47,009,000	15,358,000	6,837,000

The above, it must be recollected, are for eight months only.

The consumption of prominent articles is also given, (for same period, eight months,) viz.:—

	Tea, lbs.	*Coffee, lbs.*	*Qrs. Foreign Grain.*	*Cwts. Foreign Flour.*
1850 . .	34,335,000	20.967,000	5,602,000	1,691,000
1851 . . .	35.889,000	21,789,000	6,286,000	3,853,000
1852 . .	37,250,000	21,931,000	3,934,000	2,897,000

The State of Connecticut has followed in the path of New York, in the adoption of a General Banking Law, the provisions of which are somewhat similar to our own, and aim at the protection of the bill holders in cases of failure of any institutions organized under authority of the law. The following banks have recently commenced operations in that State, and have filed securities with the Treasurer to secure the payment of their circulating notes.

1. The Uncas Bank of Norwich, (named after the noted Indian chief, UNCAS,) with a capital of $100,000.

2. The Bank of Hartford County, with a capital of $200,000.

3. The Bank of Commerce, New London, with a capital of $50,000. All of these Banks are entitled to an increase of capital at their own option.

Three additional Banks are proposed under the Free Banking Law, viz., at Westport, New Milford, and at Litchfield.

The Bank of Hartford County has adopted the *Atwater* patent, in its bills, by which the denomination is ascertained in addition to the usual figures, &c., adopted by the engraver. Mr. ATWATER'S plan is to manufacture the bank-note paper in such a way that no alterations can be made from a low to a higher denomination. He introduces borders on the end of the note, in addition to the figures which indicate its value, a single border for a one-dollar bill; two borders for two dollars; and five borders for five dollars. These are inserted at the left hand of the note. For the ten-dollar notes, a single border is introduced on the right end; two borders for a twenty-dollar bill. These various borders change the positions of the names of the President and Cashier, and also of other portions of the bank-note, so that the general appearance of each denomination is entirely hifferent from any other.

By the recent Bank Law of Connecticut, the stocks of the cities of Hartford, New London, Norwich, and Boston, as well as of the States of Virginia and Kentucky, are receivable by the Treasurer as collaterals for Bank issues.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. DECEMBER, 1852. No. VI.

SUGGESTIONS FOR A BANK CONVENTION.

IT is highly important in a large commercial city, and more particularly in the commercial emporium of this country, that its banking institutions should be in the hands of experienced and intelligent men—that the movements of these institutions should be so managed that they will protect the interests of the community, as they are so closely identified with its condition. In the prosecution of the objects of such institutions, it is much to be desired, not only for their own welfare, but for that of their customers, and the community generally, that one common course of conduct be pursued in their operation.

This can be accomplished only by a free interchange of views among the leaders of the banks, and an agreement among themselves as to what their own safety and welfare require, and likewise what the community through their customers require.

If each institution pursue a line of policy dictated simply by its own condition, and without a knowledge of, or regard to, the condition and means of the others; and without occasional concessions as to the present and prospective wants of commerce, it is very plain that instead of a wise, liberal, and general system, their movements will settle down into a merely selfish and narrow line of conduct.

The banking interest is perhaps the most important of all interests upon which business men are brought together to consult. It is the pivot upon which the daily operations of the mechanic and laborer, the merchant, manufacturer, and agriculturist, all turn. Without it, the wheels of commerce would stand still, and chaos would follow where now

order and harmony prevail. Without it, national and individual bankruptcy would rapidly take place, and our common country would become a prey to anarchy and confusion.

It is then unquestionably important that these interests should be influenced and governed by enlightened men—by those who consider the welfare of the community and that of their own monied institutions best promoted by a liberal and united policy. No man is fit for a bank director who cannot discriminate, not only as to the comparative qualities of the various shades of paper before him at the discount board, but as to the effects produced outside in the selection of such paper.

This all-important banking interest requires a combined effort in its direction, and it is only by a concert of action among its managers that it can be made to accomplish the most good.

All the leading professions and occupations have a centre of operations —a common ground upon which each can meet together and consult upon its peculiar interests and prospects. The merchants meet on 'change daily for consultation as to the requisitions of commerce. The board of brokers meet at fixed hours per day for the purpose of learning the phases of the stock and money markets. The agriculturists meet at stated periods to consult upon interests common to their occupations—so with the lawyer and the physician, and we may say of all professions; but the most important of all, and that which lies at the foundation of all our business operations, THE BANKING INTEREST, is left to the control of individual caprice instead of being governed by the united and wise efforts of one body.

When there were only two or three, or perhaps half a dozen, banking institutions in New York, there was no need of a centre of operations; because each knew pretty well the affairs of the other—and there was a *village-like* management of the then monetary affairs of the place; but now that the bank capital of the city has increased from two millions to forty millions, and the number of banks from a very few to no less than forty-five or six, and these managed by persons who have not generally even a personal acquaintance with each other, it seems essential that to promote fully the desirable ends of their establishment, they should act in concert—*a strong pull, a long pull, and a pull altogether.*

The annexed communication upon the subject is from a gentleman who has long been connected with the banking concerns of the city. The suggestion made by him is worthy the consideration of the directors of all our banks.

A FINANCIAL ORGANIZATION PROPOSED.

TO THE EDITOR OF THE BANKERS' MAGAZINE:—

The experience of bankers in this city must have frequently suggested the idea of an organization of some kind, by which the convenience and harmony of our financial institutions may be secured. They are necessarily in daily correspondence with each other, and they have common interests at stake. Their number has been nearly doubled within a few years, and their locations are "from Dan to Beersheba."

They are so far apart that the most serious inconveniences and delays are now unavoidable in transactions of great moment. Their officers are unknown to each other, or known only (in many instances) by mutual misunderstandings and disagreements. In these circumstances, it would seem to be the dictate of reason and common interest to meet together for consultation, and to ascertain if some measures are not devisable which shall facilitate their future correspondence and relations with each other.

I therefore propose, through your magazine, as the representative of the banking interest, that the banks of this city meet in delegation for the purposes here indicated. Personal intercourse, and knowledge of the opinions of a number of bank officers and directors, satisfies me that the proposition is feasible and may lead to good results.

It was my intention to set forth the main features of a more enlarged organization or affiliation of a national kind, as bearing directly on the general interests of trade and commerce, but, on second thought, I leave that to the future. If we meet and deliberate on plans of present mutual convenience, we shall doubtless be led to any wider action that may promise to be useful.

If the above suggestion be carried out, and in pursuance thereof a meeting of bank presidents and cashiers be held for the purpose of fixing special days for consultation on commercial and financial matters, much good would arise from it.

Meetings of this kind are held every week in Philadelphia by the cashiers of the several banks in that city, when the condition of each bank with reference to all the others is shown, and settlements are made by checks of the creditor banks on the debtor banks. Information of a nature valuable to each and all of the institutions, for their own immediate interests and for the interests of the community, may at such meetings be communicated; and if the condensed balance sheet of each were laid before the members, showing, 1st, aggregate loans, 2d, specie, 3d, circulation, &c., a general policy could be determined upon, whether of expansion or contraction, consistent with the *aggregate* condition of these institutions.

One essential point gained by this would be an avoidance of the present mode of drawing and redrawing coin from each other, so annoying to all; because, for instance, one check for $50,000 could discharge balances to the amount of five or ten times that sum.

Banking in India.—The late order, prohibiting government servants from taking any active part in the management of banks in India, has caused a considerable stir amongst all persons interested in those institutions. Voluminous correspondence on the subject has filled the columns of almost every Indian journal, and the opinions offered have been as much at variance as might be expected from the many hands employed in wielding pens on the occasion; but nothing has yet been decided as the proper course to adopt. Rumor has it that one Mofussil bank is making strenuous endeavors to have the order set aside. The grounds set forth are, that amongst private parties there are but few individuals who hold a sufficient number of shares to qualify them for the direction, whilst, on the other hand, the deed of copartnership expressly stipulates for a fixed number of directors, which number could not be reduced, because it might become a legal question, whether any transactions concluded by a smaller number than is provided for by the deed, would be binding upon the shareholders. It is intended to memorialize government on the subject.—*London Bankers' Mag.*

REPUDIATION IN MISSISSIPPI.

It was stated under the telegraphic head recently, from a New Orleans dispatch of the 4th of November, that—

"A vote was taken in Mississippi with regard to paying the old Planters' Bank bonds, which were formerly repudiated. The returns, thus far, show a large majority throughout the State in favor of paying them."

The State did not repudiate the "Planters' Bank" bonds, but did repudiate those issued to the "Mississippi Union Bank." This latter institution was chartered in the year 1838, with a proposed capital of $15,500,000, to be "raised by means of a loan to be obtained by the Directors of the Institution." The Governor was then authorized to issue seventy-five hundred bonds of $2,000 each, bearing five per cent. interest, and redeemable in twelve, eighteen, and twenty-four years: and the faith of the State was pledged "for the security of the capital and interest." The charter prescribed the form of the bonds, a form that was adhered to in the bonds which were actually issued.

A supplementary act provided 2½ per cent. of the individual subscriptions should be paid in cash; and the balance might be secured by mortgages on real estate; and the bank was authorized to commence business as soon as the sum of $500,000 should be paid in. The institution was further authorized to appoint three commissioners to sell the bonds "in any market within the United States, or in any foreign market," and under any rules and regulations "not inconsistent with the charter." The restrictions were that the bonds should "*not be sold under their par value*," and that the commissioners should not "accept any commission or agency from any other banking or railroad company for the disposal of any bonds for the raising of money, or act as agents for the procuring of loans upon the pledge of real estate for the benefit of any other corporation."

In pursuance of the then recent act of the legislature, Governor McNutt executed and delivered to the Union Bank, early in June, 1838, twenty-five hundred bonds of $2,000 each, payable in twelve or twenty years from the 5th February preceding. The bank appointed, soon after, three agents, or commissioners, to effect the sale of these securities, with a power of attorney containing a prohibition against selling them "for less than their par value in current money of the United States."

On the 18th of August following, the commissioners, in the name of the Union Bank, negotiated these bonds with Mr. Biddle, in his individual capacity. The contract was, that the bonds should be payable in London, in sterling funds of Great Britain, at the rate of 4*s*. 6*d*. per dollar, and the interest payable semi-annually in the same place, and at the same rate; in consideration of which, Mr. Biddle agreed to pay the commissioners, and did actually pay them or the bank five millions of dollars, in five equal instalments of $1,000,000 each, on the first days of November, 1838, and January, March, May, and July, 1839. This contract on the part of Mr. Biddle was guaranteed by the Pennsylvania "Bank of

the United States." The contract was entered into in good faith, and the Union Bank of Mississippi realized the full sum above stated.

In the following year (1839) another series of bonds to the same amount ($5,000,000) was issued to the Union Bank in pursuance of the charter, with a view to obtaining additional active capital for the institution; but the directors had already evinced so little judgment in their loans, and had pursued such a wild course in their policy, and the Governor had become so alarmed at their proceedings, that on the second day of March, 1840, he issued a proclamation, "warning all persons and corporations not to advance money or securities or credit on the hypothecation of said bonds, or to receive the same in exchange for the circulation or other liabilities of the Mississippi Union Bank, or to purchase the same on a credit, or for a less sum than their par value in specie, or any other terms not explicitly authorized by the charter of said bank."

In his next annual message, (January, 1841,) the Governor assured the legislature that by this timely proclamation he had prevented an *illegal sale* of the new bonds. He then stated that the general condition of the Union Bank at that period was summed up as follows:

Suspended debt, *in suit*	$2,689,000
Suspended debt, *not in suit*	1,777,000
Resources, chiefly unavailable	8,034,000
Specie on hand	4,349

To meet its liabilities, viz.:

Capital Stock	$5,008,000
Circulation and other immediate liabilities . .	3,034,000

This exhibit shows that the bank had been doing business upon the actual $5,000,000 realized from the Bank of the U. S., to which was superadded the sum of only $8,000 as individual stock.

Early in 1840 the Union Bank became insolvent, without any hopes or promises of future resuscitation. The suicidal policy adopted by the general government in 1833–36, had led, in the first place, to the rejection of the re-charter of the Bank of the United States; and secondly, to the establishment of a large number of State banks, with large capitals, nominally, many of which were promised (and afterwards realized and *squandered*) the Treasury deposits. Almost every State in the Union (or the democratic portions of it) became infatuated, during the years 1833, '34, '5, '6, with a desire to create additional banks, as if the creation of new banks *thereby* created *new capital*. The State institutions were incorporated without stint, and the different periods of 1830 and 1836 show the following remarkable contrast, and a result of the policy of the then administration. The following table is taken from the Report of the Treasury Department, made by Secretary Woodbury, and will be useful for future reference, as demonstrating the remarkable expansion of bank capital throughout the States, following the removal of the public deposits from the Bank of the U. S., in 1833. This rapid growth was more particularly observable in the Western and South-western States, whose bonds were brought into the market and negotiated with such facility that they issued more largely than they could provide for in the shape of interest.

TABLE OF BANK CAPITAL IN 1830–1836.

STATES.	1st January, 1830.		1st January, 1836.			1st December, 1836.		
	No. of Banks	Capital estimated.	No. of Banks.	No. of Bran.	Capital paid in.	No. of Banks.	No. of Bran.	Capital authorized.
		Dollars.			Dollars.			Dollars.
Maine	18	2,050,000	36	..	3,935,000	59	..	5,535,000
New Hampshire	18	1,791,670	26	..	2,663,308	23	..	2,663,308
Vermont	10	432,625	19	..	1,125,624	20	..	2,200,000
Massachusetts	66	20,420,000	105	..	30,410,000	138	..	40,830,000
Rhode Island	47	6,118,397	61	..	8,750,581	64	..	9,100,581
Connecticut	13	4,485,177	31	3	8,519,368	31	3	8,519,358
New York	37	20,083,353	86	2	31,281,461	98	2	37,303,460
Pennsylvania	33	14,610,333	44	..	18,858,482	50	..	59,658,482
New Jersey	18	2,017,009	25	..	3,970,090	26	..	7,575,000
Delaware	5	830,000	4	4	817,775	4	4	1,197,775
Maryland	13	6,250,495	18	2	8,203,575	28	3	29,175,000
District of Columbia	9	3,875,794	7	..	2,339,738	7	..	3,500,000
Virginia	4	5,571,100	5	18	6,511,300	4	18	6,711,300
North Carolina	3	3,195,000	3	4	1,769,231	3	4	2,600,000
South Carolina	5	4,631,000	8	2	7,936,318	8	2	10,356,318
Georgia	9	4,203,029	14	11	8,209,967	14	11	8,209,967
Florida	1	75,000	5	..	1,484,386	9	..	9,800,000
Alabama	2	643,503	2	4	6,558,969	3	4	14,458,969
Louisiana	4	5,665,980	14	31	34,065,284	15	49	54,000,000
Mississippi	1	950,000	5	8	8,764,550	11	12	21,400,000
Tennessee	1	737,817	3	4	4,546,285	3	4	5,600,000
Kentucky	..	....	4	10	5,116,400	4	10	9,246,640
Arkansas	..	....	..	..	....	2	..	3,500,000
Missouri	..	....	..	1	....	..	..	....
Illinois	..	....	2	5	478,220	2	6	2,800,000
Indiana	..	....	1	10	1,279,857	1	10	1,980,000
Ohio	11	1,454,386	31	1	8,369,744	32	1	12,900,000
Michigan	1	100,000	7	3	909,779	17	3	7,500,000
Wisconsin Territ'y	..	....	..	..	....	1	..	100,000
States' Bank	329	110,102,268	566	123	216,875,292	677	146	378,421,168
United States Bank	1	35,000,000	1	23	35,000,000			....
Total	330	145,192,268	567	146	251,875,292	677	146	378,421,168

Showing an aggregate advance of nearly two hundred per cent. in the short space of six years; or, in fact, between the memorable period of the removal of the public deposits, in September, 1833, and December, 1836.

This shows that the nominal bank capital of 1830 was $110,000,000, excluding the United States Bank, while in December, 1836, the sum had increased to $378,000,000. Ohio had increased from $1,400,000 to $12,000,000; New York, from $20,000,000 to $37,000,000; Pennsylvania, from $14,000,000 to $56,000,000, and Mississippi from $1,000,000 to twenty-one millions of dollars!! within one year after the Bank of the United States had ceased. We take these returns from the official documents of the United States Treasury.

The lamentable course pursued by the Union Bank of Mississippi was in a great measure followed by the newly made banks of New Orleans, Florida, and Alabama, and finally suspension of specie payments followed, caused by the enormous inflation of paper money. The month of March, 1837, brought about the beginning of this unfortunate act of suspension, at New Orleans, and this was acted upon by the banks of Boston, New York, and other cities, in the month of May of that year.

The Governor of Mississippi followed up his proclamation, in his annual message, and *then* recommended REPUDIATION for the first time; namely, "to place the bank in liquidation for the benefit of all concerned and

repudiating the sale of $5,000,000 of the bonds of the year 1838, *on account of fraud and illegality.*"

To which the State legislature then responded, under a keen and deep sense of *mortification* at the mere suggestion of repudiation:

Resolved, First. "That the State of Mississippi is bound to the holder of the bonds of the State of Mississippi, and sold on account of the Planters' and Mississippi Union banks, for the amount of the principal and interest due thereon."

Secondly. "That the State of Mississippi *will* pay her bonds *and preserve her faith inviolate.*"

Thirdly. "That the insinuation that the State of Mississippi would repudiate her bonds and violate her plighted faith, *is a calumny upon the justice, the honor, and the dignity of the State.*"

Of the bonds in question, ($5,000,000 first negotiated for the Union Bank,) $3,986,000 were hypothecated by the Bank of the United States, as security for loans in Europe, during the year 1839. Some of these eventually passed into the hands of Messrs Hope & Co., of Amsterdam. In May, 1841, this firm found, to their surprise, that the interest on these bonds was not paid; and they, in that month, addressed a letter to Gov. McNutt, of Mississippi, informing him of the delinquency, to which he replied:

"This State will never pay the five millions of dollars of State bonds issued in June, 1838, or any portion of the interest due or to become due thereon."

His plea for this was substantially as follows:

First. The Bank of the U. S. (State institution) was prohibited by its charter from purchasing such stock, either directly or indirectly.

Second. It was a fraud on the part of the bank, because the contract was made through an individual (Mr. Biddle) in their behalf and for their benefit.

Third. The sale was illegal, because the bonds were sold *on a credit.*

Fourth. Interest to the amount of $170,000 having accrued on these bonds before they were negotiated, or before the money was *realized*, the bonds were in fact sold *for less than their par value* "*in direct violation of the charter of the bank.*"

No excuse however of this kind was urged, *when the sale actually occurred in* 1838, *nor when the money came in so freely in* 1839, AS THE PROCEEDS OF SUCH SALE.

Various overtures have at different times been made to the State authorities to obtain an adjustment of the subject in dispute, but the State and its officers have uniformly refused, until now, to acknowledge the obligation.

Mr. Jefferson Davis sustained the course of the State, and has said, "These bonds were purchased by a bank then tottering to its fall—purchased in violation of the charter of the bank—or fraudulently, by concealing the transaction under the name of an individual—purchased in violation of the terms of the law under which the bonds were issued, and in disregard of the constitution of Mississippi. * * * When the U. S. Bank of Penn. purchased what are known as the Union Bank bonds,

it was within the power of any stockholder to learn that they had been issued in disregard of the Constitution of the State."

The Hon. John Henderson, Senator from Mississippi, had taken opposite ground, and urged that a tax be laid to raise a fund for the payment of the bonds, otherwise that "*the moral sense of communities and of mankind will condemn us.*"

We think that public opinion in that rich State will eventually decide that the bonds were issued in good faith—and finally negotiated by the Bank of the United States in good faith with all concerned—and in all probability the people will determine to pay them at an early day.

That the good sense of the people of Mississippi, or of any State in this Union, under any similar circumstance, will eventually come to this conclusion, cannot be doubted. It is not a matter in which Mississippi, as a State, is alone interested, but the people of Louisiana and of Maine—of Illinois and of New York—of *every* State in this vast Union, feel their reputation at stake. There is not a citizen within the bounds of the great Empire State who does not feel his reputation, as a merchant and as a man, compromised by the course of Mississippi in this dispute about five millions of dollars, and the annual interest that has accrued and has been unpaid for the last twelve years,—indeed, we may say that no public measure of this Union, or of any member of it, at any period since the adoption of the Constitution, has so *seriously* and so *injuriously* affected the character of the people of the Union as this Mississippi idea of REPUDIATION.

BANKING IN SOUTH CAROLINA.

For the Bankers' Magazine. From a Bank Officer.

I HAVE, after some trouble, procured statements of the circulation of the country banks of this State for every two months, commencing with about 1st of February, 1841, and ending 1st of October, 1852, a copy of which is enclosed. I have in the course of preparation a similar table of the circulation of the banks located in the city of Charleston, S. C., for the same period and at the same intervals, a copy of which will also be sent you as soon as completed, which is expected in a few days. Statements or tables of this character give more valuable information, and are suggestive of more than can be gleaned from mere estimates, which must be generally erroneous, as you will see when you receive the complete returns of the banks of this State as compared with the estimates in the Bankers' Magazine, 1850–51–52.

The mere average of circulation is nothing, but its fluctuations, which arise from the variations in the amount of traffic in produce at different seasons of the year, and from year to year as that produce varies in amount and price, are to be looked at if it is wished to learn any thing from it.

This table (of the country circulation) shows all the fluctuations of the trade in cotton, upon which it is mostly based, arising from the

operations of the natural laws of trade, and as modified in their action by political causes.

From February to August, 1846, are to be traced the effects of a very short bread crop, also of cotton, *at low prices*, in South Carolina; from August, 1847, to October, 1848, of a great decline in the prices of cotton throughout that period, after a previous prosperous year accelerated by the French revolution, from which the State did not much recover until 1849–50, when the cotton crop yielded largely; from August, 1850, to February, 1851, of an average crop at high prices; and from August, 1851, to October, 1852, of a large crop at comparatively low prices, accelerated by another short bread crop. My recollection does not go further back than 1845–6, but it will be invariably found that the variations in the volume of the circulation are caused by the amount of transactions in cotton, including both the extent of the crops, and the prices at which they sell—an increased trade without an increase in prices—a diminished trade with increased prices, and an increased trade with greatly diminished prices, causing an increase or decline in the circulation. This law or principle determining the amount of money that will circulate in any country must be true of all countries, the ignorance of which has led to so much blundering in the legislation on the subject of banking and currency.

It would be of great service to banks generally, if statements of their circulation similar to the one sent you, showing the highest and lowest points, and the intermediate variations for every month in every year, of a period of time, could be procured and published, for they would tend much to upset the fallacies of croakers against all banks—of Mr. Gouge and General Jackson particularly.

Amount of Notes in Circulation for various periods, commencing with Feb. 1, 1841, *and ending with Oct.* 1, 1852, *inclusive, issued by the Country Banks of South Carolina, viz.: Commercial Bank, Columbia, cap.* $800,000; *Bank of Hamburg, S. C., cap.* $500,000; *Bank of Camden, S. C., cap.* $400,000; *Merchants' Bank, S. C., Cheraw, cap.* $400,000; *and Bank of Georgetown, S. C., cap.* $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	$1,996,312
April,	1,895,631	1,812,786	1,941,907	2,337,373	2,047,258	2,029,437
June,	1,706,239	1,525,530	1,817,694	1,976,496	1,874,700	1,738,535
August,	1,689,501	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,	$2,853,019	$2,184,956	$2,248,732	$3,443,190	$4,550,590	$3,062,249
April,	2,644,185	1,964,343	2,190,920	3,110,688	3,849,395	2,767,833
June,	2,674,853	1,641,013	2,064,600	3,202,018	3,166,229	2,458,017
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	2,501,273	2,200,185
December,	2,176,050	1,920,426	2,785,116	4,111,870	2,716,707	

This table shows the effects of fluctuation in quantity and prices of the cotton crops, from season to season, and from year to year. Cotton each year begins to sell, of the new crop, about 1st of October, and (in S. C.) suddenly and greatly declines about and from 1st of March.

SILVER COIN.

From the London Morning Herald, October 22

In presenting to our readers the following statistics of silver bullion, it will be perceived that the table contains only 1845, 1849, 1850, 1851, 1852—the amounts for 1847 and 1848 are as follows—

	1847.	1848.
	Ounces.	*Ounces.*
Silver coin, exports, ...	1,942,912	5,454,449
Silver bars, ...	2,771,912	6,765,850
	4,714,824	12,220,299

But as those were famine years, and a great portion of this silver must have gone to pay for food, it may not be fair to make use of them as a comparison with others; therefore, merely using those contained in the table, and by adding one-fourth more to 1852, as the probable amount that will yet be exported, it will be found that in the last four years there has been drawn from this country by foreigners, in silver alone, no less than 19,938,678 ounces, over and above an average of the year 1845, and this is merely what has actually been engaged through the custom house, and does not include the amount taken by emigrants, or paid for minor articles from the Continent, such as fruit, vegetables, poultry, game, eggs, &c., which are daily coming into the country, and which must be paid for in money, as no one dealing in those articles is a merchant, and also such articles as lace, fringes, sewing cotton, waistcoat pieces, velvet, &c., clocks, watches, toys, &c.

That there is a scarcity of silver in the country can no longer be doubted, the stock in the bank having dwindled down from £1,000,090, in 1847, to £19,000, in 1852. No doubt the extended trade has required more coin to be in circulation, but not to the extent that some people may imagine, for the low price of food will naturally require less money to purchase it, and when it is considered (on a rough calculation) that there are about twenty-six pieces of silver coin for one of gold, (a sovereign,) or fifty-two pieces for three of gold, (one sovereign and two half-sovereigns,) £1 worth of silver will circulate with considerably greater speed than the same value in gold.

It has been stated by the Manchester Guardian that the coin now being exported is not British, but foreign dollars. This, of course, is a vague assertion, which it will be found difficult to defend; but presuming it to be so, the countries sending it must be drained themselves of their currency, (and for what reason?) If it had been all in bars, or ore, we then might consider that the mines were yielding an increased amount, but as it comes in coin they must be straining themselves to the utmost to meet the demands upon them; and this cannot possibly be lasting, if this is the true fact of the case. It is carrying out Cobden's principle, "that it does not matter—if the foreigner takes out bullion for grain, we must send goods somewhere else for bullion." If this is the case, we shall soon see the end of such fallacies.

SILVER BULLION EXPORTED FROM LONDON IN THE FOLLOWING YEARS.

Silver Coin in Ounces.

	1845.	1849.	1850.	1851.	1852.
	Ounces.	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*
Belgium,	59,000	1,062,230	807,698	2,391,953	1,793,200
Havre,	....	7,098	3,146	6,387	1,330
Calais,	200,000	775,136	3,000	280,000	253,000
Boulogne,	....	28,304	7,300	242,906	328,114
Dunkirk,	....	1,215,000	1,187,000	704,263	39,370
Hamburg,	789,357	835,815	728,256	321,333	1,169,094
Bremen,	....	1,731	....	....	....
Rotterdam,	1,303,600	397,000	875,000	2,255,306	1,125,648
St. Petersburg,	3,000	....	1,397,327	....	....
Cape de Verd,	3,000	....	....	....	....
St. Michaels,	6,904	....	....	....	....
Guernsey and Jersey,	....	....	1,312	....	....
Malta, Corfu, &c.	7,800	26,000	24,000	49,960	..
Bombay,	....	....	....	....	140,000
Madras and Calcutta,	....	....	88,600	92,000	277,000
Mauritius,	....	8,300	....	63,950	90,000
China,	203,238	....	62,000	....	....
Port Adelaide,	5,301	8,400	....	....	119
Sydney,	80,000	....	....	....	....
Cape of Good Hope,	....	....	....	300,000	40,000
Coast of Africa,	9,245	11,596	6,975	8,000	12,766
British West Indies,	1,181	....	....	....	....
Patras,	....	....	....	....	30,000
Total coin for twelve months,	2,671,626	4,376,609	5,191,514	6,716,058	5,297,835

1852 is from January 1 to October 7—9 months.

Silver Bars in Ounces.

	1845.	1849.	1850.	1851.	1852.
	Ounces.	*Ounces.*	*Ounces.*	*Ounces.*	*Ounces.*
Belgium,	48,000	1,184,196	685,776	985,135	379,900
Havre,	....	....	23,420	....	120
Calais,	....	163,000	....	4,000	....
Boulogne,	....	27,616	10,000	90,892	67,562
Dunkirk,	....	589,509	337,000	113,450	94,244
Hamburg,	817,312	334,727	271,898	271,696	696,561
Bremen,	....	1,721	....	....	....
Rotterdam,	767,976	1,430,443	1,097,340	1,258,640	1,206,735
St. Petersburg,	28,984	140,000	1,356,171	....	....
Naples,	....	56,479	....	....	....
Copenhagen,	....	292,000	....	....	....
Madras and Calcutta,	....	....	159,226	135,133	79,458
Bombay,	....	....	....	45,620	112,685
China,	....	....	....	47,300	....
Cape of Good Hope,	....	....	....	11,700	....
Coast of Africa,	....	....	390	....	....
Rio Janeiro,	....	....	30,511	....	....
Total bars for twelve months,	1,662,272	4,219,691	3,971,732	2,963,566	2,637,265
Total coin,	2,671,626	4,376,609	5,191,514	6,716,058	5,297,835
Total bullion,	4,333,898	8,596,300	9,163,246	9,679,624	7,935,100

1852 is from January 1 to October 7.

A DIGEST

OF THE

DECISIONS IN THE SUPREME COURT, COURT OF ERRORS, AND COURT OF APPEALS, IN THE STATE OF NEW YORK, UPON BANKS, BANKING, &c.

I. Banks and Banking.

1. Associations formed under the general banking law are corporations: *Willoughby* v. *Comstock*, 3 Hill, 389; *The People* v. *The Assessors of Watertown*, 1 Hill, 616; *The People* v. *Supervisors of Niagara County*, 4 Hill, 20; see also *Leavitt* v. *Blatchford*, 5 Bar. 9, and same case in 3 Coms. 19.

2. But a private banker, under the act to authorize the business of banking, and the acts amending the same, has no more the character of a corporation than a merchant or a lawyer, or any other individual. *Cuyler* v. *Sanford*, 8 Bar. 230.

3. The first section of the act of 1835, which makes it unlawful for any *monied incorporation* to charge or receive the premium of exchange on any draft made by it which shall be used or applied in the payment of any bill or note or other demand, does not include individual bankers. *Ibid.*

4. Banks formed under the act to authorize the business of banking, are not subject to *all* the provisions of the revised statutes "to prevent the insolvency of monied corporations." *Gillett* v. *Moody*, 5 Bar. 185.

5. When a bank, formed under the provisions of that act, agreed with

one of its stockholders, that in consideration of his anticipating the payment of his bond and mortgage for $5000, given to the bank, for his stock, and surrendering his stock to them, they would transfer to him five Arkansas bonds of $1000 each, which were then worth about 18 cents on the dollar, it was held that the agreement was not void. *Ibid.* (This decision has been reversed by the Court of Appeals, 3 Coms. 479.) The provisions of the revised statutes, prohibiting the directors of a monied corporation from applying any portion of the funds of their corporation, except surplus profits, to the purchase of shares of its own stock, and declaring that no conveyance, assignment, or transfer, nor any payment made, judgment suffered, lien created, or security given by any such corporation, when insolvent or in contemplation of insolvency, with the intent to give a preference to any particular creditor, shall be valid, are applicable to associations under the general banking law. *Leavitt* v. *Blatchford*, 5 Bar. 9.

6. The act of 1838 is constitutional and valid, and it is not necessary that it should have received the vote of two-thirds of the members of each branch of the legislature as required by the provisions of the constitution of this State, in regard to the creation of corporations. *Warner* v. *Beers*, 23 Wend. 103; *Thomas* v. *Dakin*, 22 Wend. 9.

7. It seems that associations organized under that act are not *bodies politic and corporate*, in the sense in which said provisions of the constitution were intended to be understood. *People* v. *Assessors of Watertown*, 1 Hill, 616.

8. The charter of the American Insurance and Trust Company prohibits "the issue for circulation as money," of any of its own notes, in the nature of bank-notes, or certificates of deposite payable to bearer. A certificate of deposit, payable to bearer, but not adapted or intended for circulation as money, is not, it seems, within the prohibition. *Mumford* v. *American Life Ins. and Trust Co.*, 4 Coms. 465.

9. The restraining statutes of this State, it seems, are not violated by a foreign corporation, which having power to make contracts and do lawful business within this State, keeps an office in the city of New York, receives deposits of money in trust, and issues certificates therefor, payable with interest, at a specified time; nor is it a violation of those statutes to issue such certificates in exchange for bonds and mortgages received by the corporation. *Ibid.*

10. It seems that a statute incorporating a bank is in its nature a public statute, *Bank of Utica* v. *Smedes*, 3 Cowen, 662.

11. The act of April 17, 1816, providing that all bills, notes, or tickets in the form or similitude of bank bills or notes, issued by any person or persons, and made payable in the bills or current notes of any incorporated company, shall and may, in case of default in the payment of the same, according to the tenor thereof, be sued, prosecuted, and collected by and in the name of the holder or bearer thereof, &c., is a remedial law, and should be liberally construed. *Throops* v. *Cheeseman*, 16 John's R. 264.

12. Where bills in the form and similitude of bank bills are made payable in the notes current at the banks in *Albany* and *Utica*, and in cur-

rent bank bills, the statute applies, and the holder may maintain an action, after demand of payment, against the maker, and give the notes or bills in evidence under the money counts. *Ibid.*

13. The remedy given by this statute applies as well to notes issued and bearing date before, as to those issued and dated after the passing of the act. *Ibid.*

14. The act to restrain unincorporated banking associations, extends only to associations formed for banking purposes, and not to an individual who carries on banking operations alone, and on his own credit and account. *Bristol* v. *Barker*, 14 John, 205.

15. According to the act of April 10th, 1816, which provides that the Bank of Utica may establish an office of discount and deposit at *Canandaigua*, under such rules and regulations as they may prescribe, and that no notes of the Bank of Utica shall be issued at the branch bank, excepting such as shall be countersigned by the cashier, and that the same shall then be considered as payable on demand at the office of the said branch, the presentation of notes so countersigned at the branch is a pre-requisite duty on the holder before the Bank of Utica can be called upon. *Bank of Utica* v. *Magher*, 18 John's R. 344.

16. The president and cashier of the Commercial Bank of Buffalo, engaged in the establishment of a new banking institution, called the Union Bank, under the general banking law of 1838, with a view to this object, they caused to be purchased on credit stock of the State of Illinois, for which they assumed to give the security of the bank of which they were officers. *Held*, that the bank had no power to deal in State stock, and the president and cashier had none to pledge its responsibility for their individual engagement; and where the cashier afterwards in order to pay for this stock, by the assent of the president, took a large sum of money from the bank, it was *held*, that the assent of the president afforded no protection to the cashier, but both the president and cashier were liable for the money so taken. *Austin, Receiver, &c.*, v. *Daniels*, 4 Denio, 299.

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

18. The Chautauque County Bank being prohibited by its charter from purchasing or conveying real estate, except in certain specified cases, and among others "such lands as shall have been purchased at sales upon judgment, decrees, or mortgages, obtained or made for debts due the bank;" *held*, that the bank had no capacity, after the time for redeeming had expired, to purchase the interest of the judgment creditor, who by virtue of his own judgment had acquired the title of the purchaser of land sold under execution, though the bank had unsatisfied judgments against the debtor, whose lands had been sold. *Chatauque County Bank* v. *Risley*, 4 Denio, 481.

19. The provision of the act of 1840, amending the general banking law, applies to and renders illegal all promissory notes made by a banking association, unless made payable on demand and without interest, though intended to circulate as money; and a guaranty to such a note is also void. *Swift* v. *Beers*, 3 Denio, 70.

20. The provision in the act of 1837, reducing and limiting the circulation of the banks, *alters* their charters, and is inoperative and void, because it did not receive a vote of two-thirds of all the members elected to each branch of the legislature. *Commercial Bank of Buffalo* v. *Sparrow*, 2 Denio, 95.

21. The act entitled "An Act to authorize the business of Banking," passed in April, 1838, was constitutionally passed, although it did not receive the assent of two-thirds of the members of each branch of the legislature, and is a valid act. *Gifford* v. *Livingston*, 2 Denio, 380, overruling *De Bow* v. *The People*, 1 Denio, 9.

22. A note of the Utica Bank, on which was written "*countersigned O. Seymour*" is countersigned, within the meaning of the act; it is not necessary that O. S. should add to his signature his official character; the act authorizing the establishment of the branch is an extension of the original act of incorporation, and the original being a public statute, the enlarging act must necessarily be also a public statute. *Bank of Utica* v. *Magher*, 18 John's R. 344.

23. Where the charter of a bank provided that its operations of discount and deposit should be carried on in the village of Ithaca, and not elsewhere, and the cashier discounted a note in the city of New York, cancelling a debt due the bank from the person for whose benefit the discount was made, and paying him the balance in cash. *Held*, that the transaction was not a violation of the charter, and that the note was valid. *Potter* v. *Bank of Ithica*, 7 Hill, 530.

24. *Otherwise*, it seems, had it appeared that the cashier made the discount only in furtherance of the ordinary discounting operations of the bank, and the *debt* was made a mere pretext for evading the restrictions in the charter. *Ibid.*

25. Where a foreign corporation made a loan in good faith in the city of New York; *held*, not a violation of the Restraining Act, which prohibits the *keeping of an office of discount and deposit for the transaction of business*, it appearing that the transaction was an isolated one, and the corporation kept no office for banking purposes within this State. *Suydam* v. *The Morris Canal & Banking Co.*, 6 Hill, 217.

26. The supreme court has no authority for setting aside an election of directors by an association formed under the general banking law. *Matter of the Bank of Dansville*, 6 Hill, 370.

27. Where, by the act of incorporation, the legislature reserves the power of appointing one of the directors, and afterwards the attorney-general files *an information in the nature of a quo warranto* for a misuser, and the governor and senate *subsequently* appoint a director according to the act of incorporation; *held*, that this appointment is no waiver of the forfeiture. The legislature alone can waive such forfeiture. *The People* v. *Phœnix Bank*, 24 Wend. 431.

28. The act of prohibiting the carrying on of banking operations, by individuals and incorporated companies, unless specially authorized by law, does not preclude individuals or corporations, if otherwise authorized, from lending their funds by way of discount or otherwise upon promissory notes; the evil intended to be guarded against is the keeping

of an office of deposit for the purpose of carrying on banking operations. *The People* v. *Brewster*, 4 Wend. 498.

29. An incorporated company, chartered by a sister State, is within the operation of the restraining act of this State, which forbids all companies, associations, bodies corporate, or individuals carrying on banking business within this State, unless specially authorized thereunto by law. *Kean* v. *Townsend*, 7 Wend. 276.

30. A foreign incorporated company, which had violated this act was held not entitled to recover the amount of a check discounted by them. *Ibid.*

31. The act of the legislature, entitled an "act to prevent fraudulent bankruptcies, by incorporated companies, and to facilitate proceedings against them," is a valid and not an unconstitutional law, as it respects incorporations granted prior to its passage. *Bank of Columbia* v. *Attorney-General*, 3 Wend. 588.

32. A corporation created for the purpose of building the *Merchants' Exchange*, for the purpose of raising funds to complete the building, issued bonds for £225 sterling each, and some for $1000 each. The bonds were engraved or printed in the form of a single bill, under the seal of the corporation, and payable in ten years with interest half-yearly, to the obligor or his assigns. Coupons for the interest were attached to each, payable to bearer. Mortgages on the real estate were given to a trustee to secure the payment of the bonds, wherein the bonds were respectively described. *Held*, that the bonds were not within the prohibitions of the statute respecting unauthorized banking, usually denominated the *restraining act*. *Barry* v. *Merchants' Exchange Co.*, 1 Sanford Ch. 280.

33. Associations formed under the general banking law, passed April 18, 1838, are confined to the provisions of the act; and cannot be organized till all the substantial provisions of the act are complied with. Where persons intending to form an association under the act, after subscribing articles of association, elected a president and directors, and the *directors* signed and recorded a certificate, made in the form prescribed by the 16th section of the act, and proceeded to the transaction of business; *it was held*, that the certificate not being signed by the *stockholders* was not in compliance with the law, and that the association had no legal existence or capacity. *Valk* v. *Crandall*, 1 Sanford Ch. 179.

34. The stockholders owning the amount of capital stock originally subscribed and designed in the articles, subsequently signed and filed a certificate pursuant to the 16th section of the act, whereby the bank became legally constituted and authorized; but intermediate the subscribing of the first certificate and the making of the second, C. subscribed for twenty shares of stock, and he and his wife gave their bond and mortgage for the par value of the shares, payable to the president of the bank; C. did not sign the second certificate, but paid interest on his bond and mortgage half yearly, for two years ensuing. *Held*, that until the filing of the second certificate the bond and mortgage were in effect payable to a fictitious person, were without the consideration, and no person could make an available title to the same; that after the bank became

a lawful association, the stock formed a consideration, and C. had so acted in regard to it, that his redelivery of the bond and mortgage ought to be inferred; but that as to his wife, no new acknowledgment on her part being shown, the mortgage continued to be invalid. *Ibid.*

35. A bank is bound by law to accept its own bills in payment of debts. *Niagara Bank* v. *Rosevelt*, 7 Cowen, 409.

36. A depositor in an insolvent bank proceeded against under the statute (of sess. 48, ch. 325, sec. 17, April 21, 1825) is entitled to no preference over any other creditor in respect of his deposits. So the cashier and clerk have no lien upon the money in the bank for their deposits or salary. *Bruyer* v. *The Receiver of the Middle District Bank*, (Note to the opinion of J. Woodworth,) 9 Cowen, 413.

37. A set-off against a bank, where the bank stops payment, is allowable whether the debt of the bank be then payable, or become due afterwards. *Ibid.*

38. A debtor may offset bills, whether they were in his own hands or in the hands of another person for his use. *Ibid.*

39. An overdrawing is a debt due to the bank. *Ibid.*

40. An indorser to a bank has the same right to set off the bills of the bank that any other debtor has, unless it appear that he is indemnified, or that the maker is able to pay. *Ibid.*

41. Where the debtors and sureties of a bank are insolvent, the bills of the bank may be taken as a set-off at whatever time they may have been received, but they should be estimated as much below par, as the debt due is probably below its par value. *Ibid.*

42. Bills obtained by the debtors of a bank, after it has stopped payment, though before a receiver is appointed, are not admissible as a set-off. *Ibid.*

43. The directors and managers of a monied corporation are chargeable with notice of such matters relating to the ordinary business of the institution as are known to the cashier. *The New Hope and Delaware Bridge Co.* v *The Phœnix Bank*, 3 Coms. 156.

44. It is the duty of a bank, on the money being demanded upon its notes, to pay within a reasonable time, according to circumstances. *Hubbard* v. *Bank of Chenango*, 8 Cowen, 88.

45. Any sum of ordinary magnitude should be paid at least during the day of the demand, but all that can be required is that the officers of the bank be diligently employed in making payment, according to the order of time when demands are made. *Ibid.*

46. A bank cannot at its option pay out in small pieces when it has large on hand, thus creating delay; it should keep money ready counted out, or servants sufficient to count it out within a reasonable time. *Ibid.*

47. Notes and drafts not negotiable, and which for that reason cannot be used or circulated as a substitute for money, when issued by banks in the course of their business, either as evidences of indebtedness to particular individuals, or for other legitimate purposes, are clearly not within the mischiefs which the legislature intended to guard against by the prohibitory measures adopted to prevent the issuing of post-notes by

banks and banking associations. *Ontario Bank* v. *Schermerhorn*, 10 Paige, 110.

48. Where a bank is liable to pay off and discharge an incumbrance, so as to relieve the property of a third person from a sale, under a decree of foreclosure, the cashier, who is the agent of the bank, is not authorized to become the purchaser of the property on his own account, and thereby to render the bank liable to indemnify such person for the loss of his property. *Torrey* v. *Bank of Orleans*, 9 Paige, 650.

49. To authorize the bank commissioners to proceed against a bank for the forfeiture of its charter and banking privileges, it is necessary that the circulating notes presented for payment be left at the agency of the bank until the expiration of the twenty days from their first presentment for payment, or be presented a second time at or after the expiration of that period. *Bank Commissioners* v. *James Bank*, 9 Paige, 459.

50. Where the circulating notes of a banking association are not paid upon demand at the agency of such association, such holder may sue the bank or association immediately, and recover the amount due him upon the bills, together with the extra interest given by statute. *Ibid.*

But to enable the holder of circulating notes to apply to the comptroller for payment, or to subject the bank to a forfeiture of its privileges, it is not necessary that he should present such notes the second time for payment at the last moment of the business hours on the twentieth day after they were first presented, or even on that day; for a bank which is in default in not paying its bills at the agency when they are first presented, must at its peril provide its agent with funds to redeem such bills at any time when they are again presented for payment, whether at or after the end of the twenty days from their first presentment. *Ibid.*

51. The holders of the *protested* notes of an insolvent association, organized under the general banking law, are not entitled to a preference in payment out of the fund pledged in the hands of the comptroller for the payment of the circulating notes of such bank; but all the holders of such notes are entitled to participate equally and rateably in funds of the association. *Shepherd* v. *Guernsey*, 9 Paige, 358.

52. Where A. loaned his note to the City Bank of Buffalo, to be discounted in New York for the benefit of the bank, and to secure and indemnify him, the cashier of the bank sealed up a package of its bills, and left them in its vaults with other bills of the bank not put in circulation, indorsing thereon that the package was intended as such security; and no account of the transaction was made in the books of the bank, nor were the bills contained in the package charged as a part of its bills issued and in circulation; *held*, that the package continued under the absolute control of the institution, and that A. had no legal or equitable lien upon the bills contained in the package. *Davenport* v. *City Bank of Buffalo*, 9 Paige, 15.

53. Where the bills of a bank are legally pledged or hypothecated for the security of a debt, or demand due to any other person or institution, so as to entitle the pledger to hold and use such bills for his indemnity, in case the debt is not paid, such bills must be considered as issued and

in circulation within the true meaning of the statute limiting such issues, such bills being no longer under the control of the bank. *Ibid.*

54. Where a bank is primarily liable for the payment of a note discounted for its benefit, but the maker is compelled to pay it, he will have a valid claim against the funds of the bank in the hands of a receiver, as a creditor of the institution. *Ibid.*

55. Where a note is indorsed and left with a bank at its own request, the bank is liable to the owner of the note for its neglect to charge the indorser, by a regular notice of non-payment. *Bank of Utica* v. *Smedes*, 3 Cowen, 662.

56. Where two persons entered a bank, one with and the other without money, and the latter, out of the hearing of the former, informed the cashier that the money was to be deposited on his own account, this circumstance alone, without any acts or admissions of the other person confirming such an account, will not justify the cashier in carrying the money to the account of the party making the representation, and if he do so, and pay money or give credit upon the strength of such a deposit to such person, the bank must bear the loss. *Winter* v. *Bank of New York*, 2 Caines, 337.

57. Banking powers consist in the right of issuing notes, making discounts, and receiving deposits; and the business which incorporated banks may do by virtue of their acts of incorporation is prohibited to all others, unless specially authorized by law. *New York Firemen's Ins. Co.* v. *Ely*, 2 Cowen, 711.

58. The restraining act of this State is violated whenever a company or association of men *create* a fund for and actually *apply* it to the purpose of issuing notes, receiving deposits, and making discounts, without authority by law to carry on banking operations. *Ibid.*

59. But an isolated case of discounting a note by a corporation ostensibly created for the purpose of insurance, and whose funds are actively and principally employed in that manner, does not bring such note within the operation of the restraining act. *Ibid.* Per Sutherland, Justice; contra, per Ch. Justice Savage.

60. A transfer of bank stock is valid, as between the vendor and vendee, although the act of incorporation declares that no such transfer shall be valid, unless it be registered in a book kept by the company for that purpose, and that the debts due from the vendor to the corporation be first paid. *Bank of Utica* v. *Smalley*, 2 Cowen, 770.

61. This provision of the statute was intended exclusively for the benefit and protection of the bank. Their lien upon the *stock* for any debts due to them cannot be affected by a transfer of the stock, and the only notice of a transfer which they are bound to regard, is a registry of it in their books.. *Ibid.*

62. Hence the payment of dividends to the original stockholder, at any time before the assignment was registered, would probably be good. *Ib.*

63. The right of banking was formerly a common law right belonging to individuals; but since the restraining act of the legislature, it is a *franchise* derived from the legislature. *Attorney-General* v. *Utica Ins. Co.*, 2 John, Ch., 377.

64. Carrying on banking operations contrary to the statute is not such a mischief or public nuisance, that this Court would grant an injunction to restrain a party, even if it had jurisdiction over public nuisances. *Ibid.*

65. If an incorporated bank of another State lends money and takes a mortgage in this State, it is not a violation of the act passed April 21, 1818, relative to banks, &c., for restraining unincorporated associations from carrying on *banking business*. *Silver Lake Bank* v. *North*, 4 John, Ch. 370.

66. An assignment by a banking association of a security held by it of a value exceeding one thousand dollars, is not within the provisions of the Revised Statutes, prohibiting such assignment by a monied corporation without the direction of the *board of directors*. *Gillett* v. *Campbell*, 1 Denio, 520.

67. Such an association, whose charter does not provide for a board of directors, may have its business conducted by such officers as it may see fit to appoint, except that the president and cashier are to sign contracts. *Ibid.*

68. The insertion of the word "*mem*" in a check upon a bank in New York, does not affect its negotiability, or alter the right of the holder thereof to present it to the bank and demand payment immediately. And if the bank pays such a check, whereby the funds of the drawer in the bank are exhausted, the holders of other checks not so indorsed, which are presented for payment during the banking hours, on the same day, have no legal claim against the bank if their checks are not paid. *Dykers* v. *The Leather Manufacturers' Bank*, 11 Paige, 612.

69. Where a customer of a bank had given checks to different individuals for a much larger amount than his funds in the bank, and finding he could not meet them all, went to the banker and told him not to pay any of his checks until further orders, and at length drew out all of his funds for the purpose of making a rateable distribution of them among his creditors, who held his checks; *held*, that the holder of one of the checks, who had demanded payment after the drawer had given directions not to pay, and before the fund was drawn out, was not entitled to claim the amount thereof against the bank. *Ibid.*

70. The mere priority in the drawing of a check upon a bank is not sufficient to give the holder of such check a preference in the payment of the same out of the funds of the drawer over the holders of checks subsequently drawn. And the officers of a bank are not obliged to settle the conflicting claims to priority of payment of the holders of checks which in the aggregate amount to more than the funds of the drawer in the bank. *Ibid.*

71. A clerk in a bank, whose business it was to keep the ledger, into which the entries are copied from the teller's cash-book, received money from A., who was a dealer with the bank, for the purpose of having the same deposited in the bank, which he entered in the ledger, and afterwards in the dealer's bank-book, but which was not received by the teller, nor entered in his cash-book, and was supposed to be embezzled with other monies by the clerk, who had absconded; *held*, that the

clerk in making the deposit was the agent of A. and not of the bank, and that A. must be answerable for the *deficit* in the deposit. *Manhattan Co.* v. *Lydig*, 4 John's R. 377.

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

73. If a dealer with the bank send his bank-book, with the money to be deposited, and the clerk enters the amount to his credit in the bank-book, at the time the deposit is made, it is conclusive on the bank; *aliter*, if the deposit is first made, and the entry is afterwards copied from the ledger into the dealer's bank-book. *Ibid.*

74. The directors of a bank are not liable for merely *receiving* notes, and other evidences of debt, with the illegal intent mentioned in 1 R. S. 720, sec. 1, subdiv. 4, 3 ed.; but only for *receiving and discounting* them with that intent. *Gaffney* v. *Colvill*, 6 Hill, 568.

75. A bank received a note for collection, and employed a notary to attend to the business. The notary returned the note to the bank protested. The owner sued the indorser and failed, because the notice of protest was defective; he then sued the bank; *held*, that the bank were liable for the amount of the note with interest, but not for the costs and expenses of prosecuting the indorser. *Downer* v. *The Madison County Bank*, 6 Hill, 648.

76. It is doubtful whether certificates of deposit, issued by associations formed under the general banking law, are negotiable instruments enabling the indorser to bring an action upon them in his own name, and it is not certain that these associations have power to make post-notes or any negotiable notes, save such as are issued under the sanction of the comptroller. *Delafield* v. *Kinney*, 24 Wend. 345.

77. An assignment, by a depositor for the benefit of creditors, carries to the assignee all the interest of the assignor in the deposit; and notice of the assignment is necessary only to prevent the bank from paying the deposit on the checks of the assignor, or from parting with the funds on the faith of the deposit still belonging to him. *Beckwith* v. *Union Bank*, 4 Sanford, 604.

78. A. was the indorser on a bill held by the bank, and a balance of account nearly equal to the amount of the bill had been struck in his favor. He made a general assignment for the benefit of creditors; soon after which the bill fell due and was protested, and A. fixed as indorser, and the amount of the bill charged to his account on the books of the bank, the bank having received no notice of the assignment. The bank held the bill uncancelled when the notice of assignment was given; *held*, that the assignee was entitled to recover from the bank the entire amount of the deposit without any deduction for the amount of the bill. *Ibid.*

79. How far associations formed under the general banking law are authorized to issue negotiable notes and bills of exchange, without the sanction of the comptroller, for the payment of their debts, the transfer of their funds, or other purposes incidental to the general powers conferred

on them by statute; discussed and considered at length. *Safford* v. *Wyckoff*, 4 Hill, 442.

80. A negotiable draft or bill of exchange, in the ordinary form, though issued by such an association without the sanction of the comptroller, will bind the association in favor of a *bona fide* holder, even though it be signed by the cashier only. *Ibid.*

81. A negotiable instrument issued by such an association, having only an incidental right to issue such paper in special cases, must be presumed to have been legally issued until the contrary appear. *Ibid.*

82. One not occupying the position of *bona fide* holders of such paper, cannot bind the association upon it, if it appear that the draft or bill was issued by way of loan, or for the purpose of being put in circulation as money; and a party cannot be called a *bona fide* holder, when there is enough upon the face of the instrument to put the party taking it upon enquiry concerning it, or to induce a suspicion that it was issued contrary to law. *Ibid.*

83. Associations formed under the general banking law are like other stock and monied corporations, liable to taxation on their capital. And in ascertaining the sum to be inserted in the assessment roll, no regard is to be had to losses or accumulations of stock, in the course of business, but only to the stock paid in, or secured to be paid in, after deducting expenditures for real estate, and such part of the stock as the statute exempts from taxation. *The People* v. *Supervisors of Niagara*, 4 Hill, 20; *Ontario Bank* v. *Bunnell*, 10 Wend. 186.

84. To entitle a corporation to have its name stricken from the assessment roll, pursuant to 1 R. S. 416, sec. 9, the affidavit presented to the board of supervisors must show that it is not in the receipt of *any profits* or income; an affidavit showing merely that it is not in the receipt of any *net* income or profits is insufficient. *Ibid.*

85. A banking association formed under the general banking law may divide its business into several separate and distinct departments, and constitute a board of directors for each department; or may entrust to a separate committee of the directors the exclusive charge of each department, clothing that committee with all the powers of the board in relation to the business which its department embraces. *Palmer* v. *Yates*, 3 Sanford, 137.

86. The act *to authorize the business of banking*, passed in 1838, enabled any number of persons to associate and establish banks of discount, deposit, and circulation upon the terms prescribed therein. The capital was not to be less than $100,000. A certificate was to be filed by the associates, specifying, among other things, the amount of the capital stock, and the number of shares, the names, residences, and number of shares held by the associates respectively. The shareholders, unless by express stipulation in their articles, were not to be individually liable for the debts of the association. Under this law, a banking company was organized by whose articles it was provided that the capital stock of the company should be $1,000,000, but business might be commenced when the stock paid in should amount to $100,000. The whole stock was divided into ten thousand shares. It was also provided, that

if any shareholder should omit to pay any instalment on his shares pursuant to any call of the directors he should forfeit his shares to the company with all that he had previously paid on them. The shareholders were not to be personally liable for the debts of the association. The original associates, of whom D. was one, signed for 4,835 shares, on which more than $100,000 was paid in, and the bank commenced business. All the associates signed a paper by which they agreed to take the number of shares set opposite their respective names, as shareholders, and mutually bound themselves to fulfil all engagements contained in the articles. D. subscribed for twenty-five shares. *Held*, that he was liable to pay the whole amount of stock which he subscribed; and that the authority to forfeit the stock for non-payment of instalments called in was a cumulative remedy, and did not affect the direct liability by force of the subscription. *Sagory* v. *Dubois*, 3 San. Ch. 466.

87. The terms "subscribe for" and "agree to take" in instruments of subscription for shares in a bank considered and commented on. *Ibid.*

88. Where a banking association made several calls upon its stockholders for the payment of their shares, and declared dividends, and in several instances appropriated those dividends to meet such calls, and made one dividend not authorized by the situation of the company, and in violation of the general banking law; and after the shares had been called in to about half their nominal amount. the directors gave no notice that they should make no more calls, and discontinued the business of banking, the company soon after becoming insolvent, and a receiver of its property and effects being appointed; *held*, that a stockholder, who had become liable to pay up his shares in their full nominal amount, by the call of the directors, might be compelled by the receiver to pay the same, although the directors had passed no resolution requiring such payment; that the resolution that no further calls should be made was void as to the receiver, and that the unauthorized dividend was not a payment of these shares, but that they were still due and payable. *Ibid.*

89. A board of directors of a bank have no authority to pass a resolution excluding one of their members from inspecting the books of the bank, although they believe him to be hostile to the interests of the institution; and where a cashier had refused such inspection, and his conduct had been approved by a resolution of the board; *held*, that a *mandamus* lay commanding the cashier to submit the book to the inspection of the member. *The Pelope* v. *Throop*, 12 Wend. 183.

90. Where money is paid into a bank, and passed generally to the credit of the owner, and is not placed or received as a special deposit, the bank do not hold the money as bailees, the relation of debtor and creditor is created, and the money may be applied by the bank to the payment of any demand they may have against the depositor. *Albany Commercial Bank* v. *Hughes*, 17 Wend. 94.

91. The bank will be liable, if the money be lost, although without any fault on the part of the bank, if it be not a creditor of the depositor. *Ibid.*

92. Where the holder of bank bills cuts them in two for the purpose of safe transmission by mail, and only one set of the halves came safe to

hand, the holder is entitled to recover of the bank the amount of the bills, it appearing that the bills were actually mailed. *Hinsdale* v. *Bank of Orange*, 6 Wend. 378.

93. Two incorporated companies may unite in an action of assumpsit to recover money deposited in a bank in their joint names; though it seems that corporations cannot consolidate their funds, or form a partnership, unless they are authorized by express grant or necessary implication. *Sharon Canal Co.* v. *The Fulton Bank*, 7 Wend. 412.

94. A monied corporation having power to convey real estate, may mortgage the same as security for the payment of its debts. It seems that authority to such a corporation to take real estate in payment of its debts, involves the power of subsequently selling and conveying the same. *Jackson* v. *Brown*, 5 Wend. 590.

95. Where the Bank of the State of New York received during a certain week $56,526 of the notes of the Bank of Buffalo, and the clerks of the former bank swore positively to having counted that amount, done them up in small parcels, marked each parcel, making a list, and then having bundled and sealed them up; and the parcel, with its contents, went safely to the Bank of Buffalo; the cashier and a clerk of which deposed positively that there was a deficiency in the parcel to the amount of $2,000; that they had counted the notes contained therein when opened, and also that while so counting none were purloined, mislaid, or overlooked, the manner of counting being also explained; *the court held*, that the Bank of the State of New York should make up to the Bank of Buffalo the deficiency of $2,000—but decreed that each bank should pay its own costs of suit. *Commercial Bank of Buffalo* v. *Bank of the State of New York*, 4 Edward's Ch. 32.

96. The president of a bank, organized under the act of 1838, is the proper person to assign its mortgages, and he may use his own seal in making such assignments. A bond and mortgage given for stock subscribed to organize a bank under the act, are valid when the articles provided for that mode of paying or securing the stock. *Valk* v. *Crandall*, 1 Sanford Ch. 179.

97. A banking association organized under the general banking law, after a copy of a creditor's bill and notice of application for a receiver had been served on its president, and after the motion had been made and a receiver ordered, assigned a portion of its real and personal estate to a person who then was, or shortly before had been, a stockholder, to indemnify him and other stockholders against a precedent liability incurred in behalf of the bank; the assignment was held to be invalid by the 8th and 9th sections of the Title of the R. S. relative to *monied corporations;* also *held*, that it was void, because a fraud upon the process and proceedings of the court of chancery. *Leavitt* v. *Tyler*, 1 Sanford Ch. 207.

98. Where a note left by the holder with a bank for collection is sent by that bank to another to be collected or returned, the latter bank, if it has express notice that the bank from which it received the note is not the owner, or if its officers receive intimations of that fact sufficient to put them upon inquiry, cannot retain the proceeds of the note for a bal-

ance due to such bank from the bank transmitting the note, especially in the absence of any express agreement that such bank should have a lien upon the notes sent to it by the other bank for collection. *Van Amee* v. *Bank of Troy*, 8 Bar. 312.

99. Unless the bank to which the note is sent is in a condition to insist upon its legal rights, on the ground that it is a *bona fide* holder, without notice of ownership, *it seems* that such bank may be treated by the owner as his *agent*. *Ibid.*

100. For the negligence of a bank in transacting business intrusted to it by another bank, with which the latter is also intrusted by a third party, both banks are jointly liable to the principal, both being guilty of the same negligence, at the same time and under the same circumstances —the one in fact, and the other constructively through its *agent*. *Montgomery Co. Bank* v. *Albany City Bank*, 8 Bar. 396.

101. Where a banking association, being in embarrassed circumstances, authorized its president and cashier to procure funds to enable the bank to redeem its circulating notes, and they purchased a large amount of the State stocks with what purported to be the notes of the bank, signed by the president and cashier, and payable at future periods, which stocks were applied to the use of the bank; but the notes being protested for non-payment, the president on being applied to paid them; *held*, that the president had a valid claim against the bank for the amount so paid by him, and that upon the failure of the bank he was entitled to come in as a creditor, and have his claim allowed by the receiver. *Bank Commissioners* v. *The St. Lawrence Bank*, 8 Bar. 436.

102. Where money was demanded at the Chenango Bank upon their bills, and the holder of the bills attended during the day to receive it, and it was not paid because the teller was engaged in counting out specie to another man who had made a similar demand during the whole of the banking hours; *it was held*, that there was unreasonable delay, which amounted to a refusal to pay, and that by such refusal the bank incurred the penalty of 14 per cent. until tender, under the 10th. sec. of the act of its incorporation. *Hubbard* v. *Bank of Chenango*, 8 Cowen, 88.

103. Under that section, a tender of money, though at the banking house, without notice to the creditor, will prevent the running of the 14 *per cent.* But this tender must be not only of the principal sum, but of the 14 per cent. intermediate the time of refusal and tender. *Ibid.*

104. But the tender, to avoid the running of *ten* per cent. after refusal of payment, within the general statute, must be personal. A tender of money due on bank-notes, must, at the common law, be personal; a tender at the counter of the bank, the creditor not being present, is insufficient. It must be before suit brought, though it may be after the creditor has directed a suit to be commenced. *Ibid.*

105. Where a bank, by its authorized agents or officers, makes loans or discounts to its directors, or any of them, or upon paper upon which they are responsible to an amount exceeding one-third of the capital of the bank, it is such a violation of the statute as will authorize the court of chancery to grant an injunction, appoint a receiver to wind

up its concerns, and decree its dissolution. *Bank Comm'rs* v. *Bank of Buffalo*, 6 Paige, 497.

106. All loans and discounts made by the officers of the bank from its funds, must be presumed to have been made by the authority of the directors, unless they show that the funds of the bank constituting such loans have been improperly appropriated for that purpose, in such a manner as to make the officers guilty of fraud or embezzlement. And where the officers of the bank have been guilty of a fraud by violating the charter against the positive instructions of the directors or otherwise, if the directors neglect to remove such officers and continue to intrust them with the bank funds, they will be considered as sanctioning the fraudulent act. *Ibid.*

107. A neglect, by the officers, to inform themselves of the amount loaned to directors cannot justify a violation of a positive law of the State which it is their duty to know and conform to. *Ibid.*

108. The refusal by a bank to pay one of its drafts which had been protested for non-payment, and a continuance of the banking business for more than ten days after such refusal, without paying the draft within that time, will authorize a dissolution of the corporation. *Ibid.*

109. But where the officers of a bank refuse to pay an evidence of debt, which they have probable cause to believe is not due from the bank, a continuance of the banking operations beyond ten days thereafter, will not subject the corporation to a loss of its charter, though it should afterwards appear that the officers were mistaken. *Ibid.*

110. It is improper, and a violation of duty, for the directors of a bank to give any of its officers an unlimited discretion to make discounts, and to loan the funds of the institution without the previous sanction of the board of directors. *Ibid.*

111. One bank is not authorized to borrow the bills of another bank, for the purpose of circulation, upon the security of a deposit of its own bills, under an agreement that the former shall furnish funds to the latter to redeem the borrowed bills, as they shall be returned to the lending bank for payment. *Ibid.*

112. Where the president of a bank had hypothecated his stock to secure the repayment of a loan to himself, and in order to redeem his stock afterwards took from the funds of the bank a sum of money, without the knowledge or authority of the board of directors, which he offered to the mortgagee in payment of the debt; *held*, that the president had no right thus to take or apply the funds of the bank, and if he had actually delivered them to the mortgagee in payment of his private loan, he would have rendered himself liable to criminal prosecution under the act of 1819. *Reed* v. *Bank of Newburgh*, 6 Paige, 337.

113. And had the mortgagee taken the money offered him, knowing the manner in which it was obtained, he would have been a participator in the fraud and felony of the president, and could have been compelled to refund the money thus received. *Ibid.*

114. A stockholder who has given another a proxy to vote upon his stock, even for a valuable consideration, is justifiable in revoking the proxy when it is about to be used for a fraudulent purpose. *Ibid.*

115. An act incorporating a bank, which gives power to the president and directors, by rules and by-laws, to direct and prescribe the disposition and management of the stock, monies, property, and estate of the corporation, and to prescribe the duties of its officers, grants no authority whereby the interest of third persons can be effected, or their just claims defeated by the operation of a by-law. *Mechanics and Farmers' Bank* v. *Smith*, 19 John's R. 120.

116. Hence a rule or by-law of a bank, that all payments made and received must be examined at the time, does not prevent a party dealing with the bank from showing afterwards that there was a mistake in his account of deposits and receipts. *Ibid.*

117. An entry by a teller or clerk of a bank in the bank-book of a dealer, of the amount of a deposit, being only the act of the agent of the bank, and not of both parties, is not conclusive. If, therefore, the dealer can afterwards prove that there was a mistake in the entry, he may recover in an action for money had, and receive the sum not credited. *Ibid.*

118. Where the cashier of a bank assigns a certificate of sale, owned by the bank, affixing to the assignment the corporate seal, his authority to do so will be presumed till the contrary appears; and the presumption of authority, on the part of the cashier, will not be overcome by evidence that the board of directors had passed no resolution on the subject. *Bank of Vergennes* v. *Warren*, 7 Hill, 91.

119. In declaring on the 1st and 2d section of the statute against unlicensed banking, it is not necessary for the declaration to use the words, "*contrary to the statute in such cases made and provided;*" it is sufficient if the act be set forth so far as it relates to the offence charged; and then the offence be set forth according to the statute, averring that, by force of the statute, the defendant forfeited, &c. *The People* v. *Bartow*, 6 Cowen, 290.

120. An individual keeping an office of deposit, for the purpose of discounting notes alone, or for the purpose of any single banking operation, is within the act. *Ibid.*

121. A declaration, under the act, that the defendant kept an office of deposit, for the purpose of carrying on banking operations, without saying what, is too general. *Ibid.*

122. Where a bill had been filed by the bank commissioners, previous to the abolition of that office, against an insolvent bank for the appointment of a receiver to close its concerns, and a final decree had been made, appointing such receiver, and perpetually enjoining the bank and its officers from using its rights and privileges, which were declared forfeited, and an order had been made requiring the creditors of the bank to present their claims to the receiver for adjustment; *it was held*, that after the office of bank commissioner had been abolished, the court had power to revive the suit upon a proper bill, filed for that purpose by any person interested in such revival, or if the interests of the people of the State required it, upon the application of the attorney-general. *In the matter of the Receiver of the City Bank of Buffalo*, 10 Paige, 378.

123. *Held*, also, that the nominal complaints in this case, being no

longer in existence, their right to continue the proceedings had not devolved upon any other persons, or officers representing the same rights, and the whole object of the suit having been attained, by placing the funds of the bank in the hands of the receiver, all that was necessary was to direct that an order be entered, that the master proceed upon the reference, to ascertain and determine the validity of the claims which had been presented to the receiver and disallowed. *Ibid.*

124. A count, in a declaration, setting forth the neglect of a bank to charge an indorser of a note, deposited with it, by a regular notice of non-payment, is good as a count for miseasance; the receipt of the note, and a neglect on the part of the bank to perform its undertaking, being properly a mismanagement of the business undertaken. *Bank of Utica* v. *Smedes*, 3 Cowen, 662.

125. Upon an application for the appointment of a receiver of the property and effects of a bank which has violated its charter, the chancellor in his discretion, and with the assent of the bank commissioners, may dissolve a temporary injunction, and permit the bank to resume its business, if the institution is solvent, and the integrity of its officers unimpeached, and it appears that its business may be resumed and continued without injury to the public, and with safety to its creditors and stockholders. *Bank Comm'rs.* v. *Bank of Buffalo*, 6 Paige, 498.

126. Upon an application, by the bank commissioners, for an injunction against a corporation which has violated its charter, it is not necessary for them to state in their petition that all the commissioners met and consulted respecting the propriety of making the application; it will suffice if the petition be presented in the name of all the commissioners by their solicitor. *Ibid.*

127. It is doubtful whether a court can exercise a discretionary power as to dissolving a temporary injunction, without the consent of the bank commissioners, where the fact of a violation of the charter of the bank is established. *Ibid.*

128. When a teller or clerk of a bank is called as a witness for the party to prove the correctness of his entry, he may be asked on his cross-examination, whether he was not in the habit of making mistakes as such teller, for the jury are to judge of the relative credibility of witnesses. *Mechanics and Farmers' Bank* v. *Smith*, 19 John R. 115.

129. The act incorporating the Chenango Bank directs that all the parties, whether makers, indorsers, or guarantors of any note or bill discounted at the bank, shall be sued *jointly*, so that only one bill of costs shall be charged on one note. *Held*, that a declaration against the maker and indorser of a note jointly, as if they were the joint makers. was good, and the note might be given in evidence under such a count, *Bank of Chenango* v. *Curtiss*, 19 John, 326.

130. Where a bank receives money on deposit in the ordinary way from one of its customers, the customer cannot maintain an action against the bank without a previous demand, either by check or otherwise; and the fact that the action is brought for a balance struck in the customer's bank-book, by one of the clerks of the bank, does not vary

the rule. Per Bronson J., Cowen J. dissenting. *Downes* v. *The Phœnix Bank of Charleston*, 6 Hill, 297.

131. Where a stockholder of a bank sues for a violation of the statute to "*prevent the insolvency of monied corporations*," he need not join all the directors who participated in the act charged, but may proceed against them separately; but if the suit is brought against one of the directors, and the act charged is such as could not have been done by him alone, but only by the board, the declaration must show that they had part in it. *Gafney* v. *Colvill*, 6 Hill, 570.

132. The declaration must allege that the act complained of on the part of the directors was *done by them;* an allegation that they caused or procured it to be done, or that they authorized or permitted the cashier to do it, will not be sufficient. *Ibid.*

133. Where it is alleged that the directors "did divide, withdraw, and pay to the stockholders a portion of the capital stock," the count is not bad for duplicity, though it add that thereby the capital stock was reduced without the consent of the legislature; but a count which charges the directors with all the acts prohibited (by 1 *Revised Statutes*, 720, sec. 1, 3 ed.,) is bad for duplicity. *Ibid.*

134. Where the count charges that the directors received the shares of the capital stock of another corporation in exchange for the notes of their own bank, it must also add that the exchange was made on account of the bank. *Ibid.*

135. A count which charges the illegal receiving and discounting of notes or other evidences of debt, at various times during a specified period, contrary to the fourth subdivision of section first, is good, though it omit to describe the notes thus received and discounted. *Ibid.*

136. Where a stockholder sues, it is a sufficient averment of *loss* to entitle him to maintain his action, to set forth the act complained of, and allege that *by reason thereof the plaintiff's stock became depreciated in value.* *Ibid.*

137. A declaration commenced thus: "B. complains of C., the president of the St. Lawrence Bank, a banking association organized under the act passed April 18th, 1838, to authorize the business of banking," and then proceeded to allege that the *defendants* became indebted, promised to pay, &c., but afterwards refused; *held*, that this was a declaration against H. individually and not against the bank, the words added to H.'s name being merely *descriptio personæ;* but otherwise, had the declaration alleged that the *bank* became indebted, promised to pay, &c. *The Ogdensburg Bank* v. *Van Rensselaer, &c.*, 6 Hill, 240; *Delafield* v. *Kinney*, 24 Wend. 345.

138. Where an action is brought on a bill by one who describes himself as president of a banking association, a plea in bar that the act under which the association was formed was not passed by a vote of two-thirds of the members of the legislature, is bad, where the plaintiff has failed to allege title to the bill, and the declaration, besides the count on the bill, contains the *common counts.* *Hunt* v. *Van Alstyne*, 25 Wend. 605.

139. Prior to the Revised Statutes, in a suit by a corporation, it was

necessary for the plaintiffs, where the general issue was pleaded, to prove themselves a body corporate. *Williams* v. *Bank of Michigan*, 7 Wend. 539.

140. A corporation may be proved by an exemplification, or an admission of the act of incorporation and acts of user under it; and the acts and admissions of a party, such as serving as president of the corporation and giving a note to it in its corporate name, are *prima facie* evidence of user. *Ibid.*

141. But the fact that a contract is made with a joint-stock company, designating it as an incorporated company, for example, as "The President, Directors, and Company of the Bank of Michigan," does not dispense with proof that the company is a corporate body, unless the contract itself expressly states that the company is an incorporated company. *Ibid.*

142. But after judgment in favor of such a company, it is too late for the defendants to deny the existence of the corporate body. *Ibid.*

143. A banking association, formed under the general banking law, (*April* 18, 1838,) can be proceeded against and dissolved in chancery, only for the causes stated in the 27th sec. of the act. Discontinuance of business, reputed insolvency, notes outstanding and unpaid, notes protested in the hands of the comptroller, non-payment of rent, are not grounds on which chancery can interfere and grant a receiver of a banking association, on the application of a simple contract creditor, whose remedy is at law. *Parmly* v. *The Tenth Ward Bank*, 3 Edward's, Ch. 395.

144. The receivers or assignees of a bank may sue on a note belonging to the bank, and indorsed in blank, in their own proper names, as indorsers, without specifying their character as receivers or assignees. *Haxtun* v. *Bishop*, 3 Wend. 13.

145. In an action by the receivers of the bank appointed pursuant to the act to prevent fraudulent bankruptcies, to recover the amount of a note discounted by the bank, but falling due after the appointment of the receivers, bank-notes of the same bank of which the defendant became the holder before the note became due, cannot be allowed as a set-off to the plaintiff's demand, although the defendant makes a tender of the bills in payment of his note on the day it fell due. *Ibid.*

146. Receivers are trustees, not for the bank, but for the creditors of the bank. Their appointment, and the possession by them of the note, is a transfer and assignment to them of the note for the benefit of creditors, and against a note thus transferred before maturity, bank-notes in the hands of a debtor of the bank cannot be set off. *Ibid.*

147. Where proceedings are instituted against a bank, pursuant to the act to prevent the bankruptcies of incorporated companies, &c., and the bill filed by way of information sets forth facts and circumstances and expresses a belief in the truth of those facts, and they are such as to raise a fair presumption that the bank is insolvent, and are not contradicted or explained by the bank, on a motion for the appointment of a receiver, after due notice the fact of insolvency will be taken as proved

within the meaning of the statute. *Bank of Columbia* v. *Attorney-General*, 3 Wend. 588.

148. Where a bank was wound up by the court of chancery, but not on the ground of insolvency, interest was allowed on the notes of the bank from the day of demand, out of the surplus effects in the hands of a receiver. *Bank Commissioners* v. *Lafayette Bank*, 4 Edwards' Ch. 287.

II. Promissory Notes and Bills of Exchange.

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12. Rights and Liabilities of the Different Parties. 1. In General—2. Of Indorsers, Guarantors, and Sureties.
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14. Pleading and Evidence.
15. Payment.
16. Damages.

1. *General Requisites.*

1. The essential qualities of a promissory note or bill of exchange are, that it be payable at all events, and not dependent upon any contingency—that payment be not limited to any particular fund—that it be for the payment of money only, and not for the performance of any other act. *Cook* v. *Satterlee*, 6 Cowen, 108.

2. To constitute a note within the statute, the payee must be specified, or it must be payable to bearer. *Douglas* v. *Wilkinson*, 6 Wend. 639.

3. A promissory note is perfect without date or time of payment specified. *Mitchell* v. *Culm*, 7 Cowen, 336.

4. A note payable in Pennsylvania or New York paper money, "*to be current in either of those States*," is not a promissory note for the payment of money within the statute. *Lieber* v. *Goodrich*, 5 Cowen, 186.

5. A note payable to A., or bearer, in York State bills or specie, is a

negotiable promissory note under the statute. *Kieth* v. *Jones*, 9 Johnson R. 120.

6. Also, one payable "*in bank-notes current in the city of New York.*" *Judah* v. *Harris*, 19 Johnson R. 145.

7. An agreement in writing, whereby one promised to pay another a sum of money on demand, with interest, but no demand was to be made so long as the interest was paid, is not a promissory note. *Seacord* v. *Burling*, 5 Denio, 444.

8. A note made payable here in Canada money, is not a negotiable promissory note within the statute. *Thompson* v. *Sloan*, 23 Wendell, 71.

9. Due L., or bearer, $325, payable on demand, is a promissory note within the statute. *Kimbal* v. *Huntington*, 10 Wendell, 675.

See Validity, Construction, and Actions on Bills and Notes.

2. *Validity.*

1. A note has no legal inception till delivered to some person as evidence of a subsisting demand. *Marvin* v. *M'Cullum*, 20 Johnson R. 288.

2. A note which has no legal existence till discounted, but depends upon a valid discount for its life, and is discounted at an usurious rate, is void, and that too without regard to knowledge in the person discounting or in any subsequent holder. *Powel* v. *Waters*, 8 Cowen, 669.

3. A request to pay the amount of a promissory note written on the same paper is valid as a bill of exchange, and the drawee after acceptance is liable. *Leonard* v. *Mason*, 1 Wendell, 522.

4. The draft of a city upon its treasurer, payable to A., or order, though it add a direction to pay out of a particular fund, is valid as a bill of exchange, and is negotiable. *Kelly* v. *The Mayor, &c., of Brooklyn*, 4 Hill, 263.

5. Where the maker of a promissory note at the time of its execution makes an indorsement on the back of it, stating that it is to be paid or negotiated only upon a certain contingency; *held*, that the indorsement did not affect its validity or negotiability within the statute; its only effect being to give notice to the party taking it of the consideration. *Tappan* v. *Ely*, 15 Wendell, 363; 8 Johnson R. 379.

6. A debtor on settlement gives his note for a balance of $334. That sum is written in figures at the top, while in the body of the note only *three hundred* is written. It does not affect the validity of the note, if the holder, without any express authority, carries out the original intention of the parties, by inserting the words "*thirty-four.*" *Clute* v. *Small*, 17 Wend. 238.

7. An alteration of a note by the payee, in respect of place of payment, invalidates it in the hands of an indorsee, so that he cannot recover in an action against the maker. *Green* v. *Fuller*, 24 Wendell, 374.

8. Any material alteration of a note, without authority, makes it void in the hands of a *bona fide* holder. *Bunce* v. *Wescott*, 3 Bar. 374.

9. The insertion of words of negotiability, after the payer's name, in a

note not negotiable, is a material alteration, and the maker may show that it was done without his authority, though a blank had been left after the name of the payer. *Ibid.*

10. A., with others as his sureties, made his promissory note payable to B., who afterwards, with the assent of A., erased the name of one of the sureties; *held*, that the note was valid as against A., notwithstanding the erasure. *The People* v. *Call*, 1 Denio, 120.

11. A note given for land held adversely, is not void by statute. *Nallett* v. *Parker*, 6 Wendell, 625.

12. A note given to an incorporated company, for stock, is valid in the hands of an indorsee, without notice, notwithstanding the statute forbids directors of such companies to receive a note in payment of an instalment actually called in and required to be paid; unless it be *affirmatively shown* that the note was given for such stock. *Willmarth* v. *Crawford*, 10 Wendell, 341.

13. A note discounted for money lent, by an insurance company, in violation of the restraining act, is void; but the contract of loan is valid, and the money may be recovered back. *Utica Insurance Co.* v. *Kip*, 8 Cowen, 20.

14. A note to which a person's name is signed as surety, under a power of attorney, some time subsequent to the execution of the note by the principal; the power of attorney describing the note correctly, as to date of payment, sum, and parties, though it omit to state that the note bears interest, is valid, and binding upon the surety. *Bank of Cape Fear* v. *Gomez*, 6 Cowen, 434.

15. A promissory note given for pews, followed by possession on the part of the vendee, is valid, and cannot be avoided, though the vendor refuse to give a formal conveyance. *Freliegn* v. *Platt*, 5 Cowen, 494.

16. Where A., as administrator of B., executed a note to C., whereby he promised to pay C. a certain amount, received by *B. and his heirs*, on demand, with interest till paid, the note was held void for want of consideration. *Ten Eyck* v. *Vanderpoel*, 8 Johnson R. 93.

17. A mere moral or conscientious obligation, unconnected with a prior legal or equitable claim, is not sufficient to render a note valid. *Ehlie* v. *Judson*, 24 Wendell, 97.

18. A note given by a member of a benevolent society for his initiation fee and quarterly dues, cannot be the ground of an action at law. *Nash* v. *Russell*, 5 Bar. 586.

19. Where the consideration of a note is illegal, unconscientious, or against public policy, the note is void. *Jones* v. *Caswell*, 3 Johnson's Cases, 29; *Lansing* v. *Lansing*, 8 Johnson R. 354.

20. Where J. had obtained a judgment against A., and A's. land was advertised for sale, on an execution issued upon such judgment, and C., who had purchased the land of A. subsequent to the judgment, but without knowledge of it, agreed with J., who was at the sale, that if he would not bid against him, he would pay J. the amount of the execution, and give his note for $150 besides, which was accordingly done; *held*, that the note was not valid, the consideration being unconscientious, and contrary to sound policy. *Ibid.*

21. Where a note was given in consideration of the payer's transferring to the maker a *bargain* for the purchase of property, no valid agreement having been made by the owner of the property to transfer it, and the negotiation respecting it having been made without any request from the maker of the note, the note is void for want of consideration. *Ehlie* v. *Judson*, 24 Wendell, 97.

22. Where a note is indorsed for the accommodation of the maker, without any restriction as to the purpose to which it is to be applied, the maker has a right to appropriate it to any purpose which he may deem for his own interest; and having appropriated it to the payment of a note, held against him by third parties, the consideration was held sufficient to render it valid in the hands of those parties. *Seneca County Bank* v. *Neass*, 3 Comstock, 442.

23. A draft issued by a banking institution, payable at a future day, when the issuing of such paper is prohibited by statute, is utterly void, and no person can give validity to it by any act, or in any place. *Bank of Chillicothe* v. *Dodge*, 9 Barbour, 235.

24. A draft, issued by a corporation having no express power by their charter to issue such paper, and not within the scope of their legitimate business, is void even in the hands of a *bona fide* holder. *Halsted* v. *The Mayor, &c., of New York*, 5 Bar. 218.

25. A note given by a mortgagor to the holder of the mortgage as a consideration for putting off the sale under a decree of foreclosure, is void. *Schropper* v. *Shaw*, 5 Bar. 580.

26. A note made in France, but payable in this country, is valid, though not stamped according to the laws of France. *Ludlow* v. *Van Rensellaer*, 1 Johnson R. 94.

27. A promissory note given for the loan of bills or notes, issued by the city of Rochester, without authority and in violation of its charter, was *held* valid in the hands of a *bona fide* holder. *Rockwell* v. *Charles*, 2 Hill, 499.

28. Where one's signature to a note, as surety, is obtained by fraud and false pretences, the note is void in the hands of one who gave no consideration for it; and in such a case it cannot be said that one has given consideration for a note, where he has only given credit for the note on a paper which is worthless. *Stewart* v. *Small*, 2 Bar. 560.

29. A note given by a debtor to induce one to withdraw his opposition to the debtor's discharge under the insolvent law, is void. *Wiggin* v. *Bush*, 12 John. R. 306.

30. A note, given by a debtor with a blank for the date, on consideration of the payer's signing the debtor's petition for discharge under the insolvent act, and to be filled up after his discharge, is void. *Payne* v. *Eden*, 3 Caines R. 212.

31. And though the insolvent have a sufficient number of signers to his petition without the payer, and subsequently to the filling up of the blank, promises to pay the note, the defect in the original consideration is not cured; being void in its creation, no subsequent promise can set it up. *Ibid.*

Such a note indorsed to a third person for the benefit of some relative

of the indorser is open to the same objections in the hands of the indorsee that it would be in the hands of the indorser. *Ibid.*

32. A note payable in "neat cattle" is not a promissory note, under the statute. *Jerome* v. *Whitney*, 7 John. R. 32.

33. A note made by the defendant, whereby he promised to pay the president, &c., of a certain company the sum of $125, in such manner, proportion, and at such time as said president, &c., should direct, is a valid promissory note, and may be declared on as such though it has not the words, "or order," "or bearer." *Goshen Turnpike Co.* v. *Hurtin*, 9 John R. 217.

34. If a bill is valid, as between the payee and the acceptor, no after transactions with another person can, as respects those parties, invalidate it; but a bill made for the purpose of raising money, and discounted at a higher premium than the legal rate of interest, and where none of the parties whose names appear on it could maintain an action upon it if it had not been discounted, is usurious and void. *Munn* v. *Commission Co.*, 15 John R. 44.

35. Negotiable bills of exchange, especially those payable at a future day, answer the purposes of a circulating medium, and as such are within the restriction of the general banking law, against the issuing of unauthorized paper. *Smith* v. *Strong*, 2 Hill, 241.

See Construction and General Requisites.

3. *Consideration.*

1. Every promissory note within the statute imports a consideration, unless the contrary appears upon the face of the note itself. *Goshen Turnpike Co.* v. *Hurtin*, 9 Johnson, 217.

2. The consideration of a note must be legal, conscientious, and not against public policy. *Jones* v. *Caswell*, 3 Johnson's Cases, 29.

3. It must be valuable, the ground of a legal or equitable claim, or connected with such a claim, a mere moral obligation is not sufficient. *Ehlie* v. *Judson*, 24 Wendell, 97; *Nash* v. *Russell*, 5 Bar. 556.

4. (*In Equity.*) Where one person gives his note to another in exchange for the note of a third person of equal amount, this is a good consideration for the transfer, as between the parties, and one who takes a note in this manner, without notice of any circumstances constituting a defence thereto, will be considered a *bona fide* holder. The character of *bona fide* holder attaches when one takes a note without notice of any defences to it, and for a valuable consideration, and any subsequent notice cannot affect the character of the paper in his hands. *Mickles* v. *Colvin*, 4 Barbour, S. C. R. 313.

5. Where a note was made payable to order, and the payee made a special indorsement, whereby he was not to be made liable, and also declaring that he did not know on what consideration the note was given, (it having been taken by his partner,) in an action by the indorsee against the maker, it was *held*, that such a special indorsement did not make it necessary for the plaintiff to prove that he gave a consideration for the note, nor did it authorize the defendant to impeach the

note for want of consideration or for fraud. *Russell* v. *Ball*, 2 Johnson R. 50.

6. C. and F., with others, subscribed an agreement with the Croton Insurance Company, by which, after stating that it was expedient to increase the subscription notes of the company, they undertook to give their promissory notes for the amount set opposite their names respectively, for the protection of persons insured, and to encourage others to do their business with the company, which notes were to be in advance for account of premiums to the extent of those sums in policies, which they agreed to take of the company thereafter. In pursuance of this agreement, C. and F. gave their notes for $5,000. Though they took no policies after the making of the notes, the consideration of the latter was held sufficient. *Brown* v. *Crooks*, 4 Coms. 51.

7. As between the original parties the consideration may be inquired into, and if a want of consideration is shown, the note cannot be enforced. *Schoonmaker* v. *Dewitt*, 17 Johnson R. 304; *Bank of Troy* v. *Topping*, 9 Wend. 273.

8. A total failure of consideration may be given in evidence under the general issue without notice; but a partial failure cannot without special notice. *The People* v. *Niagara Common Pleas*, 12 Wend. 247; *Paine* v. *Cutler*, 13 Wend. 606.

9. A partial failure may be shown to reduce the plaintiff's recovery. *Spaulding* v. *Vanderhook*, 2 Wend. 431.

10. In case of a note given by administrators for the debt of their intestater, if it be not shown that forbearance was the consideration, the court will not infer that such was the consideration, from the fact that the note was made payable at a certain time. *Bank of Troy* v. *Topping*, 9 Wend. 273.

11. In an action by a *bona fide* holder of a note, taken before due, against the maker, the consideration cannot be inquired into, unless the note be void in its creation. *Baker* v. *Arnold*, 3 Caines, 279.

12. A note was given by a member of a benevolent society for his initiation fee and quarterly dues; *held*, that it was not given upon a sufficient consideration to form the ground of an action. *Nash* v. *Russell*, 5 Bar. 556.

See Validity and Liabilities, &c.

4. *Construction.*

1. In the construction of negotiable paper, courts look at the substance and meaning of the instrument, and if possible give effect to the *intent* of the parties. *Willis* v. *Green*, 10 Wend. 516.

2. A note, whereby A. promises to pay B. to the order of C., is a note payable to the order of C. and designates B. as the one for whose benefit it was made. *Ibid.*

3. When the payer of an accommodation note declines to indorse for the whole amount, but agrees to indorse for a less amount, and does so, such a note is, in legal effect, a note for the latter amount. *Douglass* v. *Wilkison*, 17 Wend. 431.

This case was affirmed by the Court of Errors, (22 Wend. 559,) though it seems the court were of opinion that the plaintiffs were entitled to recover on the money counts, and not upon the special count, which described the note as one for a sum less than that stated in the body of it.

4. Checks are construed to be substantially inland bills of exchange, payable on demand. *Harker* v. *Anderson*, 21 Wendell, 372; *Murray* v. *Judah*, 6 Cowen, 484.

5. A bill of exchange imports that a debt is due from the drawer to the drawee, which is assigned to the payee, and, if the payee accepts it, it is an acknowledgment on his part that he has funds of the drawer in his hands to the amount of the bill, and when the bill is paid and taken up by the drawee, it ceases to be an obligation upon any of the parties. *Griffith* v. *Reed*, 21 Wendell, 503.

6. The whole of a set of exchange constitute but one bill. *Durkin* v. *Cranston*, 7 Johnson R. 442.

7. Where an instrument is in this form, viz.: "Leipsic, April 18th, 1839. For fr's 8,755.60 payable, &c. on the 31st December, 1839. On the 31st October of this year, pay, &c. to the order of ourselves 8,755 francs, 60 cents, payable in Paris the 31st December of this year, &c.;" it was *held* to be a valid bill of exchange, and to be construed as payable at New York on the 31st day of October, *or* at Paris at the subsequent day named, at the option of the acceptor. *Henschel* v. *Malher*, 3 Denio, 428. When this case was before the Supreme Court (3 Hill, 133); it was *held*, that the words "On the 31st of October, in this year," should be rejected as repugnant.

8. An order by a landlord on his tenant to pay the rent to a third person is an equitable assignment and not a bill of exchange. *Morton* v. *Naylor*, 1 Hill, 584.

9. A note at ninety days, signed "*S. B., Agent*," drawn in this form, "I promise to pay B. & Co., or order, three hundred $\frac{92}{100}$ dollars, value received for the Susquehannah Cotton Company," it being shown that *S. B.* was the agent of the Susquehannah Cotton Co., acting under a power of attorney, duly executed, whereby he was authorized to purchase and sell goods, draw bills of exchange, &c., for the company, and in their names, and it also appearing that B. & Co. recognized him as acting only in the capacity of agent, was *held* to be the note of the company. *Rathbon* v. *Budlong*, 15 Johnson R. 1.

10. A person may draw or accept bills, or indorse them by his agent or attorney, and he will be bound by the act of his agent or attorney; but in such a case the name of the principal must be signed to the bill, or it must appear upon the face of the bill itself, in some way or another, that it was drawn for him, or he will not be bound; hence, where the agent of a manufacturing company bought a quantity of dyestuffs for the use of the factory, but did not disclose his principal, and the bill of goods was made out thus, viz.: "*W., Agent, bought, &c.*," and he drew a bill of exchange on a third person, signing it "*W., Agent*," the bill was construed to be *W.'s.*, and parol evidence to prove; it the bill of any one else was not admitted. *Pentz* v. *Stanton*, 10 Wendell, 271.

11. Where individuals subscribe their names to a note, adding an official description, they are *prima facie* personally liable; but the presumption may be rebutted by proof, that the note was in fact given for the debt of a corporation, of which the makers were agents duly authorized to make such notes, as agents of the corporation. *Brockway* v. *Allen*, 17 Wendell, 40; *Randall* v. *Van Vechten*, 19 Johnson R. 60.

12. A draft signed "*F., Cashier*," directing the drawee to charge the bank of which F. is cashier, the draft being dated at the bank, was *held* to be the draft of the bank. *Safford* v. *Wickoff*, 1 Hill, 11. Same case affirmed in 4 Hill, 442.

13. Where a firm in the firm name and another individual make a joint and several note, the members of the firm are regarded as *one* of the joint makers. *Vantine* v. *Crane*, 1 Wendell, 524.

14. A note, whereby F., as president of an insurance company, promises to pay, &c., is considered as the individual note of F. and not the note of the corporation. *Barker* v. *Mechanics' Ins. Co.*, 3 Wendell, 94.

15. M. drew a letter of credit to continue in force one year, in these words: "I have authorized you to draw on me at ninety days, from time to time, for such amounts as you may require, provided the whole amount remaining unpaid shall not exceed three thousand dollars;" *held*, that the authority to draw was limited to bills payable at ninety days *after sight*, and did not extend to such as were drawn at ninety days *after date*. *Ulster County Bank* v. *McFarlan*, 3 Denio, 553; affirming 5 Hill, 433.

16. Where a bill is put in circulation by the drawer, whereon the payee's name is forged, the *bona fide* holder may treat it as payable to bearer. *Coggell* v. *The American Exchange Bank*, 1 Comstock, 113.

17. A *post dated* check, in respect to presentment and demand, is regarded as if drawn on the day of its date, and is payable on that day. *Mohawk Bank* v. *Broderick*, 13 Wendell, 133; affirming 10 Wendell, 304. See also *Gough* v. *Staats*, Ibid. 549.

18. The words, "I warrant this note good," indorsed by a payee on a note, is a guarantee that the note can be *collected*, not that it will be paid. *Curtis* v. *Small*, 14 Wendell, 231.

19. The fact that an unsealed note is recognized and referred to in an instrument under seal, does not change its character and give it the effect of a sealed note. A note referred to in a defrasance to a deed, as specifying the amount of indebtedness, will be presumed to be an unsealed note, especially when it is in the possession of the creditor and not produced. *Jackson* v. *Sackett*, 7 Wendell, 96.

20. In cases of bills of exchange, and of promissory notes, the term *month* is held to mean calendar, not lunar month. *Leffingwell* v. *White*, 1 Johnson Cases, 99.

21. A note payable to the order of a fictitious person, and negotiated by the makee, may be regarded as a note payable to bearer; so, by statute, a note payable to the order of the maker, may have the same effect, and be of the same validity as against the maker and all persons having knowledge of the facts, as if payable to bearer. *Pelts* v. *Johnson*, 3 Hill, 112.

22. But this provision of the statute was intended only for cases where the maker transfers without indorsement. It has no application to a case where three persons make a note payable to the order of *one* only of them and *another person*. *Ibid.*

23. Where a promissory note was made by A., and given to B., to whom, or order, it was made payable, and at the same time A. made an indorsement on the back of the note that it was to be delivered to B., in consideration of B.'s assigning to A. a judgment he had recovered against C.; it was *held*, that the note was a promissory note within the statute, and that the indorsement on the back was to be construed merely as a notice to whomsoever might take the note of the consideration. *Sanders* v. *Bacon*, 8 Johnson R. 379.

24. An instrument in this form, "Due Jacob Finch, one dollar on settlement this day, &c., J. F.," is a note within the statute of forgery. *People* v. *Finch*, 5 Johnson R. 237.

25. Where a note is payable on demand with interest, from any given month, without particularizing the year, it is to be construed as being the month of that name next preceding the date of the note. *Whitney* v. *Crosby*, 3 Caines, 89.

26. It seems, where a note not negotiable is indorsed by the payees in blank, such indorsement does not amount to a guaranty. *White* v. *Low*, 7 Barbour, 204.

Contra. The indorsement in such a case is equivalent to making a new note; it is a guaranty, a direct and positive undertaking, on the part of him who indorses, to pay the note to the indorsee. *Seymour* v. *Van Slyck*, 8 Wendell, 404.

27. A blank indorsement, without any express words of guaranty, though made before the delivery of the note to the payee, does not make the indorser liable as guarantor, and in the absence of proof to the contrary, it is to be intended in such a case that the one who thus indorses meant only to become second indorser, with the rights incident to that character. *Tillman* v. *Wheeler*, 17 Johnson R. 326.

28. The addition of the words *surety*, or *security*, to the names of the indorsers of a note, does not divest them of their character as indorsers. The only effect of these words is to give them the privileges of sureties in addition to their right as indorsers. *Bradford* v. *Corey*, 5 Barbour, 461.

29. The legal effect of a guaranty in these words, "*We guaranty the collection of the within note*," is the same as if it had been in the following words, "We guaranty the *collection* of the within note *by due course of law*." *Burt* v. *Homer*, 5 Barbour, 501.

30. A guaranty of payment of a promissory note, indorsed thereon, is not itself a promissory note, though it be given at the time the note was made, in order to afford additional security to the payee. It is a special promise to answer for the debt, default, or miscarriage of another person, and to be valid, must express the consideration for which it was made. *Hall* v. *Farmer*, 5 Denio, 484.

31. Where a guaranty of payment of a promissory note is made at a time subsequent to the making of the note, and is a distinct transaction,

such a guaranty, though it do not express a consideration upon its face, is not void by the statutes of Frauds, and may be sustained by evidence of an independent consideration. *Curtis* v. *Brown*, 2 Barbour, 52.

32. Where a promissory note was transferred by the payee before maturity, in exchange for a note which the indorser held against the payee, for borrowed money, and the payee indorsed these words, "I guaranty the payment of the within," such indorsement was regarded as in legal effect a promissory note, or an absolute promise to pay the note, if the maker failed to do so at maturity. *Ibid.*

33. Where a promissory note was made in Jamaica, payable in New York, the contract was construed and governed by the laws of New York. *Thompson* v. *Ketchum*, 4 Johnson R. 285.

34. A promissory note in these words, "Due to bearer $12, which I promise to pay to A. T., or order," is construed as a note payable *to A. T. or order*, and must be transferred by indorsement. *Brewster* v. *Harris*, 1 Johnson R. 144.

35. A writing in this form, "Due to the bearer $75, which I promise to pay to B., or order, on demand," is a note payable to B., and must be transferred by indorsement. *Cook* v. *Fellows*, 1 John. R. 143.

36. An instrument in writing directed by A. to B., whereby A. requires B. to pay C. or bearer, a certain sum, and take up A.'s note given to G. of that amount, is not a bill of exchange, though duly accepted by B. *Cook* v. *Satterlee*, 6 Cowen, 108.

See General Requisites, Validity, and Liabilities of Parties.

5. *Days of Grace.*

1. Three days of grace are allowable as between the maker and holder of a promissory note. *Hogan* v. *Cuyley*, 8 Cowen, 203.

2. For every practical purpose, the days of grace are a part of a promissory note. *Bank of Utica* v. *Wager*, 2 Cowen, 712.

3. The law of a foreign country, in respect to days of grace, in the absence of proof to the contrary, is presumed to be the same as our own. *Dolfins* v. *Frasch*, 1 Denio, 367.

4. An instrument payable to the order of G. a certain number of days after date, and directed to the cashier of a bank, and by him accepted in his official capacity, is a bill of exchange and not a bank check, and is entitled to days of grace; and its legal effect in this particular cannot be varied by evidence of a local usage. *Merchants' Bank* v. *Woodruff*, 6 Hill, 174; affirming 25 of Wendell, 676.

5. If a bill of exchange be payable so many months after date, calendar, not lunar months are intended. *Loreing* v. *Halling*, 15 Johns. R. 120.

See Demand and Notice.

6. *When a Discharge of the Original Cause of Action.*

1. A promissory note given for a precedent debt, is not absolutely a discharge of the original cause of action, but an action may be maintained on the original consideration, if the note be lost or produced, and cancelled at the trial. *Raymond* v. *Merchant*, 3 Cowen, 147.

2. A bill of exchange on a third person given by a debt or to a creditor, who stipulates that the bill when paid shall be in full satisfaction of the debt, is *prima facie* evidence of payment of the original debt, and the creditor will be bound to account for the bill or show such a state of facts as would be necessary to charge the debtor on the bill itself as drawer thereof, before he will be entitled to recover on the original consideration. *Dayton* v. *Trull*, 23 Wendell, 345.

3. The acceptance of a note of a third person for the consideration on the sale of a chattel, is payment and satisfaction; and the consideration having failed, the amount may be recovered by an action. *Rew* v. *Barber*, 3 Cowen, 279.

4. The note of a third person taken as payment either of an antecedent or contemporaneous debt, operates as payment when it is agreed that it should so operate. *Porter* v. *Talcott*, 1 Cowen, 375.

5. A. by his agent contracted with B. to exchange vessels, and was to give B. on exchange $6,500 as the difference, and B. was to receive therefor the promissory notes of the agent and his partner. The notes were given, but not being paid, *it was held*, that there not being any agreement to receive these notes in payment and discharge of A. he was still liable. *Ibid.*

6. Upon an agreement to receive notes in payment for certain articles sold, if before the delivery of the articles the notes turn out to be of no value, a tender of them is not considered a payment unless it was agreed to take them as such, and run all risks of their being paid. *Roget* v. *Merritt*, 2 Caines, 117; *People* v. *Howell*, 6 Johnson R. 296.

7. Where upon the sale of a chattel the vendor takes in payment the note of a third person at his own risk, and there is a fraudulent representation by the vendee, regarding the note, the vendor may bring his action immediately against the vendee for goods sold and delivered. *Wilson* v. *Tom*, 6 Johnson R. 110.

8. Where one furnished stores for a ship, and charged the same to all the joint owners, but subsequently took the note of a part of the owners, this note was no extinguishment of the original debt, but the note not being paid, the other joint owners were liable. *Muldon* v. *Whitlock*, 1 Cowen, 307.

9. Taking the note of a debtor or of a third person is no discharge of a precedent debt, unless there is an express agreement that it shall be taken as payment, and the creditor run the risk of its being paid; or unless the creditor transfers the note or is guilty of laches in respect to presentment for payment. *Elwood* v. *Derfendorf*, 5 Bar. 398.

10. And, *it seems*, a promissory note of the debtor, or of one of two or more joint debtors, given for a precedent debt is not a satisfaction of such debt, even if the creditor expressly accepts the note in satisfaction. *Ibid.*

11. If a negotiable note be given for a simple contract debt, the party cannot recover on the original cause of action unless he shows the note to be lost, or produces and cancels it on the trial. *Holmes* v. *Drake*, 1 John. R. 34.

See Payment.

7. *Notes payable in Specific Articles.*

1. A note payable in specific articles is admissible in evidence under the money counts. *Pierce* v. *Crafts*, 12 John. R. 90; *Crandal* v. *Bradley*, 7 Wend. 311.

2. In an action on a note payable in specific articles, in which no time or place of payment is designated, the question whether a sufficient demand has been made is proper to be submitted to the jury. *Durkee* v. *Marshall*, 7 Wend. 312.

3. Where a note is payable in ponderous articles at a day certain, without specifying the place of payment, the maker should seek the payee before the day of payment, and ascertain where he will have the articles delivered, and then if he appoint a reasonable place, or such an one as might have been in the contemplation of the parties at the time the contract was made, he should deliver them there, or offer to do so, in order to constitute a tender. *Barnes* v. *Graham*, 4 Cowen, 452.

4. If such a note be payable generally, or at a place certain, the articles should not be tendered in bulk, but should be separated and distinguished, so that the promisee may know what to take. *Ibid.*

5. In declaring upon a note payable in specific articles at a certain time and place, it is sufficient for the plaintiff to aver that by reason of his having made the note, the defendant became liable to pay, but had not paid, &c., without alleging in terms a non-delivery of the articles. *Rockwell* v. *Rockwell*, 4 Hill, 164.

8. *Negotiability and Transfer.*

1. A promissory note under seal is not negotiable. *Clark* v. *Benton*, *Farmers' Woollen Manufacturing Company*, 15 Wend. 256.

2. Promissory notes are negotiable only by virtue of the statute. This negotiable quality does not extend to any other instrument relating to the note. *Lamoricux* v. *Hewitt*, 5 Wendell, 307.

3. To make a guaranty negotiable as a part of the note itself, it must be written upon the note to which it relates, or at least must be annexed to it. *M'Lauren* v. *Watson*, 26 Wendell, 430.

4. If the guaranty be so indorsed or annexed, it may be treated as an indorsement, having the quality of negotiability with the further benefit of waiver of demand and notice. *Ibid.*

5. An indorsement on a negotiable note is negotiable, though it be without words of negotiability, so that a holder may sue upon it in his own name. *Leavitt* v. *Putnam*, 3 Comstock, 490.

6. A bill or note does not lose its negotiable quality by being dishonored, and an indorsement made after dishonor follows the nature of the original contract, and is negotiable unless it contains an express restriction. *Ibid.*

7. A negotiable note, the remedy on which, having been barred by the statute of limitations, is revived by a new promise or acknowledgment of indebtedness, may be negotiated, and the indorser recover upon it in his own name. *Dean* v. *Hewitt*, 5 Wendell, 257.

8. A note was indorsed in blank, and transferred without further indorsement. It was subsequently dishonored and notice given to the indorser, and then transferred to one I.; *held*, that I could maintain an action against the indorser in his own name, and that the original demand and notice inured to his benefit. *Williams* v. *Mathews*, 3 Cowen, 252.

9. The negotiable quality of a bill or note is not destroyed by advancing money upon it, and taking it up, unless this be done with the intention of paying it, or unless its negotiation would work a wrong to some one of the prior parties to it. *Haven* v. *Huntington*, 1 Cowen, 387.

10. An indorsement in pencil upon a promissory note is sufficient, and even a mark, or figures, intended as a substitute for the indorser's name, are sufficient and valid as an indorsement, though it appear that the party making them could write. *Brown* v. *The Butchers and Drovers' Bank*, 6. Hill, 443.

11. If the payee of a draft put his initials on it and transfer it, it is a valid indorsement. *Merchants' Bank* v. *Spicer*, 6 Wendell, 443.

12. A note payable to E. M., assignee of N., or order, may be transferred by the indorsement of "E. M." without the addition of "*assignee, &c.*" *Bay* v. *Gunn*, 1 Denio, 108.

13. A married woman may transfer a note, given to her before marriage, by an indorsement in her former name, provided it appear that she does it by the authority of her husband, or by the authority and with the knowledge of a trustee to whom by an ante-nuptial contract she had assigned the note for her own benefit. *Miller* v. *Delemater*, 12 Wendell, 433.

14. Whoever transfers a negotiable note without indorsing it, warrants, at least by implication, its genuineness. *Herrick* v. *Whitney*, 15 Johnson R. 240; *Williams* v. *Mathews*, 3 Cowen, 252.

15. The indorsement of a promissory note to A., or order, for value received, transfers the legal title in the note to the indorsee, which cannot be divested except by cancelling the indorsement or by re-indorsing it. *Burdick* v. *Green*, 15 Johnson R. 247.

16. A bill drawn abroad and payable abroad, but negotiated here, is governed by the laws here in regard to the liability of the parties to the transfer, and if one, who transfers such a bill, wishes to impose upon his indorser a compliance with the requisitions of the law of another country, in regard to presentment, demand, and notice, he must do it by a special indorsement. *Aymer* v. *Sheldon*, 12 Wendell, 439.

17. A check drawn in this State upon a bank in Mississippi, payable in current bank-notes, is not negotiable. *Little* v. *Phœnix Bank*, 7 Hill, 359.

18. A promissory note payable to the order of the person who should thereafter indorse the same, is negotiable. *The United States* v. *White*, 2 Hill, 59.

19. An absolute guaranty by one of the payment and collection of a note to B., or bearer, the note being payable to B., or bearer, is negotiable. *Kitchell* v *Burns*, 24 Wend. 456.

9. *Acceptance.*

1. A promise to accept a bill already drawn may, under circumstances, amount to acceptance, and be binding upon the drawee; but whether a promise to accept a bill *to be drawn* will amount to an acceptance, and whether it is assignable, so that an indorsee can avail himself of such promise, and maintain an action thereon against the drawee, *quere*. *M'Evoy* v. *Mason*, 10 Johnson R. 216.

2. Where a person by a writing authorizes another to draw a bill of exchange, and stipulates to honor the bill, and a third person to whom such writing is shown, upon the faith of the written engagement, takes a bill drawn in pursuance of the authority conferred by the writing, this is an acceptance of the bill, and will bind the drawee. *Goodrich* v. *Gordon*, 15 Johnson R. 6.

3. A promise to accept a bill to be drawn *in futuro* cannot be enforced by an indorsee, between whom and the drawee no communication has passed, and who has not taken the bill upon the faith of any such promise. *Ontario Bank* v. *Worthington*, 12 Wend. 593.

4. A promise to accept a bill need not contain a particular description of the bill to be drawn. Per Bronson J. *Ulster Co. Bank* v. *M'Farlan*, 5 Hill, 434; Contra, Per Hand Senator.

5. By statute the acceptance of a bill of exchange, to be binding on the acceptor, must be in writing, signed by himself, or his lawful agent, and if such acceptance be on any other paper than the bill itself, it will not be binding, unless the fact of such acceptance shall have come to the knowledge of the person taking the bill, and he pay a valuable consideration for it; but the statute is complied with whether such knowledge come from the actual inspection of the acceptance, or from written or oral information. *Bank of Michigan* v. *Ely*, 17 Wendell, 508.

6. Before the statute a parol acceptance was good. *Leonard* v. *Mason*, 1 Wend. 522.

7. The drawee of a bill of exchange will charge himself as acceptor by simply writing his name across the face of it, that being held to be an acceptance in writing, signed by the party within the meaning of the statute. *Spear* v. *Pratt*, 2 Hill, 582.

8. It seems the object of the statute was merely to obviate the inconvenience of the former rule, whereby a parol acceptance was good. *Ibid.*

9. If the drawee refuse to accept a bill, his oral promise to pay is a nullity, though he have funds of the drawer in his hands, and ought in justice to have accepted; and in such a case no action will lie against the drawee. *Luff* v. *Pope*, 7 Hill, 577, affirming 2 Hill, 413.

10. The acceptance of an order for the payment of money must be in writing. *Quinn* v. *Hanford*, 1 Hill, 82.

11. It seems that if one accept a draft in the hands of a *bona fide* holder, he will not afterwards be allowed to dispute the genuineness of the drawer's signature, but he may that of the indorsers; payment operates in this respect the same as an acceptance. *Canal Bank* v. *Bank of Albany*, 2 Hill, 287.

12. It is not necessary to present a bill for acceptance before it becomes due, though it is advisable to do so in all cases, in order that the holder may obtain thereby the additional security of the drawee upon the bill itself. *Montgomery Co. Bank* v. *Bank of Albany*, 8 Bar. 397.

10. *Presentment, Demand, and Notice.*

1. *Necessity of.*

1. Negotiable instruments must be presented for payment on the very day they fall due, and any delay, even for a single day after the instrument has come to maturity, discharges all the parties, not primarily liable. *Montgomery Bank* v. *Albany City Bank*, 8 Barbour, 399.

2. Where the payee of a note, not negotiable, indorses it in blank, notice to him of non-payment is not necessary. He stands to his indorsee in the relation of principal, and not of surety, and has no right to insist upon a demand of the maker and notice of non-payment. *Seymour* v. *Van Slyck*, 8 Wendell, 404.

3. When a note is made payable at a bank, a formal demand of the maker is unnecessary in order to charge the indorsers. It is sufficient if the maker have no funds in the bank with which to pay it at maturity. *Gillett* v. *Arnil*, 5 Denio, 88.

4. Presentment for payment, and notice of non-payment of a promissory note, are conditions precedent to the liability of indorsers. *Cayuga County Bank* v. *Warden*, 1 Coms. 34.

5. Where one contracts in the form of a *guaranty* upon the back of a promissory note, he cannot be made liable as indorser, nor can he insist on a demand and notice, or make the want of it a defence against an action. *Brown* v. *Curtis*, 2 Comstock, 225.

6. The indorsee of a bill of exchange, payable a certain number of days after sight, drawn in one of the French West India Islands, and payable at Bordeaux, but transferred in the city of New York, by the payee, need not present the bill for payment after protest for non-acceptance, although by the French code the holder is not excused the protest for non-payment by the protest for non-acceptance, but such indorsee may hold his indorser liable on the bill. *Aymer* v. *Sheldon*, 12 Wendell, 439.

7. In every case, where a drawee exists, a demand and notice is indispensable to the holder's right to recover of the indorsers, and it makes no difference in this respect whether the note be indorsed before or after it became due, the holder is still bound to present it and demand payment, and give notice of dishonor. *Berry* v. *Robinson*, 9 Johnson R. 121.

8. Where the drawer of a bill of exchange had no funds in the hands of the drawee, but on the contrary was indebted to the drawee at the time the bill was due; *held*, in an action on the bill against the drawer, that the drawer could not object the want of demand and notice, although there had been prior transactions between the drawer and drawee, and when the bill in controversy matured, the accounts between the parties were unsettled and in litigation. *Mohawk Bank* v. *Broderick*, 10 Wend. 304.

9. A drawee of a bill, or the indorser of a note, will not be discharged from his liability by the omission of the holder to make presentment or

demand, and to give notice of dishonour, when it is clearly shown that he has sustained no injury or damage in consequence of the omission, but damage will be presumed, until all possibility of injury from *laches* has been removed, by proof. *Commercial Bank* v. *Hughes*, 17 Wend. 94.

10. Where a note is payable generally on demand, or on demand at a *particular place*, as against the maker, a demand before suit brought is not necessary, but in such a case the defendant may discharge himself from interest and costs, by bringing the money into court, and showing that he was ready at the place to make payment. *Haxtun* v. *Bishop*, 3 Wendell, 13.

11. The same is true when the note or bill is payable at a particular *time and place*, and the maker or acceptor may plead readiness at the *time and place*, and bring the money into court, and thus be discharged from interests and costs. *Caldwell* v. *Cassidy*, 8 Cowen, 271; *Wolcott* v. *Van Lantwoldt*, 17 Johnson, 248.

12. Where a bill is accepted *supra protest*, it must be presented to the drawee for payment, and in case of non-payment, regularly protested, and notice given to the acceptor *supra protest*. *Schofield* v. *Bayard*, 3 Wendell, 488.

13. Notice of presentment and non-payment of a *check* is necessary, before an action can be brought on it against the drawee. *Harker* v. *Anderson*, 21 Wendell, 372.

14. It is not necessary that notice of non-acceptance of a bill be accompanied with a copy of the bill and protest. *Wells* v. *Whitehead*, 15 Wendell, 527.

15. A previous demand of payment of a bank-note, not payable at any particular place, is not necessary before suit brought, or to entitle the holder to set it off against the banker. *Bank of Niagara* v. *M'Cracken*, 18 Johnson, 493.

16. Want of effects of the drawer in the hands of the drawee, supersedes the necessity of notice to the drawer, of non-payment, notwithstanding the bill may have been accepted by the drawee. *Hoffman* v. *Smith*, 1 Caines, 157.

17. Where the payee of a note indorses it after the insolvency of the maker, knowing of such insolvency, merely to give currency to the paper, demand of the maker and notice are still necessary. *Jackson* v. *Richards*, 2 Caines, 343.

18. Where the drawer of a bill has had dealings with the drawee, and there is an open account between them, or any circumstances sufficient to induce a reasonable expectation that the bill will be accepted and paid, there must be due diligence in presenting for acceptance, and due notice given. *Robinson* v. *Ames*, 20 Johnson, 146.

19. A. gives B. upon account a bill on C., drawn by D., payable to the order of B. A. does not indorse it; therefore, not being a party, is not entitled to notice of dishonor. *Van Wart* v. *Smith*, 1 Wend. 219.

THE TURKISH LOAN AND THE CRYSTAL PALACE.

From the London Economist.

No inconsiderable commotion has been caused amongst some politicians and in the money market by the refusal of the Sultan to ratify the Turkish loan. The contract has been repudiated in spite of the influence of the French ambassador at Constantinople. To compensate for the breach of faith, the Sultan is to give the bondholders £150,000. The wants of the State are to be supplied by voluntary gifts from various public bodies, and no loan whatever is to be made. The Sultan's generosity may make the settlement of all transactions that have been entered into on the faith of the contract easy; but they may have been so numerous, and concern so many persons, that the settlement will be more difficult than any account in the railway market. That great inconvenience has already ensued from the transaction, and will continue to ensue before the whole matter is finally arranged, is obvious, and all loan contractors will in future carefully shun all pecuniary negotiations with the Sultan's government.

The Sultan himself and his ministers have not, apparently, wilfully done wrong. They negotiated the loan in good faith, and meant to fulfill the contract. But there is a party in Turkey stronger in some points than the Sultan. The Koran, like the Mosaic law, forbids usury, and though Mahometans break the law for their own convenience, it still exists to be enforced when that serves a purpose. By the Ulemas and Muftis the reigning Sultan is looked on as a bad Mussulman, and they have formed a party against him. The loan was a violation of the religious law; it enabled that party to enlist the religious feelings of the people and many persons of the court against him; it gave into the hands of his opponents a weapon he could not resist, and he is understood to have succumbed to the ultra-Mussulman party. The credit and character of the government have received a deep wound, a considerable pecuniary loss will be sustained at a time when the Turkish treasury is exhausted, but the religious party in Turkey has triumphed. An ecclesiastical principle has been followed in secular matters, and disgrace and loss are the consequences.

We must not, however, be too hasty in condemning the Sultan for pusillanimity and his ministers for imbecility, lest we indirectly pass a severe censure on ourselves. A very strange interference, as we view it, is now taking place here by ecclesiastics with a secular matter on account of ecclesiastical principles; and we are not sure that it may not be followed by rather worse consequences than the contraction and repudiation of the Turkish loan. The shareholders, it seems, of the Crystal Palace Company have applied in due form for a charter, just as a joint stock bank or a land-draining company would apply for a charter, in order to limit the responsibility of individual shareholders, give the company a power to sue and be sued by one officer, and carry on its business in the manner prescribed by law for joint stock companies. In making the application the company, apprehensive of opposition from ecclesiastical bodies on ecclesiastical principles, offered, as conditions of securing the

charter, that "no part of the palace or grounds should be opened on Sundays before one o'clock, that only the grounds of the winter gardens should be then accessible, and that the sale of all alcoholic drinks should be prohibited." This proposition received the assent of the government; and the charter, it was understood, was to be granted on these terms. The Crystal Palace, is not, however, to be so easily established for the recreation and improvement of the people. Various religious bodies have taken up arms against the company; and regarding the opening of the Crystal Palace at all on Sunday as a desecration of the Lord's day, they are holding public meetings and getting up petitions and memorials against granting the company a charter, unless it be accompanied by a prohibition to open the grounds or the building on the Sabbath. On the question of Sabbath observance we shall not say one word; let the conduct of the company in that respect be guided by the law of the land; but we request attention to some of the consequences of mixing up an ecclesiastical principle in such a perfectly secular matter as granting or withholding a charter to establish a joint stock company.

By the law, the power of granting or withholding that is vested in her Majesty's ministers, and where are they to stop—by what principle are they to be guided—if they allow ecclesiastical considerations to influence their decision? If a charter is to be denied to the Crystal Palace because it would be opened on Sundays, a charter may be denied to a joint stock bank unless it engages to give all its clerks and servants a holiday on Sunday or Good Friday. We can fancy a Puseyite President of the Board of Trade introducing a clause in a charter to send all the clerks to prayers on a Wednesday, or to compel them to confess. A strong Calvinistic President might, on the contrary, make it a condition of a bank established in Scotland that neither Christmas-day nor Good Friday should on any account be observed; and we may have ministers endeavoring to promote all kinds of ecclesiastical views, by introducing them as conditions of charters. Their duty is only to ascertain whether a joint stock company shall be allowed to carry on its business in a particular form. If they may inquire into the possible effects of the company on morals and religion, they may inquire into every object proposed to be attained by a joint stock company, they may inquire into the opinions of its promoters, and they will be invested with all the characteristics of inquisitors to judge of the most important of modern commercial enterprises. Though some pretended friends of freedom, in order to secure a temporary support for their own religious views, propose to arm ministers with such an extraordinary power, the whole commercial community will oppose the principle of mixing ecclesiastical questions of any description up with granting or withholding charters for a purely commercial purpose. To open the building on a Sunday the company does not require a charter; it only requires it to buy and sell and go to law on other days; and to withhold or grant it on religious principles is to place commerce under the dominion of ecclesiastical principles or prejudices.

So far as the matter has gone, the company is to blame for having, from a wish to conciliate, departed from principle, and connected their application for the grant of the charter with the observance of the Sab-

bath. The ministers, too, are to blame for listening for one moment to any such conditions. It was their business, we think to say:—We have now nothing to do with any religious question; we have only to consider whether this company, from the money subscribed, the guaranty it gives of commercial solidity, the character of its promoters, deserves to be liberated from the inflexible operation of the common law concerning partnership, and to receive from us, on purely commercial considerations, those privileges which have been conceded to a great number of similar companies. In our judgment, they have done wrong in listening to any ecclesiastical considerations on such a subject, and their conduct is calculated to introduce great jealousy, and perhaps enmity, between ecclesiastical bodies and all the joint stock enterprises of the country.

THE TURKISH LOAN.—The accounts which we have received from Constantinople come down to the 10th October. They still leave the question undecided as to the ratification or non-ratification of the loan concluded at Paris by Prince Callimaki, but they throw some light on the state of affairs, and correct the various and contradictory reports which have been current for the last few days. There is no longer any doubt as to the difficulties which arose when the Sultan was applied to ratify what had been done by his representative in Paris. These difficulties are in no way connected with the conditions of the contract made, with the details of the operation, or with the operation itself; they are entirely of a political nature. The Russian and Austrian ambassadors are, it is said, strongly opposed to the ratification, and they are said to have found in the old Turkish party auxiliaries as active as they are powerful, and they are also said to have been assisted by Colonel Rose, the English chargé-d'affaires, who unfortunately only sees the affair with their eyes. It is against this strong party that the French ambassador has had to struggle, and it is not astonishing that, notwithstanding his capacity and his energetic activity, he has not yet succeeded in making the scale lean on his side. Thus, on the 10th, the Ottoman Government, which wrote on that very day to the Directors of the Bank of Constantinople that "the Council, at the deliberation in which the question of the loan has been considered by order of the Sultan, has not up to this time come to any definite conclusion on the subject," had not yet declared its sanction, but it had not decided against it. There is some reason for astonishment at the delay which is shown in the affair, when it is known with what pressing demands the Government is assailed; that on the 12th of September it had official information of the conclusion of the loan, and that on the 22d it received a copy of all the documents connected with the affair. If it were merely a question of finance, there is no doubt that it would have been settled in two or three days, but politics have interfered, and it is that which still impedes the solution. What will the decision be? We shall not undertake to say, although it appears to us that there is only one which is possible and honorable. But as to the right which is claimed by the Divan to ratify or to refuse its sanction, we think we may say, from what we have heard, both from Constantinople and in Paris, that it appears certain that the Government had of itself, and be-

forehand, renounced that faculty. We, in fact, know that in the first instructions given to the Turkish representative in Paris relative to the loan, no mention is made of this reservation, and that in the second and last instructions which he received nothing was said on the subject, except that the proceedings will be sanctioned by the Porte in case of need —that is to say, in case the exigencies of the lenders should not consider sufficient the official engagement entered into by the ambassador of the Sublime Porte, in virtue of the powers vested in him. It was only, it is said, on the 10th inst. that the Divan, informed, as we have already stated, on the 12th of September of the conclusion of the loan, wrote, for the first time, to the Turkish ambassador in Paris on the subject. The dispatch, it is said, comes to no conclusion, either one way or the other. It states that the Turkish Government is highly satisfied at the confidence placed in it by the French and English capitalists, but expresses surprise that its agent had not made a reservation of the sanction of the Porte. It must be confessed that this surprise has been a long time in revealing itself, and that in their turn the French lenders, to whom the minister must have shown his powers when he asked for their money, have cause to feel astonishment. As to the details of the operation and the condition of the arrangement, the dispatch does not say a word; we may, however, add, as a symptom of the opinion of the Turkish Government, that the representative of the Bank of Constantinople in Paris is said to have on several occasions received from the directors of the bank their thanks and warm eulogiums. It is therefore political interests which are the real obstacle to an amicable and definitive conclusion. If they do not succeed in causing the failure of the affair, they will tend to weaken the good effect which might be expected from it in the interest of Turkey herself. We hope they will not do more, and in this respect we have confidence in the well-known wisdom and good faith of the Sultan. At the departure of the packet a report was current in Constantinople that Russia had offered to take the loan on herself, on terms much more advantageous for the Turkish treasury, but on condition of the affair with the English and French capitalists being broken off. The Finance Committee had lately assembled very frequently at the Ministry of Finance, and were actively engaged in devising the means for creating resources for the treasury, and establishing more regularity in the allocations to all the public services. —*Journal des Debats.*

The Turkish Loan.—The Turkish loan will not be ratified. We have received an account of it in a letter from our correspondent, dated Constantinople, the 10th inst. The non-ratification was definitively decided on on the 9th, in an extraordinary council held at the Porte. It even appears that the decision was come to unanimously. The report of the sitting was to have been communicated to the Sultan in the evening, who would make known his resolution to the Divan on the 10th or the 11th, in order that it might be communicated to the directors of the bank. It is known beforehand what his resolution will be; the ratification will be refused by the Sultan, as it has been by the members of the council, who have only acted on the indications of His Highness. This refusal

is based on the ground that the delegates charged to negotiate the loan have exceeded their instructions and their powers. But the truth is that the affair has become a national question. The Turkish people, says our correspondent, have prejudices and repugnances that the will of the sovereign cannot overcome, and the Turks have so false an idea of a foreign loan, that it is not in the power of the Government to make them comprehend the advantages of this financial resource; it may be done eventually, but it will require many years to do it. As to the means of satisfying the exigencies of the moment, our correspondent says that it is hoped to do so by the aid of gifts and voluntary loans. The Sultan has set the example, and, after having emptied his private treasury, he sent all his plate to the Mint to be melted down. The Minister of Finance refused this last sacrifice, declaring that the situation was not desperate enough to have recourse to such extremities, and that the embarrassment was only temporary, and might be got over by a little good-will. The Grand Vizier, and five or six of the richest Pashas of the capital, have followed the example of the Sultan, and have offered 40 millions of piastres, (10,000,000f.,) and a company of four Armenian bankers have engaged to lend 40 millions of piastres at 6 per cent. These sums will suffice to pay the drafts of the bank which have become due. An equal sum will be required in twenty days, and, in order to procure it, certain receipts are calculated on, as well as an anticipation of the payment of the tribute from the Pasha of Egypt, to request which Mouktar Bey was sent to him on the 9th. M. de Lavalette, who has taken up the defence of the loan very warmly in support of the French interests engaged in the operation, had had daily conferences with the Turkish minister on the subject, but all his arguments were not sufficient to convince them. The Turks will not have the loan. This grave financial question has absorbed every other, and for the last week every other affair had been suspended. As soon as it shall have been settled, the re-organization of the Cabinet will be attended to. The Grand Vizier appears decided on making numerous changes. The persons destined to form part of the new Cabinet were already spoken of, and among them were several men of known talent. It is expected that the nominations will be made between the 15th and the 20th Oct. The recall of Prince Callimaki, Turkish ambassador at Paris, is official, but his successor is not yet known. Vely Pasha, son of the President of the Council, had been at first spoken of, and it is probable that he will be appointed, but no decision has yet been come to. —*Le Constitutionnel, October*, 1852.

Insurance of Bank Premises.—A fire insurance company has recently been formed in London, of which an old bank officer, Mr. Anthony Dillon, is the manager, called the "Provincial Fire Insurance Company," having its head office at Wrexham; and as it intends to make the insurance of bank premises a leading feature of its business, we may usefully direct the attention of our readers to the establishment. The terms paid to fire insurance companies by banks are at present far too high. A fire at a banking-house is one of the rarest of accidents, and yet banks pay as much as ordinary assurers, although the risk to the company is very small.

BANKING CAPITAL IN NEW ORLEANS.

From the Commercial Bulletin.

NEW ORLEANS is the entrepôt of the products of the whole West—its exports are larger than those of New York and Boston together, and yet how small a portion of these exports of domestic products are bought with New Orleans means, or shipped on New Orleans account. When money can be obtained in Northern cities at 4 per cent., and interest rules here at 8 and 10—and these were the relative rates not long since—the problem is easily solved; and yet why should not the profits realized, by the use of Northern credit or capital, be enjoyed by our own people, through whose hands these rich products pass, but merely as media or agents to enrich others? With more capital and banking facilities our own residents might compete with foreign capitalists, and instead of acting in the subordinate capacity of agents, might be themselves, as they should be, principals.

Another view of the subject shows the injurious consequences resulting from the restrictive system as applied to banking in Louisiana. As we do not export on our own account the products that are received here, as a consequence we do not import the exchanges which are required for home consumption. The great inequality on this head struck us forcibly upon reading a statement in the New York papers, that the receipts at the custom-house in New York for the last quarter were greater than those of Boston, Philadelphia, Baltimore, Mobile, and New Orleans combined. Now we do not expect to compete with New York; the enlarged and liberal policy of her State Government, under whatever political administration, either Whig or Democratic, by granting her people a system of banking adequate to her present and prospective condition, affording her a supply of banking facilities always commensurate with her wants, places the Empire City in a position we may never reach; but if we cannot stand upon the same eminence with her, we may approximate to it, by imitating her example and adopting the same enlightened policy. This inequality in capital and paucity of banking facilities are illustrated every day, and in a way not apparent to the surface observer. It is surprising to see in the Northern cities, in the summer months, the large number of people from the interior—the Western and Southwestern States—who go North, not for pleasure, recreation, or health, but "to buy goods." This is a business they are forced to from necessity. They would willingly buy in New Orleans, paying all charges, with a fair profit for the seller; but they want *time*, and this grand element in a profitable trade they cannot get here. We well remember when the railroads were constructed in South Carolina and Georgia, how fierce and emulous was the competition to secure the country trade. The Georgians, from a feeling of State pride, were anxious to do their business with Savannah, in some respects a better market than Charleston; but the latter city had superior banking facilities—their banks would discount "business paper" at nine and twelve months, while the Savannah banks limited their discounts to ninety days and four months; the consequence

was that the up-country merchants gave the preference to Charleston, and to this day, though the trade of Savannah, which appropriately belongs to her, and which she once lost, has been in a measure retrieved, she yet feels the effects of the superiority of her rival in affording banking facilities to country customers.

New Orleans presents a completely analogous case. Our banks, with every disposition in the world to be liberal, are tied up and restricted. Under the present constitution, the period of their existence is prescribed and fixed, and when they die off their places can never be filled; and while they enjoy their charters, they are so cramped by silly, injudicious legislative provisions, that they are prohibited exercising the functions which legitimately belong to banks, and thus their usefulness is impaired. The banks of New Orleans are the most solvent in the world; but what then? Could they not diminish the disparity between their specie and circulation, their assets and loans, and be sufficiently solvent, and at the same time be more active and useful instruments of trade and commerce? No one doubts it, and none are more willing to extend their sphere of usefulness than the banks themselves; but they cannot; they have come full up to their line of discounts, they toe the mark chalked out for them, and they cannot transcend it. If the supply of money be not equal to the demand, the fault lies, not in the banks, but in the system.

And what is the consequence of this miserably restrictive system? We are daily losing a trade which naturally belongs to us, which is making others rich at our cost, and which is exhausting our resources, and cramping our energies. Our country friends send their produce to us, but they do not buy of us. This last summer, New York, Boston, and other Northern cities, were filled with Southern country merchants, buying goods in Northern markets, because they could be accommodated with the credit they required, and which they could not obtain in New Orleans. Our merchants cannot convert the notes of their customers into money, or at least except to a limited extent. The notes remain untouched in their portfolios until they mature. It requires a merchant of large capital to engage in such a business; moreover, it has the effect of suppressing competition, of driving off the small, but honest and thrifty dealer. The evil has been felt to an injurious degree; not merely policy and expediency, but absolute necessity demands a change—one, that while it will effect the desired object, will not, in its operations, effects, and consequences, be prejudicial either to public or private interests. The effete, corrupt, and corrupting banking system of past days is to be shunned and avoided, as we would a shoal or rock upon which we had once stranded. Let us have all the required checks, limits, and restraints to prevent abuse and the perversion of a blessing into a curse—but a safe, conservative, popular banking system is what New Orleans requires as an essential auxiliary to her prosperity.

THE MONEY MARKET OF EUROPE.

THE indications of the money markets of England, France, and the United States, at this time, are somewhat similar to those which preceded the revulsions of the years 1825, 1836–'37, and 1845.

The year 1824, in England, was marked with heavy undertakings—large subscriptions for account of numerous Continental powers—and great excitement among the stock operators of the day. In fact, from the year 1817 till 1824, there had been a continuous drain upon England for capital in behalf of the Continental governments. A decline in the rate of interest had occurred, which was followed, as it always is, by speculative movements in money, manufactures, commercial operations, and various other branches of business. The English five per cents. had, towards the close of 1822, been reduced to a four per cent. stock; and early in 1824 the old four per cents. were reduced to a three-and-a-half stock.

Mr. Tooke, in his "History of Prices," alludes to the speculative feeling of that period:—"It was a restlessness of feeling, combined with the facilities of the money market, or, in other words, with the fall in the general rate of interest, and with the highly colored accounts of the resources and good faith of the South American States, which gave occasion to the projects for loans to those States. * * In the year 1824, a very great variety of other projects were launched, all more or less favored by the state of the money market."

The newspapers of the day, as in 1845, could scarcely contain the announcements of the new schemes. Shares were issued at high premiums. The Real del Monte mining shares in the year 1824–5 reached 1400 per cent. premium, and some months after fell to 377 discount, making a difference of £1,777 per share.

We will note a few of the instances in which shares rose with great rapidity, in 1824, reminding us of the noted Law mania of the years 1719–20:

	Dec. 10, 1824.		*Jan.* 11, 1825.
Anglo-Mexican,	£10 paid	33 prem.	158 prem.
Brazilian,	10 "	10 dis.	70 "
Columbian,	10 "	19 prem.	82 "
Real del Monte,	70 "	550 "	1,350 "
United Mexican,	10 "	35 "	155 "

The following is a summary of the prominent subscriptions of the period, in the London market, for foreign domestic account:

	Capital required.	*Actually paid.*	*No. shares.*
127 New Companies,	£102,781,000	£15,185,000	1,618,000
118 do. abandoned,	56,606,000	2,419,000	848,600
236 do. projected,	143,610,000	—	2,535,000
143 not enumerated,	69,175,000	—	959,000
	£372,172,000	£17,604,000	£5,960,600

Bank of England stock fluctuated during the year 1825 between 196

and 299 for £100 paid in per share. Its dividends at that period were at the rate of eight per cent. per annum.

In May and June, 1825, a reaction took place, and resulted in enormous losses to individuals and in the suspension of many firms previously considered solvent and strong. The South American loans resulted in an almost total loss to the holders of the bonds, and the Mexican and South American mining subscriptions, with few exceptions, proved to be a total loss of the capital invested.

One of the remarkable cases of speculation and fraud of the time was the noted forgery by Fauntleroy. This was the issue of spurious powers of attorney for transfer of stock, and for dividends payable by the Bank of England.

For this act he was hung on the 30th of November, 1824. Among the heavy failures of the year 1825, in London, were those of Sir Peter Pole & Co., (whose income for seven years previous had been £40,000 annually,) bankers; Williams & Co.; and Claude Scott & Co., bankers. On the 17th of December, the coin held by the Bank of England had been reduced to £1,027,000, and a belief on the part of many of the leading firms was, that the bank must soon stop. But the worst had come; and by the 29th of that month the loans of the bank reached £15,000,000, while two weeks before they had amounted only to £7,500,000. Such was the pressure of the times, that sixty-seven country banks failed in England during the preceding summer.

For some four or five years following, an improvement gradually took place in the manufacturing and commercial channels of that country; and about the year 1833 speculation again rose. The new 4 per cent. stock was further reduced to 3½. Foreign loans, joint stock banks, railways, came in vogue during the years 1834–36. At the same time a rapid inflation was going on in the United States. Here the banking system was enormously enlarged, fostered by the policy pursued by the general government. The individual States, particularly Louisiana, Mississippi, Maryland, and Pennsylvania, negotiated heavy loans, large portions of which were taken by the Rothschilds. $1,500,000 of Mississippi State bonds were taken by Messrs. Prime, Ward & King, T. Biddle & Co., S. & M. Allen, and J. D. Beers, *at a premium of thirteen and a half per cent.* The new six per cent. loan of $3,000,000 of the State of Maryland was taken by Rothschilds' agent at *sixteen per cent. premium.* The banking capital of New Orleans reached in the same year (1835) $28,000,000! and that of Mississippi $12,000,000!! and upon one occasion, in the year following, (1836,) the Pennsylvania Bank of the United States discounted $900,000!!!

"All went merry as a marriage bell."

A few words will record the rapid events that followed. A large portion of the American securities thus negotiated in Europe, came back with orders to sell at any price. In March, 1837, New Orleans led the way in suspension. Sterling bills on London were sold at Baltimore in the same month (we speak knowingly) at 28 per cent. premium. Some, yes *many*, of the oldest and wealthiest houses failed in the Atlantic

cities; and in May the crowning event took place—the suspension of the New York banks—followed by the suspension of nearly every monied institution in the country. In London, on the first of June, three of the leading American bankers of the metropolis failed, the banks having refused to discount for them.

England recovered from this revulsion. So did the United States. We have been, in a measure, free from extraordinary speculations since; but in England a recurrence of speculation occurred towards the year 1844, money having again become *a drug*. In April of that year, two schemes for railroads were published in London, involving an outlay of £4,000,000 to £5,000,000 sterling capital. In September, 1844, the Bank of England reduced the rate of interest to 2½ per cent., having the enormous sum of £15,158,000 on hand in coin. Speculations in cotton were rife. The subscriptions for railroads, mining companies, &c., in England reached the enormous sum of £200,000,000 sterling. Such, however, had been the discredit of American State securities, that Maryland six per cents. sold at 50 cents on the dollar; and Louisiana five per cents. 57 per cent., in September, 1843, although money was comparatively abundant in Europe.

In England, during the year 1846, a dearth of corn took place—the potato crop failed—corn was largely imported, and coin consequently exported. £8,000,000 was granted to Ireland in March following—£7,000,000 in gold was withdrawn from the bank for export—money became dear—the bank refused discounts to its best customers—and for the 25th of October the bank charter was violated with the assent of the Ministry, which enabled that institution to extend facilities to the public, *at an interest of eight per cent.* The Bank of France extended its aid to that of England during these severe times.

These disastrous circumstances had a termination. England recovered its commercial *tone*, and has ever since improved in its business affairs.

We come now to the financial events of 1851–2, and proceed to show that events similar to those of 1825, 1835, 1845 are now in prospect, and require a timely check. It is true that there is a broader basis of operations. The coin held by the Bank of England is £23,000,000 sterling, against £3,000,000 in 1847; and the Bank of France holds a still larger sum. But the railway subscriptions, mining companies, foreign loans, &c., require no less than £41,000,000 capital.

Analysis of Companies formed between June and October, 1852, *in England alone.*

There are now in process of formation, with capitals subscribed, and ten per cent. at least paid in, no less than forty-three mining companies, to include operations in Brazil, California, Australia, Algeria, Wales, England, &c., for working gold, silver, and copper mines. These require a capital of £1,600,000. Then there is the Irish Land Co., £500,000 capital; Patents and Inventions Co., £1,000,000; Victoria Docks Co., £400,000; Albert Docks, £500,000; "American and British Timber and Cotton Land Co.," £140,000, with many others, whose aggregate subscribed capital is £6,590,000. These are not merely proposed, they are all duly formed and organized, and their capital wholly or in part

paid in, and arrangements maturing for carrying the schemes into active operation.

We have not at hand a reliable analysis of the various railroad undertakings and other improvements that have been recently started in the United States, but we have no doubt that, if carefully examined and summed up, they would be found to be on a scale similar to the undertakings abroad.

NEW RAILROADS IN THE UNITED STATES.

ALMOST every state in the Union exhibits at this time unprecedented enterprise in its railroad schemes. To accomplish improvements that are considered of vital importance to the domestic or internal trade, the credit of the cities and counties is brought into requisition and the capital of the Eastern cities is largely drawn upon to promote these objects. The projectors do not stop here; but European capital is sought after, where six and seven per cent. bonds are rare.

The leading measure of the times, is the great Central Illinois Railroad, from Galena on the north to Cairo on the south, with branches to Chicago, St. Louis, Vincennes, &c. Nearly every dollar required for this vast enterprise will come from England.

Then come the Mississippi and Charleston road, to connect Memphis, Louisville, and Nashville with Charleston on the seaboard: and the great road from Nashville on the north to New Orleans on the south. This road will pass through the rich cotton regions of Mississippi, and the people of that vast State are now awakening to the importance of this improvement, for the development of their cotton lands. That State produces upwards of 500,000 bales of cotton annually, at a valuation of more than twenty-five millions of dollars; but it will be difficult for Mississippi to raise more money upon its bonds, until there is a stronger disposition evinced to provide for the existing ones.

Arkansas, too, begins to find out that internal improvements are essential to enable it to compete with its more active neighbor, Missouri. The great Pacific railroad being now seriously contemplated, there is already a conflict of interest between Missouri and Arkansas as to the route. Missouri has already broken ground and will be strongly supported by the great chain of roads through Ohio, Indiana, and Illinois; while Tennessee and Arkansas are linked together in support of a road having a connection with Charleston on the east, passing through Memphis, on the Mississippi, and thence taking the high road through Arkansas to the far West.

Still another competitor with Missouri, is the route urged from New Orleans through Texas. At the late railroad convention in St. Louis, Colonel Benton appeared as the champion of Missouri interests, and advocated a road from that city to the Pacific, with the aid of Congress. This undertaking would take a round sum of one hundred millions of

dollars. There are in St. Louis and near it, abundant enterprise, talent, and capital, to push their road through, with some assistance. The credit of Missouri, as a State, has never been used nor abused. Its whole public debt is less than two millions of dollars, a large portion of which is invested in bank capital paying ten per cent. dividends, annually.

Governor Roane, in his late message to the legislature of Arkansas, devotes much space to the proposed improvements, and reminds his friends of the stain now resting upon the State for its non-payment of interest on its bonds.

Arkansas is at present, financially, in bad hands. The last legislature reduced the taxes, before barely sufficient for the expenses of the government. The consequence is, that the annual revenue has fallen short of the expenditures $22,000, and the probable deficit, as estimated by the Auditor, will be nearly $65,000 next year.

"This policy [says the Message] is indefensible; and, if we would attempt to keep up the semblance of a State government, it must be changed. If the people of this State are unwilling to pay the expenses of a State Government, they are unworthy of such a government; and the legislator who would shrink from making the necessary provisions for maintaining the government for which he pretends to legislate, is unworthy a place in her halls."

Without banking institutions or internal improvements, Arkansas cannot keep pace with her neighbors. The State was admitted into the Union in 1836, with a population of 60,000, and taxable property to the amount of $15,000,000. Now the population is 230,000, and the taxable property is $50,000,000. In 1836, she exported 5,000 bales of cotton; in 1852, 150,000 bales. Her hills abound extensively with minerals of the most valuable kinds, and railroads are essential to the development of such vast resources. The existing debt, amounting to $2,000,000, was incurred for the purpose of establishing two banks. Both of these failed, entailing an annual charge of $120,000 for interest. Even this small sum remains unpaid, with a population nearly double that of Rhode Island, whose banking capital is twelve millions of dollars. The Governor recommends the issue of new bonds to take the place of the old ones, but he will find this measure unavailable, unless some absolute provision is made for the punctual payment of interest.

"I would further suggest for your consideration, the propriety of making some arrangement for the settlement of our public debt. I have no doubt that this debt could be funded upon liberal terms; requiring the State to take up her now outstanding bonds, and, in lieu thereof, to issue new bonds, payable at some future day; at the same time giving some security for the payment of the accruing interest upon the new bonds, which can be done by appropriating the assets of the banks for that purpose.

"In this way the first step will be taken towards the extinguishment of our State debt; and by the time the new bonds reach maturity, by pursuing a liberal policy in developing the resources of our State, we shall doubtless be able to pay the debt entailed upon us by our banks.

"By adopting this policy, our reputation as a State may be shielded from the threatened taint of repudiation. These are not the suggestions of a vague theory, but legitimate conclusions from existing facts."

In the face of adverse circumstances existing in Arkansas, we find that Ohio and Indiana are rapidly uniting their interests by various chains of

railroad. There is now a continuous line of rails from Cincinnati to Indianapolis, by way of Greenville. The stock in the Atlantic and Mississippi Railroad Co. has lately been subscribed in New York to the full extent wanted: $1,530,000. This will secure a continuous road from Terre Haute, on the Wabash River, to Alton and St. Louis on the Mississippi.

Some idea may be formed of the gigantic efforts now making to complete the system of internal improvements in the West, from the annexed table showing the lines of railroads which will connect with Chicago. This summary is from the *Chicago Tribune:*

We offer next a table of the railroads, built and in progress, coming into Chicago, with their length in round numbers, by way of contrast to the table of "half-a-dozen" long and short, which are to exert such a magic influence upon the future prosperity and comparative growth of Buffalo. We leave out all roads and branches less than two hundred miles in length, as of no account *out here.*

Boston, via Albany, Niagara, and Detroit,	1,000	miles.
New York, via Dunkirk, Toledo,	900	"
Philadelphia, via Pittsburgh, Fort Wayne,	800	"
Baltimore, via Wheeling, Columbus,	750	"
Norfolk, via Cincinnati and Chicago,	900	"
Charleston and Savannah, via Louisville and Indianapolis, Nashville and Evansville,	1,000	"
Mobile, via Cairo,	900	"
St. Louis, Alton, Springfield and Bloomington,	250	"
Quincy and Military Tract,	200	"
Rock Island, Peru, and Joliet,	200	"
Dubuque, Galena, and Chicago,	200	"
Illinois and Wisconsin, via Fond du Lac to Lake Superior,	450	"
Lake Shore, Milwaukee, and Green Bay,	200	"
Measuring	7,650	"

One of the most important improvements of the year, for the travelling public, is the new Cleveland and Erie Railroad. This road was commenced less than two years since, and was fully completed and in running order last week. This route is only ninety-five miles in length, communicating with the road from Erie to Buffalo, and completing the chain from Boston on the east to Toledo on the west. On the 23d instant, the new road was opened for travel, when, by invitation, numerous gentlemen from New York, Pennsylvania, Ohio, and Michigan were present to celebrate the event.

The Cleveland and Erie Railroad is one of the most direct roads in the country, and has been built with its equipments, and in running order, at an aggregate cost of $20,000 per mile; and the stock at this moment is worth twenty-two per cent. premium.

A compromise has been effected between the several railroad companies in Illinois, having authorized routes towards St. Louis. By this arrangement the Belleville and Illinoistown Railroad Company, *having authority to connect with any other road in the State,* will extend their road eastwardly, crossing the Ohio and Mississippi Railroad, and thus establish a direct connection from St. Louis, through Indianapolis, &c., to the seaboard. St. Louis, as a corporation, holds stock in the Ohio and Mississippi Railroad Company to the extent of $500,000, and her inter-

ests are directly consulted in this new arrangement, which will obviate the necessity of passengers from that city passing through Alton—a point twenty miles due north from the former.

While Massachusetts, Vermont, and Connecticut have firmly established their important lines of intercommunication, and New York has fully accomplished its great links for trade and travel, we see that Ohio, Indiana, and Illinois have adopted measures to secure one or more direct lines of railroad conveyance from the great Mississippi in the West to the Atlantic cities north of Virginia.

The most important, probably, of all the western roads now in course of construction, is the Illinois Central Railroad. This vast undertaking, to cost seventeen millions of dollars, could never have been seriously attempted without the aid of Congress; but will now, with the contributions by the general government and the help of European capital, be carried into effect. This company have published a statement of their affairs on the 1st of November, 1852. A further issue of stock is authorized, so as to create an aggregate capital of $14,000,000; the first instalment of $5 per share of the new stock to be paid on the 17th of December. The construction bonds negotiated amount to $9,000,000—of which $4,000,000 bear 6 per cent. annual interest, and $5,000,000, sold in England, 6 per cent. The cost of the road is estimated at $17,000,000 —towards which the company have available means of nearly $12,000,000, leaving a balance of $5,000,000 to be provided for.

While the East and the West are thus binding themselves together by iron links and chains, and are thus uniting and cementing interests which would otherwise be at variance or occasionally in conflict, we find the South is pushing her works of internal improvement as far as its resources will permit.

A continuous railroad has been for a year or two in operation between Savannah on the sea-coast and the Tennessee line, looking to an extension thence to Nashville, Memphis, and Louisville. Now, a road is projected to unite Savannah and Augusta with Pensacola. This important link requires time and capital, but is essential to the true development of the commercial and agricultural resources of Georgia and Western Florida.

An equally important road is now projected, known as the Blue Ridge Road, from Anderson C. H. (South Carolina) to the Tennessee State line, a distance of 147 miles; thence to a point of connection with the East Tennessee and Georgia Railroad, a distance of 30 miles. This improvement, according to the estimate of the engineer, will cost $3,276,000 for the first seventy-seven miles; but as South Carolina is burdened with a debt of only $2,300,000, and her credit is unimpeached, the additional public debt of $3,000,000 for the new road will create no serious inconvenience. The projected road is now laid out into four subdivisions, viz:

1. Anderson C. H. to Seneca River, 18 miles.
2. Seneca River (Station No. 480) to Turnip Mountain, 18 miles.
3. Turnip Mountain (Station 960) to Whitston Creek, 16 miles.

4. Whitston Creek to N. Carolina State line, 23 miles. At an aggregate cost of $3,276,000, viz.:

First Division,	18 miles,	$44,600	per mile	$803,000
Second "	18 "	29,200	"	526,000
Third "	18 "	52,200	"	930,000
Fourth "	23 "	42,500	"	987,000
				$3,246,000

This, it will be seen, is one of the most costly undertakings in this country, for the short distance contemplated; and includes a tunnel of about 2000 feet, and an expensive bridge over the Chatuga river, at an elevation of 120 feet.

Nearer home we have the Camden and Atlantic Railroad, the surveys for which have now been completed, computing the distance at fifty-seven miles, nearly the whole to be in a straight line. The estimated cost for a single track and outfit for the first year's business, is $693,000. The object of this road is to furnish a more rapid transit from Philadelphia to the sea-shore, and thus add to the facilities for reaching the numerous watering places on the Jersey coast.

SPECULATION IN PARIS.—The accounts from the Paris Bourse to-day, (Nov. 4,) describe the speculative mania as being still on the increase, from the general belief that the Government will at all costs prevent a collapse until after the declaration of the Empire and the coronation. The rate of interest paid for the loan of money on the shares of many of the new companies continues to be fully 100 per cent., and even on the Government rentes it is equal to 22 or 23 per cent. From Vienna the telegraphic quotations indicate a considerable improvement in the money market. The Amsterdam prices of yesterday show little alteration, but the general tendency was towards an advance. At St. Petersburgh and Riga, according to advices received this afternoon, the rate of exchange was daily becoming more unfavorable for this country. The shipments of gold from London during the last week or two will, however, soon produce a reaction.

The "Great Paris Brewery Company" is another French undertaking, a portion of the capital of which is to be raised here. The object of the association is apparent in its title, including the production in France of the various varieties of British beer.

MADRID.—A deposit bank has been established at Madrid by a royal decree. This bank will be perfectly distinct from the Treasury, and will receive deposits in cash of all sums, such as security lodged by individuals holding public situations or for contracts for the public service. The interest allowed on such deposit is 5 per cent. and 3 per cent., according to its nature. The Government will guarantee all deposits to the owner, even in case of fire or robbery. It is believed that the establishment of this deposit bank will inflict a serious injury on the Bank of San Fernando, in which deposits are at present lodged to the amount of 60,000,000 reals, which will be immediately transferred to the new establishment. The Bank of San Fernando allows no interest on deposits.

BANK ITEMS

MAINE.—Rufus Horton, Esq., has been chosen President of the Manufacturers and Traders' Bank, Portland, in place of Joshua Richardson, Esq., resigned.

Frontier Bank, Eastport.—In consequence of the recent loss of two thousand dollars, in sheets of unsigned one-dollar bills of the Frontier Bank, Eastport, Me., the Suffolk Bank, at the request of said bank, will not redeem any of the one-dollar bills of that bank until new bills from a new plate are issued.

VERMONT.—A new bank has been established at Castleton, Vermont, under the general banking law of that State, with a capital of $65,000. President, W. C. Kittredge; Cashier, S. D. Root. This is the second bank established in Vermont under the Free Banking Law.

CONNECTICUT.—The Bank of Commerce, at New London, commenced operations on the 4th November, with a capital of $250,000. Acors Barnes, Esq., President; Charles Butler, Cashier.

RHODE ISLAND.—The Rhode Island Exchange Bank, at East Greenwich, will shortly commence business. The commissioners give notice that books of subscription were opened on the 24th of November, at the Rhode Island Central Bank.

NEW YORK.—The Shoe and Leather Bank was organized on Saturday, November 13, with the following direction: Loring Andrews, John Harper, A. G. Trask, M. Armstrong, A. V. Stout, James Stokes, J. H. Frothingham, Samuel Leeds, William Lotimer, A. S. Foster, J. D. Ingersoll, Josiah Oakes, A. Bragg, W. B. Isham, and having nearly all their stock subscribed, will go into operation in a few days. The capital subscribed is $500,000.

Syracuse.—The People's Bank at Syracuse, alluded to in our November No., will not be established; but in lieu of it will be established the Burnett Bank, (named after Major M. D. Burnett, of Syracuse,) with a capital of $50,000: J. J. Peck, Esq., Cashier. It is also proposed to establish there, the Salt Manufacturers' Bank, to be located in the First Ward (Salina). This, with the Savings Bank, will make eleven monied institutions in that place.

Geneva.—We are gratified to learn that a new banking institution, with the name of the "Bank of Geneva," has been organized under the general banking law, to take the place of the present admirable institution, whose charter expires on the 1st January, in this village. The capital will be $250,000, and C. A. Cook, Esq., the accomplished president of the present bank, will be at its head. The new bank will occupy the same edifice and succeed the old institution on the 1st of January.—*Cour.*

Binghampton.—The Bank of Binghampton commenced business in November. The notes are redeemed at the New York State Bank, Albany.

Bank Charters.—The charters of the following banks in this State will expire on the 1st January next, and it is supposed that they will all resume business, under the general banking law. Those marked with a star have already given notice to this effect:

Name of Bank.	*Date of Charter.*	*Capital Authorized.*	*Circulation Sept. 1852.*	*Loans Sept. 1852.*
*Bank of Geneva,	1829. April	$122,000	312.000	550,000
Bank of Troy,	" "	440,000	174,000	896,000
Farmers' Bank, Troy,	" "	278,000	181,000	645,000
*Mechanics & Farmers', Albany,	" "	442,000	194,000	1,108,000
*Catskill Bank,	" "	125,000	113,000	173.000
*Mohawk Bank, Schenectady,	" "	165,000	72,000	210,000
*Butchers & Drovers' Bank, N. Y.,	1830. "	500,000	282,000	1,554,000
*Bank of America, N. Y.,	1831. Feb.	2,001,200	250,000	4,900,000
*Bank of New York,	" Jan.	1,000,000	457,000	2,870,000
*Union Bank, N. Y.,	" Feb.	1,000,000	403,000	2,872,000
Total.		$6,373,200	$2,438,000	$15,778,000

NEW JERSEY.—The Delaware & Hudson Bank, Toms River, and the Farmers' Bank, Freehold, have given notice of their intention to close up. Various others of the banks, which sprang up so suddenly and numerously in our State under the banking law of 1850, have during the present year been calling in their bills and redeeming their securities. The amendment to the banking law, compelling them to become local institutions, and to give a par value to their currency in the State, has been the cause of this, and shows that the concerns were mere brokers' speculations, which were of no benefit to the communities in which they were located, a regular banking business not being sufficient to sustain them. The operations of the law has been directly the reverse upon the free banks of regular character, they having been engaged during the past year in increasing their capital and extending their business. The Newark City Bank, the Bordentown Banking Co., the Passaic County Bank, at Paterson, are of the latter character.

VIRGINIA.—We have heretofore notified the issuing of scrip notes of a less denomination than five dollars, by the corporations of Fredericksburgh and Norfolk, Virginia, as a remedy for the inconvenience felt by traders by the restrictions upon the banks to issue no notes smaller than five dollars. A petition has been presented to the city council of Richmond for the adoption of the same measure. The committee to whom the subject was referred has reported that the council has no authority to comply with the request. That by the laws of the State the issue of circulating notes is confined to companies specially authorized to carry on the business of banking, and the violation of those laws would render the council amenable to the penalties of fine and imprisonment, imposed upon the issues of all unauthorized circulating notes. Independent of this as a matter of expediency merely, the committee are opposed to the creation of a currency irredeemable in gold and silver. The committee say:

"Our State banks can now issue notes of the denomination of six, seven, eight, and nine dollars; a measure which might perhaps diminish the difficulties arising from the smallness of the specie in circulation. And if the legislature of the State see fit, they can repeal or suspend for a time the law prohibiting any bank of this State from issuing any note of a less sum than $5. But whether they shall or not, we do not think the council should take upon itself to create a circulating medium. Far better, it seems to us, it will be to strive to have among us as good a currency of gold and silver as prevails in the Northern cities—Baltimore, Philadelphia, and New York. If either here or there inconveniences be felt from there being no gold coin under $5 of other denominations than $2. 50 and $1, the authorities of the United States may be applied to to issue gold coin of the denomination of two, three, and four dollars. And if silver has become scarce, because as between gold and silver, since the greater abundance of gold, the relative value of gold has become less and of silver more, those authorities can remedy the grievance by a new regulation of the respective values of gold and silver coins."

SOUTH CAROLINA.—E. J. Scott, Esq., was, on the 17th of November, elected Cashier of the Commercial Bank, Columbia, in place of Benjamin D. Boyd, Esq., who has resigned, and will embark in commercial pursuits at Charleston.

TENNESSEE.—Orville Ewing, Esq., has been chosen Cashier of the Planters' Bank of Tennessee, at Nashville, in place of Nicholas Hobson, Esq., resigned. Mr. H. has become a partner in the banking firm of Hobson & Wheless, at Nashville.

KENTUCKY.—A branch of the Farmers' Bank of Kentucky has been established at Georgetown, of which P. S. Mitchell, Esq., has been chosen Cashier, and J. T. Craig, Esq., president.

The following appointments have been recently made:

Bowling Green,	Bk. of Ky., Branch,	J. Hines, President;	*vice*, John H. Graham.
Frankfort,	" "	A. W. Dudley, President;	*vice*, Thomas N. Lindsley.
Hopkinsville,	" "	J. P. Campbell, President;	*vice*, John A. Steele.
Lexington,	" "	Horace B. Hill, Cashier;	*vice*, William S. Waller.
Maysville,	" "	James Barbour, Cashier;	*vice*, H. B. Hill.
Paducah,	Com. Bank of Ky.,	L. M. Flournay, President,	J. L. Dallam, Cashier.
Harrodsburg,	" "	J. Hutchison, President,	D. G. Hatch, Cashier.
Versailles,	" "	D. Thornton, President,	E. H. Taylor, jr., Cashier.

INDIANA.—The following list of the Free Banks in Indiana has been furnished by the State auditor:

Connersville.—Bank of Connersville—Sanford and Co., of Cincinnati, and George Frybarger, of Connersville, proprietors. Capital, $400,000; notes issued, $225,000.

Logansport.—State Stock Bank at Logansport—D. K. Robinson, of New York, proprietor. Capital, $100,000; notes issued, $100,000.

Lafayette.—Government Stock Bank, at Lafayette—Odin Benedict, of New York, proprietor. Capital, $50,000; notes issued, $50,000.

Newport.—Public Stock Bank, at Newport—W. H. Marston, of New York, proprietor. Capital, $50,000; notes issued, $27,000.

Peru.—State Bank of Indiana, at Peru—A. De Graff, of Dayton, and E. F. Drake, of Xenia, Ohio, proprietors. Capital, $100,000; notes issued, $16,000.

Plymouth.—Bank of Plymouth—P. Bryant Taylor, of New York, proprietor. Capital, $50,000; notes issued, $12,000.

Laporte.—Indiana Stock Bank, at Laporte—Ives & Co., Detroit, proprietors. Capital, $50,000; notes prepared, $45,000.

Logansport.—Wabash Valley Bank, at Logansport—papers filed. Capital, $200,000.

Terre Haute.—Prairie City Bank, at Terre Haute—Capital, $150,000; organized.

Total capital, $1,150,000; stocks deposited, $542,000; notes issued, $434,500.

WISCONSIN.—The popular vote in Wisconsin upon the proposed free banking law of the State, at the recent election, was largely in favor of the law; so that Wisconsin, like Illinois, will soon be provided with its own specie-paying banks.

The law of Wisconsin required that it should be submitted to the people for their approval or rejection; and provides for the establishment of banks, with a capital of not less than $25,000, nor more than $500,000 each. The securities receivable are United States and State stocks, on which interest is regularly paid—to be made equal to six per cent. stocks, and not to be taken at a rate above par, nor at a rate above the New York market price for the six months preceding.

In lieu of these stocks, first mortgage railroad bonds issued by Wisconsin companies, may be taken to the amount of fifty per cent. of the circulating notes. These bonds are receivable at not over eighty per cent., and not exceeding one-half of the cost of the road upon which they are a lien.

CANADA.—The Montreal *Herald* states that the Bank of Montreal has commenced the issue of notes of various denominations, of an entirely new character on this continent. In size they are similar to the notes hitherto issued, but resemble, in character of paper and engraving, the notes of the Bank of England. The designs are exceedingly elegant and admirably executed, but are much less complicated than those usually used in America. Like the notes of the Bank of England, they are all printed on water-marked paper, each note containing in the water-mark the amount for which it is issued; and this, together with a new and complicated mechanical system of numbering, will, we are inclined to hope, afford, not only a ready means of detecting forgeries, but an increasing security against the forger. The notes only bear the signature of one individual, Mr. Samuel Read, who, we understand, has been specially appointed to sign all the notes in future to be issued by the bank and its branches.

SEMIANNUAL BANK DIVIDENDS.

New York.—Bowery Bank, 4 per cent. Mechanics' Banking Association, 4 per cent. Broadway Bank, 4 per cent. Pacific Bank, 4 per cent.

Baltimore.—Commercial and Farmers' Bank, 5 per cent. Bank of Baltimore, 5 per cent.

Philadelphia Semiannual Bank Dividends.—The following table is an exhibit of the capital of the Philadelphia banks and their dividends for 1851 and 1852:

	Capital.	*May,* 1851.	*Nov.* '51.	*May,* '52.	*Nov* '52.
Philadelphia Bank,	$1,150,000	6	5	5	6
Farmers and Mechanics',	1,250,000	5	5	7	5
Girard Bank,	1,250,000	3	3	3	3
Commercial Bank,	1,000,000	4	4	4	5
Mechanics' Bank,	800,000	6	6	6	6
Western Bank,	500,000	7	5	5	8
Bank of Northern Liberties,	350,000	5	5	5	5
Manufacturers and Mechanics',	300,000	4	4	4	4
Southwark Bank,	250,000	6	6	5	5
Kensington Bank,	250,000	10	5	5	7
Bank of Commerce,	250,000	5	5	5	5
Penn Township,	225,000	5	5	5	5
Tradesmen's Bank,	150,000	3	3	3	4
		Jan. 1851.	*July* '51.	*Jan.* '52.	*July* '52.
Bank of North America,	$1,000,000	10	5	6	6
Bank of Pennsylvania,	1,875,000	5	4	5	4
Total	$10,600,000				

GEORGIA.—Bank of the State of Georgia, Savannah, 4 per cent.

MISCELLANEOUS.

THE ENGLISH EXCHEQUER.—The Chancellor of the British Exchequer frequently receives anonymous communications, accompanied by small sums of money. These are made generally by parties who have defrauded the revenue, and whose consciences prompted a remuneration for the loss: or else by simple-minded people, who hope thereby to lessen the burden of the public debt. Among the last acknowledgments of this nature, is the following, in October last, which we find in the *London Times*.

"The Chancellor of the Exchequer begs to inform 'X. Z.' that the half of a Bank of England note for £50, No. 16,207, has been received. 'A. B. S.' is informed that £5 8*s*. has been received. The halves of two Bank of England notes for £5 have been received from 'I ate, but not too Late.' The Chancellor of the Exchequer also acknowledges the receipt of a Bank of England note for £5, and £1 13*s*., on account of income tax not applied for, from 'H. D. R.' The Chancellor of the Exchequer acknowledges the receipt of a Bank of England note for £5, No. 83,061, from 'Z.' The first half of £17 has been received from 'M. B.'"

DUTCH FINANCES.—The Dutch Government has just published statistical returns, from which it appears that in 1851 the imports exceeded those of the preceding year by 31,000,000 florins, the exports by 18,000,000 florins, and transit by 6,000,500 florins. Among the imports coffee presented an increase of 7,000,000 kilog.; rice, 6,000,000 kilog.; and sugar, 8,000,000 kilog.; and gold in ingots and silver in bars, 12,000,000 florins.

In exports there was an increase of 700,000 kilog. in butter, 8,000,000 kilog. in cotton, 10,000,000 kilog. in coffee, and 8,000,000 in rice; whilst in oxen there was an increase of 8,807, in calves of 5,512, in pigs 3,916, in sheep 20,000, and in lambs 6,000. In the commerce of transit there was an increase of 8,000 *laats* in rye, 1,500,000 kilog. in rice, 5,000,000 kilog. in sugar. In navigation there was an increase of 103 ships, and in burden of 60,311 tons.

THE LONDON STOCK MARKET.—Annexed is a table of the stock and share fluctuations during the month of October, 1852. The range of consols has again been limited, but in railway shares of all descriptions there has been a very considerable advance:

FLUCTUATIONS IN THE LONDON MARKET DURING THE MONTH OF OCTOBER, 1852

Stocks and Shares.	*Amount of Share.*	*Amount paid.*	*Price on the 1st of Oct.*	*Highest price during the mon.*	*Lowest price during the mon.*	*Price on the 30th of Oct.*
Consols, . . .	—	—	100 to ¼	100¼	99½	100¼ to ¼
Exchequer-bills, . .	(March)	—	69 to 72	78	69	75 to 78
RAILWAYS.						
Brighton, ...	stock	stock	104½	106	103	105¾
Caledonian, . . .	"	"	45	55½	44½	54½
Eastern Counties, . .	"	20	11½	12¾	11½	12½
Great Northern, . .	"	stock	76	84	75	82½
Great Western, . .	"	"	95¾	97½	94	96¾
London & North-Western,	"	"	117½	124¼	116¼	124½
Midland, . . .	"	"	76½	79¼	75½	79½
Lancash. & Yorkshire,	"	"	83¾	89	82½	88½
North Staffordshire, . .	20	17½	13	13¾	12¾	13½
South-Eastern, . .	stock	stock	72¾	81½	71¼	80½
South-Western, . . .	"	"	97½	95	87	94½
York Newcastle & Berwick,	"	"	66¾	72½	66½	70¾
York & North Midland,	"	"	49½	55	48¾	53¾
Northern of France, . .	20	16	28¾	34¾	28½	34¾
East Indian, ...	20	20	27¾	29	27½	28½

GOLD AND SILVER COINS AND COINAGE.

To the Editor of the London Times:

Sir,—Your columns of this day, by means of the letter of your correspondent "N. R.," give new currency to a popular error concerning the actual value of our silver coinage as mere metal. I repeat so much of my statement, published in the *Economist* of the 25th September last, as may set the matter right. One pound, or 12 ounces troy of sterling silver are coined into 66 shillings (act of 56 George III. chap. 68, sec. 4.), which is equivalent to making each ounce a legal tender, within certain limits, for 5*s.* 6*d.* Consequently, unless sterling silver in the ingot become saleable at an advance upon the present market price of about 5*d.* per ounce—say 8 1-5th per cent.—any conversion of our silver coin into mere bullion would necessitate a positive loss to the owner.

The occasion serves to remark upon the efficient sympathy afforded by the Bank of England to the general demand for decimal weights, moneys, &c. In consequence of the recent regulation, whereby the bullion-office of the bank refuses to buy or sell except by the troy ounce and its decimal fractions, I have had to construct tables of the money values of tenths, hundredths, and thousandths of the ounce of gold bullion, which must necessarily be difficult for the common run of arithmeticians to deal with, in the absence of a decimal monetary system.

Moreover, the assay is henceforward, as it seems, to be represented by decimals, so that the old terms of "standard gold"—an alloy of 11 ounces pure or fine gold in the pound troy—must be expressed thus (.9166·), and "sterling silver"—an alloy of 11oz. 2dwt. of pure or fine silver in the pound troy—thus (.9305·)—the last (dotted) figure in each expression being a recurring one.

29 Throgmorton-street, Nov. 1. J. A. FRANKLIN.

THE FRENCH COINAGE.—It is stated that a few specimens of a new copper coinage have been struck at the French mint, by way of experiment only, with the effigy of the President encircled with the inscription "*Napoleon Empereur.*" On the reverse an eagle with the words "Empire Français." The Paris correspondent of the London *Times*, under date October 25th, says that the numerals "III." follow the word Napoleon. It is proposed that the new coinage of gold and silver shall have the same device, with a crown of oak-leaf, but without the eagle.

The foreign silver which arrived at Southampton on the 22d October, by the West India steamer, was sold at 61½*d.* per ounce, and a limited amount of dollars at 59⅝*d.*, being an advance of ¼ per cent. on previous sales.

Some additions have been made to the quantity of silver coinage in circulation in Eng-

land, the London mint having coined more than three millions of pieces, to the value of £160,000 since the 1st of July last, in addition to large quantities of gold coins. Energetic measures have been adopted by the mint to supply small silver coins at an early day.

THE POUND TROY WEIGHT OF THE CITY OF LONDON.—It will be remembered that at the last Court of Aldermen, Alderman Humphery made an allusion to the want of a pound troy weight at Guildhall, the necessity for the use of which had been occasioned by the great influx of gold from Australia and California into the metropolis. The alderman received on the following day a letter from Professor Airy, of which this is a copy:

"Royal Observatory, Greenwich, Oct. 13, 1852.

"Dear Sir—You will probably have almost forgotten the name of a person who received much attention from you at Merthyr about 15 years ago, and you will perhaps be surprised at the nature of the subject on which he writes to you new.

"In the newspaper of this day it is reported that at the Court of Aldermen, held yesterday (October 12,) you stated that the Governor of the Bank of England complained that in the weights and measures office of Guildhall there is no such thing as a pound troy weight.

"I beg leave to state to you that there is such a pound troy weight, and, moreover, that it is one of great value and perfect authenticity, (being that which was made by Captain Kater in 1824,) and that it has been in my hands, and has been restored to the Town-clerk's office, where I doubt not it will still be found. I inclose copies of the receipts which passed on the occasion both of its delivery to me and of its return to Guildhall.

"But though I trust that this troy pound weight will be found, and will be carefully preserved as likely to be in future a very valuable antiquarian monument, yet I hope that the use of the troy pound will not be encouraged in the offices of the city of London. It was established on abundant evidence before the Standard Commission that the troy pound, the troy ounce alone being used in trade; and for this reason, with others, the new standard weight of England will be an avoirdupois pound of 7.000 grains. It appears that new weights are now required for the city. I beg leave most strongly to urge on your attention the great advantage of adopting multiples of ten ounces, one hundred ounces, and one thousand ounces. I heard very lately, (as a matter which had occurred in my absence, and which I have not yet verified,) that the Bank of England have adopted this decimal scale from the ounce. I am, dear sir, very faithfully yours,

"Mr. Alderman Humphery. G. B. AIRY."

—

"Royal Observatory, Greenwich, Jan. 21, 1843.

"Received of Mr. Sergeant Merewether, Town-clerk of the city of London, by the hands of H. Welton, Esq., the standard troy pound weight of the city of London (marked, a Crown T. Y. Pd. 1824), transmitted to my custody by the Lord Mayor, the Chamberlain, and the Town-clerk of the city of London, in compliance with a letter from the Lords Commissioners of her Majesty's Treasury to the Lord Mayor, dated Jan. 11, 1843, for the purposes contemplated in the 16th article of the Report of the Commissioners for Reduction of Standards. (Signed) G. B. AIRY."

—

"Guildhall, London, Oct. 1, 1845.

"Received of G. B. Airy, Esq., Astronomer Royal, by delivery of Mr. James Glasher, a brass troy pound, the property of the Lord Mayor, the Chamberlain, and the Town-clerk of the city of London, which has been placed in the hands of the committee for superintending the construction of a new national standard, for the furtherance of the purposes of that committee. (Signed) H. WELTON."

THE LONDON MINT.—A correspondent inquires, with reference to the scarcity of silver coin, "What are the Mint authorities doing?" And he urges us to "arouse them from their lethargy and set them to work." We are authorized to state that, besides a much larger amount of gold coin, more than three million pieces of silver coin, to the value of upwards of £160,000, have been issued from the Mint to the public, through the bank, since the commencement of July, and that the most energetic measures are being adopted at the Mint to increase the supply.—*London Times.*

Mississippi.—On the day of the Presidential election a vote was taken in Mississippi relative to the payment or non-payment of the Planters' Bank Bonds, issued some twenty years since, for the redemption of which the faith of the State was solemnly plighted. The interest on these bonds was punctually met for many years, up to the commercial disasters of 1838-'9. Since then, the State, through every department of her government, has repeatedly acknowledged her liability in this behalf, and the justice, legality, constitutionality and binding force of the obligations resting upon her—and has just as often failed to make the necessary provisions for the payment of the bonds, and the past due and accruing interest.

But the climax was reached at the last regular session of the legislature, when a law was passed submitting it to a vote of the people whether they would, or would not, pay a repeatedly acknowledged liability! And the climax was appropriately capped on the 2d instant, when a large majority of the people voted that *they would not* pay a debt they had acknowledged to be just time and again!

There would be pretty times in this world, if debtors were permitted to vote for or against the payment of their own liabilities. Yet there would be fully as much justice and right in the application of the rule to individuals as to States. Individuals have as clear a title to vote themselves out of debt as has a State. And the rule might be carried further, and the murderer, burglar, thief, or pickpocket, be allowed to decide, by ballot whether he should, or should not, suffer the penalty prescribed for his crime.—*N. O Bulletin, Nov.* 15.

An Extraordinary Lock.—The editor of the American Artisan was recently shown a piece of mechanism called Yale's Magic Lock, which is as absolutely unpickable as the kernel of a walnut would be without damaging the shell. The only opening is a circular orifice, half an inch in diameter, for admitting the key, and through which there is no possible access to the tumblers by any instrument whatever—not even by the key itself, strange as that may seem. By a singular contrivance, a portion of the key is detached after insertion, and sent to a distant part of the lock, where it moves the tumblers, and where the tools of the burglar could never arrive except by first battering the lock to pieces. The keyhole resembles the interior of a small pistol-barrel, and having no opening in the interior basin of the lock, would not receive powder enough to blow it open. The lock is, therefore, absolutely gunpowder-proof also. Among other peculiarities, the key is susceptible of from forty thousand to one million of changes. A change of the key changes the lock also in the act of locking, so that one may have a new lock every day for hundreds of years! By a change of the key after locking it is rendered impossible to unlock, even with the same key, until altered back again. One may thus lose the key or have it stolen, and still entertain no fears of the lock's being opened with it. The proprietors offer a reward of five hundred dollars to any one who will pick it through the keyhole, using whatever instruments he pleases, and taking any length of time he may desire.

The following comparative table will show the deposits at the Mint in each month from January to November, inclusive, in 1851 and 1852:

	Gold deposits, 1851.	1852.
January,	$5,071,669	$4,161,688
February,	3,004,970	3,010,222
March,	2,880,271	3,892,156
April,	2,878,353	3,091,037
May,	3,269,491	4,335,579
June,	3,637,560	6,689,474
July,	3,126,517	4,193,880
August,	4,135,312	2,671,563
September,	4,046,799	4,253,687
October,	4,743,584	4,140,069
November,	5,492,454	7,260,000
	$42,287,980	$47,699,354
Increase,		$5,411,374

SWEDISH LOANS.—The Swedish mortgage loan which has been introduced on the Stock Exchange by Messrs. R. and T. Sutton, has already met with considerable public favor, and has been, as before noticed, dealt in at 3¼ prem. This loan is for £450,000, bearing interest at the rate of 4 per cent. per annum, payable in London half-yearly, and is offered at 93 per cent. It is to be raised for the purpose of carrying out provincial improvements, and is secured under royal charter upon the estates in which the outlay is made. The bonds are to be extinguished at par by half-yearly drawings to the extent of 1 per cent. per annum; a payment of 13 per cent. is to be made on the issuing of the scrip, and the other instalments will be 10 per cent. on the 1st of December, 1852, 20 per cent. on the 1st of March, 1853, 30 per cent. on the 1st of June, 1853, and the last instalment of 20 per cent. on the 1st of September, 1853. The bonds will be delivered on payment of the second instalment. Interest will also be paid on the deposit at the rate of 4 per cent. on the 1st December next, from which date interest on the amount paid up accrues. Power has been reserved to pay off at par the whole or any part of this loan at the expiration of ten years from the 1st of December next, upon giving six months' notice of the same. The dividends will be paid, and the redemption made, at the office of Messrs. Palmer, Mackillop & Co.—*London Morning Chronicle, Oct.* 6.

DUTCH FINANCES.—A statement of the Dutch finances, which has just been published, gives a very favorable view of their position. It appears that on the 31st of December, 1851, there was a balance in the Treasury of 9,743,925f. (or £812,000 sterling), of which 2,424,211f. had accrued during that year. With regard to the current year, the receipts have thus far exceeded the estimates, and although they will be affected for the remaining months by some reductions of excise and patent duties which are just coming into operation, they are expected, on the whole, scarcely to fall below the satisfactory total of 1851. The expenditure includes several extraordinary items, such as the first subvention to the Rhenish Railway of 200,000f., and to the Haarlem Lake of 600,000f. For 1853 the budget shows an estimated revenue of 71,685,772f., while the expenditure is set down at 70,074,828f. leaving a surplus of 1,610,944f. Notwithstanding this state of affairs, however, it is proposed to abstain from any further immediate reduction of excise, and other duties, until the surplus in the Treasury shall amount to 12,000,000f. It is contended that while the national debt remains at the present amount, it is necessary to pursue a course of extreme caution, and that the first efforts during the confidence that prevails should be directed to its reduction. A plan is accordingly announced to be in preparation for the conversion of the Four per Cents. With regard to the circumstances which have attended the existing position of affairs, allusion is especially made to the effects of the modification of the navigation laws and the alteration in the postage system. The activity in the dockyards has not diminished, and the number of foreign ships registered has been very small. At the same time the total value of the import and export trade increased from 514,000,000f. in 1850, to 546,000,000f. in 1851, while, as compared with the average of the five preceding years, the excess in the latter year was 52,000,000f. "Thus," it is remarked, "the prognostications of the antagonists of the liberal system of commerce adopted in the amendment of the navigation laws in 1850 may be considered to have been wholly unfounded." The new postage law is also stated to have given very satisfactory results. The number of paid letters now exceeds 1,000,000 per month, and previously it did not amount to 550,000. Postal conventions have been concluded with all the adjoining States, and also with France, Austria, and the Hanseatic towns. The Government have not yet succeeded in bringing about a similar arrangement with Great Britain, but they entertain the hope of its being accomplished. As respects the currency, it is stated that the total of Mint certificates remaining in circulation at the end of August last was 13,156,270f., the holders showing little desire to change them for coin; and that by a recent regulation the Dutch Bank is obliged to publish monthly the amount of its notes outstanding, along with other particulars, and yearly the amount of its capital and reserve. Finally, the following table is furnished of the revenue and expenditure of the country for the last ten years. From 1842 to 1844 an aggregate deficiency was experienced of 16,892,532f., which was met by the 3 per cent. loan concluded in 1844. Since that time there has constantly been a surplus (with the exception of the year of the French Revolution), which has now caused an accumulation in the Treasury of 7,861,227f., besides certain colonial receipts yet to arrive, that will make up the available total already referred to of 9,743,925f.:—

Year.	*Revenue.*	*Expenditure.*	*Surplus.*	*Deficiency.*
1842 . .	Fl. 69,719,271	Fl. 78,209,986	..	Fl. 8,490,715
1843 . .	75,145,549	79,772,372	..	4,626,823
1844 . .	70,382,412	74,156,405	..	3,773,993
1845 . .	74,728,146	74,414,912	Fl. 313,234	..
1846 . .	73,804,737	73,488,030	316,707	..
1847 . .	76,019,355	75.757,480	261,875	..
1848 . .	66,605,537	76,324,912	..	9,719,375
1849 . .	78,284,908	69,992,129	8,292,779	..
1850 . .	75,983,998	70,012,193	5,971,805	..
1851 . .	67,473,297	74,049,086	2,424,211	..

—*London Times, Oct.* 8.

Bank of Portugal.—The Bank of Portugal have issued a protest against the Government decree of the 30th of August last, by which certain securities pledged to that establishment, and amounting to £540,000, have been seized for the purpose, as it is understood, of giving a guarantee to the projected railway. They characterize the act as "a flagitious injustice, committed in contempt of the most solemn stipulations agreed to by the Government and the Bank;" and they give notice that they will never recognize the right either of the Government or of any third parties to the securities thus obtained. They accordingly "warn any individual, corporation, or company, national or foreign," to whom such securities may be offered; and, in order that no one may plead ignorance, they specify in full the numbers and amounts of the inscriptions, bonds, or policies of which they consist.—*London Times, Oct.* 8.

Extension of Banking in India, &c.—The prospectus of a new bank, under the title of the Chartered Bank of India, Australia, and China, has appeared in our advertising columns. The gentlemen composing the direction are well known to the public as holding a high position in the commercial world, and generally as men possessing large experience in financial matters; this of course will give confidence in an undertaking under their management. The next important question for shareholders is, what fields are open in which banking can be successfully extended. In the prospectus referred to, it is stated that both in India and Australia there is a very large opening for such establishments, and that, notwithstanding the great increase which has taken place in the commerce of those countries during the last twenty years, banking accommodation has been in reality diminished. Prior to the crisis of 1847 many of the East India houses, which then disappeared, included extensive banking business with their ordinary mercantile transactions, and their place has not since been adequately filled up. The dividends paid by the several banks now established in India are also brought forward as proofs of the profits afforded by banking in that country. This is all very well as far as it goes, but the history of banking in India affords many instances of a very opposite character, both as to the safety and profit of such institutions; and it is to the experience, judgment, and integrity of the persons to whom the management of any new banking enterprise in India is entrusted that the public should look, rather than to the profits made by the existing establishments. If more banking accommodation is required in India than now exists, and there seems no reason to doubt it, then the proposed undertaking possesses all the elements of success within itself, and only requires the exercise of that skill and judgment which its directors are known to possess for its profitable development. This bank, of which the capital is to be £1,000,000, in shares of £20 each, will be incorporated under a royal charter, by which the liability will be limited.—*London Morning Chronicle, Oct.* 9.

Norway Railroads.—The Norwegian Trunk Railway Company, under a concession from the Norwegian Government, has been introduced upon the Stock Exchange by Messrs. A. and W. Ricardo. The capital required is only £450,000, of which the Government furnishes one-half the amount; the remainder will be represented by shares bearing a guaranteed dividend of 4 per cent. per annum until the opening of the line, of which about three-fourths are stated to be already completed. The whole of the rails and the chief part of the locomotive engines and rolling stock are on the ground. The promoters of this enterprise are Mr. J. L. Ricardo, M.P., Mr. S. M. Peto, M.P., and

Mr. Brassey; and the engineer is Mr. Robert Stephenson, M.P., names which give a *bona fide* character to the undertaking. New railway projects are starting into existence almost every day, and though the amount of capital required for the construction of those already before the public is not, comparatively speaking, large, and though most of the schemes are so far of a useful and practical character, yet the disposition to increase this class of speculation is so evident as to give reason to apprehend that many other schemes of doubtful value will soon be brought in the market. The schemes recently brought out include the Vauxhall and Sydenham Railway, capital £280,000, in 28,000 shares of £10 each; the West-end of London and Crystal Palace Railway, capital £38,600, in shares of £10 each; the Wimbledon and Croydon Railway, capital £45,000, in 4,500 shares of £10 each; the Woodford Railway, capital £120,000, in 12,000 shares of £10 each. These may all be considered as lines immediately connected with the metropolis, and of a useful character. There are also several county lines before the public, some of which are new, and others old schemes revived. These are the Somerset Central Railway, capital £70,000, in shares of £20 each; the Great Northern, Doncaster, and Bradford Railway, capital £1,000,000, in shares of £25 each; the Nuneaton and Leicester Railway, capital £150,000, in shares of £10 each; the Hull and Holderness Railway, capital £150,000, in shares of £20 each; and the Montgomeryshire Railway, capital, £250,000, in shares of £10 each. In foreign railways we have the Norwegian Trunk Railway before mentioned, capital £450,000; the Belgian Eastern Junction Railway, capital £392,500, in shares of £5 each; and the Rotterdam and Antwerp Railway. To these may be added several American railways, which have already obtained, and are now seeking a large amount of capital in this country, and we hear of others, both domestic and foreign, which will soon be in the market.—*London Morning Chronicle, October 7.*

City Loan Taken.—We notice the loan of Alleghany City, for $200,000, has been taken by Kramer & Rahm, bankers of this city. This loan is the second subscription of stock to the Ohio and Pennsylvania Railroad Company, and is in bonds of one thousand dollars each—twenty-five years to run—interest and principal payable in New York, and guaranteed by the company. The subscription is made and the bonds issued by authority of our legislature and the city councils, and forms one of the best and safest securities for investment in the market.—*Pittsburg Daily Union.*

Bullion.—The Bank of England has notified its dealers that the decimal plan of weighing will in future be used in that establishment. The following is the notice:—

"Bank of England.—Notice is hereby given that on and after the 1st of November, 1852, the present mode of weighing in the bullion office of the Bank of England, by pounds, ounces, pennyweights, and grains, will be discontinued, and the only weights in use in that office will be of the denomination of the troy ounce and its decimal parts."

Hobbs and Chubb again.—The London correspondent of the United States Gazette says:—

"The directors of a well-known insurance office in Moorgate street had assembled at their rooms last week to hold an important meeting. When the books and papers of the company were called for, the secretary could not find the key of the large vault where they were kept. After an unsuccessful search, Mr. Chubb, the maker of the large iron door and lock, was sent for, and was asked if he had a key that would open the lock. He replied in the negative. He was then asked if he could pick the lock. He again replied in the negative, and rather indignantly withal, at the insinuation that his celebrated locks could be picked! The directors asked what was to be done? Mr. Chubb answered that the only method by which the books and papers could be procured was to cut the door down. The directors would not consent to such a proposition, and Mr. Chubb left the premises. A messenger was dispatched to Cheapside for the American, Hobbs, who sent one of his workmen, with instructions to take an impression in wax of the keyhole of the lock. The man departed, and in a few minutes returned with the impression. Mr. Hobbs then selected a few simple instruments, and accompanied his workman to the insurance office. After operating on Chubb's lock ten minutes only, the bolt was turned, the door was opened, and all the books and papers were placed before the board of directors, and to their utter astonishment!"

Boston Brokers.—The Board of Brokers of Boston have presented Henry W. Pickering, their late president, with a silver pitcher and salver, worth $800, on the occasion of his retiring from the board, as a token of their respect and confidence for his long and faithful services as their presiding officer. Charles D. Head, Esq., of the house of Head & Perkins, has been chosen unanimously to fill the vacancy.

Important to Planters of the South.—"Arrangements have been made," says the Baltimore American of Tuesday, "through a responsible banking-house of this city, in correspondence with Europe, to make advances to planters who desire promoting a direct trade with the continent of Europe. The parties engaged in it are of the highest character. We understand that all the necessary details have been arranged, and it only remains for the planters to act or not, as they deem fit. We make this announcement to prevent any misapprehension in regard to the responsibility of the parties connected with the movement. The planters will be addressed by circular or personal application, and will be put in possession of all the necessary information to enable them to judge for themselves, and will be furnished with facilities to enable them to act, if they wish."

Integrity in Business.—The following are Mr. Everett's remarks at the Baring dinner at Boston upon the great house of which the honorable guest is a member. It is a great thing to have it said of a company of bankers or merchants, or of any other association, that has been engaged in immense transactions for one hundred years, that "of the almost uncounted millions that have passed through their hands, not one dishonest farthing has ever stuck by the way." The very mention of it must nerve the integrity of thousands. What worth is there in such examples!

"I am greatly indebted to you, sir, for giving me an opportunity to join you in this tribute of respect to Mr. Baring, who is on every ground entitled to the favorable opinion and friendly regards of this company. This is a topic on which delicacy forbids me to say on the present occasion all that might with truth be said at any other time and place; besides that our respected guest has made it almost impossible for me to give utterance to my feelings, without seeming to engage with him in an exchange of compliments. This, however, I may say without impropriety even in his presence, that he is a respected and most efficient member of a family and house which now for nearly or quite a century has stood before the public, not merely of England and America, but of all Europe and the farthest East, in a position of high responsibility and importance; exercising an influence on the commerce of the world, and contributing to the stability of its financial relations; exposed to the searching scrutiny of mankind, sharpened by the strongest inducements of public and private interests, in times of difficulty and peril; and all this without ever having the shadow of a reproach cast upon their good name. Of all the millions, I had almost said the uncounted millions, which have passed through their hands, not one dishonest farthing has ever stuck on the way. Through times in which the governments of Europe have been shaken to their centre—in which dynasties, whose roots strike back to the Roman empire, have been overturned, and emperors and kings have been driven into exile, the commercial house of which our friend is a member, (connected as I believe it has sometimes been with the great financial arrangements of the day to a most fearful extent,) has stood firm for a hundred years on the rock of honor and probity, beyond reproach and beyond fear."

Munificent Donation.—Joshua Bates, Esq., of the firm of Baring, Brothers & Co., of London, has made the munificent donation of fifty thousand dollars to the city of Boston, in aid of a free library. We hear from private sources, that this gift is conditional—that the city would provide a suitable structure for a public library, and that a free reading-room, capable of accommodating one hundred and fifty persons, should be connected with the institution.

Mr. Bates is a native of Massachusetts, and by his liberality to Boston has evinced his regard to the State. The wife of Mr. Bates is a native of Boston. The late Captain Josiah Sturgis was her brother.—*Boston Atlas.*

The Debt of Great Britain.—The London Times of the 29th September publishes the following statement relative to the national debt of Great Britain:—

A parliamentary return in relation to the public debt gives the following particulars of its variations during the last thirty years, both as regards the amount of principal

and the annual cost for the payment of interest. It will be seen that the reduction in the principal effected during that period has been only £50,000,000, or six per cent., but that as regards the annual charge for interest, it has been £3,326,424, or nearly eleven per cent. The lowest point at which the national debt ever stood of late years was in 1834, when it had declined to £772,196,849, or to ten millions below the sum at which it now stands, the emancipation loan in 1835, and the Irish famine loan in 1847, having far more than counterbalanced all subsequent reductions. It is to be remarked, however, that owing to the conversion of the three-and-a-half per cents., and the low rates paid upon the unfunded debt, &c., the actual cost of these obligations is now smaller than at that period.

During the next seven or eight years this charge will experience a further diminution of £2,207,500, of which £600,000 will take place by the three-and-a-quarter per cents. becoming three per cents. in October, 1854, while the cessation of the remaining will occur through the expiry of the long annuities in January, 1860, for £1,293,500, and of other annuities, amounting to £1,314,000, during the intervening time. The annuity held by the bank for £585,700, does not terminate till 1867. The unfunded debt which is included in the subjoined totals, was less in 1851 than in any other year of the series, its amount being £17,742,800. In 1822 it was as high as £36,281,150:

Year.	*Amount.*	*Cost.*	*Year.*	*Amount*	*Cost.*
1822	£832,811,295	£31,343,551	1837	£786,319,738	£29,489,571
1823	826,443,364	29,978,454	1838	785,373,740	29,269,236
1824	813,521,672	30,166,421	1839	786,512,734	29,454,062
1825	806,122,467	29,197,187	1840	787,448,075	29,381,718
1826	808,367,590	29,228,967	1841	790,874,608	29,450,145
1827	805,023,742	29,417,543	1842	791,250,440	29,428,190
1828	799,979,540	29,309,052	1843	790,576,392	29,269,160
1829	796,742,488	29,156,611	1844	787,598,145	30,495,459
1830	783,096,646	29,118,859	1845	785,053,022	28,253,872
1831	781,095,234	28,341,416	1846	782,918,984	28,077,987
1832	779,796,549	28,323,752	1847	790,348,351	28,141,531
1833	779,565,783	28,522,507	1848	791,809,338	28,563,517
1834	772,196,849	28,504,096	1849	790,927,017	28,323,961
1835	787,526,466	28,514,610	1850	787,029,162	28,091,590
1836	788,398,570	29,243,599	1851	782,869,382	28,017,127

THE BANK OF FRANCE.—The leading features in the condition of the Bank of France, on the 14th of October, were as follows:—

Capital,	Fr. 91,250,000
Circulation,	635,000,000
Treasury deposits,	120,000,000
Individual deposits,	140,240,000
Miscellaneous liabilities,	40,789,000
Total,	Fr. 1,027,279,000

Its resources were:

Coin on hand, at Paris,	Fr. 495,112,000	
" " at branches,	90,805,000	585,917,000
Commercial bills discontinued,		214,122,000
Advances on French securities,		37,536,000
Advances on railway shares,		36,874,000
Advances to the state,		75,000,000
Government stock held by the bank,		65,642,000
Miscellaneous resources,		12,188,000
Assets, Total,		Fr. 1,027,279,000

The shares of the bank are in active request at the rate of 2,880 francs for 1,000 paid in.

It appears from the above returns that the metallic reserve has declined within the month 13½ millions in Paris, and 9¼ millions in the branch banks. The discount accommodation has increased 14½ millions in Paris, and 10¼ millions in the provinces. The advances on French securities have declined in Paris 2½ millions, and have increased in the provinces 1¼ millions. Advances on railway securities have increased in Paris 6 millions, and in the department 1½ millions. On the side of the liabilities the notes in circulation have increased 13 millions in Paris, and 6¼ millions in the branch banks. The account current of the treasury has declined 17½ millions. Private accounts current have increased in Paris 7 millions; the amount of the accounts in the branch banks remaining nearly as it was. The whole amount of the metallic reserve is at present 586 millions, to 685¼ millions of notes in circulation.

The Moniteur publishes a return of the receipts of the taxes and indirect revenue for the first nine months of the present year. They amount to 586,676,000fr., being an increase on the corresponding period of 1851 of 36,684,000fr., and of 49,057,000fr. on that of 1850.

Irish Banks of Issue.—An account pursuant to the act 8 and 9 Vic., cap. 37, of the amount of bank-notes authorized by law to be issued by the several banks of issue in Ireland, and the average amount of bank-notes in circulation, and of coin held during the four weeks ending Saturday, the 2d day of October, 1852:—

Name and Title.	*Circulation authorized by certificate.*	*Average circulation during 4 weeks ending as above.*			*Average amount of gold and silver coin held during 4 weeks ending as above.*
		£5 and upwards.	*Under £5.*	*Total.*	
Bank of Ireland, . . .	£3,738,428	£1,626,075	£981,875	£2,607,950	£513,384
Provincial Bank, . . .	927,667	260,119	435,489	695,808	215,810
Belfast Bank, ...	281,611	44,161	291,924	336,085	130,869
Northern Bank, ...	243,440	23,712	166,302	190,015	46,017
Ulster Bank, ...	311,079	30,002	259,410	289,413	47,637
National Bank, ...	761,757	259,396	444,430	703,827	136,010
Carrick-on-Suir National Bank,	24,084	6,173	10,687	16,861	5,103
Clonmel National Bank, .	66,428	13,168	22,579	35,747	7,726

The above return shows an increase in the amount of note circulation for the four weeks of £367,005, as compared with the previous return. During the four weeks embraced in the return the bullion in the banks decreased to the amount of £50,106.

The Koh-i-noor.—At the meeting of the British Association of Science, at Belfast, on the 7th Sept., Professor Tennant read a paper on this diamond, in which, from evidence he had collected, and confirmatory experiments which he had made in fluor spar, which breaks in the same direction as the diamond, he considered this not to be the original diamond mentioned by Tavernier, in 1665, of which it was probably only a portion, about one-third. The other portions, he considers, constitute the great Russian diamond and the Persian, which is in the form of a slab, and was described by Dr. Beke, at the last meeting of the association. By placing these three together, one large dodecahedral crystal would be produced, which is a common form of the diamond. Sir. D. Brewster gave his opinion in support of the opinions of Professor Tennant, and also stated that the English translation of Tavernier omitted many important points.

Turkey.—Turkish scrip has experienced a further depression. The mail from Constantinople of the 7th, due to-day, has not arrived, and there are consequently no later advices direct from that city; but telegraphic accounts to the 9th have been received, *via* Trieste, at which date the Sultan still refused to ratify the loan. No explanation has been given of the grounds of this state of affairs, but an impression is expressed that it is the result

of a deeply laid intrigue on the part of the neighboring powers, who are indisposed to allow Turkey to take any step that shall bring her into independent action with France and England. As far as information can be obtained, there appears to have been nothing in the conduct of the early negotiations to warrant the slightest difficulty being now raised. They were authorized, it is stated, by a preliminary firman, and when completed they received the approval of the minister of finance. A departure is understood to have been made from the original instructions, inasmuch as the amount contracted for was £2,000,000 instead of £1,600,000, and the period of repayment was spread over twenty-three years instead of ten years; but these changes are represented to have been explained and sanctioned, the government, in the full knowledge of all that had been done, having actually received already £100,000 of the proceeds. Under these circumstances, according to advices from Paris, the French minister has insisted upon the necessity that the loan should be ratified, or that the money already received should be returned, with an indemnity to all those parties who may have been purchasers at a premium; and it is also said that the French government have since conveyed to him their approval of his energetic course. On the other hand it is rumored that Colonel Rose, the British chargé-d'affaires at Constantinople, has not only refused to join in these representations, but has rather shown a disposition to direct the weight of his influence in accordance with what are considered to be the views of Austria and Russia. The transactions in the official list to-day were at 4¼, 3¾, 4⅛, and 4¼, and after regular hours the quotation was 4⅛ to ⅜ premium.—*London Morning Chronicle, Oct.* 8.

Connecticut Banks.—There are three banks organized and in operation, under the free banking bill, passed at the late session of the Connecticut legislature: the Uncas Bank of Norwich, with a capital of $100,000; the Bank of Hartford County, with a capital of $200,000; the Bank of Commerce, New London, with a capital of $50,000. All of these banks have a provision for a further increase of capital at some future period. There is in contemplation a bank at Westport, another in New Milford, and one in Litchfield or Winsted. By the recent bank law in Connecticut, the stocks of the cities of Hartford, New London, Norwich, and Boston, as well as of the States of Virginia and Kentucky, are receivable by the treasurer as collaterals for bank issues.

The Bank of Hartford County has adopted the Atwater patent in its bills, by which the denomination is ascertained in addition to the usual figures, &c., adopted by the engraver. Mr. Atwater's plan is to manufacture the bank-note paper in such a way that no alteration can be made from a low to a higher denomination. He introduces borders on the end of the notes, in addition to the figures which indicate its value, a single border for a one-dollar bill; two borders for two dollars, and five borders for five dollars. These are inserted at the left hand of the note. For the ten-dollar notes, a single border is introduced on the right end; two borders for a twenty-dollar bill. These various borders change the positions of the names of the president and cashier, and also of other portions of the bank-note, so that the general appearance of each denomination is entirely different from any other.

New Private Banking Firm.—The old American firm of Timothy Wiggin & Co., which failed in London some years since, has been reconstructed or re-established in the metropolis, Mr. Augustus Wiggin and Mr. F. Boykett, formerly in the Paris house of Welles & Co., having associated themselves as partners.

Small Notes.—We learn that the petitions to the common council for an issue of small notes by the corporation has already been signed by upwards of a thousand citizens. The individual losses, and the inconveniences to trade from the present state of the currency, will induce hundreds more to solicit the same measure. We have heard no objection to it on any score, except that the legislature may be induced to come to the relief of the people. The Enquirer throws out some such tub to the whale, and tells us that when the legislature and congress meet, they will take steps to better the currency. But have they not been in session for fifteen years, and striving all the while to improve the currency—and making it worse and worse every day! It is idle to expect any relief from that quarter, It is the same Locofoco body which was in session last winter, and which, with a full knowledge of the mischiefs that impended, refused to adopt measures to ward them off. They are no wiser now than they were before,—they feel no more for the sufferings of the community

than they have felt. As a federal office-holder, who receives four or five thousand dollars a year in specie, said the other day,—shaking a handful of specie,—"What better currency do the people want than *that?*" While they can fill their fobs with gold from the public treasury, they care not what may be the losses and sufferings of the poor.—*Richmond Whig.*

ISSUE OF SMALL NOTES AT NORFOLK.—The city councils of Norfolk, Virginia, have passed an ordinance making provision for the issue of corporation scrip to the amount of $20,000 in sums of $50 and $100, bearing six per cent. interest; and $10,000 in sums of one dollar, bearing an interest of one half of one per cent. per annum. The one-dollar bills are to be issued as soon as the necessary plates can be procured.

THE LATE DEFALCATION.—MESSRS. BOWEN AND COMSTOCK DISCHARGED.—Justice Osborne rendered his decision in the late defalcation or embezzlement case. Brown, Brother & Co., against Mr. Bowen, their cashier, and Mr. Comstock, a broker, this forenoon, at the Lower Police Court. The judge decides, that in the testimony adduced there was nothing to show that either of the prisoners were guilty of a criminal offence. He states that he has taken the advice of the city judge and assistant district-attorney on the subject, and that they are also of the same opinion. The counsel on both sides were notified of this result, this morning, and the parties discharged from custody. —*N. Y. Mirror, Nov.* 6.

MISSISSIPPI BONDS.—The Natchez (Miss.) Courier, before the election, said—

"The question will be propounded to every voter on the 2d of November next, when he proceeds to vote for Presidential electors: 'Will you submit to a direct tax for the payment of the bonds issued by the State on account of the Planters' Bank of the State of Mississippi?' Let the answer come from every quarter and section of the State, 'Yes, we will.' Every consideration of justice and good faith, honesty and expediency, prompt this answer. There can be no excuse for Mississippi to evade or refuse this debt. She can allege nothing but dishonesty as her motives if she does so; and such a motive should cause every honorable head to be bowed in shame. But we look for a response that will be creditable to the character of the State. A willingness to pay these bonds, the mere determination to do so, will bring more pecuniary benefit to Mississippi, before they become due, than will pay their amount."

CORPORATION NOTES.—The Fredericksburg News, in noticing the fact that the corporations of Norfolk, Petersburg, Lynchburg, Staunton, and Richmond have resolved to issue small notes, remarks:

"We have received communications from three of these corporations, asking for information as to the authority by which Fredericksburg issues her small notes, these corporations, we are told, citing the action of Fredericksburg as authority for them. We would invoke for our sister corporations mature consideration before adopting an expedient which may lead them into difficulty. Fredericksburg has special authority for her issue. An act of the legislature gives her power to issue $50,000 in scrip, bearing six per cent. interest, and redeemable at such time as her town council may advise. This issue was made in *one, two,* and *three* dollars scrip, set forth in the very words of the statute, and redeemable at the time the council did determine. It is scrip, and nothing more, which the public have converted into a currency.

"The Fredericksburg notes are unlike the Alexandria or Georgetown notes. These bear upon their face their character as a circulating medium. They are redeemble immediately after issue, and avowedly by authority alone of their corporations. The law of Virginia is express in condemnation of such an issue—making it a highly penal offence."

NEW FRENCH COINAGE.—The various mints in France are actively at work upon the new copper coinage, which is to replace the present heavy and ugly sou. Strictly following the decimal system, the new coins will be of 1, 2, 5, and 10 centimes in nominal value, and will correspond in weight with 1, 2, 5, and 10 grammes. This, however, is only *half* the weight of the copper coins now in circulation, and, consequently, of only half the intrinsic value. The French Government is thus once more trying an experiment which has so often failed, both in France and in most other European states, namely, that of issuing coined money of which the real metallic value is very greatly

inferior to the legal. There was already a difference of 53 per cent. between the actual *cost* of a French sou and its current legal value, which is about the same difference as exists in the English copper money. But the new coinage will offer a premium of 177 per cent. to the forger; and it remains to be seen whether so great a temptation will not cause the country to be deluged with spurious coins, to the confusion of trade and the serious injury of the poor, whose dealings are principally in small sums, and who may find the prices of the commodities which they daily use sensibly augmented by the depreciation of the currency in which payment is made, while their *wages* would continue, at least for a time, to be reckoned in the state coin. England had a severe lesson on this subject towards the end of the last century, when a general license existed for the issue by private individuals of copper *tokens*, or factitious pence—a license which gave rise to an enormous trade in this irregular money, demoralizing whole classes of people concerned in the issue, and introducing uncertainty and fraud into the daily dealings of the community. It was calculated at the time, that the quantity of factitious money was forty-fold that of the state coinage. After laws were passed to render penal the issue of any kind of coin other than what the mint produced, no less than 650 persons were prosecuted for that species of forgery, most of whom were condemned, and many executed. A new and beautiful copper coinage was also struck at Birmingham, by order of Government, and issued to the extent of 40,000 million pieces (pence and half-pence); but, instead of displacing, as was hoped, the spurious money, the numerous parties interested in the latter soon contrived to get hold of the state coin, and melted it down as material for their own issues. The only efficacious remedy was to give intrinsic value to the national copper coinage; and after that was adopted, the forgeries were gradually thrown out of circulation, the difference (50 per cent.) between the real and nominal value of the Government pence not being sufficient to pay the cost and risk of forgery. The French Government relies on the skill of its artists, and the beauty of the metal employed (bronze) to protect from successful imitation its new copper coinage; by the depreciation in the metallic worth of which it will gain *more* than the estimated cost (7,560,000 francs) of the operation. It is a hazardous speculation; and if it fail, the loss incurred by the nation will be very great, in addition to the social evils which inevitably accompany the extensive circulation of forged coin.—*London B. M.*

The Banking Institute.—A meeting of the Banking Institute was held at the offices of the institution, Threadneedle-street, last night, John M'Gregor, Esq., M. P. for Glasgow, in the chair. There was a pretty numerous attendance of members. Mr. Sewell then read the paper which had been drawn up on the subject announced by Mr. Bell, of Northallerton, who had undertaken to prepare the paper, but was prevented from being present. It contained a clear and concise account of the origin of bills of exchange, with a luminous exposition of the elementary principles on which they were conducted. The points principally dwelt on were two: first, whether bankers ought to have any regard to the state of foreign exchanges in regulating the currency of this country; and secondly, whether, in the present circumstances of Australia, the establishment of a mint or of an assay office would be of most practical benefit to the colony. On the first of these questions Mr. Bell gave no opinion himself. With regard to the second, he expressed himself strongly in favor of the establishment of an assay office to test the quality of the gold produced in the colony, rather than a mint to turn that gold into coin, which was not wanted in the colony, the circulation there consisting, as in Scotland, of £1 and £2 notes. The paper having been read, remarks were made upon it by Mr. Gilbart, of the London and Westminster Bank, Mr. Rogers, Mr. Atwood, of the British North American Bank, the chairman, and others, after which the meeting adjourned.—*London Morning Chronicle, Nov.* 10.

The English Money Market.—It is of some importance to observe the growing tendency to encourage speculative schemes. Several schemes have already advanced so far as to issue scrip, and that scrip bears a premium—as we dare say it is very fairly entitled to do. The infallible influence of all premiums on scrip, however, is to extend the manufacture of the commodity; and there is a distinct tendency to do that. The number of newly projected railways is increasing rather fast, and most of them seem to be reasonable. But that is not the point; the good schemes are sure to appear first, and the indifferent ones will come out on the strength of the success already achieved. —*London Bankers' Magazine.*

Notes on the Money Market.

NEW YORK, NOVEMBER 26, 1852.

Exchange on London, 60 days' sight, 9¼ a 10¼ premium.

CAPITAL is becoming more abundant, and is met by a full demand for temporary and permanent loans. The current rates in New York are:

For loans on demand, secured by Government or State stock,	5 a 6 per cent.
" " secured by other stocks,	6 a 8 "
Prime commercial paper, 60 days to 4 months,	5 a 6 "
Good business paper, " "	6 a 8 "

The quarterly returns of the banks of this State indicate great activity in loans and in circulation. There are no less than six new banks now in process of organization in this city, in addition to the forty-four banks already in operation. The new ones will be generally upon a large scale, and intended to represent separate branches of trade. There are likewise several new private banking firms, who will contribute essentially to the business facilities of the metropolis.

A proposition has been made during the present month for the introduction of the issues of the new banks of Indiana and Illinois, with a view to adopting them as a part of the currency of this city. These notes being secured by collateral stocks, it was urged that they would swell the existing volume of sound circulation in this vicinity, and thereby contribute to the business interests of the State. The proposition was made in behalf of parties who are largely interested as stockholders or owners of these new Western institutions. Public opinion in New York is, however, decidedly opposed to adopting any remote issues as a part of our currency. We have already the notes of the Government Stock Bank of Michigan, and the notes of sundry free banks of New Jersey, which are protected here by interested parties; and the public, or at least the thinking portions of it, are opposed to extending the circulation of the issues of banks beyond the limits of New York. The proposition, in reference to the Indiana and Illinois banks, was therefore discouraged.

We think the banks of this State and city should firmly discountenance the incorporation of other bank-notes with their own, *as a currency*. New York is already, by law, provided with a currency which is essentially sound, and controls the securities upon which the issues are based. Their banks have the privilege of increasing to a much larger extent their own circulation, and until they reach the maximum allowed by law, there is no occasion whatever to introduce, in bulk, the notes of new institutions, remote and comparatively unknown, and avowedly or notoriously organized, in many cases, merely as banks of circulation.

That this is the character of some of the Indiana banks that have been recently instituted, may be seen by the annexed notice from one of the papers of Indiana.

"In the village of Newtown, in Vermillion county, in this State, there are four banks, all owned in the East, established under the new banking law. One of these banks is owned in Pottsville, Pa. The money is circulated in Philadelphia and New York. There is a clerk, with a thousand or so dollars, in Newtown, for the purpose of redeeming any bills which may stray out there. Numbers of this description of banks are established in various parts of the State, under the law of Indiana. How are the business men of the State to be benefited by the free banking law?"

Large amounts of six and seven per cent. securities have been absorbed, within the last twelve months, for permanent investment abroad and at home. The leading railroad mortgage bonds, which have been on the market during the years 1851-2, are now becoming scarce, and have attained high prices. The issues of county bonds, city bonds, railroad stocks, and mortgage bonds within the past twelve months, have been very large in this country. Massachusetts, Pennsylvania, Ohio, and other States, have allowed their cities and counties to borrow largely for purposes of internal improvement, and the issues have been readily taken up by capitalists.

The popular vote in Wisconsin, a few weeks since, in reference to the adoption of the new bank law of the State, was largely in its favor. Wisconsin will, therefore, soon be provided

with new banks, upon the same principles as those recently established in Indiana and Illinois.

The increase of business done by the New York city banks is shown in the following table of aggregates for eight years past:

November 1, 1845, ...	$120,402,000	September, 1849, ...	$136,256,000
May 1, 1846, ...	117,000,000	" 1850, ...	158,953,000
August 1, 1847, ...	138,768,000	" 1851, ...	164,022,000
December 1, 1848, ...	121,281,000	" 1852, ...	202,608,000

The European money market exhibits features somewhat analogous to those which marked the memorable periods of 1824-5, 1836-7, and 1845. Money is cheaper than ever before known in England, and their papers teem with newly formed companies, and others newly proposed, for banks, mining, railroads, &c. The following are only a portion of those started since June last:

No. of Companies.	*Class.*	*Capital required.*	*Capital deposited.*
30	Railways—British, ...	£10,215,000	£1,021,000
21	" Colonial and Foreign, ...	17,204,000	1,720,000
8	Banks—British, Colonial and Foreign, . . .	3,850,000	385,000
43	Mining Companies, ...	1,645,000	1,645,000
7	Navigation Companies, ...	1,600,000	240,000
7	Emigration Companies, ...	636,000	636,000
37	Miscellaneous Companies, ...	6,590,000	6,590,000
153		£41,740,000	£12,237,000

In France, there is still greater speculation observable; and the *London Economist*, in reference to this state of affairs, says, "There is now such a mania at the Paris Bourse, and the prices of every kind of security have been so much exaggerated, that a crisis must be apprehended."

The free banking system is fast becoming general in this country, and promises to supersede entirely the old system of banking. We have our doubts as to the advantages or permanency of the change, because it does away with some of the old-fashioned and solid characteristics of the former mode, among which we enumerate a large capital, responsible stockholders and directors, and more fixedness of purpose. We have in the State of New York, in which the new system originated, too many individual banks, with extremely limited capitals, managed by inexperienced men, and got up merely for speculative purposes. These objectionable features are inseparable from the system under our present legislative enactments; and some further restrictions are still necessary, in order to secure to the community all the advantages of which the free banking system is capable.

Another portion of our work will acquaint our readers with the names and locations of no less than thirteen new banks, established under the new free banking law of Illinois. Several of these are in the hands of capable and experienced men, and will contribute largely to the prosperity of that rapidly growing State.

The political revulsions in Austria during the last few years have seriously disturbed the financial movements of that Government, and have compelled it to seek loans from other European powers, in addition to the sudden issue of large amounts of bank paper obtained for the temporary wants of the Treasury.

The revenue and expenditures of the Austrian Government for the years 1845 and 1847 may be stated as follows:—

		Revenue.	*Expenditures.*
Year	1845	Florins 160,566,000	Florins 152,755,000
"	1847	" 167,738,000	" 168,798,000

The events of the year 1848 forced the Government to have recourse to the credit of the National Bank of Vienna, and in the two following years the public debt of that institution was found to be 142,500,000 florins, while the total amount of paper in circulation was 191,000,000 florins, (equivalent to 95,500,000 dollars United States currency, or fifty cents per florin.)

In 1850 the direct taxes amounted to 63,940,000 florins; the indirect taxes to 95,580,000 florins, and miscellaneous receipts to 20,768,900, equivalent in the aggregate to 180,288,000 florins.

As compared with the years 1845-1851, the receipts are shown to have been as follows:

Year 1845 .	Florins 160,566,000	Year 1850 .	Florins 180,988,000
" 1847 . .	" 167,738,000	" 1851 . .	" 205,760,000

And for the current year (1852) the receipts for the first five months indicate an aggregate revenue of 225,000,000 florins.

In the course of the year 1851, the Government adopted vigorous measures for the reduction of its debt to the bank, and to reduce the sum of paper money in circulation, in pursuance of which the expenditures were so far diminished that the Treasury debt was reduced to 71,500,000 fl., and the circulation of paper money to less than 168,000,000 before the end of that year.

A loan of £3,500,000 or (35,000,000 fl.) sterling, was then brought into the market, with a view to continue in specie the repayment of the loans made by the bank to the Treasury, and also to raise the metallic reserve of this bank and enable it to resume before long its payments in specie.

The *data* of the present year indicate that Austria will, in the absence of further political convulsions, gradually abolish its debt to the bank, and in the process of time its existing floating and funded obligations.

Our advices from Europe confirm previous statements as to the ease of the money markets there, especially in Great Britain. Three per cent. consols in the London market were firm at ¼ a ⅜ premium, and prime business paper readily negotiated at two per cent. per annum. The Foreign stock market (with reference particularly to the Continental securities) closed heavily. Turkish scrip remained steady. A writer in the "Money Article" of the *Times* says, in regard to the fear expressed that the new loan would be tainted with usury:—

"All the recent institutions of the country, such as the mixed Tribunal of Commerce, &c., prove to demonstration, that the men who direct the affairs of Government experience no difficulty in conciliating the scruples of the strictest followers of the Koran with the progressive march of the enlightenment of the age. The wise precaution adopted, besides, by the Government on this occasion, to contract the loan in the name and on the account of the Bank of Constantinople, offers an additional guarantee; that establishment *being under the management of two Christians*, whose reputation are solidly affirmed in the highest walks of European commerce, and who have shown through a long series of years that they are fully imbued with principles of loyalty and good faith."

DEATHS.

At Albion, N. Y., on Thursday, September 30th, Thomas S. Clark, Esq., aged 45 years, Cashier of the Bank of Orleans.

At Alexandria, Va., on Monday, October 18th, Phineas Janney, Esq., aged 73, for many years President of the late Bank of Potomac.

At his residence in Smyrna, Del., on the evening of the 6th October, 1852, Jacob Raymond, Esq., President of the Bank of Smyrna, in the 65th year of his age.

Mr. Raymond had long been most favorably known in the State of which he was an influential citizen, as a merchant, as an agriculturist, whose example did much for the farming interests of his neighborhood, and as the ever kind, but decided, head of his family.

At Malden, Mass., on Thursday, November 18th, Timothy Bailey, Esq., President of the Malden Bank.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. JANUARY, 1853. No. VII.

REPUDIATION IN MISSISSIPPI.

Communicated for the Bankers' Magazine.

WE have received an official report upon the present public debt of the State of Mississippi, which presents the following exhibit of the actual, and of its contingent liabilities. The Planters' Bank Bonds, issued for the State's subscription to the Bank, $2,000,000, viz.:

Statement of the Planters' Bank Bonds, issued by the State of Mississippi.

1831.	July 1. 500 bonds, $1000 each, payable July 1, 1841,	$500,000
1833.	March 1. 500 bonds, $1000 each, payable March 1, 1861 (twenty-eight years),	500,000
1833.	March 1. 500 bonds, $1000 each, payable March 1, 1866 (thirty-three years),	500,000
1833.	March 1. 500 bonds, $1000 each, payable March 1, 1871 (thirty-eight years),	500,000
	Total bonds issued,	$2,000,000
	Interest to 1854.	
	Interest on first issue of $500,000, from July 1, 1840, to July 1, 1854, (fourteen years),	420,000
	Interest on the bonds, dated March 1, 1833, $1,500,000, from September 1, 1840, to September 1, 1854, (fourteen years),	1,260,000
		3,680,000
	Deduct bonds paid by the State, $88,000	
	And interest, 73,920	161,920
	Balance, principal and interest, due 1854,	$3,518,080

In addition to the preceding absolute debt of $3,518,080, about which there is no dispute, except that the people will not tax themselves to provide funds for the still accumulating interest, the State of Mississippi is indebted in the sum of $5,000,000 for bonds issued to the Union Bank of Mississippi in 1838, and for the interest ($300,000) that has annually accumulated for the last twelve years.

The whole revenue of the State at this period does not exceed $225,000 annually, although the census shows a population of about 600,000 persons within its limits.

We regard the recent vote of the people on the subject of the State bonds, known as the Planters' Bank Bonds, as an emphatic repudiation of them.

The question put to each voter was—"Will you submit to a direct tax, for the purpose of paying the Planters' Bank Bonds?" By the wording of the law, all those who either failed to vote or refused to answer, were counted as affirmative votes; yet under this favorable construction of the law, the majority against paying the bonds is about 4400.

We will briefly state the history of these bonds. The Planters' Bank of Mississippi was chartered in the year 1830, with a capital of three millions of dollars, and by the first clause in that charter, the amount of two millions of that stock was reserved for the State, and the remaining one million for individual subscription. The books were regularly opened and the stock subscribed accordingly.

The bonds of the State were issued—the first five hundred thousand dollars ($500,000) on the 1st July, 1831, and payable ten years after date.

The remaining fifteen hundred thousand dollars were issued on the 1st March, 1833, and payable as follows:

Five hundred thousand dollars 1st March, 1861, ...	$500,000
Five hundred thousand dollars 1st March, 1866, ...	500,000
Five hundred thousand dollars 1st March, 1871, ...	500,000

All of them bearing interest at six per cent. per annum. Commissioners were appointed to negotiate the bonds, who succeeded in doing so at a premium of thirteen and one-quarter per cent. (13¼), so that after paying two millions to the Planters' Bank, the State had left, and after defraying all expenses attending the negotiation, the sum of two hundred and fifty thousahd dollars ($250,000). This sum was placed in the Planters' Bank as a sinking fund, and was to be added to by the dividends of the Bank on the State Stock, from which fund money was to be drawn semi-annually to pay the interest on the State bonds.

The Bank's dividends averaged ten per cent. for a number of years, and the interest on the bonds was regularly paid up to 1st of September, 1839, when the State stock in the Planters' Bank was transferred to the Natchez Railroad Company. At this period the "Sinking Fund," created by the dividends on the stock over what was required to pay the interest on the State bonds, reached nearly eight hundred thousand dollars. This fund belonged to the State, and, under the charter of the

Bank, was controlled by the Auditor of the State, and President and Cashier of the Bank. A very large portion of this fund was lost by the general bankruptcy of 1836–39; what was left of it, however, was taken possession of by a Commissioner appointed by the State, who received, with the Bills Receivable, about sixty thousand dollars in cash. This money is now in the State Treasury, together with about an equal sum collected by the Commissioner since the fund was transferred. What disposition is to be made of the funds remains to be seen.

A private letter from Natchez, dated Dec. 3d, says, in reference to this subject:

"The Planters' Bank charter contains a good deal relative to the connection between the State and the Bank. * * * No one regrets more than ourselves the disgrace that has been brought upon our State by repudiation. It is a singular fact, that all the heavy tax-paying counties in the State voted for paying the bonds."

The vote for paying the bonds was	12,708
Against the special tax for paying the bonds	24,487
	11,784
Silent vote (counted as affirmative)	7,234
Majority against the special tax	4,550

In connection with this subject, we are allowed to make an extract from a letter received by a banking firm in New York, from a well-known house in London, per steamer, dated December 3d:

"A New York paper received to-day mentions that the votes of the people of Mississippi, at the late elections, are reported unfavorable to the payment of the bonds of that State, issued to the Planters' Bank, *but we trust it is a mistake*, as these bonds have never before been repudiated by the Legislature or people, and a doubt of their correctness was never manifested, even in Mississippi. *If this report should prove true, it will affect again the honor of the country, and most unfavorably* EVERY KIND OF AMERICAN STOCKS. We cannot believe the people of Mississippi can be lost to a sense of honesty or their own interests."

The subjoined remarks from the Vicksburg *Whig* would seem to show that the late vote (December 2) was of a political character, and decided by party votes:

"We publish to-day (says the Vicksburg *Whig*), a full list of the votes given at the late elections, by which it appears, according to our additions, that GENERAL PIERCE has a majority of 9325 votes in the State. The whole vote given is 44,437, being about 8000 less than the vote of 1848—nearly 10,000 less than the vote of 1849—more than 13,000 less than the vote of 1850—and, in our opinion, about 15,000 less than the actual vote of the State at this time."

Our additions also show that the vote against paying the State Bonds, issued for stock in the Planters' Bank, amounts to 24,401—being 4365 more than the vote in its favor and the silent vote both put together; and thus the question of payment has been lost.

In this city there were many Democratic votes in favor of payment, but the votes against it were almost exclusively Democrats. With a few exceptions, the same may be said of the counties generally, that the votes against it were from Democrats. That a party vote should have been rallied on a question affecting the integrity of the whole State, is most extraordinary. To show that a party vote was thus rallied, in many counties, it is only necessary to refer to the vote itself. Take two strong Democratic counties—Jasper, in the east, where the vote for

Pierce was 422, and the vote against payment, 421; and Tishemingo, in the north, for Pierce, 1312, and against paying, 1311. Take six Democratic counties, north, south, east, west, and centre of the State—say Jackson, Lawrence, Leake, Simpson, Neshoba, and Lafayette—which gave Pierce 2124, and against payment, 2126. Again: take the votes of Chickasaw, Clarke, Copiah, De Soto, Itawamba, Jones, Lowndes, Monroe, Ochtibbeha, Pontotoc, Rankin, Tunica, Tippah, Wilkinson, Yazoo, and Yallabusha, which gave Pierce 10,070, and against payment, 10,061—and they all show this fact too plainly to doubt it.

On the other hand, the Whig party, with few exceptions as a general rule, recorded their votes in favor of paying this constitutional debt, as will be seen by a comparison of the votes. Take the Whig vote promiscuously in Whig and Democratic counties—say in Adams, Amity, Bolivar, Coahoma, Clarke, Hinds, Hancock, Issaquena, Jasper, Jackson, Jefferson, Lawrence, Madison, Pike, Smith, Tunica, Wilkinson, Winston, and Washington, which stand for Scott, 4128, and for the payment of the bonds, 4137. Our own county of Warren, which gives the largest Whig majority in the State, stands for Scott, 723, and for payment, 698; and in Hinds county, for Scott, 975, and for payment, 913. We present these facts to show that this unfortunate result was more owing to party prejudices than a deliberate decision of the people, for we cannot yet believe, if the question were fairly and fully presented to the people, that even the Democratic party would vote to repudiate a debt, the constitutionality of which, or at least the expediency of its payment, if we are correctly informed, has been acknowledged by all the Democratic Governors since 1841—Messrs. Tucker, Brown, Matthews, Quitman, and Foote—some of whom were opposed to the Union Bank bonds. Many persons here voted under the impression that it was the old Union Bank bond question; many others had come into the State since the question has been discussed, and did not understand the question. We know that there are many determined to vote against paying all bonds, but we believe that class is small compared to the whole vote. This question had been discussed years ago, before the people, and from time to time since, before the Legislature—so that many of our public men, and many papers, in the midst of a party conflict, did not deem it necessary to renew it, and the subject was permitted to go before the people without discussion; and thus the vote on this occasion was governed more by prejudices for or against repudiation generally, than any deliberate belief on the part of the people of the injustice of the debt. We are sustained in this opinion by the singular historical fact, which the vote shows, that some of the largest tax-paying counties and the largest individual tax-payers, Whigs and Democrats, voted to pay this debt.

Statement of the Mississippi State Debt, on Account of the Planters' Bank Bonds.

The following statement of the indebtedness of the State of Mississippi in consequence of the Planters' Bank of the State of Mississippi, and also the calculations marked B and D, showing the amount of money necessary, annually, for twenty-two and thirty-three years, with the amount of principal and interest, that will be due each year, commencing from the year 1854. Reported to the House of Representatives, from the Committee of Ways and Means, through their Chairman, W. W. Roby.

DOCUMENT B.

Calculation upon paying $250,000 *Annually, for Twenty-two Years, in Liquidation of the Planters' Bank Bonds.*

Amount of Bonds outstanding in 1854.	*Annual Interest thereafter.*	*Total Amount of Interest up to* 1854.	*Annual Appropriation from* 1854.	*Years.*
$ 1,912,000	$ 114,720	$ 1,606,080	$ 250,000	1854
1,912,000	114,720	1,470,800	250,000	1855
1,912,000	114,720	1,335,520	250,000	1856

1,912,000	114,720	1,200,240	250,000	1857
1,912,000	114,720	1,064,960	250,000	1858
1,912,000	114,720	929,680	250,000	1859
1,912,000	114,720	794,400	250,000	1860
1,912,000	114,720	659,120	250,000	1861
1,912,000	114,720	523,840	250,000	1862
1,912,000	114,720	388,560	250,000	1863
1,912,000	114,720	253,280	250,000	1864
1,912,000	114,720	118,000	250,000	1865
1,895,000	113,700	. . .	250,280	1866
1,759,000	105,540	. . .	250,580	1867
1,614,000	96,840	. . .	250,040	1868
1,461,000	87,660	. . .	250,200	1869
1,299,000	77,940	. . .	250,540	1870
1,127,000	67,620	. . .	250,600	1871
945,000	56,700	. . .	250,980	1872
751,000	45,060	. . .	250,280	1873
546,000	32,760	. . .	250,220	1874
329,000	19,740	. . .	250,460	1875
99,000	5,940	. . .	104,940	1876

DOCUMENT D.

Calculation upon paying $200,000 Annually, for Thirty-three Years, in Liquidation of the Planters' Bank Bonds.

Amount of Bonds outstanding in 1854.	*Annual Interest after* 1854.	*Total Amount of Interest to* 1854.	*Annual Appropriation from* 1854.	*Years.*
$ 1,912,000	$ 114,720	$ 1,606,080	$ 200,000	1854
1,912,000	114,720	1,520,800	200,000	1855
1,912,000	114,720	1,435,520	200,000	1856
1,912,000	114,720	1,350,240	200,000	1857
1,912,000	114,720	1,264,960	200,000	1858
1,912,000	114,720	1,179,680	200,000	1859
1,912,000	114,720	1,094,400	200,000	1860
1,912,000	114,720	1,009,120	200,000	1861
1,912,000	114,720	923,840	200,000	1862
1,912,000	114,720	838,560	200,000	1863
1,912,000	114,720	753,280	200,000	1864
1,912,000	114,720	668,000	200,000	1865
1,912,000	114,720	582,720	200,000	1866
1,912,000	114,720	497,440	200,000	1867
1,912,000	114,720	412,160	200,000	1868
1,912,000	114,720	326,880	200,000	1869
1,912,000	114,720	241,600	200,000	1870
1,912,000	114,720	156,320	200,000	1871
1,912,000	114,720	71,040	200,000	1872
1,898,000	113,880	. . .	200,240	1873
1,812,000	108,720	. . .	200,360	1874
1,721,000	103,260	. . .	200,640	1875
1,625,000	97,500	. . .	200,880	1876
1,528,000	91,380	. . .	200,880	1877
1,414,000	84,840	. . .	200,500	1878
1,299,000	77,940	. . .	200,660	1879
1,177,000	70,620	. . .	200,620	1880
1,047,000	62,820	. . .	200,000	1881
910,000	54,600	. . .	200,180	1882
765,000	45,900	. . .	200,580	1883
611,000	36,660	. . .	200,680	1884
447,000	26,820	. . .	200,020	1885
274,000	16,440	. . .	200,180	1886
91,000	5,460	. . .	95,720	1887

THE "QUARTERLY REVIEW" ON THE GOLD QUESTION.

THERE is a very long and elaborate article in the present (Oct.) No. of the *Quarterly Review* on the recent gold discoveries, and on the effects likely to be produced in consequence on our monetary system. The reviewer gives all the principal facts connected with the discoveries, but these are already familiar to our readers, and need not be repeated. His observations on the probable results of the discoveries are interesting, and a few extracts from them will be acceptable to those who are not readers of the Review. He says:—

Effect of Increase of Bullion on Prices.—"There are eminent men, both in science and the city, who reason that this enormous increase will have very little practical effect; that the mass of property in the world is too vast, and the operations of trade too extensive, and too much carried on by mere instruments of exchange having no intrinsic value, to be effected by the production of some extra millions, whether they be numbered by tens or hundreds; and that it is probable the supplies will fail before the value of the metal can be depreciated to any sensible extent. In stating the 'opposing forces,' Mr. Scheer appears to rely most on the enormous value of the productive property of the civilized world, which he rudely estimates at 28,780 millions; and his arguments lead us to refer—though we do not know that the conclusion is expressly stated—that the increased quantity of gold produced can only affect other property in the ratio that one amount bears to another. For instance, if we suppose the stock of gold within a limited term to be increased by 100 millions sterling, then as 100 millions are to 28,000, so will be the influence on prices by the increased supply. But a little consideration will show that this reasoning is fundamentally erroneous. In showing how small a part is borne by the precious metals in the shape of coined money in the larger operations of commerce, he says—

'They may be found to be only *measures of value*, without giving value, and we may not perhaps be far wrong in looking upon them much in the light in which we regard other measures—the pound, for instance, and the bushel; the greater or less number of which in use would not alter the weight or bulk of commodities to be weighed or measured.'

The leading idea here is so well expressed, that we wonder the author did not perceive the right deduction from it. The quantity of gold contained in a sovereign is strictly a measure—the same as a yard, a pound weight, or a bushel—and there is nothing in the mere multiplication of these measures to affect the value of the commodities they mete—so long as *their capacities remain the same.* But if the capacities of any of these measures be altered, then the value of the commodities will be proportionably altered, though the measures retain their former denominations. Supposing it to be enacted that the bushel should contain twelve gallons instead of eight, it is not to be doubted that, if wheat were before at 5*s.* the bushel, it would rise to 7*s.* 6*d.* If, on the contrary, the bushel were reduced from eight gallons to six, wheat would fall from 5*s.* to 3*s.* 9*d.* If, again, it were enacted that the sovereign should contain only three-fourths of its present amount of gold, is it not equally sure that the sove-

reign—after perhaps some interval of plausible talk and anxious experiment—would, instead of buying four bushels, buy only three?

Here, to some extent, the analogy ceases. The value of the sovereign may be diminished in other ways than by diminution or increase of quantity, which the bushel or the yard measure cannot be. The sovereign which will purchase two hundred weight of flour here, will not purchase one at San Francisco. Practically, its purchasing power is equally reduced by depreciation in the value of gold from increased supply, as by a reduction of the quantity contained in it.

Seeing, as Mr. Scheer does, that gold is a measure of value, we wonder that he should lay so much stress on the amount of commodities or property to be measured by it. The number of bushels of wheat in a granary must vary according to the capacity of that measure which we call a bushel, as the number of ounces in a bar of silver according as we use avoirdupois or troy weight; but the quantity of wheat, be it one quarter or a million of quarters, or of silver, be it ten ounces or a thousand, will have no influence on the capacity of the measure or weight. Nor, considered purely as a measure, can the value of the pound sterling be affected by any increase in the amount of the commodities to be measured; but we have already stated in what respect it differs from other measures —*i. e.*, that its capacity varies with the increase or diminution of gold, and by consequence, with the amount of that vast mass of property to which it bears a relative value. If the stock of gold in the world remained the same while goods or property increased twenty per cent., the value of the metal would become appreciated by the disturbance of the relative proportions; that is, supposing there were no economizing contrivances of banking, by which the balance was in degree restored. The rule, then, for determining the capacity of gold, as a measure of value, is, not to say:—as 100 millions of gold increase is to 28,000 millions of property existing, so will be the rate of advance in prices;—but, as the stock of gold in the world (say 300 millions) is to the amount of existing property (say 28,000 millions,) so will be the advance in the nominal value of that property by an addition of 100 millions to the stock of gold.

The fact that prices have greatly and universally advanced since the discovery of America, is notorious, and it is difficult to see what other explanation can be given of it than the increased supply of the precious metals. Mr. Scheer makes no attempt to show how they can be excepted from the rule which regulates the value of all other commodities. What, in effect, can become of the increased supplies, unless greater facility is afforded to their possession by diminished value? It is the interest of no one to hoard them. They become productive only by use, and, as with all other articles, they can be brought into more general use only by being made cheaper. Assuming that their increase will be more rapid than that of other great products of the earth, whether used for food or for manufactures, it seems very conceivable that their value will decline, notwithstanding a tendency to the cheaper production of those commodities with which they are compared."

Amount of Bullion held by the chief Banks.—"That the first symptom of their depreciation—a general rise in prices—would have the effect of

stimulating production, cannot be questioned. But it would very soon be seen that that rise was in great part delusive. It would be met by higher rates of labor, higher prices of all the great staples of agriculture and commerce, and higher cost of living. Though commodities, from the wholesome stimulus of superior activity, would be relatively cheaper, they might be nominally dearer; and that anomaly, which has so often puzzled mankind, would be presented, of greater abundance combined with rising rates.

The absorbing power of the great banks of the world is sufficient, in ordinary times, to preserve the equability of the precious metals, and to prevent those variations in their value which would otherwise probably take place with the occasional influx of treasure or fluctuation in the exchanges. But there must be a point at which this power of absorption ceases, and that point it seems likely is not far from being attained. If we inquire what has become of the increased supplies since the Californian discoveries, we find the stock of bullion in certain banks rising as follows:—

	1848.	1852.	*Increase.*
Bank of France,	£3,584,165	£24,025,112	£20,490,947
Bank of England,	12,836,108	21,926,127	9,100,019
Banks of New York,	1,404,125	2,029,448	625,323
	£17,764,398	£47,980,687	£30,216,289

If we suppose that the other banks of the world have increased their stock of bullion in any thing like the same proportion, it is easy to understand where the produce of California has gone to, and how it is, that being in great measure locked up, the circulating medium of the world has expanded so little, and that no very signal effect has yet been produced on prices.

A considerable addition has, however, been made to the gold coinage of the three countries during the same period. According to Mr. Birkmyre's tables:—

'The average yearly coinage of gold during the first thirty years of this century was,—in Great Britain, £1,700,000; France, £1,300,000; in the United States, £55,000; total, £3,055,000. The following is a statement of the recent gold coinage in the same countries, beginning with the year in which the gold discovery was made in California:—

	Great Britain.	*France.*	*United States.*	*Total.*
1848,	£2,451,999	£1,234,472	£786,565	£4,473,036
1849,	2,177,000	1,084,382	1,875,158	5,136,540
1850,	1,491,000	8,407,691	6,662,854	11,561,545
1851, First 10 months,	——	10,077,252	12,919,695	——'

As our own coinage for 1851 is left in blank by Mr. Birkmyre, we quote some details from Mr. Hunt:—

'From November, 1850, to June, 1851, the Bank of England issued 9,500,000 sovereigns, being at the rate of 18,000,000 a year; and so great is the demand for our gold coins, that Sir John Herschel informs

me, since November last, there have been coined at the Mint 3,500,000 sovereigns and half-sovereigns, and the rate of production can scarcely keep pace with the increasing demand.'

As the proportional increase in the circulating medium has been far greater in the United States than in the other countries, it is there that we should look for the greatest increase in prices; and, accordingly, the letters agree that a very great rise has taken place there in all descriptions of property. The value of house property has, they say, doubled in the last four years."

Decrease in Quantity of Silver in England.—"To assume, as several writers before us do, that there has been no advance in prices *here*, because there has been no material change in the value of silver and grain—the commodities with which they say gold can best be compared—is by no means conclusive of the question. The production of silver has been for some years increasing, and the quantity thrown on the market by the Bank of England of late years must have had a sensible influence in checking a rise. In September, 1846, the amount of silver bullion held by the bank was equal to £2,710,077, the amount having been swelled by the sycee silver from China. The amount held by the bank on the 28th of last August was only £18,967. The difference, taking it at 5*s.* per ounce, would amount to the enormous quantity of four hundred and forty-eight tons weight. Yet, notwithstanding the release of this quantity, and increased supplies from the mines, silver barely maintains its relative value to gold, and, perhaps, judging from the small quantity held by the bank, and the complaint beginning to prevail of the scarcity of silver coin, may not do so long."

Commercial Panics prevented.—"So far as we can at present venture to prognosticate, the superior abundance of gold will very materially lessen the chance of those commercial panics which, since the currency settlement of 1819, have been the plague of the industry of this country. Were the amount of bullion in the world to remain fixed, or nearly so, our stock, by an adverse action of the exchanges, might still be inconveniently reduced at one time as compared with another; but with an increased supply continually proceeding, all apprehension of any sudden drain—of contraction of the currency—and of restricted credit, must disappear, and legitimate enterprise will feel itself secured from those unexpected shocks to which it was before exposed. Nor can we be sufficiently grateful that these discoveries have come at a time when, from the rash change in our commercial system, they were eminently needed."

Benefit of a Rise in Prices.—"It may be argued, that a general rise in prices can hardly be regarded as a general benefit; that, to the bulk of any community, the action must be wholly indifferent; and that, if beneficial to some, it must be injurious to others. We have, however, the fact universally established, so far as we know, that every great advance in national prosperity has been coincident with rising, and every marked decline with falling, prices.

BANK STATISTICS.

Vermont Annual Bank Report.

The Commissioner adverts to the beneficial operation of the Suffolk Bank system, showing the annual redemption by that institution, to be about $250,000,000 at par, thereby saving the people a broker's tax of ½ or ¾ per cent., and preserving a par redemption throughout the New England States. He says that one of the banks in Vermont has recently suffered a loss of $70,000 through the failure of its agent in New York. The Commissioner states that three-fourths of all the losses that have been sustained by the Vermont banks in the last twenty years, have been occasioned by operations *out of the State*. They have lost $250,000 within that period, by employing brokers and individual agents in the commercial cities, as the depositories of their city balances and for the collection of paper; instead of employing banks for the purpose.

LIABILITIES, AUGUST, 1852.

Names of Banks.	*Capital.*	*Circulation.*	*Other Liabilities*	*Surplus.*	*Total Liabilities.*
Bank of Burlington,	150,000	142,867	53,970	18,234	346,837
Farmers and Mechanics' Bank,	150,000	244,000	92,608	29,676	486,608
Commercial Bank,	150,000	155,387	33,208	8,000	338.595
Merchants' Bank,	150,000	151,040	33,858	16,044	334,898
Franklin County Bank,	100,000	127,280	46,697	3,481	273,977
Bank of St. Albans,	50,000	62,488	41.891	17,836	154,379
Missisquoi Bank,	75,000	107,498	8.499	2,152	190.997
Union Bank,	60,528	56,086	7,749	438	124.363
Bank of Rutland,	150,000	213,802	36,433	6.404	400.235
Bank of Bellows Falls,	100,000	149,290	36,330	4,810	285,620
Bank of Brattleboro',	150,000	160,798	31,114	4,380	341,822
Bank of Black River,	50,000	90,082	4,883	1,005	144.965
Bank of Montpelier,	100,000	165,164	31.600	14,460	296,764
Vermont Bank,	100,000	169,605	45,964	8,554	315,569
Passumpsic Bank,	100.000	174,209	6,769	4,846	280,978
Bank of Caledonia,	75,000	83,647	6,769	12,458	165,416
Brandon Bank,	50,000	58,193	14,667	1,804	122,860
Bank of Vergennes,	100,000	134,549	51,263	30,566	285,803
People's Bank,	30.000	54.160	12,799	2,760	96,959
Bank of Orleans,	50,000	63,140	2,570	198	115,710
Orange County Bank,	50.000	98,090	2.381	11,270	150.571
Stark Bank,	100,000	105.594	12,800	3.600	218 393
Danby Bank,	50,000	72,270	6,393	494	128.663
Bank of Poultney,	50,000	90.351	33,665	16,197	171.016
Battenkill Bank,	50.000	86.523	11,471	3,082	147.994
Woodstock Bank,	60,000	109.506	3.995	3,760	183.501
Ascutney Bank,	50.000	97.128	20.043	6.064	167.171
Bank of Middlebury,	75.000	129,110	33.067	12.531	237.177
Farmers' Bank,	100,000	119,934	23,347	3.036	243.271
Bank of Newbury,	75.000	130.117	13,745	12,863	218.862
White River Bank,	59,240	117.927	5,290	1,622	182 457
South Royalton Bank,	61,400	59.407	11,635	285	132,530
Totals,	2,721,160	3,789,131	777,570	262,416	7,287,861

RESOURCES, AUGUST, 1852.

Names of Banks.	*Notes, &c., Discounted.*	*Depos. in City Banks.*	*Other Resources.*	*Specie.*	*Total Resources.*
Bank of Burlington,	280,972	54,881	23,312	6,606	365,071
Farmers and Mechanics' Bank,	405,916	74,275	26,944	9,149	516,284
Commercial Bank,	286,398	39,429	13,450	7,319	346,596
Merchants' Bank,	326,181	4,709	10,873	9,179	350,942
Franklin County Bank,	208,303	53,758	6,971	8,426	277,458
Bank of St. Albans,	133,434	16,504	18,423	3,853	172,214
Missisquoi Bank,	164,885	23,342	1,070	3,852	193,149
Union Bank,	103,880	15,687	1,415	3,819	124,801
Bank of Rutland,	298,938	80,514	16,732	10,455	406,639
Bank of Bellows Falls,	214,285	60,320	9,643	6,181	290,429
Bank of Brattleboro',	252,232	49,444	34,488	10,038	346,202
Bank of Black River,	129,320	13,752	4,238	5,660	145,970
Bank of Montpelier,	236,311	61,523	6,335	7,055	311,224
Vermont Bank,	244,905	61,534	9,731	7,953	324,123
Passumpsic Bank,	235,545	19,043	23,166	7,170	285,824
Bank of Caledonia,	133,985	12,396	27,360	4,133	177,874
Brandon Bank,	85,358	34,050	1,727	3,530	124,665
Bank of Vergennes,	219,101	74,720	16,127	6,422	316,370
People's Bank,	66,110	25,154	4,696	3,829	99,719
Bank of Orleans,	81,021	17,123	14,579	3,184	115,907
Orange County Bank,	124,409	29,058	3,622	4,652	161,741
Stark Bank,	187,235	14,107	13,132	7,520	221,994
Danby Bank,	113,871	4,674	7,398	2,226	128,169
Bank of Poultney,	117,976	63,389	6,195	2,653	190,213
Battenkill Bank,	103,698	39,947	4,916	2,515	151,076
Woodstock Bank,	107,343	44,240	33,059	2,618	187,260
Ascutney Bank,	120,293	39,313	8,085	5,544	173,235
Bank of Middlebury,	135,568	99,039	9,396	5,706	249,709
Farmers' Bank,	113,492	99,661	29,930	3,224	246,307
Bank of Newbury,	201,591	17,754	5,969	6,411	231,725
White River Bank,	150,240	20,800	8,181	4,858	184,079
South Royalton Bank,	58,315	....	72,565	1,936	132,816
Totals,	5,633,411	1,265,040	473,608	177,676	7,549,735

Formerly the banks kept coin in their vaults to the extent of 20 or 25 per cent. of their circulation. If this were done now, it would require $800,000 to $900,000 in gold and silver, as a basis of redemption, whereas the aggregate coin on hand is only five per cent.; thus giving employment to a much larger proportion of their capital in the purchase of bills and notes payable in New York, Boston, &c., thereby creating city funds for the accommodation of their customers.

This is a practical demonstration of the utility of par redemption, and of its advantages over the old mode which existed until the Suffolk Bank system was matured.

Only one bank has been established under the Vermont free bank law, when the Annual Report was prepared. The Commissioner doubts the advantages of this system over the old one. "The policy of organizing a bank and vesting all its funds in (collateral bonds for) circulation, without *a dollar for working capital*, is extremely questionable."

Ohio.

Condition of the Banks of the State of Ohio on the 1st Monday in November, 1852.

RESOURCES.

	Eleven Independent Banks.	*Forty State Branches.*	*Five Old Banks.*	*Twelve Free Banks.*	*Total, 68 Banks.*
Notes and Bills discounted,	$2,202,500	$10,346,814	$3,169,038	$1,068,898	$16,787,252
Specie,	269,478	1,851,316	384,060	123,465	2,631,320
Notes of other Banks,	304,210	817,110	770,711	180,528	2,072,560
Due from other Banks,	120,404	636,495	121,391	166,034	1,044,325
Eastern Deposits,	375,253	2,035,765	660,460	215,938	3,287,416
Checks, Cash Items, &c.,	22,054	67,817	....	6,252	96,123
States Bonds, Collateral,	1,195,930	903,524	....	703,984	2,803,438
Real and Personal Estate,	105,115	171,688	136,390	19,376	432,570
Miscellaneous,	197,220	325,084	316,010	12,920	851,234
Totals,	$4,792,164	$17,158,614	$5,558,061	$2,497,400	$30,006,240

LIABILITIES.

	Eleven Banks.	*Forty Banks.*	*Five Banks.*	*Twelve Banks.*	*Total.*
Capital,	$749,180	$4,456,675	$1,547,596	$361,730	$7,115,111
Circulation,	1,144,542	8,120,828	1,468,470	619,370	11,373,210
Safety Fund Stock,	1,148,410	50,038	....	444,490	1,642,938
Bank Balances,	164,815	354,961	913,438	90,896	1,524,110
Deposits,	1,302,027	3,543,650	1,213,690	912,676	6,972,042
Surplus Fund,	55,412	297,096	323,770	8,467	684,746
Bills Payable,	85,971	151,418	12,046	22,205	271,641
Discounts,	39,396	280	32,836	14,473	86,985
Dividends Unpaid,	29,271	140,928	3,676	23,092	196,967
Other Liabilities,	73,140	42,740	22,608	....	138,487
Totals,	$4,792,164	$17,158,614	$5,558,061	$2,497,400	$30,006,240

Indiana.

The annual report of the State Bank of Indiana has been furnished us for 1852. We add the report for November, 1850, by way of comparison:

Liabilities.	*Nov.* 1850.	*Nov.* 1852.
Capital Stock paid in,	$2,082,950	$2,083,008
Surplus Fund,	750,678	871,116
Profits since last dividend,	131,850	197,204
Due to other Banks,	118,343	214,768
Due State Sinking Fund,	46,231	100,354
Due Depositors,	584,095	692,600
Notes in circulation,	3,421,445	3,790,220
Total Liabilities,	$7,135,602	$7,879,270
Assetts.		
Notes and Bills Discounted,	$4,395,100	$4,007,922
Banking Houses,	364,233	161,266
Other Real Estate	....	158,180
Due from Eastern Banks,	449,153	1,174,614
Due from other Banks,	148,861	493,618
Notes, Checks, &c., of other Banks,	580,375	555,254
Gold and Silver Coin,	1,197,880	1,327,816
Total 1850 and 1852,	$7,135,602	$7,879,270

Tables of the Condition of all the Banks in the State of New York in August, 1843, '44, '45, '46, '47, and June, '48, '49, '50, '51, and '52.

RESOURCES.	1st Monday in August, 1843.	1st day of August, 1844.	1st day of August, 1845.	1st day of August, 1846.	1st day of August, 1847.	24th day of June, 1848.	30th day of June, 1849.	29th day of June, 1850.	21st day of June, 1851.	26th day of June, 1852.
Loans and Discounts,	53,007,207	64,464,928	64,024,748	62,555,120	73,743,373	65,235,323	78,176,392	91,193,645	106,653,679	115,918,311
Loans and Discounts to Directors,	4,155,775	4,326,962	4,447,892	5,276,887	4,810,189	5,968,875	4,784,030	4,799,227	5,375,764	5,370,732
All other Liabilities of Directors,	39,788	28,428	68,794	28,485	19,334	....	1,419,161	1,891,843	1,916,213	1,800,791
All sums due from Brokers,	1,642,314	3,341,117	2,164,584	1,211,330	2,712,448	2,292,939	2,375,106	2,487,909	3,647,796	5,956,523
Real Estate,	4,063,595	3,972,501	3,585,771	3,463,577	3,489,271	3,458,943	3,514,487	3,344,514	3,765,392	4,183,970
Bonds and Mortgages,	3,644,870	3,282,724	3,199,675	2,778,010	2,729,487	3,100,051	2,663,825	3,069,168	3,969,343	4,548,490
Stocks and							12,800,993	12,627,494	15,054,766	15,367,298
Promissory Notes,	12,330,987	10,648,211	10,800,616	10,608,162	12,413,846	12,007,344	21,069	147,176	151,835	142,202
Loss and Expense Account,	1,092,379	985,188	652,676	437,032	422,454	553,118	511,615	518,012	579,403	677,084
Overdrafts,	98,639	102,433	158,709	150,826	112,325	219,312	164,343	208,504	279,994	274,577
Specie,	14,091,779	10,191,974	8,909,527	8,673,309	11,983,124	6,881,663	10,571,517	11,633,339	8,978,918	13,304,356
Cash Items,	2,735,417	4,916,862	4,754,885	4,941,221	9,370,323	5,923,444	6,479,829	9,181,481	13,516,584	12,871,410
Bills of Solvent Banks on hand,	4,906,792	2,511,326	2,486,177	2,348,061	2,686,166	2,697,447	2,679,349	3,071,749	2,828,570	3,243,650
Bills of Suspended Banks on hand,	231,517	230,793	72,284	51,848	2,802	8,001	12,077	5,271	5,041	2,636
Estimated value of the same,	....	....	....	....	....	....	9,005	2,069	1,942	1,835
Due from Solvent Banks on demand,	11,728,806	8,359,328	7,791,998	8,197,379	14,272,863	8,376,897	11,331,533	10,551,966	9,713,087	10,855,971
Due from Solvent Banks on credit,	....	....	....	....	....	....	414,746	497,501	171,068	204,088
Due from Suspended Bks on demand,	....	....	....	....	....	....	276,157	206,158	120,905	140,802
Estimated value of the same,	....	....	....	....	....	....	78,372	41,130	7,139	....
Totals,	$113,759,867	$117,362,775	$113,120,266	$110,721,247	$138,768,005	$116,723,357	$138,283,606	$155,498,156	$176,787,459	$194,864,729
LIABILITIES.	1843.	1844.	1845.	1846.	1847.	1848.	1849.	1850.	1851.	1852.
Capital,	43,019,577	43,443,005	43,063,627	42,160,458	43,214,088	43,755,089	44,929,505	47,779,727	55,580,181	59,705,083
Profits,	4,011,923	4,061,233	4,606,006	5,121,425	5,845,380	6,554,346	7,097,660	8,113,064	9,232,473	10,489,087
Notes in Circulation,	14,520,843	18,091,394	18,464,410	17,885,486	25,098,683	20,888,071	21,913,616	24,214,341	27,511,787	27,940,947
Due Treasurer of the State of N. Y.,	1,273,144	1,961,289	1,832,841	767,222	2,089,595	2,305,999	3,835,963	1,473,901	1,225,127	1,592,603
Due Depositors on demand,	24,679,230	28,757,122	27,636,520	28,110,553	36,781,080	27,554,820	35,604,999	46,691,465	54,467,682	65,034,604
Due individuals and corporations	316,453	726,554	630,547	599,911	932,133	702,251	640,296	821,365	1,183,916	1,454,572
Due Banks on demand,	21,340,748	16,102,922	13,962,146	13,463,969	24,103,338	14,100,359	20,167,590	22,180,537	23,559,173	23,466,277
Due Banks on credit,	....	....	....	....	....	....	826,488	781,252	299,962	1,762,890
Due to others,	5,203,661	4,219,326	2,924,169	2,612,231	710,718	862,416	1,611,389	1,353,318	1,638,727	1,461,788
Totals,	$114,365,579	$117,362,775	$113,120,266	$114,721,248	$138,768,005	$116,723,357	$136,926,506	$153,408,970	$174,699,028	$192,908,451

Irish Banks.

The following table exhibits the time when established, the capital, par value, and market value of shares of the Irish banks, November 29, 1852:

	Established.	*Capital.*	*Par.*	*Paid.*	*Value.*
Northern Bank,	1825	£150,000	£100	£30	£65
Belfast Bank,	1827	125,000	100	25	54
Ulster Bank,	1836	200,000	10	2½	57
Provincial Bank,	1825	540,000	100	25	46
Royal Bank,	1836	209,175	50	10	15
Hibernian Bank,	1825	250,000	100	25	33
National Bank,	1835	450,000	50	22½	20
Bank of Ireland,	1783	3,000,000	100	..	..

(*For further particulars see p.* 490, *December No.*)

The following statement will show the position of the Bank Note circulation in England, Ireland, and Scotland, when compared with the same period last year:

	Nov. 1, 1851.	*Oct.* 20, 1852.	*Increase.*
Bank of England,	£20,353,046	£23,221,329	£2,867,683
Private Banks,	3.605,425	3.873,560	268,135
Joint Stock Banks,	2,860,449	3,080,898	220,449
Total in England,	£26,819,520	£30,175,787	£3,356,267
Scotland,	3,306,433	3,620,689	314,256
Ireland,	4,712,889	5,546,472	833,583
United Kingdom,	£34,838,842	£39,342,948	£4,504,106

Thus showing an increase of £3,356,267 in the circulation of notes in England, and an increase of £4,504,106 in the circulation of the United Kingdom, when compared with the corresponding period last year.

The average stock of bullion held by the Bank of England in both departments during the month ending 30th of October, was $21,447,765, being a decrease of £333,771 when compared with the previous month, and an increase of £6,291,039 when compared with the same period last year.

The stock of specie held by the Scotch and Irish banks during the month ending the 30th of October, was £2,216,431, being an increase of £216,336 as compared with the previous return, and an increase of £409,714 when compared with the corresponding period last year.

The present mode of paying duties in London has suggested the following modification, in a communication to the London *Times*.

"London, *Dec.* 9, 1852.

"Sir,—The inconvenience of the present mode of paying duties is one to which I am daily subjected, and as I belong to a trade where these amounts surpass all others, I have for a long time past meditated over a mode of remedying it, and unless the law stands in the way I can see no objection to it. The mode mentioned in *The Times* of to-day is objectionable, as it would afford relief only to those rich enough to invest a large sum of money in consols; mine would suit every one, if it can be adopted. It is for the Bank of England to issue certain notes with 'duties' printed on them in large letters; such notes to be legal tender only at custom-houses. The bankers could provide themselves daily with a sufficient supply, and when they are returned by the custom-house to the bank, let them not be cancelled, but re-issued till too old for that purpose. I can see no objection to the proposal unless it be illegal, and that could easily be remedied. The benefit to the mercantile community would well repay the trouble.

"I am, Sir, your obedient servant, A. B. B."

NEW YORK INSURANCE COMPANIES.

The following table comprises the name and date of organization of all the Insurance Companies organized under the General Insurance Law of New York:

NEW YORK CITY.

Name of Company.	*Date of Organization.*	*Capital.*
Astor Insurance Co.	1852 . . . July	200,000
Broadway Ins. Co.	1849 . . . Oct. 2.	200,000
Building Association Fire Ins. Co.	1852 . . . May 8.	150,000
Commercial Fire Ins. Co.	1850 . . . May 14.	200,000
Clinton Fire Ins. Co.	1850 . . . July 9.	200,000
Empire City Fire Ins. Co.	1850 . . . Sept. 17.	200,000
Grocers' Fire Ins. Co.	1850 . . . Jan. 16.	200,000
Globe Fire Ins. Co.	1851 . . . July 14.	200,000
Hanover Fire Ins. Co.	1852 . . . April 1.	150,000
Howard Life Ins. Co.	1852 . . . June 29.	100,000
The Irving Ins. Co.	1852 . . . Jan. 9.	200,000
The Lorillard Fire Ins. Co.	1852 . . . Jan. 16.	200,000
Merchants' Ins. Co.	1850 . . . Feb. 20.	200,000
Mechanics' Fire Ins. Co.	1850 . . . Feb. 27.	200,000
Merchants' and Mechanics' Mutual Life Ins. Co.	1850 . . . May 17.	100,000
Manhattan Life Ins. Co.	1850 . . . May 17.	100,000
Mercantile Fire Ins. Co.	1851 . . . Dec. 24.	100,000
Niagara Fire Ins. Co.	1850 . . . Feb. 22.	300,000
Niagara Fire Ins. Co.	1850 . . . June 22.	200,000
North River Ins. Co.	1851 . . . July 18.	350,000
People's Fire Ins. Co.	1851 . . . April 11.	150,000
Pacific Fire Ins. Co.	1851 . . . April 17.	200,000
Reliance Fire Ins. Co.	1851 . . . Mar. 18.	200,000
Republic Fire Ins. Co.	1852 . . . Mar. 22.	150,000
Stuyvesant Ins. Co.	1851 . . . Jan. 7.	200,000
St. Nicholas Fire Ins. Co.	1851 . . . Sept. 20.	150,000
U. S. Life Ins. Co.	1850 . . . Jan. 26.	100,000
Washington Ins. Co.	1850 . . . Feb. 11.	200,000

INTERIOR.

		Location.	
American Mutual	1850 . . . April 23.	Amsterdam	167,000
American Mutual	. . . . .	Utica	100,000
Albany Ins. Co.	1851 . . . Feb. 18.	Albany	100,000
Atlantic Fire Ins. Co.	1851 . . . Feb. 20.	Brooklyn	150,000
Ætna Ins. Co.	1851 . . . Mar. 14.	Utica	200,000
City Fire Ins. Co.	1850 . . . June 14.	Rochester	100,000
Commercial Ins. Co.	1851 . . . Feb. 11.	Amsterdam	100,000
Dividend Mutual Ins. Co.	1850 . . . April 15.	Glenn's Falls	100,000
Empire State Mutual Ins. Co.	1849 . . . Dec. 18.	Saratoga Springs	100,000
Empire Ins. Co.	1851 . . . Dec. 22.	Union Springs	100,000
Farmers' and Merchants' Ins. Co. of Western New York.	1850 . . . Oct. 29.	Rochester	100,000
Farmers' Insurance Company of Oneida County.	1851 . . . June 26.	Utica	100,000
Franklin Marine & Fire Ins. Co. of New York.	1852 . . . April 12.	Saratoga Springs	100,000
Globe Ins. Co.	1852 . . . Jan. 5.	Utica	150,000
Granite Ins. Co.	. . . . .	Utica	150,000

Hudson River Ins. Co.	1850	Aug. 8.	Waterford	100,00
Hudson River Marine & Fire Insurance Company.	1852	June 1.	Crescent, Sar. Co.	100,000
The Jamestown Farmers' Insurance Company.	1851	Aug. 25.	Jamestown	100,000
The Knickerbocker Ins. Co. at Waterford.	1852	May 15.	Waterford	
Mohawk Valley Ins. Co.	1851	June 6.	Amsterdam	100,000
Mohawk Valley Farmers' Ins. Co.	1851	June 7.	West Scotia	100,000
New York State Ins. Co.	1849	Oct. 31.	Newark	
New York Union Mutual Ins. Co.	1850	May 9.	Johnstown	100,000
National Protection Ins. Co.	1851	Feb. 22.	Saratoga Springs	100,000
New York Central Ins. Co.	1851	Jan. 16.	Cherry Valley	100,000
North American Mutual Ins. Co.	1851	May 26.	Brusher Falls	100,000
New York Indemnity Ins. Co.	1851	July 29.	Broadalbine	100,000
Nassau Fire Ins. Co.	1851	Oct. 21.	Brooklyn	150,000
Northern Protection Ins. Co.	1851	Nov. 14.	Camden	100,000
Otsego and Schoharie Mutual Insurance Company.	1851	Jan. 16.	Cherry Valley	100,000
Poughkeepsie Mutual Fire Ins. Co.	1850	July 30.	Poughkeepsie	100,000
People's Insurance Company of the State of New York.	1851	May 14.	Kingston	100,000
Rensselaer County Mutual Ins. Co.	1851	Oct. 11.	Lansingburg	100,000
Schoharie County Mutual Ins. Co.	1850	Dec. 8.	Cobleskill	100,000
Steuben Farmers' and Merchants' Insurance Company.	1851	Sept. 29.	Bath	100,000
Salem Fire Insurance Company of the State of New York.	1853	July 9.	Salem	100,000
Union Mutual Ins. Co.	1850	May 12.	Fort Plain	100,000
United States Fire Ins. Co.	1851	Feb. 22.	Saratoga Springs	100,000
United States Mutual Ins. Co.	1850	Nov. 8.	West Potsdam	100,000
Washington County Mutual Insurance Company.	1849	Dec. 14.	Granville Cor'n.	100,000
Waterville Protection Ins. Co.	1851	Feb. 8.	Waterville	100,000
Wyoming County Mutual Ins. Co.	1851	Nov. 26.	Warsaw	100,000
Total,				$9,517,000

A DIGEST

OF THE

DECISIONS OF THE SUPREME COURT, COURT OF ERRORS, AND COURT OF APPEALS, IN THE STATE OF NEW YORK, UPON BANKING, BILLS OF EXCHANGE, &c.

[Continued from page 462, December number.]

2. By whom to be made or given, when and where.

1. A demand of payment of a note and notice of dishonor should be made and given by the holder of a note or by his agent. *Williams* v. *Mathews*, 3 Cowen, 252.

2. Notice of dishonor by a stranger is not sufficient, it must by one who is a party to the note or bill, and who on its being returned to him would have a right of action upon it. *Chanoine* v. *Fowler*, 3 Wendell, 173.

3. A demand of payment of a note by a notary, or by a person having a parol authority for that purpose, or the lawful possession of the note, is sufficient; and the notary of the person authorized to make demand may give notice of dishonor. *Bank of Utica* v. *Smith*, 18 Johnson R. 230.

4. If an indorser receive notice from any one who is a *party* to the note or bill, he is liable to any subsequent indorser, although he may have received no notice from *him*. *Mead* v. *Engs*, 5 Cowen, 303; *Stafford* v. *Yates*, 18 Johnson R. 327.

5. Agents for collection are holders for the purpose of giving notice of non-payment, or receiving the same; but such an agent, like any holder, is not bound to give notice to all the prior parties, but may give notice to his immediate indorser, who is to give notice to the other prior parties. *Mead* v. *Engs*, 5 Cowen, 303; *Bank of the United States* v. *Davis*, 2 Hill, 451; *Howard* v. *Ives*, 1 Hill, 263.

6. Agents who receive bills before maturity for collection, are held to strict vigilance in making presentment for *acceptance*, and giving notice of non-acceptance, and if chargeable with negligence, are subject to the payment of all the damages sustained by the owner. *Allen* v. *Suydam*, 20 Wendell, 321.

7. As between the holder of a check and an indorser, payment must be demanded in a reasonable time; but as between the holder and the drawer, a demand at any time before suit brought is sufficient, unless it appear that the drawer has been injured by delay. *Cruyer* v. *Armstrong*, 3 Johnson Cases, 5; *Murray* v. *Judah*, 6 Cowen, 490.

8. But payment must always be demanded from the drawee, and refused before it will be due from the drawer. *Ibid.*

9. When a note is not made payable at any particular place, but the maker has a known and permanent residence within the State, demand must be made there, in order to charge the indorser. *Anderson* v. *Drake*, 14 Johnson R. 114.

10. A note was dated in New York city, but before it was payable the maker removed to Kingston, Ulster County, and this was known to the holder; a demand of payment and diligent inquiry for the maker at New York was not sufficient to charge an indorser. *Ibid.*

11. But when the note was dated at Albany, and the maker removed to Canada, a demand at Albany was sufficient. *Ibid.*

12. Where a note is dated in New York city, and the indorser has a residence there, and another in the country, a notice of non-payment left at his residence in the city is sufficient. *Stewart* v. *Eden*, 2 Caines, 121.

13. Where a negotiable check, payable on demand in Mississippi, was drawn in this State, and not presented till more than ten months after date, and in the mean time the bank on which it was drawn had suspended payment; *held*, that the check was not presented in reasonable time, and as the drawer had sustained loss by the delay he was discharged from his liability to the holder. *Little* v. *Phenix Bank*, 7 Hill, 359.

14. A bill which mentions no place of payment, being drawn upon and accepted by partners as such, one of whom died before the day of payment, was presented at the place of business of the surviving partner; *held sufficient*, and that it need not be presented to the personal representatives of the deceased. *Cayuga Bank* v. *Hunt*, 2 Hill, 635.

15. Business hours in respect to the time of presentment, except in case of a bank, generally range through the day, and to the hours of rest in the evening. *Ibid.*

16. A note payable at the Mechanics' Bank, in the city of New York, was presented to the first teller of the bank, by a notary, at 15 minutes past three o'clock of the day on which it was payable, and payment demanded; *held* a sufficient demand, although the bank closed at three o'clock; it appearing to be the custom to allow that time after banking hours for the presentment of notes. *Bank of Utica* v. *Smith*, 18 Johnson R. 230.

17. A notary is bound only to demand payment of a bill or note. It is no part of his official duty to give notice of non-payment to the indorsers; and if he promise to give notice to all the indorsers, but in fact gives notice to only two, he cannot be made liable to those two for not giving notice to a third. *Morgan* v. *Van Ingen*, 2 Johnson R. 204.

18. Where two persons not partners are the makers of a note, a demand must be made of both the makers, in order to charge an indorser. Where two or more indorse a note payable to their order, they not being partners, notice of dishonor must be given to each of them. *Willis* v. *Green*, 5 Hill, 232.

19. If one of two co-indorsers being joint payees of a note, but not partners, dies before maturity of the note, notice of dishonor must be given to the survivor, and to the personal representatives of the deceased, in order to charge the survivor. *Willis* v. *Green*, 5 Hill, 232.

20. Checks are in several respects like inland bills of exchange, the holder must use due diligence in presenting the check, and in giving notice of demand and non-payment, in order to charge an indorser. But how long a check may be kept in circulation before presentment, is an unsettled question, depending in a great degree upon the circumstances of each particular case. *Jones* v. *Smith*, 20 Wendell, 192.

21. Greater diligence is required in the presentment of checks than of bills of exchange, but *laches* cannot in ordinary cases be imputed, if the check is not presented till the next day after that on which it is given. *Gough* v. *Staats*, 13 Wendell, 549; *Merchants' Bank* v. *Spicer*, 6 Wendell, 443.

22. As between the holder and an indorser, or third person, payment of a check must be demanded with all the despatch consistent with commercial transactions. *Mohawk Bank* v. *Broderick*, 10 Wendell, 305.

23. Where a check was drawn on the 14th of January, upon a bank in Albany, and on the same day received at a bank in Schenectady, 16 miles from Albany, but was not presented till the 6th of February, *held*, that the indorser was discharged. *Ibid.*

24. Where a bill is payable at sight, or a certain number of days after sight, there is no fixed rule for its presentment for acceptance, but that due diligence must be used. *Robinson* v. *Ames*, 20 Johnson R. 146.

25. A promissory note is not demandable till the third day of grace, unless the third day be on Sunday, in which case it must be demanded on Saturday previous. *Griffin* v. *Goff*, 12 Johnson R. 425; *Jackson* v. *Richards*, 2 Caines, 343; *Johnson* v. *Haight*, 13 Johnson R. 470; *Bank of Ontario* v. *Petrie*, 3 Wendell, 456.

26. A promissory note payable on demand is due presently, and in order to charge the indorser, there must be demand and notice within a reasonable time after date. What is a reasonable time is a question of law, the facts being settled. Where all the parties reside in the same city, five months' delay upon such a note is deemed unreasonable. *Lice* v. *Cunningham*, 1 Cowen, 397.

27. A foreign bill payable ninety days after sight, having passed and circulated through several hands, was presented six months from its date for acceptance; *held*, that reasonable diligence had been used under the circumstances. *Gowan* v. *Jackson*, 20 Johnson R. 176.

28. Where the payer of a bill lived three hundred miles from the drawer, and was also in poor health, so that the presentment of the bill was delayed twenty-nine days; *held*, that due diligence had been used, under the circumstances. *Aymer* v. *Beers*, 7 Cowen, 705.

29. The date of a note at a particular place does not make a demand at that place in every case necessary. *Taylor* v. *Snyder*, 3 Denio, 146; *Anderson* v. *Drake*, 14 Johnson R. 114; *Bank of America* v. *Woodworth*, 18 Johnson R. 323.

30. Where the maker of a note has a known residence at the time of the execution of the note, which he does not change before the note becomes payable, a regular demand must be made there or upon the maker personally, though the note be dated at a different place. *Taylor* v. *Snyder*, 3 Denio, 146.

31. Where a promissory note is not made payable at any particular place, the general rule is that it must be demanded of the maker personally, or at his dwelling-house or place of business; but if such a demand be found impracticable after proper efforts have been made for that purpose, it will be dispensed with, but due notice must in such a case be given to the indorser. *Ibid.*

32. The exceptions to the general rule are such as when the maker has absconded, is a seaman and on a voyage at sea, having no domicile within the State, when the maker has no known residence, or place at which demand could be made, when the maker is at the time of the execution of the note a resident of the State, but before its maturing removes from the State and takes up his residence elsewhere; but any of these circumstances must be clearly proved. *Ibid.*

33. When no time of payment is mentioned in a note, it is payable

immediately, and parol evidence is inadmissible to show a different time of payment. *Thompson* v. *Ketchum*, 8 Johnson R. 746; *Herrick* v. *Bennett*, 8 Johnson R. 291.

34. A note transferred after it is due, is to be considered a note payable on demand, and is subject to the rules applicable to such a note. *Van Housen* v. *Van Alstyne*, 3 Wendell, 75.

35. A check post dated is payable on the day it bears date, without any days of grace, and if its date fall on a Sunday, payment must be demanded on Monday, and notice given of dishonor. Demand on Saturday previous to the day of its date is a nullity. *Salter* v. *Burt*, 20 Wendell, 205.

36. A note payable on demand was not negotiated until two years after date; *held*, to be out of time and subject to all the equities between the original parties thereto. *Loomis* v. *Pulver*, 9 Johnson R. 243.

37. A note cannot be demanded on the fourth day of July. If that be the last day of grace, demand must be made on the third of July. *Sheldon* v. *Benham*, 4 Hill, 129; *Cuyler* v *Stevens*, 4 Wendell, 566.

38. Notice of dishonor must generally be given by an indorsee to his immediate indorser, by the next post after he has himself received it; but by the next post is meant the next convenient practicable post, and one dealing in bills of exchange is not bound to neglect his ordinary business to watch the post-office for the purpose of receiving and transmitting notices. Reasonable diligence is all the law exacts. *Mead* v. *Engs*, 5 Cowen, 303; *Howard* v. *Ives*, 1 Hill, 263.

39. In charging consecutive indorsees, the party receiving notice is never bound to forward it to the next preceding indorser on the same day, but he may wait till the next day. *Ibid.*

40. If two mails leave the same day, and the first be closed during business hours, notice by the second will be good. *Ibid.*

41. Where the indorser and the holder of a note both reside in the same city, a delay of three days in giving notice was fatal. *Bryden* v. *Bryden*, 11 Johnson R. 206.

42. Where a notarial certificate stated that the bill was presented on the day of payment at the office of the acceptor, which was found closed, but did not state at what *hour* of the day the presentment was made, *held*, that regularity in respect to the hour would be presumed. *Cayuga Bank* v. *Hunt*, 2 Hill, 635.

43. Notice to an indorser on the third day of grace and after default of the maker is good. *Corps* v. *McComb*, 1 Johnson's Cases, 329; *Osborne* v. *Moncure*, 3 Wendell, 170.

44. A note was payable at a bank in Albany, but *held* that payment might be demanded of the maker *personally* at Albany, and if he made no objections such demand would be sufficient. *Herring* v. *Sanger*, 3 Johnson's Cases, 71.

45. If the maker of a promissory note, payable generally after indorsement, and without the knowledge or consent of the indorser, add a memorandum in the margin, whereby the note purports to be payable at a particular place, and it is presented there, but no personal demand is made of the maker, and due notice of non-payment is given to the in-

dorsee, *held*, that the demand and notice were insufficient to charge the indorser. *Woodworth* v. *The Bank of America*, 19 Johnson R. 391; revising 18 Johnson R. 315.

46. Where a bill is drawn upon one living in P., but made payable in L., but no particular spot in L. being specified, the holder of the bill having presented it for acceptance at L., which was refused, might have it protested for non-payment either in L. or P., a demand of *payment* at L. being unnecessary. *Mason* v. *Franklin*, 3 Johnson R. 205; *Bently* v. *Franklin*, Ibid. 208.

47. Where a creditor received an order from his debtor on a third person for the amount of his debt, which the drawee agreed to pay in ten or fifteen days, but the order was not presented for payment till several weeks after, and in the mean time the drawee had failed, *it was held*, the order was not presented in time, and that the loss should fall upon the creditor. *Brown* v. *Jones*, 3 Johnson R. 229.

48. Where a bill has been protested for non-acceptance, and due notice given to the indorsers, it is no objection that the demand of payment was a day too late, the liability of the parties being already fixed. *Miller* v. *Hackly*, 3 Johnson R. 375.

3. *Sufficiency of.*

1. Notice to the indorser of a note if given before demand from the maker is bad, though it be given on the first day after the expiration of the days of grace. *Jackson* v. *Richards*, 2 Caines, 343.

2. Notice of non-payment need not be in writing—a verbal notice is sufficient. *Cuyler* v. *Stevens*, 4 Wendell, 566.

3. Where the party giving notice, and the party to whom it is sent, both reside in the same village or city, service of notice of dishonor should not be through the mail, but personal, or at the place of business or dwelling of the latter. *Sheldon* v. *Benham*, 4 Hill, 129.

4. Where a notice misdescribes the note, but is sufficient to put the party on inquiry, it is to be left to the jury to say whether or not the party was misled by the notice; so also where the notice misstates the date of demand and protest. *Ontario Bank* v. *Petrie*, 3 Wendell, 456; *Reedy* v. *Seixas*, 2 Johnson's Cases, 337. These decisions have been overruled by those in *Ransom* v. *Mack*, 2 Hill, 587, and *Dole* v. *Gold*, 5 Barbour, 499, where it is *held*, that the sufficiency of notice, when there is no dispute about the facts, is matter of law, and should not be left to the jury. See also *McKnight* v. *Lewis*, 5 Barbour, 681.

5. Service of notice of dishonor cannot be made through the mail if the party sought to be charged reside in the same place where presentment or demand is made; but if he reside in another village several miles distant, though it be in the same town, it also appearing that there is a post-office near his residence, at which he usually receives his letters, and that there is a regular mail between the two places, notice by mail will be sufficient. *Ransom* v. *Mack*, 2 Hill, 587.

6. Although no particular form of words is necessary in a notice, yet it must clearly import that the bill or note has been dishonored. *Ibid.* See *Dole* v. *Gold*, 5 Barbour, 499.

7. A note is not held dishonored by the maker until upon due presentment and demand payment is refused or neglected. *Dole* v. *Gold*, 5 Barbour, 499.

8. A notice erroneous in amount of the note, and directed to the wrong person, is not sufficient although it be rightly directed upon the *outside of the envelope*. *Remer* v. *Downer*, 25 Wendell, 620.

9. Where there is no dispute about the facts, the court must decide the question of diligence, and of the sufficiency of notice. *Ibid.*

10. The certificate of a notary stating that he sent the notice of dishonor to the indorser at his *reputed* place of residence, is presumptive evidence thas such is his place of residence, and is *prima facie* sufficient. *Bell* v. *Lent*, 24 Wendell, 230.

Notice of protest, sent by mail, directed to the drawer of a bill at the place where the bill was drawn, there being no inquiry as to the place of his residence, is not sufficient to charge him. In such a case *great diligence* is not required, but *some* inquiry must be made. *Lowry* v. *Scott*, 24 Wendell, 358.

11. A notary ignorant of the place of residence of the indorser of a bill inquired of a subsequent indorser, who pretended to know the proper place, and whose interest it was to have the notice sent there; but he designated the wrong post-office, and the notice was sent accordingly; *held*, that due diligence had been used, and that the notice was sufficient. *Ransom* v. *Mack*, 2 Hill, 587.

12. Where a note is duly protested, for non-payment, and then paid in part by the maker, the balance being still due, notice of non-payment generally to an indorser, is sufficient to charge him with the payment of the residue. *James* v. *Badger*, 1 Johnson's Cases, 131.

13. Where one of a set of bills of exchange is duly protested, and another of the set not accepted or protested, with a notice of protest of the other, is presented to the indorser, it is held sufficient to charge him. *Kinworthy* v. *Hopkins*, 1 Johnson's Cases, 107.

14. Whether a notice of protest sent by mail to an indorser, who has changed his residence, is properly directed, depends on the fact whether or not he was accustomed to get his letters at the place to which the notice was directed. *Hunt* v. *Fish*, 4 Barbour, 330.

15. Accordingly, where an indorser who had removed from L. to A. still lived only half a mile from the post-office in L., where he had previously received his letters, while the post-office in A. was two and a half miles from his residence, *held*, in the absence of proof as to where he in fact received his letters, that a notice directed to L. was sufficient. *Ibid.*

16. A bill was drawn and dated at New York, on persons residing there, who duly accepted it. The drawers, however, actually resided at Petersburgh, Va. The bill was protested for non-payment, and on the same day, the clerk of the notary, after making inquiries, at the bank and elsewhere in New York, for the residences of the drawers, and being told that they resided at Norfolk, put two notices into the post-office, one directed to the drawers at Norfolk, and the other addressed to them in New York; *held*, a sufficient notice. *Chapman* v. *Lipscombe*, 1 Johnson R. 204.

17. A notice of non-payment must show that presentment was made at the proper time and place, and that payment was refused. *Wynn* v. *Alden*, 4 Denio, 163.

18. Therefore a notice which stated that the note was "*this day presented for payment*," it being without date, was not sufficient. *Ibid.*

19. The fact that a bill was dated at a certain place, is not evidence that the drawer resides there, so as to dispense with the necessity of making inquiries for his residence, and without due diligence in making inquiries in such a case, a notice sent to the place where the bill was dated, will be insufficient. *Carrol* v. *Upton*, 3 Comstock, 272.

20. A note was payable at the plaintiff's bank, in the town of W., where the indorser did business, and received his letters. The indorser, however, resided in an adjoining town, where notice of protest was sent by mail; *held*, sufficient, it not appearing that the plaintiff knew of any other place where the indorser received his letters, and the indorser not having specified where he wished notice of dishonor of the note to be left or sent. *Seneca County Bank* v. *Neass*, 3 Comstock, 443; this case affirms 5 Denio, 229.

21. Independent of the statute of 1835, respecting the direction of notices of dishonor of notes and bills, it is sufficient to direct a notice of dishonor to the city or town where the person sought to be charged resided at the time he drew, made, or indorsed the instrument, unless he specifies thereon the post-office where he received his letters, and where there are several post-offices in the same town, it is not necessary to direct it to the post-office nearest the residence of the party. *Remer* v. *Downer*, 23 Wendell, 620, overruling; *Cuyler* v. *Mills*, 4 Wendell, 398.

22. Where the holder of a note was apprised before it fell due that one of the indorsers was dead, and that his will had been proved, and was recorded in the surrogate's office; *held*, that a notice of non-payment, addressed to the deceased indorser by mail, and not to his personal representatives, was insufficient to charge his estate. *Cayuga Bank* v. *Bennett*, 5 Hill, 236.

23. Notice to an indorser, directed to the place where he resided when the indorsement was made, is sufficient to charge him, though in the time intermediate he may have changed his residence. *Bank of Utica* v. *Philips*, 3 Wendell, 408.

24. Inquiries for the residence of the indorsee is unnecessary where the holder has good reason to suppose that he knows where it is. *Ibid.*

25. The delivery of a bank check to the porter of another bank, upon which the check is drawn, and the return of the same as not good, accompanied by proof, that it was the invariable custom of the porter to present the checks thus received, and if dishonored to return them the same day, is sufficient proof of presentment to authorize the submission of the case to the jury. *The Merchants' Bank* v. *Spicer*, 6 Wendell, 443.

26. The cashier of a bank who indorses paper money for collection is a party to the same, and a notarial certificate which stated, that upon the next day after presentment, notices of protest, addressed to the drawer and indorsers respectively, were inclosed in an envelope and sent to the cashier, was *held* sufficient evidence of the protest in respect to all the

parties, and of notice thereof to the cashier. *Bank of United States* v. *Davis*, 2 Hill, 451.

27. Leaving a note with the indorser, who is an attorney, for collection, is not equivalent to a notice of non-payment, the note being payable on demand. *Agan* v. *M'Manus*, 11 Johnson R. 197.

28. A bill of exchange, drawn in New York on persons in Baltimore, was protested for non-acceptance. A notary testified that it was his invariable custom, in case of the protest of bills, where the drawers and indorsers lived at a distance, to send written notice to them by post on the same evening of the non-acceptance, and that he believed he had done so in this case; *held*, sufficient in the first instance to charge the indorsees. *Miller* v. *Hockley*, 5 Johnson R. 375.

4. *Waiver of.*

1. Where the drawer of a bill is partner of the house or firm upon which it is drawn, it is not necessary for the holder to prove *notice* of dishonor. *Gowan* v. *Jackson*, 20 Johnson R. 99.

2. Where the indorsers and acceptors are members of the same firm, no notice of dishonor is necessary. *Bank of Rochester* v. *Monteath*, 1 Denio, 402.

3. A stipulation by an indorser to waive *notice* of dishonor does not dispense with the necessity of *demand itself*. *Backus* v. *Shifherd*, 11 Wendell, 629.

4. But where the payee transfers a negotiable promissory note and guarantees its payment, if not collected by due course of law, and also waives notice of dishonor, *demand* is not necessary. *Ibid.*

5. Where an indorser is called upon to pay a note, and avows himself legally exonerated, but promises to pay the note and asks time, *held*, a waiver of demand and notice. *Leonard* v. *Gray*, 10 Wendell, 504.

6. An indorser, on the day a note fell due, made an arrangement with the holder to pay a part of the note, and renew it; but through mistake of a clerk in the bank, the note was not demanded until three days afterwards, and no notice was given to the indorser; *held*, that the acts and stipulations of the indorser did not amount to a waiver of demand and notice. *Cayuga Bank* v. *Dill*, 5 Hill, 405.

7. Where delay of two days in making demand was occasioned by a mistake in sending the bill to the wrong place; *held*, no excuse for not presenting in due time. *Schofield* v. *Bayard*, 3 Wendell, 488.

8. Where the indorser, a few days before the maturity of the note, writes to the holder that the maker has failed, and represents the inutility of a suit, and asks indulgence, in such case demand and notice are unnecessary. *Spencer* v. *Harvey*, 17 Wendell, 489.

9. But the mere taking of *security* from the maker, does not dispense with a regular demand and notice; *otherwise*, where the indorser takes sufficient *property* from the maker to indemnify him, or takes an assignment of all the property of the maker. *Ibid.* See also *Mechanics' Bank* v. *Griswold*, 7 Wendell, 165.

10. An agreement between the maker of a note and the indorsee, that

the money should not be demanded until a considerable time after the note purported to be payable, will not dispense with a demand upon the makee, nor excuse a delay, especially when the indorser is not a party to the agreement. *Lice* v. *Cunningham*, 1 Cowen, 397; *Agan* v. *M'Manus*, 11 Johnson R. 197.

11. An offer by the indorser to give his own note in satisfaction of the indorsed note is not a waiver of demand and notice, unless such offer is accepted by the holder. *Ibid.*

12. Where the indorser of a note, before it became due, informed the holder that the maker had absconded, and acknowledged himself liable to pay the note, and asked for time, the holder was not bound to make demand upon the maker, or give notice of non-payment to the indorser. *Lippingwell* v. *White*, 1 Johnson's Cases, 99.

13. To make a promise of payment operate as a waiver of demand and notice, the holder must show affirmatively, that the indorser promised with full knowledge, that he had not been duly charged as indorser by due demand and notice. *Lice* v. *Cunningham*, 1 Cowen, 397; *Agan* v. *M'Manus*, 11 Johnson R. 197; and, *Trimble* v. *Thorn*, 16 Johnson R. 152; *Jones* v. *Savage*, 6 Wendell, 658.

14. The indorser of a check is liable upon his promise to pay after dishonor, without direct proof of demand and notice, and the admission of the indorser, that he knows the check has been dishonored, and a promise to pay it, is *presumptive evidence* of demand and notice.

Where the holder of negotiable bills or notes has been guilty of laches, and that fact appears on the trial in an action against the indorser or drawer, a promise to pay after maturity will not dispense with the necessity of clear proof that the promise was made with full knowledge of the *laches;* but if the fact of laches does not appear upon the trial, such a promise will be presumptive evidence of demand and notice. (Per Bronson J., that a promise to pay is *prima facie* evidence of *notice*, but whether it be also of *demand given.*) *Tibbitts* v. *Dowd*, 23 Wendell, 379. (This case overrules the dictum in *Trimble* v. *Thorn*, 16 Johnson R. 152, and kindred cases.)

15. The acknowledgment of liability by an indorser, and his promise to pay one-fourth of the note, is presumptive evidence of a demand upon the maker, and due notice; and with attending circumstances, is proper to be submitted to a jury to decide whether or not there was a demand. *Keeler* v. *Bartine*, 12 Wendell, 110.

16. If an indorser has not had regular notice of demand and non-payment, yet with a full knowledge of that fact promises to pay, it is a waiver of the notice. *Durye* v. *Dennison*, 5 Johnson R. 248.

17. The fact that the drawer of a bill of exchange, after its maturity and non-payment, included the demand of the holder in an account of his creditors, on an application for an insolvent's discharge, is not a waiver of demand and notice, unless it be shown that at the time of making such account he knew that the necessary steps had not been taken to charge him. *Jones* v. *Savage*, 6 Wendell, 658.

18. A promise by an indorsee to pay, in order to amount to a waiver, must be plain and unequivocal; a casual remark in speaking of a bill to

a third party, that he would "see it paid," is not sufficient. *Miller* v. *Hackley*, 5 Johnson R. 375.

19. The prevalence of a malignant disease at the place where the bill is made payable, is a sufficient excuse for not presenting it for payment. *Tunno* v. *Lague*, 2 Johnson's Cases, 1.

20. Where it appeared that one of two co-indorsers, the other being dead, took from the maker of a note, after its maturity a bond and warrant of attorney to secure its payment, and received nearly its amount thereby; *held*, an admission that the necessary steps had been taken to charge both indorsers. *Willis* v. *Green*, 5 Hill, 232.

21. A promise by two of the executors of a deceased indorser of a note to pay the note, after protest, it appearing that the notice of dishonor had been irregular, is no ground for presuming a regular notice. *Cayuga Bank* v. *Bennett*, 4 Hill, 236.

11. *Protest.*

1. The term protest, in a strict technical sense, is not applicable to a promissory note. It means, when used in reference to commercial paper, only the formal declaration drawn up and signed by a notary; but by general usage it signifies all those acts which by law are necessary to charge an indorser. *Coddington* v. *Davis*, 1 Comstock, 186.

2. Where an indorser wrote to the holder of a note before maturity saying, "Please not protest J. B. C.'s note due, &c., and I will waive the necessity of protest thereof;" *held*, that "protest" here included *demand* and *notice*, as well as the formal declaration of the notary, and that demand and notice were thereby waived. *Ibid.*

3. A notarial protest of a foreign bill may be evidence of notice to the drawers and indorser as set forth therein. *Halliday* v. *M'Dougal*, 20 Wendell, 81.

4. Such a protest proves itself, and its contents are to be taken as true. *Ibid.*

And where it states that demand was made, and a refusal to pay, and that due notice thereof was given to the drawers and indorsers, it is clearly sufficient, as to demand and refusal, and it seems also, as to *notice*. *Ibid.*

5. And if the notary be dead, a sworn copy of the protest taken from his record-book, together with the original protest, is sufficient as to demand and refusal. *Ibid.*

6. It is no part of the duty of a notary to give notice of protest, and the certificate of a notary in another State, certifying that a foreign bill has been protested, and that he had notified the indorser, is not evidence of such notice, in whatever manner the certificate may be authenticated. *Bank of Rochester* v. *Gray*, 2 Hill, 227.

7. The form of a notarial certificate, of a foreign bill, depends upon the *lex loci contractus*, and when the latter renders a seal necessary, the protest must be under seal, or it will not be valid elsewhere. *Ibid.*

8. But the mode of authenticating a foreign protest, so as to make it evidence, depends upon the *lex fori*, and it seems that in this State, nei-

ther the original nor a copy can be admitted in evidence, unless authenticated by the official seal of the notary who made it, impressed upon wax, or some tenacious substance. *Ibid.*

9. Where a note was dated at New York, and the protest of a notary deceased, and a register of protests stated that the notary had made diligent inquiry for the maker at the city of New York, and that notice of non-payment for the indorser had been put into the post-office; *it was held*, sufficient evidence of diligence in making demand of the maker; but as the memorandum did not state that diligent search had been made for the indorser, neither where he lived, or where the letter was directed; *it was held*, not sufficient evidence of *notice* to the indorser. *Halliday* v. *Martinet*, 20 Johnson R. 166.

10. A notarial certificate which states that notice of protest was served on the indorser or maker, by putting the same into the post-office, directed to the indorser, &c., is a sufficient compliance with the statute, though it do not state by whom the service was made. *Bower* v. *Kitchum*, 7 Hill, 444.

11. A notarial certificate, which stated that a notice was deposited in the office for H., though it do not expressly say that it was *directed* to him, is sufficient. Where a notary certifies that he deposited a notice *for* a particular person, the intendment is, that it was *directed to* that person. *Janes* v. *Smith*, 20 Wendell, 192.

12. The acceptor of a bill cannot object in an action against him that the protest does not state that demand was made on him personally. It is sufficient if it states that payment was demanded at his house, or the place where the bill was accepted to be paid. *Foden* v. *Sharp*, 4 Johnson R. 183.

13. Bills drawn in New York, or Charleston, or any other place within the United States, are inland bills, and a protest is not necessary, although notice is. *Miller* v. *Hackley*, 5 Johnson R. 375.

14. The certificate of a notary stated that on the day the note fell due, the notary had presented the note for payment, which was refused, and then, after the usual words of protest, stated that "on the same day and year above written, due notice of the foregoing protest was put into the post-office, &c.;" *held*, that the contents of the notice were sufficiently stated. *Seneca Co. Bank* v. *Neass*, 5 Denio, 329.

15. In the statement in such a certificate of presentment of a note, payable at a bank, it is not sufficient to say the note was presented to the *cashier* of the bank, it must appear that the note was presented at the bank. *Ibid.*

16. The certificate of service of a notice by a notary need not state the contents of the notice. If it set forth the note, the protest, and that *due notice* has been served with the manner of service, it is *prima facie* sufficient. *Seneca Co. Bank* v. *Neass*, 3 Coms. 442.

12. *Rights and Liabilities of the Different Parties.*

1. *In General.*

1. The maker of a promissory note is *prima facie* liable to all the subsequent parties. *Dygert* v. *Goss*, 9 Bar. 507.

2. The drawee is bound to know the drawer's signature, and if he accept a forged bill, he is bound to pay it; and if he has paid it to a *bona fide* holder, he cannot recover the money back. *Goddard* v. *The Merchants' Bank*, 4 Comstock, 147; *Bank of Commerce* v. *Union Bank*, 3 Comstock, 234.

3. This rule is applicable to third persons who intervene for the honor of the supposed drawers, and pay a forged bill, if they have seen the bill before parting with their money. *Goddard* v. *Merchants' Bank*, 4 Comstock, 147.

4. A forged bill, purporting to have been drawn by the Canal Bank at Cleveland, was presented to the drawees in New York on Saturday, and payment refused for want of funds. On Monday after, the plaintiff called at the notary's office and desired to see the bill, but did not see it. He left a check for the amount of the bill, and requested that the bill should be *immediately* sent to his residence. The check was given by the clerk to the notary, who on the same day delivered it to the holder of the bill, but did not send the bill to the plaintiff. On Tuesday, the plaintiff called again, and upon inspecting the bill, at once pronounced it a forgery; *held*, that under the circumstances the plaintiff was not chargeable with negligence, and that the holder was bound to refund the money thus paid under mistake. *Ibid.*

5. Where a bill of exchange was drawn by an agent of a company in favor of another agent, and accepted by "L., president, &c.," to whom it was directed, there being no evidence that *L.* was authorized to bind the company by his acceptance; *held*, that L. was individually liable on the acceptance. *Moss* v. *Livingston*, 4 Coms. 208.

6. Money paid by one party to another through mistake of facts, of which both are equally ignorant, and equally bound to inquire into, can be recovered back. *Bank of Commerce* v. *Union Bank*, 3 Comstock, 230.

7. The rule that if the drawee pay a bill to which the drawer's signature is forged, the drawee cannot recover it back, does not apply when the forgery is not in counterfeiting the signature of the drawer, but in altering the *body of the bill*. *Ibid.*

8. A bank in New Orleans drew a bill upon a bank in New York for $105, payable to J. D. After it was issued, the bill was fraudulently altered to a bill for $1,005, payable to J. B., and with this name indorsed. The drawees paid the bill at sight to another bank in New York, who had received it from a bank in Charleston for collection; *held*, that the drawees on ascertaining the forgery, were entitled to recover back the money, the jury having found that they were not guilty of any negligence in not detecting the forgery before paying the bill, and notice of the forgery having been given as soon as discovered. *Ibid.*

9. The drawer of a bill is never liable to the acceptor in that character, and consequently a release to him as drawer will not discharge a claim against him, by one who has paid money for his use on an acceptance for the drawer's accommodation. *Pearce* v. *Wilkins*, 2 Comstock, 469.

A. B. and C. were partners in trade; A. took a lease in his own name of a store occupied by the firm for their partnership business, and paid one-third of the rent. To provide for the balance, C. drew a bill in the name of the firm, and got *P.* to accept it, at the same time promising in the name of the firm to pay it at maturity. A., at the time, and in the presence of *P.*, refused to assent to the transaction. The bill, with the knowledge and assent of A. and B., subsequently went to pay the rent; *held*, that the firm were liable to *P.*, the acceptor, he having paid the bill for their accommodation. *Ibid.*

10. The drawer of a bill of exchange, like an indorser, is considered in the light of a surety, and may add restrictive words to his signature, to exempt himself from personal liability hence; when one drew a bill, and signed his name, *as agent*, disclosing his principal, and the payee knowing that the drawer was authorized to draw the bill, as agent, and that he actually signed it as such agent, *held*, that the drawer was not personally liable upon the bill. *Hicks* v. *Hinde*, 9 Barbour, 528.

11. When one takes a note, payable to *order*, without the indorsement of the payee upon it, his rights in respect to it are no better than those of any assignee of a chose in action. *Hedges* v. *Lealy*, 9 Barbour, 214.

12. Where several individuals by a private agreement carry on business at several places, sharing in the losses and profits of the entire concern; although it is understood that the business of one place shall be done in the name of *A.*, and that in another place by *M.*, *an agent* in *his* name; and that there shall be no partnership name, and no bills drawn, or notes made in any partnership name, by any of the individuals connected with the concern; *held*, that a bill drawn by *A.* upon M., and by him accepted in his own name, to raise money for the concern, bound all the proprietors as acceptors. *Bank of Rochester* v. *Monteath*, 1 Denio, 402.

13. The drawer of a note has no right to object that it was negotiated contrary to its terms, when he himself put it in circulation. *Wardwell* v. *Hughes*, 3 Wendell, 418.

14. Where a bank check was not presented for seven months after it was drawn, and subsequently to the drawing, and prior to the presentment of the check, the drawer had drawn large sums from the bank, and, upon presentment of the check in question, payment was refused, for want of funds; *held*, that the drawer was still liable, he having suffered no injury by the delay, and the non-payment of the check being attributable to his own act in drawing out his funds from the bank. *Conroy* v. *Warren*, 3 Johnson's Cases, 260.

15. Administrators who have given their note for the debt of their intestate, cannot be made personally liable, unless it be shown that they have assets, or that forbearance was the consideration of the note. *Bank of Troy* v. *Topping*, 9 Wendell, 273.

16. The holder of negotiable paper, who has received it from an agent of the true owner, who had no authority to transfer it, but without knowledge of the fact or notice of the fraud, may retain it against the true owner. *Coddington* v. *Bay*, 20 Johnson R. 637; affirming 5 Johnson Ch. R. 54.

But where R., as agent of B., had received notes to be remitted to his principal, and without the knowledge or assent of his principal passed them to *C.* as a security against certain responsibilities assumed by C., as indorser of R.'s notes, and the maker of notes lent to *R.*, but not yet due; *held*, that though C. took the notes innocently in respect to the fraud of R., and though R. had become insolvent, yet the notes were not taken in the usual course of trade, nor for a present consideration, and that C. was not entitled to hold them against the true owner. *Ibid.*

17. B., an innocent holder of a bill, payable to order, on which the payee's name had been forged, received the money upon the same from *C.*, the drawer; *held*, that though innocent of any intended wrong, B. had received the money upon an instrument to which he had no title, by reason of the payee's indorsement being forged, and he was bound to refund it to C., and could not resist a suit by C., or by the real owner of the bill. *Bank of Albany* v. *Canal Bank*, 2 Hill, 287; *Talbot* v. *Montgomery Bank*, 2 Hill, 295.

18. A., in New York, had two bills of exchange drawn on B. & C., a firm in Liverpool, and indorsed by B., one of the members of that firm, for A.'s accommodation. D. and E. bought the bills and gave their own notes therefor. The bills were not accepted nor paid. After notice of non-acceptance, A. made an arrangement with *D. alone*, whereby D. and E. were to pay A., $1,000, and give back to him the bills, leaving him his remedy against the drawees, without recourse to D. and E., and A. was to give up to D. and E. their notes. At the same time, E., the partner of D., made an arrangement with B. & C., whereby he agreed not to claim payment upon the bills received of A., either from the drawees or the indorser. The bills were returned to New York, and with $1,000 tendered to A.; *held*, in an action on the notes against D. and E. by the creditors of A., who took the notes with full knowledge of all the facts, that D. and E. were not liable. *Jones* v. *Swan*, 6 Wendell, 589.

19. A bill of exchange never imparts an obligation on the part of the drawer to the drawee, but if the drawee pays the bill when he has no funds of the drawer in his hands, the law raises an implied obligation on the part of the drawer to repay the amount. *Wing* v. *Terry*, 5 Hill, 160.

And where in such a case there were three drawers, and two of them signed only as *surety*, for the accommodation of the third, and the drawee had full knowledge of this fact when he accepted; *held*, that he had a right to claim repayment only from the principal drawer. *Suydam* v. *Westfall*, 4 Hill, 211.

20. Where one being largely indebted to a firm made a note, and procured other persons to sign it, and then passed it to the firm, who took it as payment of his indebtedness, and after subscribing their names under

the otner signers as makers, procured it to be discounted at a bank, and subsequently paid and took it up; *held*, that the note was a valid instrument in their hands after such payment, and that the original makers were liable to the firm, or to a third person to whom they might transfer the note. *Muir* v. *Demaree*, 12 Wendell, 468.

21. If a note payable at a distance be deposited with a bank for collection, and the latter transfers it to another bank for the same purpose, they are both the agents of the owner, and the latter bank is liable directly to the holder for any negligence on their part in collecting the note. *Bank of Orleans* v. *Smith*, 3 Hill, 560.

22. Where a promissory note purported in the body of it to have been made by an incorporated company, and given by them for value received, but was signed by two of its officers as such, and by others in their individual names; *it was held*, that the latter were to be regarded as sureties, and might be treated by the holder as joint and several makers with the company. *Parks* v. *Brinkerhoff*, 2 Hill, 663.

23. Where a promissory note was made by a member of a firm after dissolution of the partnership, he signing it thus, "Late firm M. J. E. & Co.," the former partners are not bound, nor is he who signed the firm name stopped from denying his *joint* liability with the other makers, though if sued alone he will be held liable. *Mitchel* v. *Ostrom*, 2 Hill, 520.

24. In general, the acceptor of an accommodation bill must be regarded as the principal in respect to the holder, and want of consideration between him and the drawer will not discharge him from his liability to the holder, and this, though the holder took it with full knowledge, that it was an accommodation bill; but it is *otherwise* if the holder is not a *bona fide* holder, as, for example, if he took the bill with full knowledge that it had been diverted from its original creation. *Commercial Bank* v. *Norton*, 1 Hill, 501.

25. The indorsee of a promissory note, taking it before due as collateral *security*, is not entitled to be regarded as a *bona fide* holder, in a commercial sense. *Manhattan Co.* v. *Reynolds*, 2 Hill, 140.

26. One to whom a negotiable note has been transferred before due, as collateral security, for indorsements to be made by him, and which he afterwards actually makes, he having taken it without notice of any defences existing against it, is entitled to the rights of a *bona fide* holder in the commercial sense. *Williams* v. *Smith*, 2 Hill, 301.

27. But such a holder cannot recover on such a note beyond the indorsements against which it was intended to secure him. *Ibid.*

28. Where a party signs a promissory note on condition that another person shall sign the same above his signature, he is not liable unless the condition be complied with; and the holder of the note suing upon it is bound to show how he became possessed of it, the condition not being complied with. *Miller* v. *Gambie*, 4 Barbour, 147.

29. The fact that a party who signed a note conditionally, is instrumental in getting a payment indorsed upon the note, will not amount to a waiver of the condition on which he signs. *Ibid.*

30. A. drew a bill of exchange on B., who resided in England, and

sold it to *C.* It was dishonored and returned to *C.*, duly protested. C. then drew a second bill for the amount of the bill, with 20 per cent. damages on A. and B., jointly, which was accepted by B. only, but not paid; *held*, that the drawing and the accepting of this second bill did not discharge A. from his liability on the first. *Suckley* v. *Furse*, 15 Johnson R. 338.

31. Where individuals make a note, adding a description to their signature as "*agents*," or the like, they are nevertheless *prima facie* personally liable; but this presumption may be rebutted by evidence showing that they are the authorized agents of a corporation, who received from the payee the consideration for which the note was given. *Buckway* v. *Allen*, 17 Wend. 40.

32. Where an agent affixes his signature to a note, he is bound to show that he had authority to sign at the time the note was issued, or he will be personally liable; a subsequent satisfaction by his principal will not suffice. *Rossiter* v. *Rossiter*, 8 Wendell, 494.

33. A promissory note was signed by "*B. and B., Trustees, &c.;*" *held*, they were personally liable. *Hills* v. *Banister*, 8 Cowen, 31.

34. Where parties to a sealed note describe themselves as the "Trustees, &c.," and in sealing used their own private seals, they are individually and personally liable. *Taft* v. *Brewster*, 9 Johnson R. 334.

35. An infant is not liable upon a note given by him in the course of trade. *Van Winkle* v. *Ketchum*, 3 Caines, 323.

36. A check purporting to be drawn by B. was presented by C., the agent of A., for payment, and paid, but there being a suspicion of forgery, the money was stopped *in transitu*. It was *held*, that B. was not answerable to *A.*, admitting the check to be genuine, the bank having acted without his direction. *People* v. *Howell*, 4 Johnson R. 296.

37. The drawee of a bill who had accepted and paid it, ignorant of the fact that the payee's indorsement was forged, would have the right to charge the amount against the funds of the drawer in his hands, or if there were none to claim the amount from him in an action for money paid. *Coggill* v. *The American Exchange Bank*, 1 Coms. 113.

38. Where the maker of a promissory note made an assignment to one of the holders, for the benefit of his creditors, in which the indorser was named and preferred as a creditor to the amount of the note, and the holders were also preferred as creditors in respect of other sums, but there was no mention made of them as creditors in respect to the note in question, and the holders, with other creditors, afterwards gave the maker a written release from all claims and demands existing in their favor respectively, over and above what they might realize from the assignment, on the maker's agreeing to pay the balance over and above what should be thus realized in seven years; *held*, that the claim of the holders to recover upon the note from the maker was not discharged or suspended by the instrument of release. *Coddington* v. *Davis*, 1 Coms. 186.

39. The master of a ship may bind the owners by a bill of exchange, drawn for necessaries furnished the ship. *Milward* v. *Hallett*, 2 Caines, 77.

40. A bank that receives a bill drawn and indorsed here, payable a certain number of days after date, the drawers residing in another State, upon general principles of law, and independent of any custom or express agreement to the contrary, is liable for any neglect of duty occurring in the collection, whether from default of its officers here, or of their correspondents in the other State. *Allen* v. *The Merchants' Bank*, 22 Wendell, 236, reversing 15 Wendell, 486; the chancellor and nine senators voting for *affirmance* of the judgment of the supreme court, and fourteen senators voting for reversal.

41. But this liability may be varied by express agreement, or by implication arising from general *usage;* it is competent therefore for the bank, in order to discharge its liability, to show an express agreement, or in the absence of any judicial determination upon the point, a general usage or custom of the place respecting foreign paper thus left with it for collection. *Ibid.*

42. P., for the accommodation of S., indorsed a bill of exchange for $2,500, drawn by S. on G., payable four months after date, he having been shown a letter from G. to S., saying, "I have no objection to accepting for you at 3 or 4 months for $2,500 on the terms you propose," which bill P. was subsequently obliged to pay to the holder; *held*, that G. was liable to P. on his acceptance, without its having been shown what were "*the terms proposed*," or a compliance with them. *Greele* v. *Parker*, 5 Wendell, 414; affirming 2 Wendell, 345.

43. By accepting a bill, the presumption is raised that the drawee has funds of the drawer in his hands to the amount of the bill, but he may show that he accepted and paid the bill for the accommodation of the drawer. *Griffith* v. *Reed*, 21 Wendell, 502.

44. A person may execute a note and bind himself as effectually by his initials, as by writing his name in full. Figures even, or a mark may be used in lieu of the proper name, and where either is substituted by a party intending thereby to bind himself, the signature is effective to all intents and purposes; so where a note commences thus, "We promise, &c.," signed by the full name of one individual, and by the initials of another person, the initials being proved to be in the handwriting of the latter, the latter was held liable as a joint maker. *Palmer* v. *Stevens*, 1 Denio, 471. See *Merchants' Bank* v. *Spicer*, 6 Wendell, 443, and *Brown* v. *Butchers and Drovers' Bank*, 6 Hill, 443.

45. A note drawn by one of two partners in the business of farming, and coopering, and signed with the full name of both, is valid, and both are liable. *M'Gregor* v. *Cleaveland*, 5 Wendell, 474.

46. A note made by one member of a partnership in the partnership name, but for his own individual benefit, is binding upon the firm, in the hands of a *bona fide* holder. *Wells* v. *Evans*, 20 Wendell, 251.

47. On a return of *non est inventus* upon a *ca sa*, issued against the principal, the bail gave his note for the amount of the judgment, which was afterwards reversed on a writ of error; *held*, that the maker was not liable. *Tappan* v. *Van Wagner*, 3 Johnson R. 458.

2. *Of Indorsers, Guarantors, and Sureties.*

1. If due diligence is not used in making demand of payment of a *check*, and giving notice of dishonor, it is perfectly immaterial whether the indorser has suffered damage by the duty or not. The law presumes he has been prejudiced, and he is not liable. *Gough* v. *Staats*, 13 Wend. 549.

2. What is reasonable diligence, is a question of law. After the facts are settled, six days' delay has been held to discharge the indorser, all the parties residing in the same place. *Ibid.*

3. Merely giving time to the payee or indorser, even of an accommodation bill, will not discharge the drawer. *Murray* v. *Judah*, 6 Cowen, 492.

4. Where a bank receives a note for collection, it is bound to give notice of non-payment to the indorsers, the receiving of the note, and the probable benefit to be derived from the collection of it, and the temporary deposit of the money, if paid, are a sufficient consideration to charge the bank with the duty of giving such notice, and neglect to do it makes the bank liable. *Bank of Utica* v. *M'Kinster*, 11 Wendell, 475.

5. Where a debtor transferred to his creditor certain promissory notes, as collateral security for his debts, to be returned to the debtor, if not paid, and the creditor deposited them with a bank for collection, who neglected to give notice of non-payment to the indorsers, whereby they were discharged; *held*, that the bank was liable to the *debtor*, although the notes were deposited by the creditor. *Ibid.*

6. Where the holder of a note releases one of two joint makers from all liabilities, *except those to the indorsers*, the indorsees are not discharged by such release. *Stuart* v. *Eden*, 2 Caines, 121.

7. When the payee of an usurious note, indorsed it to a third person, who took it without notice of the usury; *held*, that his indorsement was equivalent to making a new note, and the usury on the part of the maker did not absolve him from his liability. *M'Knight* v. *Wheeler*, 6 Hill, 492.

8. A note was made on the 15th day of the month, and payable to A., or bearer, in six months; was transferred to B. on the 29th, by an indorsement, signed by A., in these words, "I guaranty the payment of this note;" *held*, that he was liable as *indorser*, on proof of demand and notice, though it did not appear that the guaranty was made to the holder. *Leggitt* v. *Raymond*, 6 Hill, 639. This case is overruled by *Brown* v. *Curtiss*, 2 Coms. 225.

9. Where a member of a firm, being in debt to his firm, procures a third person to indorse his note, payable at a bank, and then gives the note to his firm, and they, failing to get it discounted at the bank, pass it off to a third person; *held*, that the indorser was not liable to the holder. *Hart* v. *Palmer*, 12 Wendell, 523.

10. The indorser of a bill of exchange drawn by an association formed under the general banking law, is not liable, the indorser being chargeable with notice that it was not legally issued. *Smith* v. *Strong*, 2 Hill, 241.

11. An indorser is not entitled to the benefits of that rule of law re-

specting sureties, whereby a surety is discharged if the creditor neglects to proceed against the principal, who at the time is solvent, but afterwards becomes insolvent. *Beardsly* v. *Warner*, 6 Wendell, 610.

12. Where the holder of a note accepts from the maker and first indorser a bond and warrant of attorney to confess judgment on the note, the second indorser is not discharged; although time be given to the maker and first indorser, provided such time do not exceed that required for the prosecution of a suit to judgment against the parties. *Sizer* v. *Heacock*, 25 Wendell, 81.

13. Merely giving time to the maker of a note at the will of the holder, no definite period, or terms, or conditions being agreed upon, will not discharge the indorser. *Bank of Utica* v. *Ives*, 17 Wendell, 501.

14. Where the holder of a note sues the maker, and issue is joined, and the plaintiff afterwards takes a *relicta et cognovit*, and gives the defendant a stipulation not to issue execution till a certain day, before which, according to the course of business in the court, the cause could not have been brought to trial, and a judgment attained, this is not such an indulgence or giving of time to the maker as discharges the indorser. *Hallett* v. *Holmes*, 18 Johnson R. 28.

15. The holder of a dishonored note may be passive, after having fixed the other parties by a regular demand and notice; and he may also receive partial payments, without affecting his remedy against the prior parties, but if he does any act which takes away or destroys the remedy of the other parties to the note against the maker upon the note itself, the prior indorsers are not liable. *Lynch* v. *Reynolds*, 16 Johnson R. 41.

16. A., as the agent of L., sold goods to R. and took R.'s note, which he indorsed and procured to be discounted. Before maturity of the note L. became insolvent, and *B.*, for the honor of A., the indorsee, took up the note, and thus became the holder. R., the maker, petitioned for an insolvent's discharge. B. signed his petition, and assented to his discharge from all existing debts; *held*, that B., by these proceedings, had released the maker of the note from all liability thereon, and that the indorsers were discharged. *Ibid.*

17. If the beneficial owner of a note agrees with the maker to enlarge the time of payment, and receives a premium for such enlargement, the indorser is discharged. *Hubbly* v. *Brown*, 16 Johnson R. 71.

18. Where the holder of a note, after it was due, received part payment upon it from the maker before calling on the indorser, the indorser was discharged. *Crain* v. *Colwell*, 8 Johnson R. 299.

19. Where the holder of a note, after the time of payment, and after a suit brought against the indorser, releases the maker by a writing not under seal, and without consideration, such release is void, and the indorser is not discharged. *Crawford* v. *Millspaugh*, 13 Johnson R. 87.

20. The payee of a promissory note, who indorses it and transfers it in the ordinary course of trade, is not a surety for the maker, in the strict sense of the term, and therefore will not be discharged, although the holder take additional security from the maker, and afterwards surrender it without the indorser's consent. But if the holder changes the contract with the maker in any material point, so as to suspend the indorser's

right of action against the maker, the indorser is discharged. *Pitts* v. *Congdon*, 2 Comstock, 352.

21. Oral stipulations and negotiations between the indorsers and the holders of a bill, made at the time the bill was discounted, are merged in the indorsements, and if the indorsers are discharged upon their indorsement through neglect or omission of the holders, they cannot be bound by an oral promise made at the time it was discounted. *Montgomery* v. *Bank of Albany*, 8 Barbour, 396.

22. Where there are several indorsers, and the holder releases the first indorser, the others are discharged. *Newcomb* v. *Raynor*, 21 Wend. 108.

23. An indorsee who takes a note for less than the face of it, can recover of the indorser only what he has paid for it; but he can recover from the maker the whole amount. *Ingalls* v. *Lee*, 9 Barbour, 647.

24. An indorser of a note may pay and take it up at its maturity, and transfer it with his indorsement on it afterwards, but he would be liable to a subsequent holder as indorser. *Haines* v. *Huntington*, 1 Cowen, 387.

25. Where a demand of payment was made of the maker of a note on the day it became payable, no days of grace being allowed, and notice was given to the indorser three days after, the indorser was not liable. *Griffin* v. *Goff*, 12 Johnson R. 423.

26. Where the payee of a note indorsed thus, "For value received I sell, assign, and guaranty the payment of the within note to A. or bearer;" *held*, that this was an absolute undertaking, and that the payee was liable, in default of the maker to pay the note, without notice of demand and non-payment. *Allen* v. *Rightmore*, 20 Johnson R. 365.

27. A. made his promissory note payable to B. *or order*, which before delivery, and at the request of A., C. indorsed in blank. *Held*, that C. was not liable as a guarantor; but it was presumed, the blank indorsement not having been filled up, that he intended to become merely second indorser, with all the rights incident to that relation. *Tillman* v. *Wheeler*, 17 Johnson R. 326; *Herrick* v. *Carman*, 12 Johnson R. 159.

28. By a blank indorsement upon a note, payable to order, the indorser makes himself liable, as on an original undertaking, as guarantor, to pay the note, and the holder has the right to fill up the blank with an express guaranty, or undertaking to pay the money. *Campbell* v. *Butler*, 14 Johnson R. 349.

29. Where a note is payable to B. *or bearer*, and C., at the time of making, indorses upon it these words, "This may certify that I guarantee the payment of the within note. Dated, &c., C.," and the payer transfers the note and guaranty, C. is liable to the holder without a demand and notice. *Hough* v. *Gray*, 19 Wendell, 202.

30. A. made his promissory note payable to B. *or bearer*, which C. previous to delivery indorsed; it seems, if C. were privy to the consideration of the note, he would be chargeable directly as maker or as indorser, and that a *bona fide* holder of the note might write over his name a bill of exchange, or fill up the blank in any manner consistent with the intent of the parties. *Dean* v. *Hall*, 17 Wendell, 214.

31. A note was made by E. and W., payable to W. or bearer, and

before delivery *P.* guaranteed the payment by an indorsement, thus, "For value received I guaranty the payment of the within note, and waive notice of non-payment;" *held*, that P. was liable as a joint and several maker of the note. *Lequeer* v. *Prosser*, 4 Hill, 420; affirming 1 Hill, 256.

32. Where one took a note guaranteed in these words, "We guarantee the collection of the within note," he assumed thereby the obligation, in case it was not paid at maturity, of instituting and prosecuting with all due diligence procedings against the maker, as a condition precedent to the liability of the guarantors. *Burt* v. *Homer*, 5 Barbour, 501.

33. What is due diligence is a question of law, where the facts are ascertained, and there is no question about the steps taken or omitted against the maker. *Ibid.*

34. *Held*, that an omission for seventeen months to prosecute the maker of a note discharged the guarantors; and such omission is not excused by the fact that the maker has no property in this State. If he resides out of the State at the time the guaranty was given, and continues to reside there, and has property where he resides, the holder must prosecute him there. *Ibid.*

35. A guaranty of a debt, in the form of an indorsement of a promissory note, is binding upon the guarantors, and in case of non-payment by the debtor, the guarantor is liable for the whole amount of the debt. *Oakley* v. *Boerman*, 21 Wendell, 588.

36. A surety to a note made for the accommodation of the principals, and to be discounted at a particular bank, but by the principals transferred to another person as collateral security for the payment of a judgment, is liable. *Bank of Rutland* v. *Buck*, 5 Wendell, 66.

37. A guarantor cannot object *laches* in the holder of a note for not seeking satisfaction of the principal debtor, if within *three months* after the note fall due a suit was commenced. *Lamoreaux* v. *Hewitt*, 5 Wendell, 307.

38. An indorser is not liable where it was an accommodation indorsement, and known to be so by the holder, who took the note in payment of a precedent debt, and the makers had become insolvent, and the indorser had forbidden the transfer of the note. *Skelding* v. *Warren*, 15 Johnson R. 220.

39. Every alteration of a note after indorsement, in respect to place of payment, or any other material part, or any alteration whereby the contract of the indorser is varied, and his risk increased without his assent, discharges the indorser. *Bank of America* v. *Woodworth*, 19 Johnson R. 391.

40. A promissory note was made and indorsed for the accommodation of the maker, and after indorsing in blank, the maker added in the margin, "payable at the Bank of America;" *held*, that it was an alteration which discharged the indorser. *Ibid.* Reversing 18 Johnson R. 315.

41. Where a note was intended to be made for eight hundred dollars, but *hundred dollars* were inadvertently omitted after *eight*, though a blank was left, *it was held*, that an insertion of the words omitted would not discharge the indorser; but whether the note was intended to be one

of eight, or of eight hundred dollars, is a question for the jury. *Boyd* v. *Brotherson*, 10 Wendell, 93.

42. A partner is not liable to the payment of a note given by his co-partners without his assent, for a purpose not falling within the scope of the partnership's business, and proof of his assent will be upon the holder; but assent may be implied from circumstances. *Gamsvoort* v. *Williams*, 14 Wendell, 133.

43. Where A., upon the removal of an accommodation note, called upon B., his next indorser, and presented a note for his indorsement, to which he had affixed the signature of C. and D., the name of a firm of which he had lately become a member; *held*, that the indorser was chargeable with notice that the note was given for the individual debt of A., and without other circumstances to imply the assent of *C.* and D. to the transaction, *C. and D.* were not liable. *Ibid.*

44. Where A. purchases goods, and a note is given indorsed by B. and C., a mercantile firm, which indorsement was made by B., one of the partners, the seller of the goods, in order to fix the liability of C., the other partner must prove by strong and satisfactory evidence his assent to the indorsement; slight and inconclusive *circumstances* will not suffice. *Wilson* v. *Williams*, 14 Wendell, 146; *Bank of Rochester* v. *Bowen*, 7 Wendell, 158; *Laverty* v. *Burr*, 1 Wendell, 529; *Joyce* v. *Williams*, 14 Wendell, 141.

45. The indorsement, in such a case, not being within the course of the partnership business, the indorsers are mere sureties, and the party who took the paper is chargeable with notice, that it was not made on account of the partnership concerns. *Ibid.*

46. P. drew a bill of exchange on B., the bill being signed by P., and also by *O. and U., surety.*" The latter being a mercantile firm, their signature having been put to the bill by O., one of the partners, *held*, that the acceptors of the bill, having no funds of the drawers, and knowing that they were partners, could not make them liable without showing that they assented to the use of the firm's name as surety. *Boyd* v. *Plumb*, 7 Wendell, 309. *Williams* v. *Walbridge*, 3 Wendell, 415.

47. Where a partnership note was made by a late member of the firm, after the dissolution of the partnership, and taken by the payee with knowledge of the fact, and by him transferred for a precedent debt, the partners are not liable. *Bristol* v. *Sprague*, 8 Wendell, 423.

48. Where a partner procured a note to be made for the accommodation of his firm, and transferred it for his own individual benefit, his co-partner, although ignorant of the transaction, is liable to a *bona fide* holder, who took it from a second indorser, and for a valuable consideration. *Bank of St. Albans* v. *Gilliland*, 23 Wendell, 311.

49. Where a note is drawn by one member of a firm for his individual benefit, without the knowledge of his co-partners, the *bona fide* holder who receives it without knowledge of the circumstances, and in the ordinary course of business, is entitled to recover against the other members of the firm. *Boyd* v. *Plumb*, 7 Wendell, 309. *Dobb* v. *Halsey*, 16 Johnson R. 38.

50. So, also, where one partner without the knowledge of his co-partners *indorses* the partnership name, they are liable upon their indorsement to a *bona fide* holder. *Stall* v. *Catskill Bank*, 18 Wendell, 469.

51. If a partner sign his own name (A. & Co.) to a note for the firm, the other partners are bound, though the firm is commonly known by the name of *B. & Co.*, unless it be proved that there is a distinct firm of the name of A. & Co. *Drake* v. *Elwin*, 1 Caines, 184.

52. The indorser of an accommodation note is discharged if the note is diverted from the purpose for which it was originally intended, as for example, where one indorsed to enable the maker to raise money at a bank, and the maker having failed in getting it discounted at the bank, kept it till a few days before maturity, and then passed it off for lottery tickets; *held*, that the indorser was not liable. *Brown* v. *Taber*, 5 Wendell, 566.

53. Where a note has effected the substantial purpose for which it was designed by the parties, an accommodation indorser cannot object that it was done in a manner somewhat different from that contemplated by the parties at the time of its creation. *Wardwell* v. *Howell*, 7 Wendell, 170.

54. As between the original parties, notes and bills must be absolute in their terms, but an indorser may limit or restrict his liability to a particular fund, or make it depend on a contingency, or even exempt himself from all liability by a special indorsement. *Mott* v. *Hicks*, 1 Cowen, 513.

55. A note was made to J. H. or order, and by him indorsed thus, "*J. H., agent;*" *held*, that the addition of "*agent*" to his signature was sufficient to put any one to whom the paper might come, upon inquiry, and that J. H. was not liable as indorser. *Ibid.*

56. An indorsee who buys a note at less than its face, is not entitled to recover of his indorser more than the sum he paid for it, though he may recover the whole amount against the maker. *Ingalls* v. *Lea*, 9 Barbour, 647.

57. A guaranty indorsed on a note, whereby the collection of the note is guaranteed, is void, and the party making it is not liable, the guaranty not expressing a consideration within the statute of frauds. *Hunt* v. *Brown*, 5 Hill, 145. But *otherwise*, if there had been a guaranty of *payment*, for that imports a consideration. *Ibid.*, and *Manrow* v. *Durham*, 3 Hill, 584.

58. Where a third party writes his name under that of a drawer of a bill of exchange, annexing the word *surety*, his undertaking is with the payee or subsequent holder, that the bill shall be accepted and paid; but he incurs no liability whatever to the drawees. *Griffith* v. *Reed*, 21 Wendell, 502.

59. An indorser though in the nature of a surety is answerable upon an independent contract, and it is his duty to take up the note when dishonored; and an indorser is not discharged, though he call upon the holder of the note to prosecute the maker, and he neglects to do so, and the maker subsequently becomes insolvent. *Trimble* v. *Thorne*, 16 Johnson R. 152.

See *Construction and Actions on Bills and Notes.*
See *Action and Consideration.*

13. *Actions on Bills and Notes.*

1. *Where and by whom maintainable.*

1. A cause of action arises against the drawer on protest for non-acceptance without waiting till the bill is protested for non-payment. *Mason* v. *Franklin*, 3 Johnson, 202.

2. Where the holder of a negotiable note has a right of action thereon, at its maturity, no subsequent neglect or improper act of *his* in relation to a collateral matter can deprive him of that right. *Taggart* v. *Curtemies*, 17 Wendell, 157.

3. Hence, where one took certain *bridge* stock, as collateral security for the payment of a note, agreeing to sell the same and apply the avails to the payment of the note, but neglected to do so, till the bridge was carried off and the stock rendered useless, his right of action on the note was not thereby lost. *Ibid.*

4. The holder of a note payable to bearer, or indorsed in blank, may bring an action upon it in the name of a person having no interest in it whatever, and it is no defence to such an action that it is brought without the knowledge or authority of the party beneficially interested. *Gage* v. *Kendall*, 15 Wendell, 640.

5. If it appears that the holder of a negotiable note *found* it, or otherwise that he is not the legal owner, he cannot recover upon it unless he shows that he holds it with the assent of the owner. *M'Laughlin* v. *Waite*, 5 Wendell, 404.

6. The holder of a note may maintain an action upon it in his own name without proving title, where there are no circumstances to impeach his title. *Dean* v. *Hewitt*, 5 Wendell, 257.

7. The holder of a promissory note, payable to bearer, and in the possession of the payee, after due, cannot maintain an action upon it against the maker, if it appear that the payee is the mere agent of the party, having the beneficial interest in the note, especially if the owners of the note have requested the maker not to pay it to the payee. *Comstock* v. *Hoag*, 5 Wendell, 600.

8. Where a note was indorsed for the accommodation of the maker, and delivered to him to be used in renewal of another note, in the bank, made and indorsed by the same parties, but he transferred it as collateral security for the payment of another debt due by him, the holder has not a right of action against the indorser. *Wardwell* v. *Howell*, 9 Wendell, 170.

9. Where the drawee of a draft has paid to an innocent holder the amount of it, upon the faith of a forged indorsement, mere lapse of time in the abstract between the payment and notice of the forgery will not deprive him of his remedy over, *provided* he has incurred no unreasonable delay after discovery of the forgery. *Canal Bank* v. *Bank of Albany*, 2 Hill, 287.

10. The holder of a note payable at six months, agreed at the time of

taking it, to surrender it up, if the maker would procure for him a satisfactory acceptance at six months. Such acceptance was tendered, and was refused by the agent of the holder, and was thereupon destroyed by the acceptor; *held*, that the holder was entitled to elect whether to sue on the note or the acceptance. *Gayle* v. *Suydam*, 24 Wendell, 271.

11. Orders for money are presumed to be drawn upon funds in the hands of the drawee, and if paid give no cause of action against the drawer. *Alvord* v. *Baker*, 9 Wendell, 323.

12. Where the holder of a note took it with full knowledge that it was void for want of consideration, he cannot recover thereon. *Ramsey* v. *Leek*, 5 Wendell, 22.

13. Where the cashier of a bank, upon a note holden by the bank, accepted a check for a part payment, and a new note for the balance, and delivered up the old note; upon dishonor of the check, the bank may maintain an action on the original note to recover the amount of the check, but not *the cashier* in his own name, there being no evidence that the note had been transferred to him, or that the action was brought by the direction or authority of the bank. *Alcott* v. *Rathbone*, 5 Wendell, 490.

14. The payee of a bill, after he has specially indorsed it to another person, may strike out such indorsement and bring an action on the bill, without explaining the indorsement. *Dolfins* v. *Trosch*, 1 Denio, 367; *Chatauque Bank* v. *Davis*, 21 Wendell, 584.

15. Though the last indorser of a bill or note delays for more than a year to take it up, and bring his action against a prior indorser, this does not affect his right of action against such prior indorser, who has had due notice of dishonor. *Stafford* v. *Yates*, 18 Johnson R. 327.

16. Where A. and B. indorsed a promissory note, in which they were also named as payees, for the accommodation of the maker, and on its becoming due, paid and took it up, and then passed it with their indorsement to B. alone, *held*, that B. might maintain an action upon it in his own name as indorser. *Havens* v. *Huntington*, 1 Cowen, 387.

17. Where several successive indorsees have received money on a draft, payable to order, to which none of them had title by reason of the payee's name being forged, each has a right of action, and may recover from his immediate indorser. *Talbot* v. *Montgomery County Bank*, 2 Hill, 295.

18. Where a note was indorsed for the accommodation of the maker, in order to enable him to pay certain demands, for which a third person stood surety, and the note was delivered to the surety, who with a knowledge of the facts offered it for discount at a bank, where payment was refused, but where at maturity it was protested at the request of the surety; *held*, that the surety could not maintain an action against the indorser. *Kasson* v. *Smith*, 8 Wendell, 437.

19. If the drawee of a bill of exchange, who has paid it, show that he had no funds of the drawer in his hands, he may have an action against the drawer, not upon the bill, but upon an implied undertaking to indemnify the drawee for his accommodation acceptance. *Griffith* v. *Reed*, 21 Wendell, 502.

20. An action will not lie against a notary for neglecting to give notice of protest to an indorser, where the holder may resort to other modes of fixing the indorser independent of the notice; and where he does not or need not with ordinary care sustain any loss from the neglect of the notary. But in such a case the holder should be well apprised of the existence of the facts necessary to charge the indorser without the notice, and also have intimation that the validity of the notice will be questioned. *Franklin* v. *Smith*, 21 Wendell, 624.

21. Where the second of a set of exchange is protested for non-payment, and an action is brought against the indorser, he is entitled to call for the protest, and the identical number of the set protested, and they must be produced, or their absence accounted for, or the plaintiff cannot maintain his action. *Wells* v. *Whitehead*, 15 Wendell, 527.

22. The drawer of a bill may sue the acceptor without making title under the payee. *Kingman* v. *Houghtaling*, 25 Wendell, 423.

23. An absolute guaranty on a note, whereby payment is guaranteed to a third person or *bearer*, is in legal effect a new note, and is negotiable, and any subsequent holder is entitled to recover upon it. *Ketchell* v. *Burns*, 24 Wendell, 456.

24. A guaranty of a note without naming any person as the one guaranteed, is a valid instrument in the hands of any one who advances money upon it, but it is not negotiable, and an action cannot be maintained upon it by any other in his own name, except the one to whom it was first delivered. *McLawsen* v. *Watson*, 26 Wendell, 425; affirming 19 Wendell, 557.

25. A. B. and C. made their promissory note payable to a bank, and to be discounted by the bank, but the bank refusing to discount it, *D.*, an attorney-at-law, and at the request of A., one of the makers, advanced the money upon it, it being agreed that the note should be left at the bank for D.'s security, the bank acting as his agent or trustee; D. afterwards sued A. for *money lent*, and recovered, but could not collect the judgment. He then brought an action upon *the note*, in the name of the bank, against all the makers; *held*, that he was entitled to recover; that the note was valid, and was properly left as security; that the liability of the parties was not different from what it would have been if the note had been regularly discounted by the bank, and that the bank did not exceed its powers in taking the note as the agent or trustee of D. *Bank of Chenango* v. *Hyde*, 4 Cowen, 567.

26. A certificate of deposit made by an association, formed under the general banking law, payable to the order of a particular person, at six months after date, is a negotiable promissory note, and having been issued without the sanction of the comptroller cannot be the ground of an action. *Bank of Orleans* v. *Morrill*, 2 Hill, 295.

27. An action brought upon a note, against the maker, on the third day of grace is prematurely brought; the maker has the whole of the third day of grace within which to make payment. *Osborn* v. *Moncure*, 3 Wendell, 171; *Hogan* v. *Cuyler*, 8 Cowen, 203.

28. An agreement between the holder and the maker of a note, whereby the former is to prosecute the indorser, and if the debt is not paid by

him, then the latter is to give security for the note, payable in two years, does not affect the right of the holder to sue the maker immediately. *Wood* v. *Jefferson Co. Bank*, 9 Cowen, 204.

29. Where the indorsee of a bill or note transfers it to another, whether for value or for the purposes of collection, and comes again in possession of it, he may maintain an action upon it without proving any payment by him to a subsequent indorsee, or showing any retransfer to him by such indorsee whose name may appear on the bill. *Norris* v. *Badger*, 5 Cowen, 452.

30. An indorser of a promissory note, indorsed after the death of the maker, may sue the representatives of the maker, in his own name, under the statute. *Parsons* v. *Parsons*, 5 Cowen, 576.

31. Where A. gave his notes to B., for money lent him by B., and subsequently executed to B. a deed of certain lands, which deed B. gave to A., for the purpose of getting it recorded, and gave up the notes also; A. neglected to get the deed recorded, and refused to return it to B., and afterwards sold the land to another person; *held*, that B. might maintain an action against A., and recover on the usual money counts. *Arnold* v. *Crane*, 8 Johnson R. 62.

32. Where different parties to a bill or note, who could not be sued jointly at common law, are joined under the statute, no order of the court is necessary to enable one of such parties to call and examine another as a witness. But this is not applicable to the case of two or more makers of a joint and several note; nor in this latter case can the action be severed and judgment taken against one of them without the other, and this whether sued jointly with the indorsers or not. *Miller* v. *McCagg*, 4 Hill, 35; overruling *Bank of Geneva* v. *Field*, 19 Wendell, 643.

33. Where the maker and the indorsers are sued jointly under the statute, and one suffers a default, the plaintiff will not be allowed to sever as to the remaining defendants, and proceed to trial against one only. *Paine* v. *Chose*, 4 Hill, 563.

34. In an action against makers and indorsers of a note, the plaintiff cannot resort to the original consideration as an independent ground of recovery. *National Bank* v. *Norton*, 1 Hill, 572.

35. A bank at Troy received a note for collection, payable at a bank in Buffalo, and sent it to the Bank of Orleans for the same purpose, whence it was sent to a bank in Buffalo. The note not being protested, the cashier of the Bank of Orleans, acting under a mistaken supposition that the money had been collected and deposited to the credit of his bank, paid the amount to the bank at Troy, which paid it over to the holder; *held*, that the Bank of Orleans could maintain an action against the holder for money had and received. *Bank of Orleans* v. *Smith*, 3 Hill, 560.

36. H., the agent of one C., was accustomed to negotiate checks for his principal. He received checks from C., which he indorsed to a bank in New York, who took them without notice of H.'s agency, and gave value for them by passing them to the credit of H., and certifying checks on their own bank for the amount of the credit. H. misapplied these checks, and failed; C. brought trover against the bank for the checks;

held, that the defendants had a good title to the checks, and that the action would not lie. *Case* v. *Mechanics' Banking Company*, 4 Comstock, 166.

37. In general, the holder of commercial paper is presumed to have received it in good faith, and for value paid; but when it appears that the paper has been fraudulently put in circulation, it seems the presumption is changed, and the holder must show that he came by it in good faith, and for value. *Ibid.*

38. Where a note not negotiable is indorsed generally by the payees, they are to be treated as indorsees, and not as guarantors, and the holder has no option to proceed against them as guarantors; an action will not lie upon such a note against the makers and the indorsers jointly, by the indorsee. *White* v. *Low*, 7 Barbour, 204.

39. In an action on a promissory note by an indorsee against an indorser, the plaintiff was shown to have received the note after it became due, but in the absence of proof that he gave value for the note, he was presumed to hold it, and to sue for the benefit of the former holder. *Brisbane* v. *Pratt*, 4 Denio, 63.

40. One partner may maintain an action on the individual note or acceptance of another partner, given for value received on the partnership account. *Gridley* v. *Dole*, 4 Comstock, 486.

41. A State is a corporation and may be the payee of a promissory note, and maintain an action upon it. *State of Indiana* v. *Woram*, 6 Hill, 33.

42. Where a firm, in the firm name, and another individual, make a joint and several promissory note, the members of the firm are considered as one maker, and may be sued without joining the other makers. *Vantime* v. *Crane*, 1 Wendell, 524.

43. Where A. and B. make a note signed by themselves, and by C. as *surety*, payable to a bank in its corporate name, and pass it to D., to whom A. and B. are indebted, with the intention that D. shall get it discounted at the bank, and satisfy their indebtedness with the proceeds, but the bank refuse to discount it, D. may maintain an action on it, in the name of the bank, against the makers, although the note was not discounted at the bank, pursuant to the original intention of the parties. *Utica Bank* v. *Ganson*, 10 Wendell, 315.

44. Where one pays a note and takes it up in his own wrong, he cannot have a right of action against the maker. *Lynch* v. *Reynolds*, 16 Johnson R. 41.

45. Where the payee of a note accepted from the maker a deed of certain lands which were subject to a mortgage, and delivered up the note and executed an agreement, that in case the land should sell for more than enough to satisfy the mortgages and pay the note, and other expenses attending the sale, he would pay back the surplus; it was *held*, that the lands upon sale, not having brought enough to satisfy the mortgages, the amount of the notes could be recovered by an action of assumpsit. *Palmer* v. *Guernsey*, 7 Wendell, 248.

46. Where a prior indorser cannot recover against a subsequent indorser, no person deriving title directly through such prior indorser, with

knowledge of all the facts, can recover against such subsequent indorser. *Herrick* v. *Carman*, 12 Johnson R. 159.

47. A. made his promissory note to B., which C. indorsed in blank as security; B. afterwards sold and indorsed the note to D. for a less sum than the face of it, who took it with a full knowledge of the facts, and at his own risk; *held*, that D.'s rights were no better than B.'s, and as B. could not maintain an action against C. as indorser, so D. could not. *Ibid.*

48. An indorsee of a note, who paid part of the amount of a judgment, recovered by the holder against the maker and indorser, may recover the same of the maker, in action for money paid, laid out, and expended. *Dygert* v. *Gass*, 9 Barbour, 507.

49. Where money is advanced by one, in another State, upon a draft made void by an act of the legislature of this State, such advance is presumed to have been made in ignorance of our statutes, which is ignorance of *a fact* in this case, and may be recovered back. *Bank of Chillicothe* v. *Dodge*, 8 Barbour, 235.

50. An indorsee member of a firm may, on an indorsement made by himself, maintain an action against the maker of a promissory note. *Kirby* v. *Cogswell*, 1 Caines, 506.

51. Where an indorser of a note is sued by the holder, and pays part of the judgment at one time, and a part at another, he may maintain an action against a prior indorser for the second payment made by him, although there has been a former recovery against the same indorser for the payment of first payment made, and though the same evidence will be required in the second suit that was used in the first; and in such second suit, the record of the prior recovery will be conclusive evidence of demand and notice. *Butler* v. *Wright*, 6 Wendell, 284; affirming 2 Wendell, 369.

52. S. and V. and one Smith were partners in trade, under the name of S. & Co.; S. made a promissory note payable to V., to secure a balance due to V. from the firm, but without the knowledge or consent of Smith; V. indorsed the note to *L.*, who had notice of the firm; that V. was a partner, and also of the consideration of the note; *held*, that though V., being both maker and payer of the note, could not maintain an action against the firm, yet his indorsee might maintain such action. *Smith* v. *Lusher*, 5 Cowen, 707.

53. Where a note has been diverted from its original purpose, and fraudulently put in circulation by the maker or his agent, the holder, in order to maintain an action against the accommodation indorser, must show that he came by the note in the usual course of trade, and without knowledge of any fraud or irregularity in its negotiation, and that he paid a valuable consideration for it. *Skelding* v. *Warren*, 15 Johnson R. 270; *Brown* v. *Taber*, 5 Wendell, 566; *Woodhul* v. *Holmes*, 10 Johnson R. 231; *Wardwell* v. *Howell*, 6 Wendell, 170; *Small* v. *Smith*, 1 Wendell, 583.

54. A party may recover upon a lost note in a court of law, where the existence, contents, and loss or destruction of the note are proved, and it does not appear that it was negotiable; unless the action be barred by

the statute of limitations, or by the defendant's discharge. *McNair* v. *Gilbert*, 3 Wendell, 345.

55. The holder of a negotiable note cannot maintain an action at law upon a lost note, upon merely proving that the note was lost; he must show that it was actually destroyed, or, if it was negotiable by indorsement, that it had not in fact been negotiated. In the latter cases, and also in case of a note not negotiable, he would be entitled to recover. *Rowley* v. *Ball*, 3 Cowen, 310; *Pinard* v. *Tackington*, 10 Johnson R. 104.

56. A guaranty, warranting the collection of the note, does not authorize a suit by any subsequent holder against the guarantor. *Lamoreux* v. *Hewett*, 5 Wendell, 307.

57. Where a note is signed by two persons, one as principal, and the other as surety, and delivered by the maker to a third person for the benefit of the payee, with a declaration by the maker, that the delivery is unconditional, such delivery and declaration are not enough to entitle the payee to maintain an action against the surety and indorsers; he must also be a *bona fide* holder; and he will not be regarded as a *bona fide* holder if he took the notes from the third party, to whom they were delivered, either in part payment, or in part security of a pre-existing debt. *Mickles* v. *Colvin*, 4 Barbour, 304.

58. Where bills of exchange were drawn upon a house in France, by their agent here, duly authorized for that purpose, and sold on the day the house failed, of which both the agent and the purchaser were ignorant; *held*, that the sale was not fraudulent and void, but that there was such a mistake as to a material fact as to furnish a ground for the rescission of the sale, and that the purchaser of the bills could reclaim promissory notes given as the consideration of the bills of exchange. *Leger* v. *Bounaffe*, 2 Barbour, 475.

2. *When subject to equities between other parties.*

1. As a general rule, in an action by an *indorsee* against the maker of a note, the maker will not be allowed to set up any defences or equities existing between himself and the payee, without first impeaching the plaintiff's title, showing that he either got the note when it was overdue, or paid no consideration, or had notice of the facts which are set up as a defence. *Nelson* v. *Cowing*, 6 Hill, 339.

2. But if the action be brought by the *payee*, though he was not a party to the transaction upon which the note was made, he must prove that he took it before maturity, and paid value for it, or his action will be subject in the maker's defence. *Ibid.*

3. The maker will not be allowed to prove a set off against the original payee, unless he first show that the note was transferred after it became due, or for the purpose of defrauding the maker of his set off. *Hendricks* v. *Judah*, 1 Johnson R. 319.

4. Where a note is negotiated after it has been dishonored, the holder takes it subject to all the equities existing between the original parties. *Lansing* v. *Gaine*, 2 Johnson R. 300.

5. Where a note was payable on demand, and was transferred *five*

months after its execution, there having been several payments indorsed, prior to the transfer, *held*, that the maker in an action by the indorsee could not set up any defence existing against the payee, nor could he impeach the amount due on the face of the note at the time of the transf e *Sandford* v. *Mickles*, 4 Johnson R. 225.

6. Where a note payable on demand was not negotiated till two years after its date; *it was held*, that the indorsee took it subject to all the equities between the original parties. *Loomis* v. *Pulver*, 9 Johnson R. 244.

7. There is no precise time at which a note payable on demand is to be deemed dishonored; but the demand must always be made in a reasonable time, and what is a reasonable time will depend upon the circumstances of each case and the situation of the parties. Where such a note was negotiated two and a half months after its date, the maker was allowed to show payment to the original payee before the transfer. *Lossee* v. *Dunkin*, 7 Johnson R. 70

8. Where such a note was indorsed *eighteen* months after date, *it was held* to be a circumstance sufficient to induce a suspicion, and raise inquiry respecting it, so as to let in any defence the maker might have had against the payee. *Furman* v. *Haskins*, 2 Caines, 369.

9. Where a note was made payable to bearer on demand, *with interest*, and was transferred *four or five* weeks after date, it was *held*, not to have been dishonored, so as to let in the defence of want of consideration; but the case would have been different if the note had not been on interest, for the presumption of dishonor would have attached much sooner in the latter case. *Wethey* v. *Andrews*, 3 Hill, 582.

10. Where the holder of a note takes it without the indorsement of the payer, he takes it as assignee, and not as indorser, and holds it subject to all the equities subsisting between the original parties. *Franklin Bank* v. *Raymond*, 3 Wendell, 69.

11. Where the payer of a note indorsed by him, for the accommodation of the maker, pays and takes it up at maturity, and afterwards transfers it, it is open to every defence which the maker might have had against the payee. *Havens* v. *Huntington*, 1 Cowen, 389.

12. Where a note is negotiated after due, it is subject to every defence that existed in favor of the maker before the transfer. *Lansing* v. *Lansing*, 8 Johnson R. 354. *Comstock* v. *Hoag*, 5 Wendell, 600.

13. Where the second indorsee brought an action on a note received by him after it became due, and with a full knowledge of all the circumstances under which it was made, it was *held*, that the consideration might be inquired into, and that the action was open to the same defences as if brought by the payee. *Jones* v. *Caswell*, 3 Johnson's Cases, 29.

14. Where the holder of a note took it from the maker with notice that one of the indorsers had indorsed under an arrangement which had not been complied with, it was *held*, that he took it subject to such arrangement or condition. *Small* v. *Smith*, 1 Denio, 583.

15. Where the holder of a note took it before due, and gave value for it, and had no knowledge of a set off which the makee had against

the payee, such set off will not be allowed, though the holder took the note in payment of a precedent debt. *Smith* v. *Van Loan*, 16 Wendell, 659.

16. Where a creditor took a note in payment of a *precedent debt*, he took it, though transferred before maturity, subject to all the equities between the original parties. *Roosa* v. *Brotherson*, 10 Wendell, 86; *Coddington* v. *Bay*, 20 Johnson R. 637.

17. The indorsee of a note past dated, and negotiated before its date, may have an action upon it not subject to the equities existing between the original parties, the transfer before the day of its date affording no cause of suspicion, so as to put the indorsee upon inquiry respecting matters of defence or set off. *Brewster* v. *McCardel*, 8 Wendell, 478.

18. A set off cannot be made of a demand against any one other than the plaintiff or the record; hence where the plaintiff purchased a negotiable promissory note *after due*, a demand of the maker against the payer was not allowed to be set off against the holder, nor admitted as a defence to an action by him. *Johnson* v. *Bridge*, 6 Cowen, 693; *Wheeler* v. *Raymond*, 5 Cowen, 231.

(These cases were decided previous to the Revised Statutes.)

19. It seems that previous to the revised statutes, in an action by the indorsee against the maker of a promissory note, the defendant might be allowed to set off a debt due him by the payee, where by the pleadings the *bona fides* of the plaintiff's holding is denied, *i. e.*, that he has purchased it with the view of defeating the defendant's set off. *Savage* v. *Davis*, 7 Wendell, 223.

20. Where a negotiable promissory note was paid before it became due to the payee, by the maker, who took a receipt in full, and the payee subsequently transferred it by an indorsement, and the indorsee knew that it had been paid, it was *held*, that he took it subject to such payment. *White* v. *Kibling*, 11 Johnson R. 128.

21. Where insurers brought an action against the indorser of a note, given to secure the payment of the premium on a policy of insurance, the insurers before the commencement of the suit having become liable to pay the maker, who was the insured, a *return* of premium on the same policy; it was *held*, that the defendant might have the amount of such return of premium deducted from the amount of the note, although the maker was indebted to the insurers for premiums upon other policies, and was insolvent. *Phœnix Insurance Company* v. *Fiquet*, 7 Johnson R. 383.

22. Where a bank receives and discounts negotiable paper, and places the proceeds to the credit and charges over against him, and cancels other notes upon which are responsible parties, but which are over due and unpaid, having been duly protested, *held*, that by such cancellation, the bank pays value at the time, and is a *bona fide* holder, and that all equities between the original parties are precluded. *Bank of Salina* v. *Babcock*, 21 Wendell, 499. See *Bank of Sandusky* v. *Scoville*, 24 Wendell, 115.

23. A note negotiable but not indorsed, transferred by delivery, and a note not negotiable, are open to every equitable defence existing between

the original parties at the time of the transfer. *Hedges* v. *Gealey*, 9 Barbour, 215.

24. Where promissory notes given upon a consideration which has totally failed, and transferred by the holder without any new consideration having been actually advanced, they pass subject to the equities between the original parties. *Leger* v. *Boneaffe*, 2 Barbour, 475.

3. *Defences.*

1. It is no defence to an action on a note, that the property of the note is in a third person, and not in the plaintiff; unless the possession of the plaintiff be *mala fide*. *Guernsey* v. *Burns*, 25 Wendell, 411.

2. In general, the indorsee of a note cannot be affected by any dealings between the original parties. A makee cannot set off demands against the payee in an action by a *bona fide* indorsee. *Prior* v. *Jacocks*, 1 Johnson's Cases, 170.

3. Where a note is executed in fraud of a firm by one of the partners, or where the justice of the claim depends upon an adjustment of accounts between the partners, from such facts a valid defence would arise to an action against the firm as makers of the note. *Smith* v. *Lusher*, 5 Cowen, 707.

4. The defence that a note of the firm was given by one of the partners, without the assent of the other members of the firm, in a transaction not within the scope of the partnership business, is admissible under the general issue. *Williams* v. *Walbridge*, 3 Wendell, 415.

5. If in an action by an indorsee the maker would avail himself of payment to the original holder, as a defence, he must prove that the transfer was made subsequent to the payment: the indorsement of a note is presumed to be anterior to the time of payment. *Pinkerton* v. *Bailey*, 8 Wendell, 600.

6. It is no defence to an action on a bill, that the acceptance was for the accommodation of the drawer, and that fact known to the payer. *Grant* v. *Ellicot*, 7 Wendell, 227.

7. Payment of a note by an indorser after suit commenced against maker and indorser, under an agreement that the suit shall continue against the maker for the benefit of the indorser, is no defence in the suit against the maker. *Mechanics' Bank* v. *Hazard*, 13 Johnson R. 353.

8. In an action on a note given in consideration of land, sold for the purpose of defrauding creditors, the maker may defend on that ground, although a party to the fraud, if the action be brought by one not entitled to be treated as a *bona fide* holder. *Nellis* v. *Clark*, 4 Hill, 424.

9. Where B. conveyed land to C., for the purpose of defrauding D., a creditor, (C. having full knowledge of his intention,) and took back a bond and mortgage for a part of the purchase money, and the bond and mortgage were subsequently given up and cancelled, on condition that C. should give his note to one E., who had contracted to sell land to B.; but before the time of executing this contract, B. obtained his discharge under the insolvent law, and his assignee demanded the note of E. as

being the property of B., which was given up. Subsequently to this, B. and E. made an arrangement whereby the contract to sell land to B. was given up and cancelled; meantime the assignee of B. had transferred the note, and it had passed into the hands of one N., who knew all the circumstances attending its making and negotiation; *held*, that C. had a valid defence against an action upon the note by *N.* *Ibid.*

10. Where A. paid money to C. on a note owned by C. made by A., and payable to B. or order, and was subsequently sued by C. on another note, which A. had received from B., and indorsed to C., it was *held*, that A. could not set off the money he had paid on the first note, upon the ground that he had discovered that the first note was not indorsed by B. when transferred to C., and that he had defences against it. *Franklin* v. *Raymond*, 3 Wendell, 69.

11. Where a negotiable promissory note was given in the State of Vermont, for an antecedent debt, contracted here subsequent to the act for giving relief in cases of insolvency, it was *held*, that a discharge under that act was a bar to an action on the note; the original consideration of which might be inquired into in reference to the discharge. *Raymond* v. *Merchant*, 3 Cowen, 147.

12. Where A. gave B. his note, payable to C.; in an action upon the note by C.'s assignee, C. was held a party to the note, so that A. could show fraud in B. respecting the consideration as a defence. *Morton* v. *Rogers*, 14 Wendell, 575.

13. Where, on the settlement of an account, a debtor gave his creditor two drafts and a promissory note, payable to a third person, for the balance, and after the payment of the drafts an action was brought on the note by the assignees of the payee; it was *held*, that the defendant might show an error in the accounts, and that the plaintiffs were entitled to no more than the balance actually due at the time of settlement, after deducting the amount of the drafts paid by the defendant. *Ibid.*

14. Where A. gave his note to B. in consideration of an assignment of an apprentice by B. to C., at his request, it was *held*, that A. could not set up as a defence to the note, that the assignment was not valid. *Nickerson* v. *Howard*, 19 Johnson R. 113.

15. Where notes are given to a master upon a promise to manumit certain slaves, and he omits to do it for upwards of two years, this may be set up as a defence, being a failure of the consideration of the notes. *Petrie* v. *Christy*, 19 Johnson R. 53.

16. Any defence available against the payee may be set up against the holder, unless he took the note in the usual course of business, paid money, or incurred liability upon the credit of it. *Paine* v. *Cutler*, 13 Wendell, 605.

17. Where the payee transferred a note, the consideration of which had failed, to a mercantile firm, one member of which was present when the note was given, and joined in the representations made respecting the property which constituted the consideration, and the firm being subsequently dissolved, and the note being transferred to one of the partners who brought an action upon it; it was *held*, that the maker was not

precluded from setting up fraud in the sale of the property for which the note was given as a defence. *Ibid.*

18. It is no defence to an action on a note that it was given as part consideration for land sold by the payee, who covenanted that it was free from encumbrances, when, in fact, it was subject to a mortgage for a sum exceeding the amount of the note. *Latin* v. *Vail*, 17 Wendell, 88.

19. Illegality of consideration is no defence to an action on a note in the hands of a *bona fide* holder, who took it in the usual course of trade and before due, unless the instrument be expressly declared void by statute. *Rockwell* v. *Charles*, 2 Hill, 499; *Vallett* v. *Parker*, 6 Wendell, 615.

20. The defence, in such a case, that the note was delivered as an *escrow*, cannot be set up. *Ibid.*

21. Where a party sued here upon a note made in Jamaica, sets up *infancy* as a defence, he is bound to prove that such a defence would avail him in Jamaica. *Thompson* v. *Ketchum*, 8 Johnson R. 146.

22. A. gave his bond to B. for a certain sum of money on the payment of which B. was to convey to A. a certain tract of land; B. delivered the bond to C., with an authority to receive the money from *A.*, and A., with D. as surety, gave a joint and several promissory note to C. for the amount of the bond, which was delivered up to A. In an action against D. on the note, it was *held*, that he could not set up as a defence an agreement by C., that if B. should refuse to consider the note as payment on the bond, the note should be returned; nor could he set up a want of consideration in consequence of the failure of B. to convey the land to A. *Parsons* v. *Administrator of Gaylord*, 5 Johnson R. 456.

23. It is no defence to an action on a note given by one partner to another, after the dissolution of the partnership, that the money advanced was to be applied, and was applied by the maker to pay the debts of the late partnership, the assets being in the hands and under the control of the partner receiving the money. *Gridley* v. *Dole*, 4 Comstock, 486.

24. Where the holder of a note, represented by the payee to be business paper, knows the character of it, or has good reason to suspect its character, and does not take it in consequence of the representations of the payee, he cannot set up such representations as an estoppel, so as to prevent the payee, when sued as indorser, from setting up the defence of usury. *Truscott* v. *Davis*, 4 Barbour, 495.

25. To make any representations of the payee respecting the character of the note available as an estoppel, they must have been made for the purpose of inducing the holder to purchase, must have been confided in by him, and in good faith acted upon. The holder must have been deceived by them, and have acted under that deception. *Ibid.*

4. *Limitations.*

1. Lapse of time furnishes no defence to an action on a note, unless the statute of limitations be specially pleaded. *Jackson* v. *Sackett*, 7 Wendell, 96.

2. Where the holders of a note indorsed it to a bank for collection, whose notary neglected to charge a prior indorser by due protest and

notice, whereby the bank were compelled to pay damages; *held*, that the bank might maintain an action of assumpsit immediately against the notary, and that neglecting to sue him for more than six years, they were barred by the statute of limitations, and this although the bank had been sued by the holders, and paid damages within six years. *Bank of Utica* v. *Childs*, 6 Cowen, 238.

3. In actions on notes made abroad, the statute of limitations in this State is a good plea. *Nash* v. *Tupper*, 1 Caines, 408.

4. The statute of limitations is in general no defence to an action by the United States on a promissory note, although they acquired the note by way of transfer from another, if the transfer was made before the statute had begun to run upon it in the hands of the person who transferred it. *United States* v. *White*, 2 Hill, 59.

5. Where the payer of a note who had transferred the note by indorsement after six years, paid the amount of the note to the indorser, and thus became repossessed of it, and brought an action against the maker on the note, the statute of limitations was held a bar to the action. *Woodruff* v. *Moore*, 8 Barbour, 170.

6. In such a case, the payee's remedy against the maker *is upon the note*, and as it would have been if he had never parted with it; and his payment to the indorser is in fulfilment of his contract as indorser, and it is not money paid to the use of the maker of the note. *Ibid.*

7. The indorsee of a negotiable note may maintain an action upon it, though the statute of limitations may have attached upon it, upon proof of a new promise within six years prior to commencing the suit. *Dean* v. *Hewitt*, 5 Wendell, 257.

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LATE BANKING CASES.

CERTIFIED CHECKS.—BEFORE THE SUPERIOR COURT OF NEW YORK.

CHIEF JUSTICE OAKLEY PRESIDING.

Stephen Willett and others, v. *the Phenix Bank.*—This was an action by the plaintiff to recover $4,000, with interest from the month of June, 1850, on four certified checks drawn upon the bank by a dealer, Mr. Trippler, who at the time the checks were drawn and certified had sufficient funds in the bank to pay them. The checks were drawn and certified by the bank on their respective dates, viz., 9th April, 1850, $800; 11th of April, $1,201.80; 16th April, $1,642; on the 20th April, $735. On the 7th of June, the plaintiff advanced $4,000 on these checks, and on presentation at the bank, was told that Trippler had drawn out nearly all his funds, and that only a very small amount stood to his credit. Trippler has since failed. The defence set up was, that the custom of certifying checks was only to save time and the trouble of counting moneys, in order to facilitate business and to enable parties to take up notes lying over at other banks, and was not for the purpose of making the bank certificate answerable for the amount of the check, as for

that purpose certificates of deposit were given, which were good for any length or time. The court charged that all the questions of law in the case, which would, if decided for the plaintiff, make the bank answerable at all hazards, must be reserved for the ultimate decision of the full bench. There was no evidence to show when the money was drawn out, beyond the fact that when the checks were presented on the 9th of June, only a very small balance was left to the credit of Trippler. The question for the jury to pass on was whether the plaintiff took these checks in good faith, and under all the circumstances, considering the length of time the checks had been outstanding, had he acted with ordinary prudence and diligence. If both parties were to be considered in fault, was the plaintiff more negligent than the officers of the bank. After the checks were certified, Trippler had them in his possession, and instead of going to the bank and drawing the money, he went to the plaintiff and borrowed $4,000 on the security of the checks the bank had certified. The jury retired, and found for the plaintiff for the full amount, $4,000, with interest, subject to the opinion of the judge.

BANK CHARTER.—BEFORE THE CHITTENDEN COUNTY COURT, VERMONT.

In the Chittenden (Vt.) County Court, an important banking case was decided. It was an action of assumpsit brought by the Farmers & Mechanics' Bank of Michigan against Eli Chittenden, of Burlington, for fourteen thousand dollars paid out in January and February, 1851, on the drafts of a Mr. Whitcomb, of Detroit, accepted by Mr. Chittenden.

The defence was, that the notes paid by the bank on the acceptances were of the old issue, which it was not lawful for the bank to re-issue under its renewed or amended charter, which requires all notes issued by the bank after November 4th, 1850, (the date of its renewed charter,) to be registered and countersigned. The court ruled, that this is the law of Michigan, (which must govern the contract,) and under this charge the jury returned a verdict for the defendant. The cause will probably be carried up to the Supreme Court.

WILLIAM H. CLARK *v.* THE METROPOLITAN BANK.

SUPERIOR COURT, SPECIAL TERM, SEPT. 14, 1852.—CAMPBELL, JUSTICE.

The plaintiff has commenced 64 suits, all of which are at issue for the recovery of separate penalties of $1,000 each, for alleged violations of the act of May 7, 1839, "entitled an act concerning foreign bank-notes."

The defendant moves for an order consolidating all these suits, or staying proceedings in all of them, except number one, until the trial or other final determination of such last-mentioned suits, on the ground that the questions which will arise, and the referee in all such suits, are substantially the same.

The statute provides, (2 R. S., 480, § 38,) that "whenever several suits shall be pending in the same court by the same plaintiff against the same defendant for causes of action which may be joined, the court in which the same shall be presented may, in its discretion, if it shall appear expedient, order the several suits to be consolidated into one action." I do

not think it would be expedient to consolidate all these actions, and thus render necessary a trial which would be probably both protracted and embarrassing. At the same time, it is manifest that all these numerous suits for separate penalties under the same act ought not to proceed, at least for the present. I understand it to be conceded by the counsel for both parties that the suits divided themselves into two classes.

It seems to me that it would be just that the plaintiff should notice and bring to trial two of the suits, which may be selected by him, one from each class, and that all proceedings in the remaining suits should be stayed until the trial of such two selected suits, with liberty to the defendant, after such trials, to renew the motion for a consolidation of the remaining suits, or for a further stay of proceedings, and with like liberty to the plaintiff to apply for a consolidation, or to bring the remaining suits to trial, or that the defendant's consent that they abide the event of the suits tried, if they elect to appeal from the judgment or judgments, if any may be recovered against them. And as the calendar made up on the first of October will be continued through the remainder of the year, the plaintiff may, if he chooses, place the remaining causes on such calendar, but without costs to the plaintiff, if there shall be an order for consolidation or further stay of proceedings, or if there shall be a consent that they abide the event of the suits which may be tried.

A. Hilton, for plaintiff; D. Lord, for defendant.

GUARANTEE.—THE GUARDIANS OF THE POOR OF THE ROMFORD UNION *v.* THE BRITISH GUARANTEE SOCIETY.

BEFORE THE COURT OF EXCHEQUER, LONDON. SITTINGS IN BANCO, NOV. 17, 1852.

This was an action on a guarantee for £800, given by the defendants, by which they became sureties for the due discharge of the duties of collector of poor-rates by one Beadle, who was employed by the plaintiffs in that capacity. The defendants pleaded, amongst other pleas, that they had been induced to enter into the guarantee by the fraud and misrepresentation of the plaintiffs. It appeared at the trial that the guarantee was entered into in 1850, after Beadle had been collector for twelve or fourteen years. During the whole of this time private friends of his had been his sureties, but at his request the security of the defendants had been substituted. Before giving the guarantee several questions were asked by the defendants, and answered by, or on behalf of, the plaintiffs. The most important were the following:—"What amount of the moneys intrusted to him has the applicant in his possession at one time?—Answer: £500 is the highest sum he has ever had, but as he might have more, we require security for £800. What are the checks used to insure accuracy in his accounts?—Answer: See the regulations of the Poor-law Commissioners. Has there ever been any deficiency in his accounts?—Answer: His accounts have always been regularly audited by the poor-law auditor." It appeared that Beadle had, in fact, been a defaulter almost from the commencement of his employment, and that he had out of each succeeding rate supplied the deficiency in the previous one, the accounts for which were to be audited. He had in this manner

been enabled to conceal defalcations to the extent of £1,200. The regulations laid down by the Poor-law Commissioners had not, in fact, been observed, otherwise these defalcations must have been discovered at an earlier period. The jury found that the answers given to the above questions were fraudulent misrepresentations, and that the defendants were thereby induced to enter into the guarantee. A rule for a new trial had been obtained, on the ground that there was no evidence of fraud on the part of the plaintiffs.

Against this Mr. O'Malley and Mr. Whitmore were heard; and Mr. Bramwell and Mr. Willes in support of the rule.

The Court this morning held that there must be a new trial, as there was no evidence that the plaintiffs made the answers fraudulently.—Rule absolute.

THE NEW BANK IN PARIS.

From the London Times, December 2, 1852.

We are not surprised that the Parisian *Societé de Credit Mobilier*, to whose projected operations we have recently called attention in this country, should already have determined upon the issue of the remaining two-thirds of its shares; for this joint-stock company has been proposed at the very moment when such a scheme is best suited to the humor of the French public, and, whatever may be its fate as a bank, when it comes to transact business according to the vulgar rules of profit and loss, there can be no doubt that enormous sums may be won by its projectors, if the present price of shares can be supported until they have time to realize their profits. The £20 shares, which had risen to double their nominal value within a few minutes of their issue, were quoted on Saturday at the enormous price of 1,675 francs, (£67,) or more than three times their cost. It is true that, as the directors have resolved to satisfy the avidity of the public by making the second issue of 40,000 shares on the 7th of December, and the third and last issue on the 7th of January, and as every holder of three shares in the first issue will be entitled to two shares of the subsequent issues at par, this price may be said to cover the premium anticipated on the further instalments. But it is not the less certain and extraordinary that a joint-stock company with a paid-up capital of £2,400,000 will thus find itself estimated at more than double its actual value, on the mere expectation of what its future operations are to be, and that the owners of the original shares will have had an opportunity of realizing this enormous sum within a few days of the production of their scheme. We shall not be at all surprised to see this mania go to still greater excesses, for it is evident that a well-considered estimate of the powers and prospects of such a company has very little to do with its instantaneous and immoderate success. In fact, the very causes which contribute to hurry unthinking speculators into such adventures, and to propagate erroneous notions of their real value, ought, on the

contrary, to demonstrate that the anticipations entertained of their future and enormous profits are necessarily exaggerated. Money is abundant; the avowed object of this very company is to assist in that reduction of the rate of discount which it is the policy of the French Government to encourage, and which the peculiar circumstances of the present time have enabled it to effect. Advances are to be made on all sorts of personal securities and shares, at a time when advances are procurable on the best commercial bills at 3 per cent., and when the price of public securities and railway shares is such that scarcely more than 3½ or 4 per cent. can be obtained with entire security. But a period of abundance in the money market is precisely that at which the operations of the banker are least profitable; and capitalists are tempted by this sort of repletion to make investments which, though sufficiently attractive in themselves, are liable to prove a fatal embarrassment in the day of distress. Such was the history of the failure of several of the great commercial establishments of Paris in 1848, which would probably have been able to maintain their position if they had confined themselves to more legitimate objects. One of the chief sources of profit to which the adventurers in this company look for success is the power granted to them of issuing paper of their own equal to *ten times* the amount of the realized capital, when the whole number of shares has been issued, and the whole amount of capital realized. But the amount of capital represented by the 120,000 shares at £20 is £2,400,000; and, supposing this amount to be realized, the bank would have a power of issuing paper obligations to the amount of 24 millions sterling, or, in other words, as much as it can induce the people of France to accept, for happily the habits of the mass of the people are in this respect some guaranty against the prodigality of their rulers. Supposing, however, a large issue of such paper to take place, and a commercial crisis to supervene, the Government would have no recourse but to decree its inconvertibility. The disposal of unlimited funds and credit opens the door to reckless speculation and universal gambling; for, as we have shown on a former occasion, from the declared objects of this company, almost all the operations in which it is about to engage are of questionable character. We doubt whether any bank was ever before created which boasted of its readiness to promote stock-jobbing and all the most hazardous speculations of the Bourse by advances expressly intended to cover what are called in French "*reports*," or "continuations" on time bargains. These transactions are notoriously conducted on large nominal values, on which the difference only is paid; and, as they are carried on with little or no reference to the realized capital of the players, such persons are frequently compelled to pay at an enormous rate for temporary accommodation. But they submit to those terms because their security is questionable and their property precarious; for to make advances on any such conditions is, in fact, to participate in the chances and vicissitudes to which such adventures are habitually exposed. A joint-stock bank of movable credit places itself in the alternative of either making safe advances which cannot produce a high rate of interest, and must consequently disappoint the inordinate expectations of the shareholders; or, on the other hand, of making

speculative advances at high and usurious rates, by which the stability of the company is placed in continual jeopardy. The French Government, which has sanctioned these proceedings, and largely participates, in the persons of many of its members, in the gains of its projectors, reminds us of the conduct of Mr. Aislabie, on the occasion of the South Sea bubble, which led to the expulsion of that functionary from the House of Commons. We should be curious to see how this golden stock, which served, as by a magic touch, to put 100 per cent. into the pocket of the favored holder without the necessity of advancing any capital at all, was distributed; and the Elysée could scarcely have hit upon a more effectual means of paying the services of the last few weeks at the expense of the public. In order to exercise a more direct control over these pecuniary transactions, which are now in the most serious concern of the Government, it is said that M. Achille Fould will return to the Financial Department, and be succeeded by M. de Persigny in the office of Minister of State. It is hoped that M. de Morny, who has also drawn a few prizes in this lottery, will condescend to resume his post at the Interior.

As a matter of minor interest in this singular undertaking, but not altogether undeserving of notice, we are informed that the establishment of this company under the auspices of M. Fould and M. Pereire, is regarded in Paris as an act of decided competition and hostility, especially directed against another great monetary establishment, under the name of a well-known European firm. We feel as little interest in one of these tribes of Israel as in the other; but it is impossible not to remark that the contentions and the parties which divided till lately the interests of the French nation, by the struggles of parliamentary eloquence and the emulation of constitutional statesmen, have lost nothing of their intensity, though they have changed their organs and their object. They are now represented by the rivalry of the Israelitish brokers of the capital, the scene of warfare is the Bourse, and the prize of the contest is the command of the market. By the caprice of history the administration of the two greatest nations in the world serve just now to illustrate a page in Mr. Disraeli's novels; but, instead of raising the Semitic race to the exalted position claimed for it by its champion at the head of the governments of the world, it would seem as if the governments of the world were degraded for a time to the sordid pursuits and the undignified artifices which have been so long identified with that peculiar people.

Reduction of Interest on Belgian Five per Cent. Stocks.—In the *Moniteur Belge*, the official organ of the Belgian government, it is announced that a royal decree, dated December 1, authorizes the payment off, or conversion into, four-and-a-half per cent. stock, of the following five per cent. loans, viz.:—86,940,000f., created June 26, 1840; 28,621,718f., created September 29, 1842; and 37,513,940f., created May 6, 1848; leaving to the holders of bonds to bearer, or nominative certificates of these loans, the option of converting at par into the new four-and-a-half per cent. stock, or of receiving the amount of the capital in cash. The interest on these loans, thus converted into four-and-a-half per cent. stock, will be paid up to May, 1853, at 5 per cent. per annum. It is required that the holders desiring to be paid off in money must send their bonds or certificates to Brussels within fifteen days from the date of the decree.

BANKING IN SOUTH CAROLINA.

From the Charleston Courier, Nov. 1852.

From the approaching expiration of a considerable proportion of the bank charters now operating in our State, it inevitably results that the subject of banking and currency will come up before the legislature, now in legal existence, and some important measures on the question may be proposed or discussed, even at its first regular session. On this, above all questions, it behoves us carefully to consult, and faithfully to follow the teachings of experience, and the light of observation, for this experience every where has shown conclusively that established systems of currency cannot be rashly or suddenly changed, even with the best purposes, and with a view to remove existing imperfections, without producing disastrous results, not only on the institutions or organisms acted on directly, but on the whole community. On this, as on all great questions touching the life and interests of the body politic, the wise and patriotic legislator will anxiously shape his course, so as to sheer both of the two besetting evils—one a blind spirit of change or innovation for the mere sake of change, and without a careful prognostication of all probable results; the other, an equally blind and bigoted observance and pursuance of the past. While we may congratulate ourselves on the singular discretion and good management which have characterized the banking institutions of our State, and the consequent healthy condition of currency we have enjoyed, the most zealous friends of existing institutions, or of the established system, will not claim, for the present state of things, the merit of optimism, or hesitate to admit that progress and experience may bring new light on a subject of such practical concern to us all. That our present system has, in the main, worked well, is the highest encouragement to us to improve and modify its details in those points, if any, wherein experience has demonstrated or suggested the necessity of additional provisions, or the establishment of new principles; and here may be room and scope for discussion and deliberation even among those agreeing as to fundamental doctrines and views.

Our object, however, is not to discuss the question of banking and currency, nor to advocate or oppose any theory, system, or interest. We only lay before our readers for information, the accompanying tables, with an explanatory remark. The tables themselves, we may premise, have been furnished us at the expense of much labor and trouble, by an intelligent and experienced friend, whose name, were we at liberty to mention it, would be a sufficient guaranty of their general accuracy. More especially when we add that they have been carefully and laboriously compiled from official sources, and were designed primarily for the satisfaction and information of the compiler himself.

Table No. 1 exhibits the aggregate circulation of all the incorporated individual or private banks of the State of South Carolina, at bi-monthly periods, from February, 1841, to October, 1852.

No. 2 is a similar statement with regard to the city banks, (private,) and No. 3 with regard to the interior banks. Nos. 2 and 3 being, as it

will thus be seen, complementary parts of Table No. 1. With these explanations we submit the tables, which will be found on an adjoining page.

On a review of these tabular results, some facts present themselves prominently, which, however contradictory to popularly prevalent notions, are yet in accordance and conformity with established principles of banking, and easily accounted for by the political economist or the philosophical financier. No subject of such general, absorbing, and practical interest is so little understood, or so confused and perplexed by prevalent fallacies, which it is the interest of all to disperse and refute by the dissemination of sound doctrines. Nothing is more common, for instance, than to hear fears expressed of an over issue and undue expansion of circulation, and the opinion avowed that the amount of circulation is regulated pretty much by the arbitrary caprice of bank directors. The banker or economist, on the contrary, sees here, as elsewhere, the application of the familiar and universal law of supply and demand, and these tables may be referred to in illustration. We find there, that banks through all the vicissitudes of nearly twelve years, never approached by a wide margin the amount of circulation authorized by their charters or by the settled principles of banking. They were governed by the natural law of supply and demand, and although potentially vested with the privilege of issue far beyond the amounts indicated by these tables, yet practically, and in view of their own interests and the fundamental axioms of banking, it was impossible that they could have much exceeded the limits within which they have confined themselves.

This obvious principle of supply and demand is also strikingly illustrated in the parallelism and relation maintained between the amount of our circulation and the extent and activity of our cotton trade—the great regulator of our currency—as it is the commercial thermometer of a large portion of the civilized world. A diminution or expansion in the volume of currency will follow great changes in the amount or price of this great staple, as naturally as the life-blood obeys the alternating motions of the heart; and from these tables alone, or similar ones more extended, the observer might indicate the years of great activity and animation, in our staple marts. The influence of political causes on the currency, both directly and indirectly, is also recognized and understood, although not so exactly appreciable as other elements; and traces of this influence may be detected in the tables, in the diminution, for instance, consequent upon the French Revolution of 1848, and a later political crisis at home.

In examining the tables, we find, with occasional exceptions, a gradual increase in the amount of circulation, at same periods of each year. Without going into detail, we may specify two causes as contributing to, and partially explaining, this result. In the first place, the currency, for the last few years, represents more than the actual amount of produce transactions and business of the State, as will be evident from the fact that within that period, several of our larger banks have established agencies beyond our own limits. In the next place, the influx and introduction of California gold—a fact still too recent to permit us to

appreciate or estimate all its probable results—has tended, generally, to enhance the money price of all commodities, and has accordingly required a corresponding increase in the currency, the medium and the instrument of business exchanges and operations.

No. 1.—Aggregate Circulation of all the Banks in South Carolina, except the "Bank of the State of South Carolina."—Aggregate Capital, $10,330,225.

	1841.	1842.	1843.	1844.	1845.	1846.
February,	$3,406,677	3,456,428	3,878,522	5,061,333	4,606,347	4,579,666
April,	3,569,658	3,038,073	3,766,554	4,921,321	4,500,709	4,483,125
June,	3,103,691	2,683,521	3,496,145	4,263,961	3,993,592	3,771,866
August,	3,062,627	2,318,664	3,140,011	3,701,330	3,648,195	3,416,592
October,	2,695,218	2,397,566	3,104,319	3,604,787	3,951,570	3,760,874
December,	3,428,443	3,309,937	4,049,294	3,940,909	4,432,021	5,455,483

	1847.	1848.	1849.	1850.	1851.	1852.
February,	6,472,716	5,024,143	5,653,254	8,762,060	11,050,811	7,006,905
April,	5,837,823	4,506,085	5,478,917	6,732,686	9,134,058	6,483,183
June,	5,427,173	3,467,838	5,159,931	6,929,989	7,222,046	5,818,679
August,	5,041,474	3,183,150	4,852,195	6,807,303	6,683,637	5 535,152
October,	4,610,330	3,343,467	4,848,037	6,104,225	5,741,390	5,411,960
December,	4,600,555	4,345,639	6,178,922	9,685,758	6,488,475	....

No. 2.—Circulation of the Private Banks of the City of Charleston.—Ag. Cap., $8,030,225.

	1841.	1842.	1843.	1844.	1845.	1846.
February,	$1,575,150	1,388,738	1,710,646	2,496,963	2,591,597	2,583,354
April,	1,674,027	1,225,287	1,824,647	2,583,968	2,453,511	2,453,088
June,	1,397,452	1,162,991	1,678,451	2,287,205	2,118,802	2.033,331
August,	1,373,126	990,179	1,463,765	1,929,424	1,951,184	1,849,564
October,	1,158,949	937,028	1.506,312	1,877,645	2,274,160	2,119,277
December,	1,321,794	1,239,728	1,861,045	2,125,167	2,479,501	3,249,469

	1847.	1848.	1849.	1850.	1851.	1852.
February,	3,619,967	2,839,187	3,404.522	5,318,870	6,500.221	3,944,660
April,	3,193,638	2,541,742	3,287,997	5.621,998	5,284,663	3,715,350
June,	2,752.320	1,846,819	3.095,331	3,727,969	4,045,917	3,360,662
August,	2,520,999	1,575,480	2,775,498	3,604,805	3,635,733	3,269,196
October,	2,309,060	1,656,797	2,813,946	2,867,844	3,150,117	3,211,775
December,	2,424,503	2,425,213	3,393,806	5,573,888	3,771,768	....

No. 3.—Private Banks of the Interior.—Capital, $2,300,000.

	1841.	1842.	1843.	1844.	1845.	1846.
February,	$1,831,527	2,067.690	2,167,876	2,564,370	2,014,750	1,996,312
April,	1,895,631	1,812,786	1,941,907	2,337,373	2,047,258	2,029,437
June,	1.706,239	1,525,530	1,817,694	1,976.496	1,874,700	1,738,535
August,	1,689,501	1,328,485	1,676,246	1,771,906	1,697,011	1,567,028
October,	1,536,269	1,430,538	1,688,007	1,727,142	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,	2,853,019	2,184,956	2,248,732	3,443,190	4,550,590	3,062,249
April,	2,644,189	1,964,343	2,190.920	3,110,688	3,849,395	2,767,833
June,	2,674,853	1,641,013	2,064,600	3,202,018	3,166,229	2,458,017
August,	2,520.475	1,607,670	2,076,696	3,202,448	3,047,904	2,965.956
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	....

BANK OF THE STATE OF SOUTH CAROLINA.

REPORT OF THE PRESIDENT AND DIRECTORS OF THE BANK OF THE STATE OF SOUTH CAROLINA.

To the Honorable the Senate and
House of Representatives of the State of South Carolina:

The President and Directors of the Bank of the State of South Carolina respectfully

REPORT:

That from the 30th of September, 1851, to the 1st of October, 1852, the profits of the bank have amounted to, ... $309,405.07

From these profits there have been applied to the payment of the interest on the State bonds payable in London, ... $53,020.23
To the interest on 6 per cents. 1838, ... 47,094.91
And there have been transferred to the Sinking Fund, . . 209,289.93
$309,405.07

Herewith are submitted the usual statements, exhibiting the condition of the bank at the close of the last fiscal year.

The surplus profits of the year ending 30th of September, 1851, were reserved to aid the treasury in meeting the special appropriations of the years 1850 and 1851. The sum required for said purpose was $156,193.89, which has been drawn and placed to the credit of the State treasurer. There remained, therefore, of the reserved profits of 1851, the sum of $41,520.01, which has been transferred to the Sinking Fund, in addition to the profits of the year just terminated.

The last instalment of the 6 per cents., issued under the acts of 1839, to provide for an advance by the State on its subscription to the Louisville, Cincinnati, and Charleston Railroad Company, became due on the 1st of January last. All the certificates presented at the treasury have been redeemed and cancelled. A few stockholders have not called for payment. The entire amount outstanding on the 1st of October last, was $8,418.42. By the provisions of the act creating the stock, it was made the duty of the bank to pay off this debt out of the surplus revenue of the United States deposited with this State, which had been placed temporarily under the control of the bank.

A part of the stock, to wit, the sum of $41,241.74, has been heretofore redeemed by the State out of the current funds of the treasury. The bank has redeemed at different periods the sum of $550,061.99, which, with the balance outstanding 1st of October, makes up the sum of $600,000—the entire issue under the act. By the redemption of this stock, therefore, the bank substantially accounts for "the surplus revenue." The following statement will exhibit the manner in which the amount of that fund, placed in charge of the bank, has been disposed of. viz.:

Amount of Fund, ... $1,051,422.09
Paid by the bank, four instalments on State subscription to South Carolina Railroad Company stock, ... $200,000.00
Paid for redemption in part of 5 per cents. stock of 1826, ($300,000,) not charged on the bank, paid according to act of 1843, ... 200,000.00
Paid for redemption of 6 per cents. 1839, ... 550,061.99
Balance 6 per cents. 1839 outstanding, to be paid by the bank, 8,418.42
$958,480.41

which leaves a balance of $92,941.68 remaining in bank, for which the institution is still accountable. The "surplus revenue" fund, thus withdrawn from banking operations, is represented by the stock held by the State in the various railroad companies, which have been or are now engaged in constructing roads through different parts of the State.

We have continued to direct our attention to the purchase of those portions of the State debt not yet due, in compliance with the views of the legislature at different times indicated, but have not succeeded to any considerable extent.

We have, however, purchased of the debt payable in London, seven bonds of £250 each, and three bonds of £500 each, in all £3,250, at the cost of $15,063.83; of the 6 per cents. redeemable in 1870, one certificate for $2,441; and the 5 per cents., redeemable in 1858, one certificate for $1,500. These certificates and bonds have all been surrendered to the comptroller-general, and cancelled.

Respectfully submitted.

THE ROTHSCHILD FAMILY.

From "The Men of the Times."

Among the men of the times, few exercise a greater influence than the members of the extensive co-partnership known as the house of Rothschild, the impersonation of that money power which governs the world. For nearly half a century their influence has been continually on the increase; and to them, more than any monarch or minister of state, Europe is indebted for the preservation of peace between the great powers. In order to give even an outline of the immense and successful operations which have placed a German Jew, his sons and grandsons, at the head of the moneyed interests of the world, it would be necessary to embrace the history of Europe in finances since the year 1812; and this our space does not permit. A brief sketch of the rise and progress of the house, must, therefore, be sufficient. Its founder, Meyer Anselm Rothschild, born at Frankfort-on-the-Main, some time about the year 1740, was a money changer and exchange broker, a man of fair character and easy circumstances. When, in the first campaign of the French Revolution, (1792,) Gen. Custine, at the head of the Republican army, took Frankfort, the senate, in order to save the town from pillage, agreed to pay a ransom within a very limited period. But the money could not be forthcoming. Public credit in Germany was still in its infancy, and among the wealthy capitalists of Frankfort, not one could be induced to assist the senate. In this strait, Meyer A. Rothschild offered his services to obtain a loan for the required amount, from the landgraves of Hesse Cassel, by whom he had frequently been employed in money-changing transactions. The offer was accepted and the loan obtained. Thus a money-lending connection between the landgrave and M. A. Rothschild began, and, in the course of the war, other German princes having occasion for

loans, M. A. Rothschild's agency was often offered and accepted, so that the house of Rothschild acquired a certain standing.

The Landgrave William IX. (subsequently as elector, William I.) was one of those German despots who, during the American Revolution, had sold their troops to England, and who, by means of a similar traffic, during the wars of the French Revolution, accumulated immense sums of money, but whose trickery drew upon him the hatred of Napoleon. After the battle of Jena, (Oct. 1806,) Napoleon decreed the forfeiture of their estates by the sovereigns of Brunswick and Hesse Cassel, and a French army was put in march to enforce the decree. Too feeble to resist, the landgrave prepared for flight. But in the vaults of his palace he had twelve million florins (about five millions of dollars) in silver. To save this great and bulky amount of money from the hands of the French was a matter of extreme difficulty, as it could not be carried away, and the landgrave had so little confidence in his subjects, that he could not bring himself to confide his cash in their keeping, especially as the French would inflict severe punishment on him or them who might undertake the trust. In his utmost need, the landgrave bethought himself of M. A. Rothschild; sent for him to Cassel, and entreated him to take charge of the money; and by way of compensation for the danger to which Mr. Rothschild exposed himself, the landgrave offered him the free use of the entire sum, without interest. On these terms, Mr. Rothschild undertook the trust, and by the assistance of some friends, Jewish bankers at Cassel, the money was so carefully stowed away that when the French, after a hurried march, arrived at that city, they found the old landgrave gone and his treasure vanished. At the time this large sum of money was placed in M. A. Rothschild's hands, he had five sons, of whom three, Anselm, Nathan, and Solomon, had arrived at man's estate. These he associated with himself, keeping Anselm at Frankfort, while Nathan was established first at Manchester, and subsequently in London; and Solomon, as travelling agent for the firm of M. A. Rothschild and Sons, visited the various courts and princes in Germany who needed loans.

Old Mr. Rothschild himself, as well as his sons, especially the second, Nathan of London, appear to have possessed enterprise, prudence, and industry of the highest order, so that the large sum of ready money at their disposal increased and multiplied with astonishing rapidity. In 1813, when, by the treaty of Austerlitz, England agreed to pay Russia, Austria, and Prussia twelve millions sterling (sixty millions of dollars) subsidies, the Rothschilds, on the recommendation of the old landgrave, were appointed agents for the payment of the money in Germany—an operation by which he gained several millions of dollars.

After the victory of Leipsic, (Oct. 16, 1813,) in the rapid pursuit of Napoleon, the allied sovereigns suddenly found themselves on the banks of the Rhine. The Emperor of Austria, with a brilliant court and staff, took up his quarters at Frankfort. But the treasury of Austria, notwithstanding the large sums received from England, was empty; what resources there might have been at Vienna, were not available at Frankfort. A loan became necessary; but the oft-repeated bankruptcies of

Austria had destroyed her credit, so that Prince Metternich, after having in vain applied to the Bethmans, and other Christian merchant princes of Frankfort, was at length reluctantly driven to address himself to Rothschild, and the pride of Hapsburg's Cæsar stooped to solicit succor of a Jew. The graceful manner in which the request was granted called forth the emperor's gratitude. His son, Nathan, was appointed Austrian consul-general in Great Britain; and the whole weight of Austria and of Metternich's influence were put in requisition to extend and secure the financial operations of the house of Rothschild. The fall of Napoleon enabled the old landgrave to return to Cassel, and he gave the Rothschilds notice that he should withdraw the money he had confided to them; but before the notice expired, Napoleon's return from the isle of Elba so greatly alarmed the landgrave, that he urged the Rothschilds to keep the money, which they did until his death, 1828, when his son and successor was forced to receive it back, as the Rothschilds refused any longer to keep it.

In 1815, James de Rothschild, the fourth son of M. A. Rothschild, opened a banking-house in Paris. In 1820, Charles, the youngest, established himself at Naples, and in 1824, Solomon, the third son, took up his residence at Vienna; so that a few years after the death of M. A. Rothschild, (1812,) the five sons were placed at the head of five immense establishments at Frankfort, London, Paris, Vienna, and Naples, and united in copartnership, which was universally allowed to be the most wealthy and extensive the world has ever seen. No operation in which he or his sons embarked has miscarried; and his uninterrupted success was in a great measure owing to their foresight and enterprise. Rothschild in London knew the result of the battle of Waterloo eight hours before the British Government, and the value of this knowledge was no less than one million dollars gained in one forenoon. No bad loan was ever taken in hand by the Rothschilds; no good loan ever fell into other hands. Their invariable success at length gained for them such a degree of public confidence, that any financial operation on which they frowned was sure to fail.

And so conscious were they of their confidence, that after the July revolution, in 1830, Anselm Rothschild, of Frankfort, was heard to declare, "The house of Austria desires war; the house of Rothschild desires peace." In 1840, on the occasion of the troubles between the Porte and Mehemet Ali, the Rothschilds were again chiefly instrumental in preserving the peace of Europe.

Nathan, the son of M. A. Rothschild, died in 1836; the other four brothers are yet alive. In addition to their five principal establishments, they have agencies of their own in several of the large trading towns, both of the old and new world. As dealers in money and bills, they may be said to have no rivals, and as the magnitude of their operations enables them to regulate the course of exchange throughout the world, their profits are great, while their risks are comparatively small. Indeed, the only heavy loss they have as yet experienced, was throughout the February revolutions in 1848, when, it is said, that owing to the sudden depreciation of all funded and railroad property throughout Europe, their losses

from March to December of that year reached the enormous figure of eight millions sterling (forty millions of dollars).

But great as their losses were, they did not affect the credit of the Rothschilds, and did not appear in any degree to have impaired their means. The members of the firm are numerous, as the third generation have been received into copartnership; and as the cousins mostly intermarry, their immense wealth will, for a length of time, remain in comparatively few hands. In politics, the Rothschilds of London and Paris profess to be liberals; while those of Frankfort, Vienna, and Naples are conservatives. It is, however, evident that their interests must render them alike hostile to absolute monarchy and to popular movements. Constitutional monarchy, with its representative chambers, is the most congenial to loan contractors, and to support which their occult influence is doubtless exerted.

THE TURKISH LOAN.

From the London Times, November, 1852

THE meeting of Turkish bondholders, called to-day, at the instance of Messrs. Devaux & Co., was numerously attended—Mr. James Capel occupying the chair, supported by Mr. Devaux and Mr. M. Uzielli. The preliminary discussion related principally to the proposed explanation of the contractors, which, immediately upon its being submitted, was received with general satisfaction. This statement, read by Mr. Maynard, elicited at some passages marked approval, the conduct of the Ottoman government in rejecting the loan after having accepted the proceeds of the first instalment calling forth deep condemnation. The principal speakers were Messrs. Hutchinson, W. H. Mullens, Louis Cohen, Locke Masterman, jun., Tite, and Guedalla, &c.; and with the view of co-operating with Messrs. Devaux & Co., in protecting the interests of the bondholders it was unanimously agreed to organize a fresh committee. It was likewise suggested that an immediate application should be made to Lord Malmesbury to obtain his assistance. The operations in the stock had been extensive in all the money markets of Europe, and Holland was stated, as well as England and France, to be greatly interested in the result. No official information had been received by the contractors of the steps proposed to be attempted to repay the capital advanced; but it was understood that a sum had been raised through the name of the Pasha of Egypt, while it was also reported that Mr. Musurus, the Turkish minister in London, had recently deposited the required amount in the Bank of England. The whole conduct of the Government, it was contended, had been extremely discreditable, for not only had they availed themselves of the 25 per cent. instalment, but also of 100 per cent., in some cases upwards of £40,000 having been paid in Paris upon the allowance of the discount. Mr. Locke, M.P., one of the committee, having been desired to watch the case of the bondholders in the House of Commons, the annexed statement from Messrs. Devaux was adopted, accompanied by the succeeding resolutions:

THE TURKISH LOAN.

In accordance with the wishes expressed by the parties interested as holders of scrip in the Turkish Loan, Messrs. C. Devaux and Co. now propose to bring before them all the circumstances connected with the negotiation of this loan, both as regards their own personal conduct in the affair, and the conduct of the Turkish government in seeking to repudiate it. It is probably known to most of the houses in London more immediately engaged in financial operations, that for some time previously the Bank of Constantinople had been endeavoring to negotiate a loan in this country and in France, under the guaranty of the Ottoman government. It may be observed that it is well understood that the Bank of Constantinople and the Ottoman government are, in point of actual interest, all but identical; the transactions and engagements of the bank being guaranteed by the Ottoman government, for whose benefit, or, at least, for whose convenience, they are supposed to be entered into. Several attempts have been made by the agents of the bank for the negotiation of a loan, but the terms proposed not being satisfactory those attempts had proved unsuccessful. About the month of July last application was made to Messrs. C. Devaux and Co. to assist in raising the loan required, and upon the introduction of Mr. Edward Blount, the banker of Paris, and Mr. Ernest Simons, also of Paris, the eminent government contractor for the mail service, they agreed to take part in the transaction, in conjunction with other capitalists in Paris. It was represented to them —and of the fact there is no sort of doubt—that the loan was required to enable the bank to meet engagements then about falling due, for which the Ottoman government was responsible, and that the bank had full authority from the government to negotiate the loan upon the terms then proposed, being those upon which it was ultimately taken. Messrs. Devaux and Co., however, required that whatever arrangement was come to should receive the direct sanction of the ambassador in Paris of the Ottoman government, (the Prince Callimaki,) feeling that any arrangement to which he was a party must necessarily be binding upon the government he represented. In the month of August the terms of the proposed loan were definitively arranged, those terms being precisely what were afterwards put forward by Messrs. Devaux and Co. on the occasion of their receiving subscriptions. The total loan to be raised was 50 millions of francs, or £2,000,000 sterling, of which Messrs. Devaux and Co. engaged to obtain subscriptions in England for £800,000; but, by a subsequent arrangement, £80,000 of this sum was withdrawn from them, and, by the desire of the parties, was transferred to a banking establishment in Lyons. The only advantage Messrs. Devaux and Co. were to derive from the transaction was a commission of two per cent. upon the amount to be negotiated by them; and as the parties who introduced the transaction to them were to participate in this commission, they in fact were only secured a commission under one per cent. Messrs. Devaux and Co. did not open subscriptions for their portion of the loan in England until the terms agreed to by the agent of the bank had been confirmed by the Ottoman minister, and his distinct engagement given that those terms would be guaranteed by his government. It may be here proper to observe that the Prince Callimaki had been the representative of the Ottoman government in this country for several years before he was appointed to the court of France; and it is hardly necessary to state that during all that period he had always enjoyed a reputation becoming his distinguished station. Having thus the authority of the agent of the Bank of Constantinople, and the confirmation of it by the Ottoman ambassador, Messrs. Devaux and Co. felt themselves fully at liberty to introduce the proportion of the loan assigned to them for negotiation upon the terms which had received the sanction of those parties; and accordingly, under date the 1st September last, they invited subscriptions to this portion of the loan, stating that it was for the Bank of Constantinople, under the guaranty of the Ottoman government by firman of the 10th June, 1852. With regard to this document, Messrs. Devaux can only state that both the agent of the Bank of Constantinople and the Ottoman ambassador concurred in that designation of the authority under which the loan was to be contracted, and they could not for a moment doubt the accuracy of their information. It may, perhaps, be as well to state that upon subsequent inquiry it appears that the original authority for raising a loan was given by an instrument of that date, although the particular terms upon which the loan was raised were modified and extended by some instrument bearing date in August. Messrs. Devaux and Co., however, feel confident that it will be found that the particular date of the instrument is immaterial, the ultimate question of course being whether the Ottoman government did in fact authorize or

adopt the loan as actually contracted for. Out of the £720,000 placed at the disposal of Messrs. Devaux and Co., they subscribed themselves for £60,000, and the remainder was taken by the English public at par. On the 10th of September, Messrs. Devaux and Co. paid up in Paris 25 per cent. upon the whole £720,000, and thereupon received an acknowledgment for that payment both from the agent of the Bank of Constantinople and from the Ottoman ambassador, and in exchange for this payment they received the bonds of the Bank of Constantinople for the whole of the English subscription, signed by the agent of the bank and by the ambassador. As regards, therefore, the part which Messrs. Devaux and Co. have taken in this transaction, they have here given a full and faithful report, and they feel confident that no impartial person can find fault with any thing they have done. They have throughout proceeded upon the engagements of the recognized agent of the bank and of the Ottoman ambassador, and they know of no other authority upon which they could be expected to act. While, therefore, they entertain no doubt whatever that the parties with whom they conducted the transaction were most fully justified in all that they did or sanctioned, they do not consider that it would be any reflection upon their own share in the transaction if the contrary should have proved to have been the case. Believing, then, that they have now fully justified their own conduct in the transaction, they proceed to what (so far as the bondholders are concerned,) may be considered the more important part of the subject—the conduct of the Turkish government in seeking to repudiate the loan. Until advices were received of such an intention on the part of the Ottoman government, no specific inquiries had been made either from the agent of the bank or the ambassador as to the exact instructions under which they were acting, their position being considered a sufficient guaranty that they would do nothing which was not within their authority. Particular inquiries have now been addressed to both on this subject. As regards Prince Callimaki, he does not feel called upon to say more than that he has acted according to his instructions. Mr. Couturier, the agent of the bank, however, does not feel himself under any conventional restrictions, and he has furnished the fullest information for the purpose of showing that all he has done was not only within the scope of his authority, but was fully recognized when communicated to the Ottoman government. Mr. Couturier states that the Bank of Constantinople was established by the Ottoman government with a view to the regulation of the exchanges between that country and Europe, and that the transactions of the bank were all guaranteed by the government. That it was found necessary to keep up a large circulation of bills on Europe, which were negotiated by the bank, for the purposes of the government, and that it was for the express purpose of providing funds to meet this circulation that the loan in question was authorized, and that he was despatched to Paris for the accomplishment of this object. That certain instructions were given to him as to the terms upon which the loan was to be negotiated, but that he was instructed to make better terms if he could. That, by these instructions, he was authorized specially to hypothecate the revenues of Egypt, in addition to the general guaranty of the government; and that it was contemplated that the loan could be obtained for only 40 millions of francs, or £1,600,000, and that it would be repayable in 10 years. Mr. Couturier considers, therefore, that, in having secured a loan of 50 millions instead of 40 millions, and in having spread it over a period of 23 years instead of 10, and in having also withheld the special hypothecation of the revenues of Egypt, he has made for his constituents much better terms than were warranted by his instructions. But, moreover, he states that the Ottoman government were in possession of the terms of the loan as early as the 11th of September. That, in consequence of being so advised of the loan, they did not remit (as they otherwise must have done) either cash or bills to meet the engagements of the bank then falling due; and that, in point of fact, the funds raised by the first payment on account of the loan were applied in meeting these engagements, except as to about £80,000, which went direct to the treasury of the Ottoman government. So far were the Ottoman government from disapproving the terms upon which the loan had been contracted, that Mr. Couturier received letters expressing the most perfect satisfaction with the arrangements he had concluded, and directing the appropriation of the money he was about to receive. It will thus be seen that the Ottoman government were duly apprised of the terms of the loan, that they not only expressed their approbation, but reaped the fruits of it by availing themselves of the funds thus acquired to meet engagements for which they were responsible, besides transferring a portion of these funds into their own coffers; and it was not till a few months after-

wards, when a change of ministry took place, that doubts were expressed, the ambassador superseded, and a notification given that the loan would not be recognized. It is not the intention of Messrs. Devaux and Co. to enter into any speculation as to the cause of this change of action on the part of the Ottoman government. Their only object is to satisfy the bondholders that the loan in question was contracted under circumstances which are binding on the Ottoman government; and it will be for the bondholders to consider what measures should be adopted with a view to enforce that obligation, or to secure full indemnity for the breach of it. Messrs. Devaux and Co. may here observe that, immediately on receipt of intelligence of the intentions of the Ottoman government, they (being then in Paris) forwarded a full communication of all the circumstances to Her Majesty's chargé-d'affaires at Constantinople, and they also placed the same before Lord Cowley at Paris, and through him a similar communication was made to Lord Malmesbury. They ought, also, to state that the subject is most warmly and energetically taken up by the French government, and that the Marquis de Lavalette, the representative of the French government at Constantinople, has already used his good offices for the assertion of the rights of the bondholders. Messrs. Devaux and Co. can only in conclusion, while expressing their sincere regret at the untoward turn which this transaction has taken, assure the bondholders of their hearty co-operation in any steps that may be deemed proper for securing justice from the Ottoman government; and they beg to suggest the expediency of appointing some gentleman interested in the loan to concert the necessary measures for that purpose.

THE CALIFORNIA INSTITUTE.

From the Daily Alta Californian, Oct. 24.

SCIENTIFIC MINING.

An association bearing the above name has been recently organized in this city, the officers selected from among our most wealthy and prominent residents, and the preliminary steps taken to establish an Institute on these shores that will be worthy of the State, and the wealth, enterprise, and intelligence of our citizens. The association proposes to establish agencies for the collection of facts and practical information on the subject of mining, and particularly quartz mining, and the deduction from these of truths suitable for the foundation of a system of scientific mining. This system will be put into practical operation, and be available, doubtless, in directing the future prospects of the State. The proposed plan is to provide suitable rooms, where all reliable information concerning the mines shall be recorded, and where mineralogical specimens from all portions of the State, as well as from foreign countries, may be gathered together, for the purpose of a comparison of their respective formations and combinations. Drawings or models of the various kinds of machinery now in use, and which may be proposed, will also be collected, together with a small apparatus capable of experimenting in the reduction of quartz, in small quantities, with a movable system of amalgamation attached, to be used either to test the practical saving of gold, or to make mechanical assays when required. A semi-monthly review of the information collected and the results attained is to be published, accompanied by plans and illustrations. The means proposed for the establishment of the Institute are a subscription of five hundred shares of $100 each, which will entitle the bearer to one half of the profits of the establishment.

An institution of this kind has long been needed in California, and the time is fast approaching when, as in other countries, with other interests, the mining operations of the State will depend in a great degree for their success upon the eliminations of science which such an establishment will make. Conducted on an open, liberal, and impartial scale, and commanding the respect and confidence of all classes, its advantages, in the development of our mineral wealth, would be immense. But there must be no disproportioning of its benefits, no unfair appropriation of the advantages accruing to enrich the few at the cost of the many, no silent moneyed interests directing the hand of science, or snatching the first-fruits that ripen beneath its touch. The acquirements of the Institute must be shared alike by all who become citizens of the State, and are identified with its prospects. Its knowledge must be available to all classes, and its aim be to encourage industry and promote the permanent welfare of California. Such an institution would be of incalculable service to the country.

The application of science to the producing of gold from the Placer has been, ever since the discovery of the mines, rendered nugatory by the irregularities and eccentricities which are every where found in its places of deposit. A few months of experience, hard work, and a persevering will are all the elements of success in the mines. The gold-digger can generally very accurately point out, by the conformation of the hills and ravines, the spots where gold *may* be found, and be led by "all the signs" to fully believe in the existence of the auriferous treasure in the place which he has selected for the scene of his operations. But, after all, he may be mistaken. And so it has been from the earliest period in the history of the surface mines, and so, doubtless, it will be until these surface mines no longer exist—fortunes will be mainly dependent on hard toil, and practical application of the wits to *hold* the wealth of the mines after it is *made*. Science can perform but a very moderate amount of the drudgery so essential to success.

But with the valuable quartz mines of the State it is different. Heretofore, the failure of the numerous companies that have embarked in mining has been chiefly owing to the imperfect means which have been employed. True, the high price of labor has made such enterprises unprofitable to capitalists, but the difficulty in applying suitable machinery has been the principal obstacle in the pathway of success. The quartz fields of the State are very extensive, and when gold mining can be performed in them with means and at an expense similar to the work in other States and countries, they will be a source of steady and immense profit. So long, however, as labor meets with its present reward from the washings of the mines, the quartz beds cannot be worked with much profit.

But it is an undeniable fact that the surface wealth of the mineral region is becoming exhausted. Slowly, but certainly, it is becoming reduced by the inroads made upon it by the eighty thousand hard-working men who labor constantly at the pick and spade. Ere many seasons shall have passed away, the prospects of fortunes in the diggings will be confined to those who come to take up a residence among us, and labor diligently for years in the accumulation of the dust.

CENSUS RETURNS.

I. Insane and Idiots.—II. Pauperism.—III. Blind.—IV. Deaf and Dumb.—V. Churches.—VI. Real and Personal Estate.—VII. Unimproved Land.—VIII. Expectation of Life.—IX. England and France.—X. Railroads in the United States.—XI. Telegraphs in the United States.

I. Insane and Idiots.

The number of insane persons in the United States is given at 15,768; of whom 15,156 are whites, 321 free colored, and 291 slaves. The number of idiots returned is 15,706, distributed as follows:—Whites, 14,230; free colored, 436; slaves, 1,040. Total insane and idiotic, 31,474. Total whites, 29,368; total blacks, 2,088. By the census of 1840, these two classes of persons were returned together (although not generally understood), and presepted the following numbers:—White insane and idiotic, 14,508; colored insane and idiotic, 2,926. Total, 17,434. The returns make it appear that, with the white population in the United States, there exists one insane person for each 1,290 individuals; among the free colored, one to each 1,338; and among the slaves, one to each 11,010. With regard to idiocy, the white population presents one to each 1,374 persons; the free colored, one to each 985; and among the slaves, one to each 3,080.

Table exhibiting the number of Deaf and Dumb, Blind, Insane, and Idiotic, in the United States, and showing their proportions to the Whites, Free Colored, and Slaves.

	Whites.	*Free colored.*	*Slaves.*	*Total.*
Deaf and Dumb,	9,091	148	489	9,728
Ratio of 1 to	2,151	3,005	6,552	2,335
Ratio per cent,	·04	·03	·01	·04
Blind,	7,997	494	1,211	9,702
Ratio of 1 to	2,445	870	2,645	2,390
Ratio per cent,	·04	·11	0·03	0·04
Insane,	15,156	321	291	15,768
Ratio of 1 to	1,290	1,338	11,010	1,470
Ratio per cent,	·07	·07	. . .	. .
Idiotic,	14,280	436	1,040	15,706
Ratio of 1 to	1,374	985	3,080	1,476
Ratio per cent,	0·07	0·10	·03	·06
Total afflicted	46,474	1,394	3,031	50,890
Ratio of 1 to	420	308	1,057	455
Ratio per cent,	0·23	0·32	0·09	0·21

Want of time will not permit a sufficiently detailed examination to arrive at the causes which present these unfortunate beings in such greater number than they appeared in 1840. From the manner of taking the census of 1850, they could not be rated higher than their actual numbers; and it follows, therefore, that the returns in 1840 must have been deficient, or that an error occurred in placing the figures in the tables. A more particular examination of both sets of returns will be made, previous to the printing of the seventh census, in which it is hoped the discrepancy will be satisfactorily explained. Throughout our country, increased attention is being paid to the amelioration of the condition of this class of our population—a feeling kept in active operation, and made to yield continually practical fruits, mainly through the instrumentality and devoted zeal of one American lady, whose reputation is not limited, and whose influence is not confined to her native country.

II. Pauperism.

The entire number of paupers relieved by the public funds in England and Wales, for nine years, from 1840 to 1848 inclusive, amounted to 13,193,425: equal to 1,649,178 persons per annum. In 1848, the number relieved was 1,876,541: by which it appears that one person in every eight was a pauper. The average number of those annually relieved, who are represented to have been "adult and able-bodied paupers," amounted to more than 477,000; and it is, on British authority, asserted, that in 1848, more than 2,000,000 persons in England and Wales were kept from starvation by relief from public and private sources. The total public expenditure for the poor, in England and Ireland, in 1848, amounted to $42,750,000. Within the past seventeen years, the poor-law fund expended in England and Wales amounted to $426,600,000. This enormous expenditure, accompanied as it is by immense private contributions, falls far short of relieving the wants of the poor of Great Britain. While her population embraces a large number of persons of princely estates, and other classes, composed of individuals of every variety of incomes, combining with it ease, comfort, and elegance, the statistics of the nation prove that the substratum of pauperism or want is of a magnitude alarming to the English moralist and thinker, as well as to the statesman, and of an extent and nature harrowing to all.

Pauperism in each State.

States.	Whole No. of Paupers who received support within the year ending June 1, 1850.			Whole No. of Paupers on June 1, 1850.			Annual Cost of Support.
	Native.	Foreign.	Total.	Native.	Foreign.	Total.	
Alabama,	352	11	363	306	9	315	$17,559
Arkansas,	97	8	105	67	. . .	67	6,888
California,	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Connecticut,	1,873	465	2,287	1,463	281	1,744	95,624
Delaware,	569	128	697	240	38	278	17,730
Florida,	64	12	76	58	4	62	937
Georgia,	978	58	1,036	825	29	854	27,820
Illinois,	386	411	797	279	155	434	45,218
Indiana,	860	322	1,182	446	137	583	57,560
Iowa,	100	35	135	27	17	44	5,358
Kentucky,	971	155	1,126	690	87	777	57,543
Louisiana,	133	290	423	76	30	106	39,806
Maine,	4,558	950	5,508	3,209	326	3,535	151,664
Maryland,	2,591	1,903	4,494	1,681	320	2,001	71,668
Massachusetts,	6,530	9,247	15,777	4,059	1,490	5,549	392,715
Michigan,	649	541	1,190	248	181	429	27,556
Mississippi,	248	12	260	245	12	257	18,132
Missouri,	1,248	1,729	2,977	251	254	505	53,248
New Hampshire,	2,853	747	3,600	1,998	186	2,184	157,351
New Jersey,	1,816	576	2,392	1,339	239	1,578	93,110
New York,	19,275	40,580	59,855	5,755	7,078	12,833	817,336
North Carolina,	1,913	18	1,931	1,567	13	1,580	60,085
Ohio,	1,904	609	2,513	1,254	419	1,673	95,250
Pennsylvania,	5,898	5,653	11,551	2,654	1,157	3,811	282,188
Rhode Island,	1,115	1,445	2,560	492	204	696	45,887
South Carolina,	1,813	329	1,642	1,113	180	1,293	48,887
Tennessee,	994	11	1,005	577	14	591	30,981
Texas,	7	. . .	7	4	. .	4	488
Vermont,	2,043	1,611	3,654	1,565	314	1,879	120,462
Virginia,	4,988	185	5,118	4,356	102	4,458	151,732
Wisconsin,	169	497	666	72	166	238	14,748
Totals,	66,434	68,588	134,972	36,916	13,437	50,353	$2,954,806

III. Blind.

By the table annexed, it will be seen that the number of persons in the United States who are destitute of sight is 9,702, of which 7,997 are white, and 1,705 colored—of which latter 1,211 are slaves. By the census of 1840, the number of white blind persons in the United States was returned at 5,080; the colored do. at 1,892. The same error respecting the colored blind existed with the last census, as has been shown to exist respecting the deaf and dumb. We present a table giving the numbers and proportions of the deaf and dumb, blind, insane, and idiotic, among the white, free colored, and slaves, respectively. From this table, it will be seen that muteness and insanity are more prevalent among the whites, and blindness and idiocy among the colored.

Table of the Blind in each State, in the year 1850.

States.	*White.*		*Colored.*		*Slaves.*		*Aggregate.*
	M.	F.	M.	F.	M.	F.	
Maine,	115	86	..	..	..	..	201
New Hampshire,	69	65	1	1	..	..	136
Vermont,	89	49	..	..	..	..	138
Massachusetts,	270	290	4	8	..	..	497
Rhode Island,	39	23	1	2	..	..	64
Connecticut,	110	67	12	8	..	..	199
New York,	738	488	29	22	..	..	1,272
New Jersey,	114	72	10	17	..	..	213
Pennsylvania,	443	355	30	11	..	..	829
Delaware,	10	17	7	12	..	..	46
Maryland,	96	97	20	41	22	21	307
District of Columbia,	7	7	5	3	..	1	23
Virginia,	261	275	56	65	137	202	996
North Carolina	182	205	18	15	57	60	532
South Carolina,	91	61	6	8	31	25	222
Georgia,	128	96	1	4	38	42	309
Florida,	10	2	..	2	8	4	26
Alabama,	82	82	1	2	78	68	308
Mississippi,	75	55	..	1	35	51	217
Louisiana,	36	31	15	10	60	66	218
Texas,	36	23	2	1	12	2	76
Arkansas,	45	30	..	1	3	2	81
Tennessee,	199	186	4	6	20	44	468
Kentucky,	249	172	8	11	46	44	530
Ohio,	370	288	7	5	..	..	665
Michigan,	72	50	..	..	..	..	122
Indiana,	189	151	4	5	..	..	349
Illinois,	156	97	1	3	..	..	257
Missouri,	104	76	2	1	11	17	241
Iowa,	28	19	..	..	..	..	47
Wisconsin,	34	16	..	..	..	..	50
California,	..	..	..	..	..	..	..
Territories.							
Minnesota,	..	..	..	..	..	..	..
Oregon,	..	..	..	..	..	..	..
Utah,	2	..	..	..	..	..	2
New Mexico,	70	28	..	..	..	..	98
Totals,	4,519	3,478	239	255	562	649	9,702

An analysis with respect to native and foreign population, made from the returns, by Harvey M. Post, LL.D., presents the fact, that the blind and insane are much more numerous among our foreign population, which he attributes to "homesickness, change of climate, and the various hardships of an emigrant's lot."

IV. Deaf and Dumb.

The directors of several institutions for the deaf and dumb memorialized Congress, at its last session, to provide for the publication of a small volume, to be prepared by this office, in which should be given the name, age, sex, residence, occupation, &c., of each deaf mute in the United States. Such a work would be of great value to such institutions, but of more consequence to the unfortunate class it would be specially designed to benefit. It would lead to the discovery of hundreds whose abode is unknown, and render available to those unable to proclaim their wants the blessings of instruction. In addition to its beneficent effects upon the afflicted, the information thus imparted would furnish many interesting details, useful in a practical point of view. The method of deaf mute instruction was introduced from Europe thirty-five years ago. To study into the improvements effected there within that time, institutions in this country have sent, at different periods, commissioners into different portions of Europe; and the result of their investigations appears to have led to the conclusion, "that in the matter of intellectual instruction we have very little to learn from European schools; while in the very important point of religious instruction, they are painfully inferior."

Table of Deaf and Dumb in each State, in the year 1850.

States.	White.		Colored.		Slaves.		Aggregate.
	M.	F.	M.	F.	M.	F.	
Maine,	140	89	1	..	..	..	230
New Hampshire,	87	76	..	..	..	..	163
Vermont,	75	68	..	1	..	..	144
Massachusetts,	204	156	1	3	..	..	364
Rhode Island,	34	27	2	1	..	..	64
Connecticut	211	174	2	2	..	..	389
New York,	682	615	5	5	..	..	1,307
New Jersey,	111	81	7	4	..	..	203
Pennsylvania,	521	465	14	4	..	..	1,004
Delaware,	28	26	1	1	..	2	58
Maryland,	103	92	19	17	15	8	254
District of Columbia,	7	9	..	2	1	..	19
Virginia,	325	256	10	8	67	45	711
North Carolina,	198	153	1	3	29	23	407
South Carolina,	74	85	..	1	11	4	145
Georgia,	116	95	..	..	20	21	252
Florida,	8	4	..	..	6	4	22
Alabama,	96	61	1	..	28	25	211
Mississippi,	53	29	..	1	18	18	108
Louisiana,	58	34	3	2	22	12	128
Texas,	33	16	..	..	6	3	58
Arkansas,	46	37	..	..	4	2	89
Tennessee,	195	140	..	2	16	24	377
Kentucky,	258	232	4	3	28	22	589
Ohio,	503	436	6	2	..	..	947
Michigan,	62	59	..	1	..	..	122
Indiana,	301	213	4	..	..	..	518
Illinois,	288	190	..	2	..	..	475
Missouri,	128	116	..	..	10	5	259
Iowa,	27	24	..	..	..	..	51
Wisconsin,	42	23	..	..	..	..	65
California,	5	1	..	..	..	..	6
Territories.							
Minnesota,	..	..	..	..	..	..	..
Oregon,	..	..	..	..	..	..	..
Utah,	..	..	..	..	..	..	..
New Mexico,	5	9	..	..	..	..	23
Totals,	5,027	4,058	78	65	376	213	9,717

V. Churches.

The Assistant Marshals were required to give an account of churches, including halls and chapels, if statedly used as places of public worship, belonging to all religious denominations. By the returns made, it appears that there are 36,011 churches in the several States, and 210 in the District of Columbia and the Territories. The churches in California and the Territories are not fully returned, but the religious denominations in those places are not supposed to have possessed numerous or large buildings. The halls or school-houses which are used in many of the thinly settled portions of the country, and in cities by societies which are unable to build houses of worship for their own use, are not included. By the "aggregate accommodations," in the table, is meant the total number of seats for individuals in the churches. Under the "value of church property" is included the value of each of the churches and property owned by the different religious societies.

By the annexed tables, it will be seen that the total value of church property in the United States is $86,416,639, of which one-half is owned in New York, Massachusetts, and Pennsylvania. In the table, we specify the principal out of more than one hundred denominations returned, although between some of these there are but slight shades of difference in sentiment, or form of church government. About thirty are returned as "African," thirty as "Independent," and twenty as "Protestant," without distinguishing them more particularly. These, and all the churches not properly classed under the heads given, are included in "Minor Sects." All the varieties of Baptists, Methodists, and Presbyterians are included under their general heads, except where distinctly specified.

There is one church for every 557 free inhabitants, or for every 646 of the entire population.

The average number the churches will accommodate is 384, and the average value $2,400.

Churches are more numerous, in proportion to the population, in Indiana, Florida, Delaware, and Ohio; and less numerous in California, Louisiana, and Iowa.

Those in Massachusetts are the largest, and have the greatest average value.

Tables respecting the relative Value and Size of the Churches in the several States, and those of different Denominations, with the Number of Churches to the total population in each State.

Denominations.	*No. of Churches.*	*Aggregate Accommodations.*	*Average Accommodations.*	*Total value of Church Property.*	*Average value of Property.*
Baptist,	8,791	3,180,878	356	$10,981,382	$1,244
Christian,	812	296,050	365	845,910	1,041
Congregational,	1,674	795,177	475	7,978,962	4,766
Dutch Reformed,	324	181,986	561	4,096,780	12,644
Episcopal,	1,422	625,218	440	11,261,970	7,919
Free,	361	108,605	300	252,255	698
Friends,	714	232,823	326	1,709,867	2,395
German Reformed,	327	156,632	479	965,380	2,953
Jewish,	31	16,570	534	371,600	11,987
Lutheran,	1,208	531,100	441	2,657,386	2,886
Mennonite,	110	29,900	272	94,245	856
Methodist,	12,467	4,209,333	337	14,636,671	1,174
Moravian,	331	112,185	338	448,347	1,339
Presbyterian,	4,584	2,040,316	445	14,369,399	3,135
Roman Catholic,	1,112	620,950	558	8,973,388	8,069
Swedenborgian,	15	5,070	338	108,100	7,206
Tunker	52	35,075	674	46,025	885
Union,	619	213,552	345	690,065	1,114
Unitarian,	243	136,867	565	3,268,522	13,449
Universalists,	494	205,463	415	1,767,015	3,576
Minor Sects,	325	115,347	354	741,980	2,283
Totals,	36,011	13,849,396	384	$86,416,639	$2,400

States.	*No. of Churches.*	*Ratio of Churches to the Popul'n.*	*Aggregate Accom'ns of the Churches.*	*Average Accom. in each State.*	*Total value of Church Property.*	*Average Value in each State.*
Maine,	851	685	304,477	358	$1,712,152	$2,012
New Hampshire,	602	528	238,892	389	1,401,586	2,327
Vermont,	564	556	226,444	401	1,213,126	2,151
Massachusetts,	1,490	695	692,906	478	10,205,284	7,187
Rhode Island,	221	667	98,786	447	1,252,000	5,669
Connecticut,	719	515	305,949	425	3,554,894	4,944
New York,	4,084	758	1,896,929	464	21,182,707	5,174
New Jersey,	807	606	344,988	427	3,540,436	4,387
Pennsylvania,	3,509	658	1,566,413	446	11,551,885	3,297
Delaware,	180	508	55,741	310	340,345	1,891
Maryland,	909	641	390,265	429	3,947,894	4,343
Virginia,	2,886	606	884,691	357	2,849,176	1,220
North Carolina,	1,678	617	558,204	333	889,398	530
South Carolina,	1,168	574	458,980	391	2,140,846	1,962
Georgia,	1,728	525	612,392	356	1,269,159	737
Florida,	152	507	41,170	271	165,400	1,088
Alabama,	1,235	624	388,605	315	1,182,076	956
Mississippi,	910	666	275,979	303	754,542	829
Louisiana,	278	1,862	104,060	374	1,782,470	6,412
Texas,	164	1,296	54,495	332	200,580	1,223
Arkansas,	185	1,133	39,980	216	89,315	483
Tennessee,	1,989	517	607,695	313	1,206,876	623
Kentucky,	1,818	540	672,083	379	2,260,098	1,243
Ohio,	3,890	509	1,447,682	372	5,765,149	1,225
Michigan,	360	1,098	118,892	328	723,200	1,998
Indiana,	1,947	507	689,380	354	1,512,485	777
Illinois,	1,167	729	479,078	411	1,416,385	1,265
Missouri,	773	882	241,189	312	1,558,590	2,016
Iowa,	148	1,298	37,759	255	177,400	1,199
Wisconsin,	244	1,250	78,455	322	350,600	1,437
California,	23	7,173	9,600	417	258,300	1,123
Totals,	36,011	646	13,849,896	384	$86,416,689	$2,400

Agriculture.

As agriculture is a branch of industry coeval with the history of mankind—its connection with the general welfare of the nation so intimate—its reciprocal bearing on manufactures so immediate—(both admitted to form the base of prosperity and power of the people)—as it is a branch of science, the prosperity of which, in all its resources, affects individuals of every order, and without which there could be no commerce, it has seemed proper, while exhibiting the actual condition of agricultural industry in the middle of the century, to present, in connection therewith, some history of the character, introduction, and increase of the most important of the agricultural productions of our country, and of their former and present commercial consequence to ourselves and other governments. Realizing that all human life is dependent upon it, and that the earth would be nearly dependent by a year's failure, nearly all the nations of the earth, from the remotest period, have maintained institutions pre-eminently calculated for the promotion of agriculture, honoring husbandry, and encouraging the advancement of the science.

Agriculture is now fostered by the nations of the continent of Europe—it is publicly taught in institutions designed for this special purpose, and in many of their colleges; and the result has been, that, as formerly, while the ancients encouraged agriculture, and it received the attention of orators, and its praises and precepts were recited by the bards, and sung by the poets, and monarchs participated in its labors, learning and agriculture went hand in hand, so that the greatest geniuses of the age identified themselves with its promotion; in these later years, the greatest intellects and scholars have striven to throw more light upon this "grand art of rendering mankind happy, wealthy, and powerful."

VI. Real and Personal Estate.

Appended to our report will be found a table of the valuation of real and personal estate owned by individuals in each of the United States. This table, which fixes the wealth of our citizens at more than 7,133 millions of dollars, is made up from the official returns of property for the purposes of taxation. Where the assessment has been made on a sum less than the intrinsic worth, the Assistant Marshals were instructed to add the necessary percentage to bring it up to its true value. We are of opinion that the entire table falls short of the reality at least 20 per cent. The table does not represent stocks or bonds owned by the separate States, or by the general government. The value of slaves is included.

Valuation of Real and Personal Estate of the Inhabitants of the United States, for the year ending June 1st, 1850.

States.	Real and Personal Estate.	
	Assessed Value.	*True or Estimated Value.*
Alabama,	$219,476,150	$228,204,332
Arkansas,	36,428,675	39,841,025
California,*	22,128,178	22,161,872
Connecticut,	119,068,672	155,707,980
Delaware,	17,442,640	18,652,056
Florida,	22,784,887	22,862,270
Georgia,	335,110,225	335,425,714
Illinois,	114,782,645	156,265,006
Indiana,	152,870,399	202,650,264
Iowa,	21,690,642	23,714,638
Kentucky,	291,887,554	301,628,456
Louisiana,	220,165,172	233,998,764
Maine,	96,765,868	122,777,571
Maryland,	208,563,566	219,217,364
Massachusetts,	546,008,057	573,342,286
Michigan,	30,877,223	59,787,255
Mississippi,	208,422,167	228,951,180
Missouri,	98,595,463	137,247,707
New Hampshire,	92,177,959	103,652,885
New Jersey,†	190,000,000	200,000,000
New York,	715,369,028	1,080,309,216
North Carolina,	212,171,418	228,800,472
Ohio,	433,872,632	504,726,120
Pennsylvania,	497,089,649	722,486,120
Rhode Island,	77,758,974	80,508,694
South Carolina,	283,867,709	283,257,094
Tennessee,	189,437,623	201,246,686
Texas,	51,027,456	52,740,473
Vermont,	71,671,651	92,205,049
Virginia,	881,876,660	430,701,082
Wisconsin,	20,715,525	42,056,595
Total,	$5,984,964,407	$7,508,126,823
Territories.		
Minnesota (not returned in full),	5,174,471	5,174,471
New Mexico,	5,063,474	5,063,474
Oregon,	986,063	986,063
Utah,	14,018,874	14,018,874
District of Columbia,	. . .	. . .
Total,	$6,010,207,309	$7,133,369,725

* Only thirteen counties in California are returned.

† In New Jersey, as the real estate only was returned, the above is partly estimated.

VII. Unimproved Land.

This return is to be understood as including the unimproved land connected with or belonging to those farms from which productions are returned. In the present unsettled state of large portions of the country, this classification is of less practical utility than it will become at a future day, when similar returns will enable us to form calculations respecting the quantity of land brought into requisition annually for agricultural purposes. The following table will exhibit the quantity and value of the improved and unimproved land belonging to the farms and plantations of the several States; and of course it includes the value of the buildings theron:

Statement showing the Number of Acres of Improved and Unimproved Land, in Farms, Cash Value thereof, and average Cash Value per Acre, in each State, &c.

States.	*Acres of Improved Land.*	*Acres of Unimproved Land in Farms.*	*Total.*	*Cash Value of Land Improved and Unimpr'd.*	*Aver. Cash Value p. Acre.*
Maine,	2,089,596	2,515,797	4,555,393	$54,864,748	$12.64
New Hampshire,	2,251,488	1,140,926	3,392,414	55,245,997	16.28
Vermont,	2,601,409	1,524,413	4,125,822	68,867,227	15.86
Massachusetts,	2,133,436	1,222,576	3,356,012	109,076,347	32.50
Rhode Island,	356,487	197,451	553,938	17,070,802	30.82
Connecticut,	1,708,178	615,701	2,323,879	72,726,422	30.50
New York,	12,406,968	6,710,120	19,119,088	554,546,642	29.00
New Jersey,	1,767,991	984,955	2,752,946	120,237,511	43.67
Pennsylvania,	8,628,619	6,294,728	14,923,347	407,876,099	27.33
Delaware,	580,962	375,282	956,144	18,880,081	19.75
Maryland,	2,797,905	1,886,445	4,684,350	87,178,545	18.81
Dist. Columbia,	16,267	11,187	27,454	1,780,460	63.08
Virginia,	10,860,135	15,792,176	26,152,311	216,401,441	8.27
North Carolina,	5,458,977	15,543,010	20,996,987	67,891,766	3.23
South Carolina,	4,072,651	12,145,049	16,217,700	82,431,684	5.08
Georgia,	6,378,479	16,442,900	22,821,379	95,758,445	4.19
Florida,	349,049	1,236,240	1,585,289	6,823,109	3.99
Alabama,	4,485,614	7,702,067	12,187,681	64,823,224	5.30
Mississippi,	3,444,358	7,046,061	10,490,419	54,788,684	5.22
Louisiana,	1,590,025	3,939,018	5,529,043	75,814,398	13.71
Texas,	689,107	14,454,669	15,098,776	16,898,747	1.09
Arkansas,	781,531	1,816,684	2,598,215	15,965,245	5.88
Tennessee,	5,175,173	13,808,849	18,984,022	97,851,212	5.16
Kentucky,	11,868,270	10,972,478	22,840,748	154,880,262	6.91
Ohio,	9,851,493	8,146,090	17,997,493	358,758,608	19.93
Michigan,	1,929,110	2,454,780	4,383,890	51,872,446	11.83
Indiana,	5,046,543	7,746,879	12,793,422	136,365,178	10.66
Illinois,	5,089,545	6,997,867	12,087,412	96,133,290	7.99
Missouri,	2,988,425	6,794,245	9,782,670	63,225,543	6.50
Iowa,	824,682	1,911,382	2,736,064	16,687,567	6.09
Wisconsin,	1,045,499	1,931,159	2,976,658	28,528,563	9.58
California,	62,324	3,831,571	3,893,895	3,874,041	0.99
Territories.					
Minnesota,	5,085	23,846	28,931	161,948	5.61
Oregon,	132,857	299,951	432,808	2,849,170	6.58
Utah,	16,333	30,516	46,849	311,799	6.65
New Mexico,	166,201	124,370	290,571	1,658,952	5.69
Aggregate,	118,457,622	184,621,348	303,078,970	$3,270,733,093	$10.79

VIII. Expectations of Life.

Completed Ages.	Massachusetts.		Maryland.		England.	
	Males.	Females.	Males.	Females.	Males.	Females.
0	38.3	40.5	41.8	44.9	40.2	42.2
10	48.0	47.2	47.3	49.5	47.1	47.8
20	40.1	40.2	39.7	42.1	39.9	40.8
30	34.0	35.4	32.9	35.7	33.1	34.3
40	27.9	29.8	25.8	29.5	26.6	27.7
50	21.6	23.5	20.2	23.7	20.	21.1
60	15.6	17.0	14.4	16.0	13.6	14.4
70	10.2	11.3	9.1	10.5	8.5	9.0
80	5.9	6.4	6.2	7.0	4.9	5.2
90	2.8	3.0	3.9	4.3	2.7	2.8

The expectation of life expresses in years and decimal parts of a year the future length of life to be lived, on an average, after attaining a given age. Thus, on arriving at the age of thirty, the average future lifetime of males, by the Massachusetts table, is thirty-four years, while that of females is thirty-five and four-tenths. The expectations for other ages and columns of the table will readily be understood from mere inspection, though the analytic process of deriving the values requires much collateral research and professional experience. As the year is a natural unit of time, universally familiar, the expectation is doubtless the simplest method that could be devised for exhibiting, at a glance, the changing value of life. Viewed as a whole, the general correspondence, both of the ratios of mortality and the mean length of life, from independent sources, sufficiently verifies their accuracy.

For general estimates, adopting the current classification of the States, the American census exhibits the following ratios of mortality, disregarding the ages at death:

Ratios of Mortality.

States.	Annual Deaths per Cent.	Ratio to the Number living.
New England States,	1.55	1 to 64
Middle States (with Ohio),	1.38	1 to 72
Central slave States,	1.39	1 to 73
Coast planting States,	1.37	1 to 73
Northwestern States,	1.24	1 to 80
United States total,	1.38	1 to 73

It will be seen that the values for the three middle divisions strikingly agree with the average for the United States, as a whole, representing one death to seventy-three living; and this is substantially the ratio stated by Webster for interior towns in 1805:—"The annual deaths," he observed, "amount only to one in seventy or seventy-five of the population." The inquiry might arise, in examining the preceding abstract, why the rate of deaths in the Northwestern States should be so much lower than in the Middle States, and especially New England. In reply, the mere ratios of mortality are not conclusive upon the question of relative longevity, without taking into account the proportions of young and aged, and the increase of population. Without attempting a full explanation, one source of the difference referred to undoubtedly lies in the youthful character of the population of the new States, and the comparative absence of aged persons, who remain in the older States of the Union. The influence of this emigration will be understood by table 1, where, from the age of five to thirty, the deaths are only from one-half to one per cent.; while above the age of fifty-five, the rate of deaths increases from two to thirty-five per cent. Wisconsin and other Northwestern States being newly settled by persons chiefly in the prime of life, in the comparative absence of older persons, the percentage of deaths should be less, as it is indeed given by the census. This distinction will tend, in a considerable degree, to reconcile apparent differences in the returns.

With respect to the longevity and vital characteristics of slaves and the free colored, the following epitome of life tables is given for three localities—selected from the Northern, Middle, and Southern States. The values for New England are deduced from the general census, embracing 28,020 colored residents; that of Maryland is founded upon the total returns of 90,368 slaves; and that of Louisiana upon the aggregate of 244,786 slaves, and 17,537 free colored, taken collectively. The relative preponderance of female African life is remarkable, while the prevalent opinion of the greater mortality of male slaves in Louisiana is statistically confirmed. The table possesses a higher interest, not only from the definite and comprehensive information contained, but for being the first of the kind for the colored classes in the United States:

Expectation of Life for Colored Persons.

Completed Ages.	New England.		Maryland.		Louisiana.	
	Males.	Females.	Males.	Females.	Males.	Females.
	Years	Years.	Years.	Years.	Years	Years.
0	39.75	40.20	38.47	39.47	28.89	34.09
10	42.92	45.75	45.30	45.00	35.92	40.69
20	35.87	39.92	39.28	39.62	30.48	35.36
30	29.77	34.96	34.41	34.62	26.87	30.86
40	22.83	28.75	27.50	29.00	23.25	25.85
50	18.27	22.11	21.16	23.17	19.18	21.07
60	13.89	17.31	14.82	16.71	14.75	15.27
70	9.42	13.06	8.76	10.57	11.33	10.98
80	6.44	7.87	5.40	6.80	5.88	6.16
90	3.69	4.61	3.80	4.00	3.43	3.34

Nativity of the Population.

One of the most interesting results of the census is the classification of inhabitants, according to the countries of their birth, presented in an authentic shape in No. 5 of the accompanying tables. We are thus enabled to discover, for the first time, of what our nation is composed. The investigations under this head have resulted in showing, that of the free inhabitants of the United States, 17,736,792 are natives of its soil, and that 2,210,828 were born in foreign countries; while the nativity of 39,227 could not be determined. It is shown that 1,965,518 of the whole number of foreign born inhabitants were residents of the free States, and 245,310 of the slave States. It is seen that the persons of foreign birth form 11.06 per cent. of the whole free population. The countries from which have been derived the largest portions of these additions to our population appear in the following statement:

Natives of Ireland in the United States, in 1850,	961,719
" Germany " "	573,225
" England " "	278,675
" British America, " "	147,700
" Scotland, " "	70,550
" France, " "	54,069
" Wales, " "	29,368
All other countries,	95,022
Total,	2,115,806

The proportion in which the several countries above named have contributed to the aggregate immigrant population is shown in the subjoined statement:

Ireland,	43.4 per cent.	Scotland,	3.17 per cent.
Germany,	25.9 "	France,	2.44 "
England,	12.6 "	Wales,	1.34 "
British America,	6.68 "	Miscellaneous,	4.47 "
Aggregate,			20.0 per cent.

IX. England and France.

By the census of 1851, it appears that the population of England, Ireland, Scotland, Wales, and the Islands, including persons in the army, navy, and the merchant service, amounted to 27,619,866, of whom 13,537,052 were males, and 14,082,814 were females.

This population is distributed as follows, viz.:

	Houses.	*Males.*	*Females.*	*Total.*
England and Wales,	3,280,961	8,762,588	9,160,180	17,922,768
Scotland,	366,650	1,363,693	1,507,163	2,870,784
Ireland,	1,047,735	3,176,727	3,339,067	6,515,794
Islands in the British Seas,	21,826	65,511	76,405	142,916
Part of the Army and Navy out of the Kingdom,	. . .	167,604	. . .	167,604
Total,	4,717,172	13,537,052	14,082,814	27,619,866

There exists no official record of the population of England previous to the commencement of the present century. The first enumeration of the population of Ireland was in 1813; but so imperfectly was the work accomplished, that English statists place no reliance on the correctness of the returns, and make no use of them as the basis of calculation, so that the only tables upon which we can base statements, with reference to the progress of Ireland from time to time, must be made with reference to the termination of each ten years, ending in 1831, 1841, and 1851. The first census of Great Britain was taken in 1801, at which date the population amounted to 10,567,893.

By the census of 1841, the population of Great Britain and the Islands of Jersey, Guernsey, and Man amounted to 18,658,372. During each ten years from 1801 to 1851, the actual increase was as follows, viz.: 1,479,562—2,132,896—2,184,542—2,260,749—2,227,438, being at the rate of 14, 18, 15, 14, and 12 per cent. respectively. The actual increase of the population in fifty years has been 10,317,917; the rate per cent. in fifty years, 98; the annual rate per cent. being 137.

With respect to Ireland and the returns of 1821, the number of inhabitants at that period was 6,801,827 In 1831, 7,767,401—increase, 965,574; rate per cent., 14, 19. In 1841, 8,175,124—increase, 407,723; rate per cent., 5, 25. In 1851, 6,515,794—decrease, 1,659,330; rate per cent., 20. By this statement, we perceive that the population of Ireland increased from 1821 to 1841 at the average rate of about one per cent. per annum, while a decrease of 1,659,330 from 1841 to 1851, indicates a most appalling diminution of population amounting to two per cent. per annum, or 20 per cent. for the entire ten years; a reduction amounting to the total emigration from the whole United Kingdom from 1839 to 1850.

The contemplation of such a state of affairs is the more melancholy, when we consider that the great diminution of population, in place of being equalized through the period of ten years, must have occurred mainly within one or two years; a reduction of population sinking the number of people to a lower point than it was in 1821, when the first census of Ireland was taken; and it would appear in still stronger light, if we were to calculate the natural progress the population would have made up to 1846, the year of famine, and estimate what should be the present population, if no unnatural cause had operated to reduce it.

The decrease extended to no less than 31 counties and cities, and varied from 9 to 31 per cent., while the only increase which occurred was confined to 9 towns and cities, to which many probably fled to find relief. The greatest decrease occurred in the county of Cork, the population of which was reduced 222,246—viz., from 773,398 inhabitants in 1841, to 551,152 in 1851, equivalent to a reduction of 28 per cent.

The decrease in the several provinces was as follows, viz.: Leinster, 305,960; Munster, 564,344; Ulster, 382,084; Connaught, 406,942.

POPULATION OF FRANCE.

Year.	*Men.*	*Women.*	*Total.*	*Increase Population.*	*For the Period.*	*Annual.*
1801.	13,311,889	14,037,114	27,349,003	. . . .	. .	. .
1806, ...	14,822,850	14,794,575	29,107,425	1,758,422	6.43	1.28
1821, ...	14,796,775	15,665,100	30,451,875	1,354,450	4.65	0.31
1831, ...	15,980,095	16,619,128	32,569,223	2,107,348	6.92	0.69
1836, ...	16,460,701	17,080,209	33,540,910	971,687	3.00	0.60
1841, ...	16,903,674	17,321,504	34,240,178	699,268	2.05	0.41
1846, ...	17,548,083	17,858,008	35,400,486	1,160,308	3.42	0.68
1851, ...	. . . .	. . . .	35,781,628	381,142	1.06	0.21

From the foregoing statement it will be seen that France, with a population of more than 35,000,000, has increased in the number of her people but little more than the two States of New York and Pennsylvania, with not more than one-third her population, in the same period.

X. Report of the Superintendent of the Census, on Railroads in the United States.

In no other particular can the prosperity of a country be more strikingly manifested than by the perfection of its roads and other means of internal communication. The system of railroads, canals, turnpikes, post routes, river navigation, and telegraphs, possessed by the United States, presents an indication of its advancement in power and civilization more wonderful than any other feature of its progress. In truth, our country in this respect occupies the first place among the nations of the world.

From returns received at this office, in reply to special circulars and other sources of information, it is ascertained that there were, at the commencement of the year 1852, 10,814 miles of railroad completed and in use; and that 10,898 miles were then in course of construction, with a prospect of being speedily brought into use. While the whole of these 10,898 miles will, beyond reasonable doubt, have been finished within five years, such is the activity with which projects for works of this character are brought forward and carried into effect, that it is not extravagant to assume that there will be completed within the limits of the United States, before the year 1860, at least 35,000 miles of railroad.

The Quincy Railroad, for the transportation of granite from the quarries at Quincy to Boston Harbor, and the Mauch Chunk Railroad, from the coal mines to the Lehigh River, in Pennsylvania, were the first attempts to introduce that mode of transportation in this country, and their construction and opening in the years 1826 and '27, are properly considered the commencement of the American Railroad System. From this period until about the year 1848, the progress of the improvements thus begun was interrupted only by the financial revulsions which followed the events of 1836–37. Up to 1848, it is stated that about 6000 miles had been finished. Since that date, an addition of 5000 miles has been made to the completed roads, and, including the present year, new lines, comprising about 14,000 miles, have been undertaken, surveyed, and mostly placed under contract.

The usefulness and comparative economy of railroads as channels of commerce and travel have become so evident that they have in some measure superseded canals, and are likely to detract seriously from the importance of navigable rivers for like purposes. In a new country like ours, many items of expense which go to swell the cost of railroads in England and on the continent, are avoided. Material is cheap, the right of way usually freely granted, and heavy land-damages seldom interpose to retard the free progress of an important work. It is difficult to arrive at a close approximation to the average cost of railroad construction in the United States. Probably the first important work of this class undertaken and carried through in the Union, was the cheapest, as it has proved one of the most profitable ever built. This was the road from Charleston, in South Carolina, to Augusta, on the Savannah River. It was finished and opened for traffic in 1833. The entire expense of building the road and equipping it with engines and cars

for passengers and freight was, at the date of its completion, only $6700 per mile; and all expenditures for repairs and improvements during the eighteen years that the road has been in operation, have raised the aggregate cost of the work to only $1,336,615, or less than $10,000 per mile.

It is estimated that the 2,870 miles of railroads finished in New England have cost $132,000,000, which gives an average of nearly $46,000 per mile. In the Middle States, where the natural obstacles are somewhat less, the average expense per mile of the railroads already built is not far from $40,000. Those now in course of completion, as the Baltimore and Ohio Railroad, Pennsylvania Central and other lines, the routes of which cross the Alleghany range of mountains, will probably require a larger proportionate outlay, owing to the heavy expense of grading, bridging, and tunnelling. In those States where land has become exceedingly valuable, the cost of extinguishing private titles to the real estate required, and the damages to property along the routes, form a heavy item in the account of general expenses of building railroads. In the South and West the case is reversed—there the proprietors along the proposed line of a road are often willing and anxious to give as much land as may be needed for its purposes, and accord many other advantages in order to secure its location through or in the vicinity of their possessions. In the States lying in the valleys of the Ohio and Mississippi, the cost of grading, also, is much less than at the eastward. Where the country is wooded, the timber can be obtained at the mere cost of removing it from the track; and through prairie districts, nature seems to have prepared the way for the structures by removing every obstacle from the surface, while fine quarries of stone are to be found in almost every region. These favorable circumstances render the estimate of $20,000 per mile, in all the new States, safe and reliable.

The following table presents in a convenient form some of the principal facts connected with railroads in the United States on the first of January, 1852.

States with Rail-r'ds in oper'n or in process of construction.	*Miles of Rail'rd completed and in operation.*	*Miles of Rail-r'd in course of construction.*	*Area of the States in square miles.*	*Population in 1850.*	*No. of Inhabitants to the sq. mile.*
Maine,	315	127	30,000	583,188	19.44
New Hampshire,	489	47	9,280	317,964	34.26
Vermont,	380	59	10,212	314,120	30.76
Massachusetts,	1,069	67	7,800	994,499	127.49
Rhode Island,	50	33	1,306	147,544	112.97
Connecticut,	547	261	4,674	370,791	79.33
New York,	1,826	745	46,000	3,097,394	67.38
New Jersey,	226	111	8,320	489,555	58.84
Pennsylvania,	1,146	774	46,000	2,311,786	50.25
Delaware,	16	11	2,120	91,535	43.17
Maryland,	376	125	9,356	583,035	62.31
Virginia,	478	318	61,352	1,421,661	23.17
North Carolina,	249	385	45,000	868,908	19.30
South Carolina,	340	226	24,500	668,507	27.28
Georgia,	754	229	58,000	905,999	15.62
Alabama,	121	190	50,722	771,671	15.21
Mississippi,	98	278	47,156	606,555	12.86
Louisiana,	68	..	46,431	517,739	11.15
Texas,	..	88	237,321	212,592	.89
Tennessee,	112	748	45,600	1,002,625	21.98
Kentucky,	98	414	37,680	982,405	26.07
Ohio,	828	1,892	39,964	1,980,408	49.55
Michigan,	427	..	56,243	397,654	7.07
Indiana,	600	915	33,809	988,416	29.23
Illinois,	176	1,409	55,405	851,470	15.36
Missouri,	..	515	67,380	682,043	10.12
Wisconsin,	20	421	53,924	305,191	5.65
Totals,	10,814	10,898	...	...	..

From the best information obtained, it is assumed that 1200 miles of railroad have been completed during the present year (1852), and that about 2000 miles of new road have been placed under contract, which are now in course of construction. These figures increase the statement of railroads completed in the United States, December 1, 1852, to 12,014 miles, and of such as are in progress to 12,898 miles.

From this brief sketch of American railroads should not be excluded some mention of several projects, which are not only closely connected with the interests of the United States, but possess something of natural importance.

The first of these in point of vastness of design is the enterprise of building a railroad from the Mississippi River to the Pacific Ocean. The routes proposed in this great work are almost as numerous as the persons who claim the merit of having first suggested and brought forward the scheme of thus completing the chain of railroad connection between the Atlantic and Pacific coasts of the Union. Although the importance of such a work to the prosperity of the nation cannot be doubted, there is reason to fear that many years will elapse before the resources of the country will be found sufficient for its accomplishment. No scientific survey of any route west of the frontier of Missouri has been made, but it is not probable that any could be found that would bring the line of travel between the Mississippi and the ocean within the limit of 1600 miles. The natural obstacles to be overcome are the Rocky Mountains and the Sierra Nevada, the deserts between the Missouri and the former chain, and those of the great basin, the flying sand, and the want of timber. Further explorations may lead to the discovery of means to overcome these difficulties. Should the cost not exceed the average of Western roads, it would be only about $32,000,000, or only twenty-five per cent. more than has been expended upon the Erie Railroad, less than fifty per cent. greater than the aggregate expenditure upon the Baltimore and Ohio Railroad, and not two-thirds of that incurred by the State of Massachusetts on her railroads.

For the purpose of comparison with the foregoing, the subjoined statement has been compared, showing the number of miles of railroads, with their costs, according to the most generally received authorities in all the countries of Europe in which those improvements have been, to any considerable extent, introduced:

	Miles.	*Aggregate.*	*Cost per Mile.*
Great Britain and Ireland,	6,890	$1,218,000,000	$177,000
German States, including Austria and Prussia,	5,332	325,875,000	61,000
France,	1,018	258,905,000	254,000
Belgium,	592	46,288,000	49,000
Russia,	200	15,000,000	75,000
Italy,	170	15,000,000	88,000
Totals,	4,142	$1,859,068,000	. . .

The preceding table was made before the opening of the railway from St. Petersburgh to Moscow, which, being nearly four hundred miles in length, would add largely to these statistics, so far as refers to Russia. In France, also, during the past season, 1500 miles of railway, in addition to that stated in the table, were opened, making the whole extent of railway in that country, in July last, about 2500 miles; and it is expected that during the course of the ensuing year 1800 miles additional will be completed.

XI. Telegraphs in the United States.

Abstract of a Paper upon the Telegraph in America, being the conclusion of the Report of the Superintendent of the Census.

Frequent applications having been made to this office by the representatives of foreign governments, for information upon the telegraph system of the United States, the Superintendent has thought it within the scope of his official duty to collect and place in official shape the most important facts relative to that subject.

In the United States, the telegraph system is carried to a greater extent than in any other country of the world; and it is anticipated that, in a few years, communication will be established by this wonderful agent between the capital of the republic and its most distant coasts on the Pacific, as it already extends to each extremity of the Atlantic and Gulf coasts, and through all inhabited parts of the interior.

The practical application of the magnetic telegraph to the purpose of communication between distant points is a result of American ingenuity. The honor of the invention and the application of it is awarded to Professors Henry and Morse, and other scientific men of our own country.

The first attempt to apply electricity to the transmission of signals was made by Le Sage, a Frenchman, in 1774. From 1820 to 1850 there have been no less than 68 claimants for the different varieties of telegraph. The only kinds used in this country are those of Messrs. Morse, Bain, and House. Prof. Morse conceived the design of an electro-chemical telegraph in 1832, which, after numerous experiments, he announced to the public in 1837. In March, Hon L. Woodbury, Secretary of the Treasury, issued a circular, requesting information as to the establishment of telegraphs in the United States. Prof. Morse replied to this circular, communicating his plan, and said he presumed five words could be communicated in a minute. In 1842, Prof. Morse procured an appropriation of $30,000 from Congress, for testing his mode, by a line of wires from Washington to Baltimore, a distance of forty miles. It was completed in 1844, and extended to Boston in 1845. Within a few years after this first experiment, the following lines were in operation:

From Washington to Halifax, N. S.,	900	miles.
" Philadelphia to St. Louis,	1,000	"
" New York to Milwaukie,	1,300	"
" Buffalo, via Montreal and Quebec, to Halifax,	1,895	"
" New York to New Orleans, via Charleston,	1,966	"
" Cleveland to New Orleans, via Cincinnati,	1,900	"

The capital of the Washington and New York Company is $370,000. Its total receipts, from January, 1846, to July, 1852, were $385,641 42.

The receipts of the first six months were $4,288 77; of the first eighteen months, $32,810 28; of the last year, $103,860 84. The number of messages over this line, during the last six months, was 154,514. One line transmitted seven hundred messages in one day, exclusive of communications for the press. It is a fact now so familiar to us as to excite no special attention, that the President's message and the most elaborate addresses are sent by this mode, so as to permit of their simultaneous publication at the place of delivery and at points hundreds of miles distant.

The following is a list of the Telegraphs in the United States.

Telegraph Companies.	No. of Wires.	Miles.	T'l Miles of Wire.
New York and Boston Telegraph Company,	3	450	750
Merchants' Telegraph Company, New York and Boston,	2	250	500
House's Printing Telegraph Company,	1	250	250
Boston and Portland,	1	100	100
Merchants' Telegraph Company, Boston and Portland,	1	100	100
Portland to Calais,	1	350	350
Boston to Burlington, Vt., thence to Ogdensburg, N. Y.	1	350	350
Boston to Newburyport,	1	24	24

Telegraph Companies.	No. of Wires.	Miles.	T'l Miles Wire.
Worcester to New Bedford,	1	97	97
Worcester to New London,	1	74	74
New York, Albany, and Buffalo,	3	513	1,539
New York State Telegraph Co., New York to Buffalo,	2	550	1,100
Syracuse to Ogdensburg,	1	150	150
Troy to Saratoga,	1	36	36
Syracuse to Oswego,	1	40	40
House Telegraph Co., New York to Buffalo,	2	550	1,100
New York and Erie Telegraph, New York to Dunkirk,	1	440	440
New York and Erie Rail'd Tel., New York to Dunkirk,	1	460	460
Magnetic Telegraph Co., New York to Washington,	7	260	1,820
House Line, New York to Philadelphia,	1	100	100
Troy and Canada Junction Telegraph Co., Troy and Montreal,	1	260	260
Erie and Michigan Telegraph Co., Buffalo to Milwaukie,	2	800	1,600
Cleveland to Cincinnati,	2	250	500
Cincinnati to St. Louis, via Indianapolis,	1	400	400
Cincinnati to St. Louis, via Vincennes,	1	410	410
Cleveland and Pittsburg,	2	150	300
Cleveland and Zanesville,	1	150	150
Lake Erie Telegraph Co., Buffalo to Detroit,	1	400	400
Cincinnati to Sandusky City,	1	218	218
Toledo and Terre Haute,	1	300	300
Chicago and St. Louis,	1	400	400
Milwaukie and Green Bay,	1	200	200
Milwaukie and Galena,	1	250	250
Chicago to Galena, Whitewater, and Dixon,	1	310	310
Chicago to Janesville,	1	100	100
Buffalo and Canada Junction Telegraph Co.,	1	200	200
New York and New Orleans, by Charleston,	1	1,966	1,966
Harper's Ferry to Winchester, Va.,	1	32	32
Baltimore to Cumberland,	1	324	324
Baltimore to Harrisburg,	1	72	72
York to Lancaster,	1	22	22
Philadelphia and Lewiston, Del.,	1	12	12
Philadelphia and New York,	6	120	720
Philadelphia and Pittsburg,	1	309	309
Philadelphia and Pottsville,	1	98	98
Reading and Harrisburg,	1	51	51
Troy to Whitehall,	1	72	72
Auburn and Elmira,	1	75	75
Pittsburg and Cincinnati,	2	310	620
Columbus and Portsmouth, Ohio,	1	100	100
Columbia and New Orleans,	1	688	688
New Orleans to Balize,	1	90	90
Cincinnati and Maysville, Ky.,	1	60	60
Alton and Galena,	1	330	330
St. Louis and Independence,	1	25	25
St. Louis and Chicago,	1	330	330
Newark and Zanesville,	1	40	40
Mansfield and Sandusky,	1	40	40
Columbus and Lancaster, Ohio,	1	25	25
Lancaster and Logansport,	1	15	15
Cincinnati to Chicago, wire in Ohio,	1	100	100
Zanesville and Marietta,	1	66	66
Dunkirk, New York, and Pittsburg,	1	200	200
Camden and Cape May, N. J.,	1	100	100
Camden and Mount Holly, N. J.,	1	25	25
New York and Sandy Hook,	1	80	80
Cleveland and New Orleans, by Cincinnati,	1	1,200	1,200
Total,	89	16,720	23,275

MISCELLANEOUS.

THE DEBT OF NEW ORLEANS.—In accordance with a notice which will be found in our columns, the commissioners of the Consolidated Debt of New Orleans proceeded, yesterday at 2 o'clock, to open the offers for the exchange of any of the immatured obligations of the old city, the several municipalities, and of Lafayette, for the bonds of the consolidated city, having forty years to run, and bearing six per cent. interest, payable semi-annually. There were about $110,000 offered for exchange, as will appear from the annexed list. We learn that the commissioners have adopted "Price's Tables" as the basis of exchange. These tables are the re-organized standard by which obligations of different dates, and bearing different rates of interest, are, in all the large cities, exchanged; and we think the commissioners have acted wisely in adopting them as the basis of their action. The equation of time and interest in these tables is perfectly equitable, and while the interest of the city is protected, the holders of its obligations have ample justice done them. This large offer for exchange is a high compliment to the policy of the commissioners and gives assurance that the debts of the city will very shortly be placed upon a permanent and solid footing. It will be perceived that the commissioners will continue to receive proposals for exchanging the immatured obligations of the old corporations on the fourth Monday in every month, until the whole shall be consolidated into one debt. The inducement to the holder is manifest; for the bonds of the consolidated city have a high and fixed value, and, in addition, should the holder desire to realize his capital, he can bid for the annual surplus which must necessarily remain of the $650,000, after the payment of the annual interest. This surplus can only be applied to the liquidation of the bonds issued under the act of consolidation.

By reference to our advertising columns it will be perceived that our commissioners propose to receive proposals for the sale of $1,300,000 of bonds of the consolidated city, having forty years to run, and bearing six per cent. interest, payable semi-annually in New York. We learn that there is every reason to expect that the offering for these bonds will be large, and as there are no securities that can present greater inducements to capitalists, it is to be presumed that, under the present plethora of the money market, these bonds will bring a handsome premium.

We append the bids for the exchange of bonds received and opened yesterday by the commissioners:

J. Corning & Co.,	$400,000	John Hughes,	1,000
Warnecken & Kirchoff,	6,000	J. L. Moss,	18,000
Louisiana State Bank,	291,000	Union Bank of Louisiana,	221,000
Otis Daniel,	2,200	Wm. Frost,	12,000
Price, Frost & Co.,	10,000	Henry Blood,	7,000
James D. Denegre,	36,000	Louis L. Hoffman,	1,000
L. Purcell,	6,000	Fred. A. Brown,	7,600
E. W. Clark, Dodge & Co.,	40,000		
W. & J. Montgomery,	13,000		$1,072,200

—*N. O. Bulletin, Nov. 23d.*

RUSSIA.—From the 1st of January next the importation of manufactured gold and silver will be prohibited for the kingdom of Poland. The goldsmiths in Warsaw and Kalisch used to draw their supply of such articles principally from the German establishments. After the above date a commission will be established in Warsaw, to which the Polish manufacturers must send their stock of gold and silver to be melted and stamped; from this metal alone they will be allowed to work, and the articles in their shops must agree in weight with the quantity of metal they declare. In case of fraud or error the offenders will be visited by fines and the confiscation of their goods.

ENGLISH CONSOLS.—It is seriously proposed to reduce the English Three per Cents to a 2½ per cent. stock. In fact, the abundance of capital in that country at two per cent. would seem to warrant such a measure. It is understood that the Belgian Government are about to reduce their 5 per. cent. bonds to 4½ per cents. The price of the existing 4½ per cents. has, consequently, experienced a rise of about 1½ per cent., while in that of the 5 per cents. there has been a decline of ½.

GENEROUS DONATION.—Dr. Smead, of Cincinnati, has made another of his generous donations for five thousand dollars for the benefit of the WIDOW'S HOME, viz.:

CINCINNATI, *Dec.* 3, 1852.

Mrs. D. B. Lawler, Treasurer.—Madam:—I have placed five thousand dollars to the credit of the Widow's Home Building Fund on the books of the Citizen's Bank, which you will please accept as a donation.

Very respectfully yours, W. SMEAD.

Card.—The treasurer of the "Society for the Relief of Aged and Indigent Women," a Widow's Home, has great pleasure in announcing that their good friend and patron, Dr. Wesley Smead, has again made the society another munificent donation of five thousand dollars, for the use of the building fund, making in all the sum of fifteen thousand dollars contributed by this gentleman to erect and endow a suitable retreat and home for the worthy objects of this most charitable and laudable institution.

The building is now completed and *paid for*, chiefly through the exertions and liberality of this gentleman, and has been occupied for some time past by the small number of inmates whom the limited income of the society has enabled the managers to admit.

Many applications for admittance have been reluctantly but necessarily rejected on this account, but an appeal will shortly, and it is hoped *successfully*, be made to the benevolence of our citizens, for such aid and assistance in the way of endowment, as will enable the managers to fill all the vacant rooms of their beautiful retreat with worthy subjects, without the constant fear of encountering pecuniary embarrassment.

Dec. 4, 1852.

FREE BANKING AT THE WEST.—TheN. Y. Journal of Commerce makes the following remarks concerning the free banks lately established in the Western States:

"The list of new banks is increasing so rapidly, that it is almost impossible to keep a record of them; and unless the public exercise more than their usual caution, there will be some notable swindling carried on under this guise. Foiled at the seat of government, the operators in this species of currency have turned to the West, and, under the free banking laws of Illinois, Indiana, and Wisconsin, are preparing more than one million of dollars in notes, with which to flood the channels of circulation at the East. There can be no mistake on this point. It is not the Western capital thus seeking profitable employment; nor is it Eastern capital invested at the West to afford accommodation to the residents there. Not a dollar of the new currency will be issued where it is likely to be presented at the bank for redemption. The object of the distant location is to *avoid par redemption*, and to shave those who may be induced to receive the bills, out of such a rate of discount as may best suit the purposes of the Wall-street owners."

AUSTRALIA.—Advices have been received in England from Australia to the 2d of September, being nearly two months later than those by the previous arrival. They confirm all the anticipations regarding the yield of gold at the Mount Alexander mines, in the colony of Victoria, and although precise statements are wanting of the amount collected, there is reason to assume that for a month or two before the date of the present intelligence it must have averaged £400,000 a-week.

The extent and abundance of the fields are such that new comers of all kinds appear to be welcomed, and there can be little question that any considerable amount of population might find ample gains. No instances of prolonged failure are mentioned, and there had been some cases of sudden success more marvellous than any before reported. Thus an instance is stated of one party who obtained £6,000 in a single morning. Now deposits are constantly being discovered, not only in Victoria, but in the adjoining colony of New South Wales. In South Australia also, where the search had hitherto proved ineffectual, a large field of great richness is now announced to have been opened up within a short distance of the town of Adelaide.

Under these circumstances, although the tide of immigration was setting in strongly, there was no reduction in the high rates for all descriptions of labors, the attraction of the mines rendering it hopeless to induce any large number of persons to accept permanent engagements. It was as difficult as ever for ships to get away, and hence the remittances of gold to England were less than would otherwise have been the case, although they were enormously large. During the past week upward of £1,000,000 have arrived in London, (one vessel having brought £600,000,) and other shipments of about £1,000,000 are known to be on their way.

Singular Recovery of a Missing Deposit.—A gentleman who is doing business as a stock-broker at No. 47 State-st., occupies as an office the room some years ago used as a banking-house by the Eagle Bank. In one corner of the room a fire-proof vault is walled in with brick grated around inside with iron, and closed by means of double iron doors. The broker was removing from one of the dark corners of the vault some rubbish and waste papers, which had accumulated there, and pushing a stick which he held in his hand between the gratings, it struck something which sounded like coin. Upon examining closely, he discovered and drew out a small bag containing twenty doubloons and some small coin. The bag was marked:

"D. Draper—23 doubloons and one half sovereign, 3 doubloons out. June 29."

Thinking that it must be some of the funds of the Eagle Bank, the broker repaired with the treasure to that institution, and requested the officers to try and ascertain if the funds were theirs. Upon examining the books it was discovered that some six or seven years ago, Daniel Draper, of Boston, made the identical special deposit in the bank; and a short time, on calling for his funds, the bag had strangely disappeared and could not be found. The clerk remembers that the most rigid examination and search was instituted to no purpose, and that every means was used to ascertain the manner of its abstraction, but in vain.

The money being a special deposit, the bank did not consider itself liable, but finally compromised the affair by itself and Mr. Draper each pocketing one-half of the loss. And there the money has lain, undetected for several years, where it had accidently fallen in an obscure corner of a safe which has been in constant use up to this day, and has been in the hands of successive occupants ever since.—*Boston Journal.*

California Gold.—The production of our gold mines, instead of falling off, as croakers long ago predicted, seems to be steadily on the increase. The shipment, during the month of October just passed, reached the large sum of $4,679,212, and, from the amount taken by the California to-day, it is evident that this will be increased to full $5,500,000 for the present month—by far the largest amount ever shipped from our port within the same period of time.

The Government assayer, Mr. Humbert, is now engaged in coining ingots of the value of $50, of standard fineness. The standard adopted by the Government is 900–1,000 gold, and 100 alloy. This new coinage will meet the requirements of the recent treasury order.

The Sacramento Union says that by far the greatest shipment of gold-dust ever made from this city semi-monthly goes forward to-day from the banking-house of Page, Bacon & Co., the amount reaching the enormous sum of five hundred and one thousand three hundred and sixty-four dollars and fifty cents.

The first cotton of California growth that we have had the pleasure of seeing consisted of a single limb, which contained some half dozen bolls, three of which were open, and the cotton in them, as well as seed, completely formed. The staple was fine, and, in length, strength, and whiteness, resembles what is called in Alabama and Mississippi "sandy land cotton."—*Alta Californian.*

Serious Robbery.—On Saturday, a few minutes past 1 o'clock, a young man was sent by the cashier of Messrs Brown, Shipley & Co., of Chapel-street, the agents for the United States Transatlantic Steam Company, to the Liverpool branch of the Bank of England, with notes to the amount of £3,000, being composed of five £500 and five £100 notes. On arriving at the bank the youth inconsiderately placed the roll of notes on the counter, covering them with his left arm. Just at this moment a person tapped him on the shoulder, and asked him civilly where he should be able to obtain change for a £5-note. Thrown off his guard, the young man raised his arm, and pointing to a particular counter, said, "There." During this brief period the notes disappeared from the counter. The simpleton immediately perceived his loss, and, in considerable alarm, he told the agreeable-looking gentleman at his side that some one had stolen his notes. "Indeed," was the reply; "then it was the person I saw go out just now. Here, come to the door, and I'll show you which way he went." He accompanied his "friend" into the street. "See, that's the man; he's just turned down Cook-street." The youth pursued the imaginary thief down Cook-street, while the real rascal walked briskly away in an opposite direction. The numbers of the notes are all known, and the police have sanguine hopes of being able to secure the apprehension of the clever scoundrel in the course of a few days.—*London Times, Nov.* 1852.

MR. BATES AND THE BOSTON LIBRARY.—The following is the letter from Mr. Bates, (one of the firm of Baring Brothers,) to the Mayor of Boston, announcing the' munificent donation of $50,000 for the public library of Boston. The conditions on which this gift is made will, of course, be complied with.

LONDON, 1*st October*, 1852.

DEAR SIR,—I am indebted to you for a copy of the report of the Trustees of the Public Library for the city of Boston, which I have perused with great interest, being impressed with its importance to the rising and future generations, of such a library as is recommended, and while I am sure that in a liberal and wealthy community like that of Boston, there will be no want of funds to carry out the recommendation of the trustees, it may accelerate its accomplishment, and establish the library at once on a scale that will do credit to the city, if I am allowed to pay for the books required, which I am quite willing to do—thus leaving to the city to provide the building and take care of the expenses. The only condition I ask is, that the building shall be such as shall be an ornament to the city—that there shall be room for one hundred to one hundred and fifty persons to sit at reading tables—that it shall be perfectly free to all, with no other restrictions than may be necessary for the preservance of the books. What the building may cost, I am unable to estimate; but the books—counting additions during my lifetime—I estimate at $50,000, which I shall gladly contribute, and consider it but a small return for the many acts of confidence and kindness I have received from my many friends in your city.

Believe me, dear sir, very truly yours,

JOSHUA BATES.

BENJ. SEAVER, Esq., Mayor of the city of Boston.

GEN. PIERCE'S CALIFORNIA RING.—Through the courtesy of Messrs. Jones, Ball & Co., the celebrated California ring, presented to General Pierce by a number of citizens of San Francisco, was exhibited to us this morning; and a marvel of art it truly is. It is of the purest gold, weighs 16½ ounces, and would be a very becoming ornament for the little finger of the "King of the Giants," whom we read of in fairy tales. The ring is beautifully chased, and has a number of appropriate representations of scenes characteristic of the modern Ophir. They must have artists of skill in San Francisco to have produced such a work. The cost was about $2,000, and the value of the gold is upward of $1,200. By touching a spring, a lid flies up, and you see imbedded various specimens of California ores.—*Boston Transcript.*

CALIFORNIA COINS.—From Messrs. CURTIS, PERRY & WARD, the U. S. assayers at San Francisco, we learn that the following denominations of coin are now authorized to be issued, by the Treasury Department, from the assay office:—ten dollars, twenty dollars, and fifty dollars; also, bars of five hundred dollars and one thousand dollars.

We append the following *Reduced Rates* of commission, which our increased facilities enable us to make, and which are regulated by the cost of manufacture:

For tens and twenties, 2½ per cent.; for fifties and upwards, in the following proportion, according to the amount of each certificate of deposit: under 2,000 dwts, 2½ per cent.; from 2,000 to 5,000 dwts, 2 per cent.; from 5,000 to 8,000 dwts, 1½ per cent.; for 8,000 dwts and over, 1½ per cent.; for melting and assaying in bars, 1 per cent.; for melting and assaying large amounts, ½ per cent.

THE NEW TURKISH LOAN.—The London *Morning Chronicle* of the 30th Nov. says:

"The cause of the decline in the quotation for the Turkish Loan was the receipt of a despatch from Lord Malmesbury, by Mr. Capel, the chairman of the committee of scripholders, in which his lordship declines to afford them any assistance towards obtaining either a recognition of the loan from the Turkish government, or an indemnity for the losses sustained by parties who purchased the scrip at a premium. His lordship enters very fully into the subject, and the ground of his refusal to interfere in the question is, that sufficient caution was not taken when the loan was introduced, to ascertain whether the terms for its negotiation were in accordance with the authority given by the Ottoman Porte. The Turkish government has, it appears, addressed a letter to Lord Malmesbury, in explanation of the several circumstances connected with the loan, and the causes of its rejection, and now offers to the scripholders re-payment of the instalments paid up, together with the five per cent. interest."

LIFE AND FIRE INSURANCE.—*Notes on the Early History of Life Assurance, by Leopold Adles:* That the contract for marine insurance had its origin in Italy, is a fact of which there is no longer any doubt. It seems to me, from a passage in the autobiography of the celebrated Benvenuto Cellini, that the life assurance contract also was known in Italy much earlier than in England. In the year 1552, Benvenuto Cellini travelled to Rome to arrange some business with his banker, Bindo Altoviti. This merchant was rich, and (as it was usual at that time for men in his position to be) learned, and a protector of the arts and sciences; but he was also no stranger to the political intrigues of that troublous period and was therefore a little straitened in circumstances, and instead of paying Cellini 1,200 gold thalers, (scudi d'ori in oro,) gave him evasive replies. They came at last to an agreement, that Bindo Altoviti should give Cellini 15 per cent. during his life, as a life annuity in lieu of his money, ("e ci convenimmo che quei mia danari è gli tenesse a quindici percenta a vita mia durante naturale.")

Cellini in his life mentions other similar contracts, and from the manner in which he speaks of them, it seems that these transactions were not new, but long known and of common occurrence. We may thence conclude that the life assurance contract was known in Italy in the sixteenth, and perhaps early in the fifteenth century. That Italy should be the cradle of such a business is the more reasonable to suppose, because the Italian Tontini first introduced into France his system known by the name of Tontines, even before a life assurance institution had been founded in England.

The credit of having established life assurance upon a sure basis belongs incontestably to England. It is remarkable that so high a rate of annuity as is now paid to a person seventy years of age was then offered to Cellini in his fifty-second year. This arises partly from the ignorance of the average duration of life, but partly also from the high rate of interest which at that time was prevalent in Italy. This would be naturally attributable to the long wars which unsettled commerce, and to the extravagance of the new princes who vied with each other in their lavish expenditure. *Masius Rundschau der Versich* erungen, September. Translated for the *London Assurance Magazine and Journal of the Institute of Actuaries, October*, 1852.

THE NEW BANK IN PARIS.—The *Pays*, speaking of the new Bank established by M. Fould, at Paris, does not deny that it is a monopoly, and an enormous power for the benefit of a privileged establishment; but it says that this power is limited by the public interest, of which the state is the surety, the guardian, and the director. The *Pays* thus describes the object of the new bank:

It has been reported that the only object of this bank was to facilitate the difficult settlements which agitate the Bourse of Paris twice a month. It is now known that the "Société Générale de Credit Mobilier" is constituted upon a scale much more vast. Its object is to favor, in considerable proportions, the development of public works and great manufactures, whether by opening accounts-current with their founders, or by subscribing for shares and bonds in companies legally authorized, or by making tenders for the execution of works of public utility. In all these particulars the Society tends directly to the encouragement of industry, in which it will invest productive millions.

It will be concerned in all the great undertakings of our age. In other respects its operation is more directly financial. It is thus that it is authorized to purchase shares or bonds issued by railway and other companies, to make loans, and to lend upon the deposit of public securities or shares in trading operations. In this point of view it is a gigantic bank, offering to holders of public securities advantages and guarantees which no private establishment can give them. To realize this double series of operations, it has formed itself with a capital of sixty millions of francs; twenty millions are now issued, represented by 40,000 shares of 500 francs each. The Society has the right to issue for payment of sums due for the purchase of shares in manufacturing undertakings and to the extent of the amount of such purchases, bonds which after the complete realization of the partnership capital may go as far as ten times the capital, that is to say 600 millions. Until that time bonds can only be issued to the extent of five times the realized capital. They may be issued at 45 days' sight, and must always be integrally represented by securities in the portfolio.

BANK ITEMS.

MASSACHUSETTS.—Jacob Edwards, Jr., Esq., has been chosen President of the Southbridge Bank, in place of S. A. Hitchcock, Esq., resigned.

Holyoke.—John Ross, Esq., has been elected President of the Hadley Falls Bank, Holyoke, in place of Chauncy B. Rising, Esq., resigned.

CONNECTICUT.—A new bank has been established at New Milford, under the general banking law of 1851, entitled The Bank of Litchfield County, with a capital of $100,000: President, Frederick Chittenden, Esq. The notes are secured by a deposit of Hartford City bonds to the amount of $100,000.

Waterbury.—Augustus S. Chase, Esq., was, on the 23d of July last, elected Cashier of the Waterbury Bank.

VERMONT.—Stephen C. Bull, Esq., has been elected Cashier of the Farmers' Bank at Orwell, in place of Byron Murray, Jun., Esq.

NEW YORK.—William A. Kissam, Esq., paying teller of the Bank of the Republic, has been elected Cashier of the new Shoe and Leather Dealers' Bank: President, Loring Andrews. The bank will commence operations in a few days at No. 140 Fulton street.

New York City Bank.—The New York City Bank, corner of Nassau and Ann streets, give notice that they are ready to receive deposits and transact business generally. We think it a disadvantage to the community, and an improper interference with the rights of other institutions, for any new banking concern to assume the name in part of another in the same city. Thus we have already an old established institution in Wall-street, known as *The City Bank*, and designated out of town as the New York City Bank, to distinguish it from those of the same name in other places. But another organization has taken place in New York, and the parties assume the title of the *New York City Bank*, clearly contrary to law, which provides that there shall not be two banks of the same name in any one place.

Butchers and Drovers' Bank.—The following is a notice of a final dividend of profits, preparatory to a new organization under the general banking law:

BUTCHERS AND DROVERS' BANK, *New York, Dec.* 17th, 1852.

The President and Directors of the Butchers and Drovers Bank have this day declared a dividend of twenty (20) per cent. on the capital stock, out of the surplus funds of the bank, payable to the shareholders, on the 31st instant, on presenting their certificates of stock.

The charter of this bank will expire on the 31st instant. An association has been formed under the general banking law, to commence business on the 3d day of January next, the subscribers to the stock of which will receive their certificates on the 31st day of December instant.

Lansingburgh.—Doctor Frederick R. Leonard has been elected President of the Bank of Lansingburgh, in place of Peletiah Bliss, Esq., who has resigned on account of ill health.

Albany.—The Mechanics and Farmers' Bank at Albany have established a savings bank, as a branch of its own ordinary business. This bank will pay interest on savings, on and after the first day of January next. For the safety of deposits in this bank are pledged its capital, and the personal liability of its president, directors, and stockholders, agreeably to the 7th sec. of the 8th art. of the Constitution of the State of New York, a degree of security far greater than that given by any mere savings bank.

Port Jervis.—The Bank of Port Jervis has been organized at the village of that name, and will commence business on the 1st of March next: President, Thomas King, Esq.; Cashier, Augustus P. Thompson, Esq.

Newark.—The Palmyra Bank, at Newark, Wayne County, has been purchased by new parties, and removed. The late proprietors have organized another association entitled the Newark Bank.

Banks Winding Up.—The following banks, located in the interior of New York, have given notice to the banking department of that State of their intention to wind up business:—Adams Bank, Amenia Bank, American Bank, Champlain Bank, Cortland County Bank, Commercial Bank of Lockport, Excelsior Bank, Henry Keep's Bank, Knickerbocker Bank, Genoa; Lumberman's Bank, McIntyre Bank, Merchants' Bank, Ontario County; Merchants' Bank, Washington County; New York Stock Bank, Northern Bank of New York, Oswego County Bank, Prattsville Bank, Sullivan County Bank, Village Bank, Warren County Bank.

New Jersey.—John B. Hill, Esq., for many years Cashier of the State Bank at New Brunswick, has been chosen President of that institution, in place of F. R. Smith, Esq., resigned. George R. Conover, Esq., as paying teller of the Mechanics' Bank, New York, succeeds Mr. Hill as Cashier.

Virginia.—Two additional branches of the Bank of the Valley have been established, both of which will commence operations in January, 1853, viz.: 1. At Moorefield, Hardy County; Thomas Masten, Esq., President; Samuel H. Alexander, Esq., Cashier; capital $100,000. 2. At Christiansburg, Montgomery County; David Wade, Esq., President; C. B. Gardner, Esq., Cashier; capital, $100,000. It is proposed to establish branches of one of the banks at Port Royal, on the Rappahannock River; also, a branch of the Farmers' Bank, or Bank of Virginia, in the town of Clarkesville, Mecklenburg County; also, to increase the capital of the Exchange Bank of Virginia.

Romney.—William A. Vance, Esq., has been elected Cashier of the Branch Bank of the Valley at Romney, in place of John McDowell, Esq., resigned on account of ill health.

Staunton.—The Central Bank at Staunton has been organized under the free banking law of Virginia, with a capital of $100,000.

New Banks in South Carolina.—In the House of Representatives, at Columbia, S. C., on the 13th, the Planters and Mechanics' Bank, the Commercial Bank, and the Union Bank were rechartered, and eight other banks incorporated. The list is as follows, with their respective capitals:—The People's Bank of Charleston, $1,000,000; the Farmers and Mechanics' Bank of Charleston, $1,000,000; the Exchange Bank of Columbia, $500,000; the Bank of Sumter, $300,000; the Bank of Anderson, $200,000; the Bank of Newberry, $200,000; Bank of Winsboro', $200,000; the Bank of Chester, $200,000. The Carolinian says: "We are glad to perceive that the principle of taxing banks was applied by the Senate to the bill incorporating the Exchange Bank of Columbia. We have little doubt that this principle will be engrafted on all charters, original or renewed, granted at the present session. It is wise, just, and equitable."

Ohio.—J. F. Taintor, Esq., has been elected Cashier of the Merchants' Branch Bank, Cleveland, in place of Parker Handy, Esq., resigned.

Cleveland.—The Bank of Commerce at Cleveland commenced operations in December, with a capital of $500,000. President, Parker Handy, Esq.; Cashier, H. B. Hurlbut, Esq. The charter of the Bank of Commerce allows the use of a capital of half a million of dollars. The commercial business of Cleveland requires extensive banking facilities, and there is plenty of room for the profitable employment of the capital of the new institution, the notes of which will be put in circulation at once.

Private Bankers.—We learn by a private letter from a banker in Cincinnati that there is quite a commotion at present among the brokers of that city, arising from an unlooked-for construction which has been given to the Ohio tax law by the new auditor of State. A severe tax law was passed by the Legislature of 1851-2, by which all banking associations were liable to taxation on the amount of their loans. The auditor now considers this law as applicable to the loans of private bankers, in the same manner as chartered banks, and not as individuals. The letter adds:—"Thus we will have to pay on the amount of bills receivable held by us, without any deduction for the amount of deposits: while other individuals are allowed to deduct their debts from their assets, and to submit the difference as the amount of their capital subject to taxation. This will, if sustained, amount to a prohibition of all private banking; but the tax will be resisted in the courts."

A recent case in the Supreme Court of Ohio decides that the law does not apply to

the banks chartered and in operation prior to the passage of the new law. Such laws are prejudicial to the commercial interests of a State, and have the inevitable tendency to drive away capital from the leading towns instead of creating inducements for adding to it from foreign sources.

Ohio Life and Trust Co.—New York Agency.—We understand that Charles Stetson, Esq., President of the Ohio Life and Trust Company, now in this city as a committee from the board of directors, has tendered the cashiership to Mr. Charles W. Rockwell, of Connecticut, now in the Treasury Department at Washington, and that Mr. Edwin Ludlow has been appointed associate cashier. Both appointments will probably be accepted, if confirmed, as there is little doubt they will be by the board at Cincinnati. Mr. Ludlow has filled for many years a highly important and confidential position in the office of the company in this city, and has gained hosts of friends by his general amenity of manner and promptness of business habits. To the customers of the office we think no appointment could have been more satisfactory.

Louisiana.—Alfred Penn, Esq., was, on the 19th of November, elected President of the Union Bank of Louisiana, in place of Christopher Adams, Jun., Esq., deceased.

New Orleans.—The Citizens' Bank of New Orleans, which failed in 1837, and has for some years been in liquidation, has been recently resuscitated by a special act of the Louisiana Legislature, although the new constitution provides that no new bank shall be established. We find the following remarks in the N. O. *Commercial Bulletin* of the 16th instant, in reference to the steps now being taken to re-establish the Citizens' Bank:

We are much gratified to learn that Mr. Rosseau, cashier of the Citizens' Bank has made a most excellent arrangement with the bondholders of our State, by which means he has effected a loan of $800,000 by an exchange of State bonds for Citizens' Bank bonds, and little doubt exists that the London capitalists would have extended to this institution a larger accommodation, based on the same principle, if Mr. Rosseau had required it. Our citizens may soon look out for better times, when money may be obtained at seven per cent. per annum on good paper, instead of paying to our OUT-DOOR *capitalists* ten to fifteen per cent. per annum.

To maintain the commercial standing of New Orleans, to foster and encourage enterprise, and to give tone and character to business, it is indispensable that a standard of interest should be obtained, by which, and upon which, a legitimate business can be conducted. Just so long as the immense disparity exists in the value of money between the legal rate of interest, and the rates which the cupidity of usurers and the necessities of borrowers have conventionally established, so long must the prosperity and progress of the place be shackled and impeded. We therefore hail with gratification any and every indication of a condition of things which will extend and amplify active capital, and which will afford to the industrious and enterprising facilities for increasing and extending safe and legitimate business.

Wisconsin.—The following banks will soon be organized under the new law of this State:

	Proprietors.	*Capital.*
State Bank, Madison,	Marshall & Ilsley, . . .	$50,000
Central Bank of Wisconsin, Janesville,	J. B. Doe & Co., ...	25,000
Wisconsin Marine and Fire Insurance Co., Milwaukee,	Geo. Smith & Co., . .	
Bank of Racine,	M'Cree, Bell & Ulman, . .	

The Appointment of Bank Comptroller in Wisconsin.—We are gratified to learn that Gov. Farwell has appointed Jas. S. Baker, of Green Bay, Bank Comptroller. This officer is to have charge of the banking securities, and, in connection with the Governor and Attorney General, is to approve of the securities filed. It is, therefore, a trust of the first importance, and we are justly gratified to know that Mr. Baker has the business habits, the industry, and above all, the incorruptible integrity to make a superior Comptroller, and thus become a faithful guardian of the people's interests in preventing the issue of spurious currency. If our banking system commences aright, it may be productive of vast commercial advantages to the State. The law is probably the best of any State in the Union, for both billholders and stockholders. Let it now be faithfully administered; which must be the desire of every good citizen.

Notes on the Money Market.

NEW YORK, DECEMBER 24, 1852.

Exchange on London, 60 days' sight, 9¼ @ 10 per cent. premium.

THE close of the year finds the money market in a favorable condition, with a prospect of a profitable business throughout the country during the coming year, 1853. The year 1852 has been marked by considerable activity in the financial circles of every portion of the Union. A large number of banks have been established in the various States, and the bank circulation, we may assume, has increased in an equal ratio, commensurate with the enlarged business which prevails throughout the country.

The prominent feature of the past year has been the enormously large issues of State, County, and City bonds, railroad bonds, and other securities in aid of great public improvements. No year in the history of the country has exhibited more activity than this, in the creation of new lines of railroads and in the extension of old routes. Each State vies with its neighbors in the prosecution of an extensive system of railroads, and the capital of this country and of Europe is heavily drawn upon to accomplish these numerous undertakings. The Southern and Western States, more especially, have embarked largely in the new schemes of the year, being thoroughly aware of the importance of such improvements for the developments of the agricultural, mining, and manufacturing resources of these several States. Georgia, North and South Carolina, Virginia, Ohio, Indiana, and Illinois are among the foremost in the great work of railroad communication, and are using their credit to its utmost extent, in carrying these plans into effect. Maryland has now finished, after twenty-three years' labor, its railroad from the Chesapeake to the Ohio, at the cost of above eighteen millions of dollars. Pennsylvania has just completed her railroad communication between Philadelphia and Pittsburgh, with the prospect of an early extension from the latter city to Erie and Cleveland, by separate routes. New Orleans is lending its aid to Mississippi, for the purpose of constructing a railroad from that city to Nashville and thence to Louisville, in order to improve and develop the rich cotton regions of Tennessee and Mississippi, and the tobacco and hemp districts of Kentucky.

Baltimore, Philadelphia, and New York are each striving to get and retain the trade of the West. The year 1853 will probably witness the completion of a direct and thorough railroad communication from each of these cities to St. Louis in the West. The people of Missouri have recently witnessed, for the first time, the running of railroad cars in their State; while Illinois and Indiana, once impoverished by their extensive schemes of internal improvements, and still burdened with former public debt, are going still deeper into similar enterprises.

The comparative length and cost of railroads in the States of Massachusetts, New York, and Georgia are shown in the annexed extract from the Census Report for 1852:

"From the best data accessible at this time, we prepare the following table, presenting the financial condition of some of the railroads of the States selected, as offering a fair exemplification of the whole system in this country:

States.	*Length of Roads.*	*Aggregate Cost.*	*Net Increase.*	*Declared Dividends.*	*Est. Act. Profits.*
Massachusetts, . .	1,069	$52,595,288	$3,250,670	6.20	7.05
New York, ...	1,896	76,500,000	5,023,000	5.	9.44
Georgia, ...	754	17,966,000	....	7.5	10.00

"The figures under the head of the 'Estimated Actual Profits' present the assumed net income after the addition to the amount of the dividends of the surplus earnings, reserved profits, and all receipts in excess of expenditure not included in the calculation of which the dividend is the result."

From the census report it is shown that Georgia is now the *sixth* State in importance, in its property. That State is now progressing rapidly in its railroad system, and will finish in another year about 137 miles of rails.

The entire debt of Georgia is only $2,699,722, of which $458,500 is at 7 per cent., $2,169,222 at 6 per cent., and $72,000 at 5 per cent. The six per cent. bonds are now quoted at 108 in the New York market. The revenue of the State for the year 1850 was $355,000; year 1851, $412,000, year 1852, $356,000, (estimated,) and the year 1853, $394,000, (likewise estimated.) We learn from the *Federal Union*, that the first train of cars passed over the new bridge on Little River, nine miles from

Milledgeville, on the 12th inst. The track is laid one mile beyond the river. It is thought that the road will be completed to Eatonton by the first of February, 1853, at farthest. The Milledgeville and Eatonton road, it will be remembered, connects with the Milledgeville and Gordon road at Milledgeville. When completed to Eatonton, it will become an important feeder to the Central road.

South Carolina is also extending as far as possible its railroad system.

Upon the subject of the new railroad enterprise, and the projected railroads of South Carolina, we extract the following from the Governor's late message:

It gives me pleasure to inform you that the railroads of our State are rapidly progressing. The Columbia and Charlotte railroad, and the King's Mountain road, are completed. The Manchester road is also progressing rapidly. Already do we see the potent effects of these roads in developing the resources of the State, and springing into life the energies of the people. The prosperity which follows in their track is no longer problematical. Living witnesses are all around us. Yet this grand system, which is to bring wealth and prosperity to us, and energize into action resources which were heretofore dormant, has just begun. If we would realize their full effects, they must be extended until the rich commerce of the mighty valleys of the West is poured into Charleston. This can easily be effected, by pursuing a liberal and enlightened policy towards them—a policy worthy of the age in which we live. The golden opportunity to command this trade is within our reach. Charters have been granted, by the several States through which it will pass, for the Blue Ridge road, which is to cross the Rabun Gap, and extend through Clayton and Franklin to Calhoun, where it will intersect the Knoxville and Dalton road. Through Knoxville a communication will be opened with Cincinnati. A road is now in progress to connect Calhoun with Chatanooga. From Chatanooga to Memphis, a road has already been built, and the Chatanooga road connects it with Nashville. A road is also about to be made between Nashville and Cairo.

The exports of specie from the port of New York for the past year have been $25,089,000, viz.:

January,	$2,869,000	July,	$2,971,000
February,	3,551,000	August,	2,936,000
March,	612,000	September,	2,123,000
April,	200,000	October,	2,452,000
May,	1,835,000	November,	810,000
June,	3,550,000	December,	1,180,000

and for the year 1852, $43,000,000.

The rates for foreign bills during the current year have been remarkably uniform—the price for sterling bills (bankers' signatures) not having gone below 9¼, nor above 10¼ premium. The prevailing rates for the first steamer of each month have been as follows for bills at sixty days on London and Paris:

1852.	*On London.*	*On Paris.*	1852.	*On London.*	*On Paris.*
January,	10 @ 10¼	5.16¾ @ 5.15	July,	10¼ @ 10½	5.17½ @ 5.15
February,	10 @ 10¼	5.16¾ @ 5.15	August,	10¼ @ 10½	5.17½ @ 5.15
March,	10 @ 10¼	5.17½ @ 5.16¾	September,	10¼ @ 10⅜	5.15 @ 5.12½
April,	9¼ @ 9½	5.22½ @ 5.20	October,	10¼ @ 10⅜	5.13¾ @ 5.12½
May,	10 @ 10¼	5.17½ @ 5.15	November,	9½ @ 10	5.15 @ 5.13¾
June,	10¼ @ 10½	5.16¼ @ 5.15	December,	10¼ @ 10½	5.15 @ 5.13¾

The following banks in the city of New York now receive uncurrent money upon the terms adopted by the Metropolitan Bank, viz.: I. Bank of the Republic; II. The Ocean Bank; III. The Market Bank; IV. The Mercantile Bank; V. The Pacific Bank; VI. The Grocers' Bank; VII. The Bowery Bank; VIII. The People's Bank.

The Metropolitan Bank has extended its line of operations by the reception of New Jersey and Pennsylvania bank bills upon the following terms, viz.:

The Metropolitan Bank will receive the bills of all New Jersey Banks at par, the bills of banks in the State of New York, and those at par in Philadelphia, at ¼ per cent. discount, and the bills of New England banks at 1-15th per cent., (equal to 6⅔ cents on each hundred dollars.)

The facilities of the Metropolitan Bank for collecting are equal to those of any other institution, and it is disposed to afford accommodations, by re-discounts of paper, and by other facilities, to its country customers.

Deposits of country money must be made before two o'clock, *and no part thereof drawn for until the next day;* and any check drawn against such deposit, dated on the same day as the deposit, will be returned.

The money market for the past week is marked with unusual stringency. The change has been sudden and unlooked for by our commercial community. The rise in the value of money is certainly not attributable to fear, arising from the shipments of coin abroad, but may be ascribed to a simultaneous action on the part of our city banks in curtailing their discount line, and in their endeavors to present as favorable a report as possible at the present quarter. The aggregate loans of our city

banks are not far from $75,000,000. To curtail this to the extent of only five per cent. for ten or fifteen days, creates a scarcity of money, which, in the present instance, drives the rate up to seven per cent for loans on the best paper.

At this rate our private banking firms have been compelled to decline numerous offerings. Stocks are the first to feel the change now noticed. Canton Company shares, a week since, were 118 @ 120. This week, sales were made at 106¾; Long Island railroad has declined in the same time from 54 to 38, and a reduction is observable in the market value of nearly every stock of which sales have been effected within the week.

State and general government stocks having become scarce, the attention of capitalists is turned to railroad, city, and county bonds.

The country bonds most in request are as follows:

St. Louis, Mo.	6	per cent.,	1866,	97 @	Mason, Ky.	6	per cent.	1881-82,	89½ @ 90
"	7	"	1871,	107½ @ 108½	Fairfield, O.	7	"	1862,	97 @ ....
Fayette, Ky.	6	"	1881-82,	89½ @ 90	Guernsey, O.	7	"	1862,	97 @ ....
Bourbon, Ky.	6	"	1880-81,	89½ @ 90					

Maryland 6 per cent. stock has advanced to 112, in consequence of the favorable information concerning the revenue of the State and its sinking fund. Baltimore city six per cents. are on demand at 109 @ 110. We quote leading city stocks as annexed:

New York,	5	per cent.,	1858-60,	103 @ 103½	Cincinnati,	6	per cent.		103½ @ 104½
"	5	"	1870-75,	103½ @	St. Louis,	6	"		97½ @ 98
"	5	"	1890	105 @	Louisville,	6	"	1880,	97½ @ ....
Philad.,	6	"	1876-90,	109½ @ 110	Pittsburgh,	6	"	1869-1871,	103½ @ 104
Baltimore,	6	"	1870-90,	109 @ 110	Wheeling,	6	"	1872,	.... @ 108
Boston,	5	"		....	Covington,	6	"	1881,	92 @ 92½
Brooklyn,	6	"	long,	105 @	Chicago,	6	"	1876-1877,	99½ @ 100½
Jersey City,	6	"	1877,	104 @ 105	Selma,	8	"	1872,	101 @ ....
Albany,	6	"	1871-81.	107½ @					

DEATHS.

At Madison, Geo., on Tuesday, November 30th, A. Moise, jun., Esq., in the forty-first year of his age.

Mr. Moise, for fifteen years, filled, with credit to himself and satisfaction to the directors, the responsible position of assistant cashier of the Bank of Charleston. It is needless to bring to the recollection of those who knew him intimately, his integrity, his admirable business habits, his superior clerkly capacity; nor need those not in close association with him, to be reminded of his general talent, as an imaginative writer and a fluent and happy orator; but the memory of his private virtues in the social sphere, his bland manners, courtesy, frankness, sincerity, and manliness are too indelibly impressed to be soon erased. His death in the prime of manhood, being in about his 41st year, will be long felt as the acutest of pangs by a large circle of warm friends, as it is the bitterest of afflictions to his numerous relatives.—*Evening News.*

At Lansingburgh, on Thursday, November 25th, Pelatiah Bliss, Esq., aged thirty-two years, late President of the Bank of Lansingburgh.

At Salem, Mass, on Saturday, December 4th, Joseph G. Sprague, Esq., aged sixty-five years, Cashier of the Naumkeag Bank for nearly twenty years, until 1851.

At Wilmington, N. C., on Sunday, December 5th, Col. William E. Anderson, in the forty-eighth year of his age, Cashier of the Branch Bank of the State of North Carolina at Wilmington.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. III. NEW SERIES. FEBRUARY, 1853. No. VIII.

BANKING IN TEXAS.

Communicated for the Bankers' Magazine.

THE STATE OF TEXAS, *vs.* SAMUEL M. WILLIAMS, *et alii.* } SUPREME COURT, GALVESTON, February Term, 1852.—*Decision under the Statute at Tyler*, April Term, 1852.

THE petition in this case was filed by John W. Harris, Esq., Attorney-General, in behalf of the State. It represents that an association and a company of individuals, consisting of Samuel M. Williams, J. W. McMillen, J. N. Reynolds, Jesse J. Davis, Jacob L. Briggs, Michael B. Menard, George Ball, and Henry Hubbell, all of the county of Galveston, "have, from and after the 1st day of May, eighteen hundred and forty-eight, until the 2d day of June, in the said year, that is to say, for the space of one month next from and after the said 1st day of May, 1848, kept their office, and exercised banking privileges in said county and State, without authority of law, and have been thereby guilty of a misdemeanor, and are liable to a fine of five thousand dollars." It further represents, that Samuel M. Williams is and was the president and a director of the said association and company, that the said J. W. McMillen is and was the cashier and a director thereof, and that the residue of the above-named defendants are and were the directors thereof, and that the said Williams and McMillen, and other named defendants, continued to be, and to act in their capacities aforesaid, from and after the first day of May to the second day of June aforesaid. It prays for proof and judgment.

The citation was waived, and the defendants answered, first, a general denial of the petition; and, secondly, answered, setting special matters as a justification in law.

The Attorney-General filed a general demurrer, on which the court

below gave judgment in favor of the defendants, from which the State appealed.

It is contended for and in behalf of the State that the court below erred in giving judgment for the defendant, when its judgment ought to have been for the State, and a reversal is asked.

The statute under which the proceedings in this case were had is in the following words, *i. e.*, "That any corporation, company, or association of individuals, who shall use or exercise banking or discounting privileges in this State, or who shall issue any bill, check, promissory note, or other paper in this State, to circulate as money, without authority of law, shall be deemed guilty of a misdemeanor, and shall be liable to a fine of not less than two thousand dollars, nor more than five thousand dollars, which may be recovered by a suit in the District Court, in the name of the State." The fourth section of the act enacts "That each and every month that any corporation, company, or association of individuals shall use or exercise banking or discounting privileges in this State, without authority of law, shall be deemed a separate offence, as defined in the first section of this act; and each and every bill, check, promissory note, or other paper, issued by any corporation, company, or association of individuals, in this State, to circulate as money, without authority of law, shall also be deemed a separate offence, as defined in the first section." Hart. Art. 87 and 90.

The offence on which the petition was filed is defined in the first section, and the penalty is sought to be enforced for exercising banking or discounting privileges for one month, as provided for by the first clause of the fourth section of the act cited above. The validity of the legal defence claimed by the second plea of the defendants has been elaborately and ably discussed by the counsel on both sides; but as other grounds have been presented for our consideration, in support of the judgment of the court below, by the counsel for the appellees, arising from the pleadings as presented by the record, and as it is likely that we should find some difficulty in arriving at a satisfactory conclusion on the legal sufficiency of the defence set in the appellees' second answer, we have concluded that as from the view we have taken of the grounds taken by the appellees, arising from the pleadings, will affirm the judgment, that it is most proper to rest our opinions on those grounds only, without discussing the other, as, whatever might be our opinion on that point, it could not affect the judgment in this case.

It is contended by the appellees' counsel that the demurrer went to the whole of the answer of the defendants. In this proposition we fully concur, and also in its application. The first answer of the defendants was not objectionable, and presented an issue of facts; and whatever the law presented by the second answer may be as to its legal sufficiency, the first answer ought not to have been demurred to, but it should have been tried by the jury, and the plaintiff should have confined his demurrer to the second answer; and the plaintiff not having asked leave to amend, the judgment was correctly rendered for the defendants. This of itself would be decisive, in support of an affirmance of the judgment. The appellees have presented another ground, and perhaps a more important

case, in support of the judgment on the pleadings. They object to the sufficiency of the plaintiff's petition, and say that it is not such as, under the statute on which the suit was instituted, would have authorized any valid judgment against the defendant, and that the plaintiff's demurrer brought the sufficiency of his petition before the court to be adjudicated. The proposition is believed to be incontrovertible, that a general demurrer goes back to the first error in matters of substance—we mean to the first error that would be fatal to the action or the defence, and not to such as would be considered as matter of form, and cured by a verdict (10 Peters, 264; 2 Johns. 465, 360, 366; 11 ib. 482; 3 Cranch, 229). We will then proceed to examine the plaintiff's petition, first laying down some preliminary rules that must control us in that investigation. We lay it down as a well-established rule of law, that when an offence has been created by a statute unknown to the common law, that in any proceeding under such statute to punish the offence, or to enforce the penalty, be prescribed whether such proceedings be by bill, information, or common law declaration, that the same certainty in the specification of the fact or facts constituting the offence defined will be required that could be material in a bill of indictment (Bacon, Information, c. 4 vol. p. 411; 1 Chitty, Crim. Law, 846; 2 ib. forms 6; 11 Burrow). That the offence defined by the act of the Legislature under which the suit was commenced is clearly a statutory, and unknown to the common law, cannot for a moment be doubted (12 John. Chan. 377).

The offence defined by the law is the use of banking or discounting privileges, and it further particularizes what is meant by banking privileges—"or shall issue any bill, check, promissory note, or other paper, in the State, to circulate as money;" and by the fourth section, each of these specifications is made to constitute a separate offence, as defined by the first section. Now let us take both sections together, and construe them in reference to each other, and the result of the analysis will be that the following facts will each constitute a separate offence, on which the penalty prescribed can be brought to bear:—First, the use or exercise of banking or discounting privileges for one month; 2d, the issuance of a bill; 3d, check; 4th, promissory note; 5th, or other paper, to circulate as money. The issuance of any of these papers, from number two to five inclusive, if with a view to its circulation as money, constitutes a separate offence from the one first numbered. The statute is one of exceeding severity. It would subject the violators to a separate prosecution and penalty of not less than two thousand dollars for each and every paper within the batch of the four specifications. A statute so penal would strongly incline us, were we allowed, as English judges often took it on themselves to do, to give a more lenient construction to the language employed in it than could be their import in the ordinary use of those words; and to say, that when the Legislature have said that each and every one of these should be deemed a separate offence, that they only meant that proof of these facts should be deemed plenary of the offence. We, however, disclaim any right or authority to do so, and must content ourselves with the plain meaning of the language employed by the lawmakers.

This suit was brought to recover the penalty for the infraction of the law, under the first specification in our analysis, "the use or exercise of banking or discounting privileges for one month." The charge contained in the petition is, "kept their office, and exercised banking privileges," adding to the words of the statute *kept their office*, and omitting "or discounting" between the words banking and privileges in the statute, thus materially departing from the language of the statute, more objectionable for the words omitted than for those added, as this formed a component part of the offence defined. But the charge in the petition is still more defective, because, after setting out the offence as defined by the statute, it should have alleged, with great particularity, the specific fact or facts constituting the offence charged, or persons who had obtained the discount or discounts, and thus to have raised the foundation for proof, that it had been so continued for the space of one month. We have no answer to make to the objection, that, under the rule laid down, it would be exceedingly difficult to convict on this specification of the offence defined. We are only applying a well-known rule of law to the case presented for our consideration, and for its correctness we will refer to *Bush* v. *The Republic of Texas*, 1 vol. Texas Rep. 455, and *Burch* v. *The Republic* (particularly the last), 1 vol. ib. 608, by which the doctrine on this question was fully discussed on principle, and the authorities on the subject examined. These two cases so entirely and clearly sustain the conclusion to which we have come, that a reference to them might well have justified us in relying on them, without any further investigation. We are therefore of opinion that the petition in this case is insufficient in law to have authorized a judgment against the defendants, and that the judgment in their favor, on the plaintiff's and appellant's demurrer, be, and the same is, affirmed.

Delivered at Tyler, May 12, 1852.

A DIGEST

OF THE

DECISIONS IN THE SUPREME COURT, COURT OF ERRORS, AND COURT OF APPEALS, IN THE STATE OF NEW YORK, UPON BANKS, BANKING, &c.

Continued from page 548, January No.

II. Bills of Exchange and Promissory Notes. 14. *Pleadings and Evidence*, 597. 15. *Payment*, 603. 16. *Damages*, 605.

III. Interest, 606.

XIV. Pleadings and Evidence.

1. Debt will lie by the endorsee of a promissory note against the maker. *Willmarth* v. *Crawford*, 10 Wend. 341.

2. A note not negotiable may be declared on by the payer, in the same manner as if it were negotiable. *Downing* v. *Backenstors*, 3 Caines, 137.

3. When an action is brought on the original consideration for which a note was given, under circumstances that require its production at the trial, it is not necessary to cancel it in form; it is sufficient to place it at the disposal of the court. *Johnson* v. *Jones*, 4 Bar. 369.

4. The holder of negotiable paper payable to bearer, is *prima facie* owner, and he need not prove a consideration, unless it be suggested that his possession is not *bona fide*. *Conroy* v. *Warren*, 3 Johnson Cases, 259.

5. The time of the accruing of the indebtedness laid in the declaration is immaterial, provided it be of a day prior to the commencement of the suit, and it constitutes no objection that a note or bill offered in evidence did not become payable till after the time so laid. *Dolfins* v. *Frosch*, 1 Denio, 367.

6. In an action by an endorsee against an endorser, a count in the declaration covering a demand of payment and notice of dishonor, is satisfied by proving a state of facts, which dispense with actual demand and notice, and by showing due diligence. *Williams* v. *Mathews*, 3 Cowen, 252.

7. A valid agreement to accept may be declared on as an acceptance, and no consideration need be shown to support an acceptance or an agreement to accept a bill of exchange, since the bill itself imports a consideration. *Ontario Bank* v. *Worthington*, 12 Wend. 593.

8. The holder of a negotiable note transferred by delivery or endorsement, may recover on it under the money counts. *Olcott* v. *Rathbon*, 5 Wendell, 490.

9. In an action under the statute against the makers and endorsers sued jointly, the plaintiff may declare on the money counts only, stating a joint contract, and serving a copy of the note with the declaration; or he may declare in a special count so framed as to set forth the particular contract of each of the parties, and allege breaches of the same; and after such a *general* and special declaration, he may enter a *nolle prosequi* as to one class of the defendants, and proceed against the others; and such *nolle prosequi* will not operate as a discontinuance as to the latter. *Fuller* v. *Van Shaick*, 18 Wendell, 547.

10. In an action by the endorsee against the maker of a note, the note may be given in evidence under the count for money had and received, but not under one for money lent. *Rockfeller* v. *Robinson*, 17 Wendell, 206.

11. In an action against the survivor of two joint makers of a promissory note, when the declaration charges a joint indebtedness, the plaintiff must prove it as laid, or he cannot recover; and in such a case the defendant may prove that the note was paid by his joint debtor, and thus defeat the recovery. *Mott* v. *Petrie*, 15 Wendell, 317.

12. S., residing in R. I., gave his promissory note, dated in Massachusetts, whereby he promised to pay A. forty pounds in certain lands, at nine shillings per acre. S. afterwards removed to the State of New York. A. died, and S. admitted to his representatives that the money was due, and as he could not convey the land, he would pay the money. *Held*, in an action by the administrators of A. against S. for money paid, laid out and expended in the life of the intestate, that the note was admissible in evidence under the money counts, and connected with the admission, sufficient evidence of the consideration. *Smith* v. *Smith*, 2 Johnson R. 235.

13. A note payable in specific chattels is not a promissory note under the statute, and the consideration must therefore be stated; but if the note is expressed to be for value received, that is *prima facie* evidence of a consideration, and throws the burden of proving that there was no consideration upon the defendant. *Jerome* v. *Whitney*, 7 Johnson R. 321.

14. But if in such a case the plaintiff states specifically in his declaration the subjects of value, he is bound to prove the amount as laid. *Ib.*, and *Lansing* v. *M'Killup*, 3 Caines R. 287.

15. In the case of several endorsers, they may be sued jointly under the statute, and in such action the plaintiff need not declare specially on the note, although the defendant declared against endorsed as *surety* for the drawers; but he may give the note in evidence under the money counts. *Bradford* v. *Cerey*, 5 Barbour, 461.

16. A note made by two and signed by one as "*surety*," is not admissible in evidence under the money counts in an action against both makers. *Balcom* v. *Woodruff*, 7 Barbour, 13; *Butler* v. *Rawson*, 1 Denio, 105.

17. A promissory note is *prima facie* evidence of money lent, or had and received by the party sought to be charged; but when it appears from the face of the note that no money was in fact received by such party, the note will not sustain the common count. *Ibid.*

18. The word "*surety*" appended to the name of one of the makers of a note, is not inconsistent with the idea that the other maker received money, but it repels all presumption that the *surety* received it; and hence, as against him, the note furnishes no evidence of money lent to, or received by, the party, so as to sustain the common counts. *Ibid.*

19. When the maker and endorsers of a note are included in one action, the note cannot be given in evidence under the money counts, unless a copy of it has been served with the declaration. *Steuben Co. Bank* v. *Stephens*, 14 Wendell, 243.

20. The endorsee of a note is a competent witness to prove the date of his endorsement; so an attorney may be examined to prove the state of a note when put into his hands. *Baker* v. *Arnold*, 1 Caines, 257.

21. When a bill is protested for non-acceptance, it is unnecessary to set forth in the declaration the protest for non-payment; and if it be done, it may be rejected as surplusage. *Mason* v. *Franklin*, 3 Johnson R. 204.

22. When a note was payable to B., but endorsed by C., and the trans-

feree from B. brought an action, and charged in the declaration C. as maker of the note; *held*, bad on demurrer. *Dean* v. *Hall*, 17 Wendell, 214.

23. In a suit under the statute against the drawers and acceptors of a bill of exchange, sued jointly, the plaintiff may join with the money counts—counts for goods sold or work done. *Hallison* v. *Field*, 23 Wendell, 38.

24. In an action on a note against three persons as makers, two of whom are alleged in the declaration to be *partners*, who signed in the name of their firm, and the other of whom signed his own proper name, the note may be given in evidence in support of a count on a note alleged to have been made by the defendants, their *proper hands* being thereto subscribed. *Porter* v. *Cummings*, 7 Wendell, 172.

25. When an action was brought on a note against two or more persons with a joint name or firm, and the declaration contained no averment that the defendants were partners, but alleged that the defendants made the note, their own proper *name and hands* being subscribed—proof that one of the defendants subscribed the note with the firm name will not suffice to prove the contract as laid. *Pease* v. *Morgan*, 7 Johnson R. 467.

26. An endorsement of a firm name made by one partner, may be declared on as made by the firm. *Manhattan Co.* v. *Ledyard*, 1 Caines, 192.

27. An instrument in writing in this form—"Due A B, or bearer, one day from date, $200, for value received"—is a good promissory note, and may be declared on as such. *Russel* v. *Whipple*, 2 Cowen, 536.

28. The maker of a note may show under the general issue (proceedings under the Absconding Debtor's Act) against the payee, and payment of the note to trustees. *Clark* v. *Yale*, 12 Wend. 470.

29. The drawer of a draft will not be allowed to show, in a suit against him by the payee, that the draft was given for services upon an entire contract which has been rescinded; the draft being given on the day the services ceased, and for past services. *Hoar* v. *Clute*, 15 Johnson R. 224.

30. In a suit upon a partnership note made by one member of the firm, it is not incumbent upon the plaintiff, in the first instance, to prove that the note was given for a partnership transaction. If it was not so given, the fact must be shown by the defendants. *Vallett* v. *Parker*, 6 Wend. 617.

31. When a note is stated in the declaration to have been made by the firm, evidence that it was made by one of the partners is sufficient. *Vallett* v. *Parker*, 6 Wend. 615.

32. In an action upon a note by an innocent indorsee, evidence that the note was originally given only as an *escrow* is admissible, and on proof of that fact, the plaintiff will be bound to prove his *bona fides*. *Ibid.*

33. In an action by an endorsee against his immediate endorser, or by the payee against the maker, evidence of the consideration passing between the parties is admissible. *Braman* v. *Hess*, 13 Johnson R. 52.

34. When an action is brought by the payers of a note payable to a firm, *strict proof* will be required that the members of the firm are the plaintiffs on the record. *M'Gregor* v. *Cleavland*, 5 Wend. 476.

35. An endorser not shown to have been made liable by notice of dishonor, is a competent witness to prove the note not usurious, and *it seems* he would be competent even if he had been fixed by notice of dishonor. *Barretto* v. *Snowden*, 5 Wend. 181; contra, see *Main* v. *Swan*, 14 Johnson R. 270.

36. In a case previous to the statute of 1835, the certificate of a notary offered in evidence was held defective, where it only stated that notice was put into the post-office directed to the endorser at his *reputed place* of residence. It should have specified the office *nearest* to the reputed residence of the party. *Rogers* v. *Jackson*, 19 Wend. 383.

37. In an action on a promissory note, a total or partial failure of consideration may be given in evidence by the maker to lessen or defeat the recovery; and it seems that fraud in the consideration may also be introduced under the general issue without notice. *Hills* v. *Bannister*, 8 Cowen, 31.

38. An agreement whereby the stockholders of an incorporated company promise to pay the company $100 for every share set opposite their names, at such times and in such manner as the company shall determine, is a promissory note within the statute, and no consideration need be averred in the declaration. *The Dutchess Cotton Manufactory* v. *Davis*, 14 Johnson R. 238.

39. When a note payable in chattels was declared upon, as under the statute, and the breach assigned was that the defendant did not pay the money mentioned in the note; *it was held*, after verdict, that the reference to the statute might be rejected as surplusage, and the defect in assigning the breach was aided by the verdict, so that the court would intend that a sufficient breach was proved. *Thomas* v. *Roosa*, 7 Johnson R. 461.

40. When an action is brought upon a note against the makers, and the plaintiffs seek to recover as endorsers of A., they will not be called to show by parol that A.'s signature to a receipt for money, endorsed upon the note, was intended at the time of the alleged transfer to operate as an endorsement for the purpose of negotiation. *McCoon* v. *Biggs*, 2 Hill, 121.

41. In an action by the endorsee of a note against the maker, the note being valid in its creation, the consideration cannot be inquired into; but when the action is by an endorsee against his immediate endorser, the consideration may be inquired into, and the plaintiff cannot recover more than he has actually paid for the note. *Braman* v. *Hess*, 13 Johnson R. 52.

42. A party to a promissory note is inadmissible as a witness to prove it void at the time of its execution, but he is a competent witness to testify to facts subsequently occurring which tend to impeach its validity. *Skelding* v. *Warren*, 15 Johnson R. 271.

43. In an action by a bank against an endorser, the certificate of a notary who is a stockholder in the bank is inadmissible to prove demand and notice. *Herkimer Co. Bank* v. *Cox*, 21 Wend. 119.

44. When it is attempted to charge a person as endorser of a promissory note, it appearing that the endorsement is in the handwriting of the

maker, it is competent for the plaintiff to show authority to make the endorsement, by proving that when notice of protest was served upon the endorser, he remained silent; that he was sued, suffered default, and took no measures to defend the suit until after the maker had *absconded*, and that he had previously assumed the payment of other notes similar to those in question. *Weid* v. *Carpenter*, 10 Wend. 404.

45. When a note was executed and delivered to the payee, and the payee returned it to the maker, to be kept by him till certain acts were done by the maker, who then refused to redeliver it to the payee, the circumstances under which the note came into the possession of the maker may be given in evidence in an action by the payee to recover the amount of the note. *Garlock* v. *Gaston*, 7 Wend. 198.

46. An endorser who has made a special endorsement only to transfer his interest in a note, is a competent witness in an action by his endorsee against the maker. *Mott* v. *Hicks*, 1 Cowen, 513.

47. A discharged bankrupt, it seems, is not a competent witness for his sureties in a suit instituted by them to avoid payment of a note made by the bankrupt, unless he has released the surplus of his effects. *Morse* v. *Crofoot*, 4 Coms. 114.

48. One of two partners advanced money to the other after the dissolution of the partnership, and took his promissory note therefor. In an action upon the note, parol evidence of a contemporaneous agreement that the note should be paid out of the effects of the firm, and if those were not sufficient, it should be apportioned between the lender and the maker of the note, is not admissible. *Gridly* v. *Dole*, 4 Coms. 486.

49. A promissory note payable in specific articles may be given in evidence under the money counts in an action of assumpsit; but to render it thus admissible in evidence, it must contain a promise to pay a sum certain, and must import upon its face a sufficient consideration. *Taplin* v. *Packard*, 8 Bar. 220.

50. When the defence to a note is illegality of consideration, the *onus* of proving illegality will be upon the defendant. *Cuyler* v. *Sexton*, 8 Bar. 225.

51. In an action upon a guaranty expressing no consideration, parol proof is admissible to supply the defects of the written instrument. *Burt* v. *Horner*, 5 Bar. 501.

52. In a suit upon a note when the only question is, whether the maker signed the note absolutely, or upon condition only, it is improper to admit evidence respecting the nature of the consideration. *Miller* v. *Gambie*, 4 Bar. 147.

53. When no place of payment is mentioned in a note, *it seems* that parol evidence is admissible, to show at what place it was agreed to be paid. *Thompson* v. *Ketchum*, 4 Johnson R. 285.

54. When the endorser of a note transferred it, and after protest for non-payment, had a judgment against him as endorser in favor of the holder, and subsequent to the judgment took up the note, and brought suit against a prior endorser, relying on the notice which the holder had given on protest for non-payment; *held*, that a judgment rendered in favor of such prior endorser, in a suit brought by the former holder, where the

question of notice was a litigated point, is admissible against the plaintiff in this action, and, if properly pleaded, would be a bar. *Leonard* v. *Brush*, 5 Denio, 220.

55. In an action upon a note for the benefit of a former holder, not the nominal plaintiff, the declarations of such former holder, while he held the note, respecting the consideration, are admissible in evidence for the defendant. *Brisbane* v. *Pratt*, 5 Denio, 63.

56. A notarial certificate is evidence of presentment of a note for payment, only when it states that the presentment was made by the notary himself. When it stated that he had *caused* the note to be presented, it was held not evidence of the fact. *Warnick* v. *Crane*, 4 Denio, 460.

57. When there is evidence tending to show that the premium of exchange is unreasonable, or exorbitant, as a general rule, the question should be submitted to the jury to decide whether the transaction was intended as a cover for usury or not. *Cuyler* v. *Sexton*, 8 Bar. 225.

58. When the want of the sufficiency of notice does not appear in a motion for non-suit by a specific objection, and the motion is denied; *held*, that in a motion for new trial the sufficiency of the notice cannot be inquired into. *Cowperthwaite* v. *Sheffield*, 3 Coms. 243.

59. Parol evidence is inadmissible, to prove that an endorser or a guarantor intended to contract a different obligation from that imported by his written engagement. *Prasser* v. *Luqueer*, 4 Hill, 420.

60. In an action between the original parties to a note, it is competent for one who has subscribed his initials or his full name to the note to prove that the subscription was to attest the execution of the note, or for any other lawful purpose, and not as maker of the instrument. *Palmer* v. *Stephens*, 1 Denio, 471.

61. The contents of a notice to the endorser may be proved by parol, or by a copy of the notice made at the time of serving the original; and it is not necessary that notice be given to produce the original. *Johnson* v. *Haight*, 13 Johnson R. 470.

62. A protest of a bill of exchange by a bailiff—an officer authorized by the commercial code of France to make protests—will not be received in evidence without proof of the *Code*. *Chauvine* v. *Fowler*, 3 Wend. 173.

63. An endorsement on a note by a deceased notary, stating presentment, demand, protest, and notice, is admissible in evidence to prove demand and notice. *Hart* v. *Wilson*, 2 Wend. 513.

64. An intermediate endorser, in an action against a prior endorsor, must prove a regular demand and notice to the defendant, although the plaintiff was not the holder at the time the note became due. *Wilbur* v. *Sheldon*, 6 Cowen, 162.

65. The register of a deceased notary is not evidence of a demand and notice, when it is shown that the entries therein were made by a clerk who is still living in another State of the Union. *Ibid.*

66. In an action by the second endorser of a check against the payer, *laches* will not be presumed on the part of an intermediate endorser. If there was negligence on his part, it must be affirmatively shown by the defendant. *Janes* v. *Smith*, 20 Wend. 192.

67. So when the second endorser has put the check in circulation, laches by a subsequent holder will not be presumed, when the instrument was in circulation only four or five days after the second endorser parted with it, before it was presented. *Ibid.*

68. When a promissory note is given for a sum certain, evidence that, at the time of giving the note, the parties agreed that an account which the maker held against the payee should be deducted is not admissible. *Eaves* v. *Henderson*, 17 Wend. 190.

69. But an agreement made after giving the note, that a contemplated debt, to be contracted by the payee with a third person, should be allowed in payment of the note, may be shown; and the debt, when contracted, may be shown in payment of the note, under the general issue. *Ibid.*

70. Parol proof, to show that there was a mistake in the date of payment of a note, is inadmissible. *Fitzhugh* v. *Runyon*, 8 Johnson R. 292.

71. A promissory note was given by W. to A., for A.'s interest in his father's estate—there being a parol agreement, that if the other heirs would not agree to a certain arrangement, the note should be void; *held*, that the parol proof of this agreement could not be given in defence of an action on the note. *Ely* v. *Kilbourne*, 5 Denio, 514.

72. When two parties settled their accounts, and one gave his note for the balance, absolute in its terms, parol evidence of an agreement at the time, that if the maker could find a certain receipt, the note should be delivered up, is inadmissible. *Brown* v. *Hull*, 1 Denio, 400.

73. In an action upon a bill of exchange by the endorsers against the acceptors, it was shown that H. was the general agent of a firm, intrusted with the management of its entire business, and as such had drawn and accepted bills, and made notes in the name of the firm; *held*, sufficient evidence to go to the jury as a ground of inference, that he also had authority to bind the firm by an accommodation acceptance. *Commercial Bank* v. *Norton*, 1 Hill, 501.

74. [*In Equity.*]—Where a bill is filed for the purpose of making a party chargeable with the amount of a note made by the complainant, which the defendant has transferred to a third party in fraud of the rights of the complainant, the bill must allege not merely that the assignee is a *mala fide* holder, but that the note was assigned by the defendant in fraud of the complainant, so as to vest the title in the assignee, and then claim relief against the defendant on that state of facts. *Mickles* v. *Colvin*, 4 Bar. 319.

75. When, at the time of delivering promissory notes to a third party, for the benefit of the payee, the maker declares that the delivery is absolute and unconditional, that declaration is a part of the *res gestae*, and makes the act of delivery absolute. *Ibid.*

15. *Payment.*

1. A forged note or bill, which proves to be of no value, is no payment, and a party taking it may treat it as a nullity. *Markle* v. *Hatfield*, 2 Johnson R. 455.

2. The endorser of a promissory note, upon paying, or offering to pay,

it to the holder, is entitled to insist upon its being delivered up to him, and a tender of the amount of the note is not rendered invalid by being made upon such a condition. *Wilder* v. *Seeley*, 8 Bar. 408.

3. A bill or note is not a satisfaction of the debt or demand for which it was given, but only *prima facie* evidence of payment. *Olcott* v. *Rathbun*, 5 Wend. 490.

4. Nothing is considered an actual payment which is not in truth such, unless there has been an express agreement that something short of a payment shall be taken in lieu of it. *Ibid.*

5. The presumption of payment, arising from lapse of time, is but *evidence*, from which, when entirely unexplained, the jury are to draw the conclusion; but when there are circumstances tending to repel the presumption, these must be submitted to the jury under the charge of the court. *Jackson* v. *Sackett*, 7 Wend. 96.

6. Where an agent received money of his principals, and was by them directed to transmit it, by purchasing and forwarding a bill of exchange. This he did, but not with the money of his principal. The principal's money he made use of in his own business, and purchased the bill upon his own credit. *Held*, that the bill thus purchased was no payment of the money to the principal, it having been dishonored by the drawee, and the principal being ignorant, till after the dishonor of the bill, of the conduct of his agent; but *held otherwise*, had the agent purchased the bill with the money of the principal, or had the principal, with a full knowledge of the facts, chosen to adopt the transaction, and treat the bill as his own. *Hays* v. *Stone*, 7 Hill, 128.

7. A president of a bank, who was the maker of an endorsed note, procured a third person to make a note of the same tenor and effect as his own, which he endorsed and exchanged for his own, and delivered his own to the maker of the new note as security. The entries in the bank books indicated that the first note was paid, and the new note discounted. *Held*, that the first note was not paid, but remained in force against both maker and endorser. *Highland Bank* v. *Dubois*, 5 Denio, 558.

8. A bill of exchange drawn against a consignment of goods, and a mere letter of advice from the consignors to the consignees, does not operate as a specific appropriation of the proceeds of the goods to the payment of the bill. *Cowperthwaite* v. *Sheffield*, 3 Coms. 243.

9. R. & Co. consigned cotton to K. & Co., and drew two bills of exchange upon them, of which they were advised by letter. The bills were presented before the arrival of the cotton, and acceptance refused. K. & Co. subsequently received the cotton, and sold it, and deposited the proceeds with a third person, to be paid over to R. & Co., when the consent of their creditors thereto should be obtained. These bills, with others drawn by the same parties, came into the possession of the Bank of England, who also got possession of the fund, by a judicial process founded upon all the bills. *Held*, in an action on the two bills referred to against the endorser, that the bills and letter of advice did not operate as an appropriation of the proceeds of the cotton to the payment of the bills, and that the facts in the case did not make out the defence of payment. *Ibid.*

16. *Damages.*

1. When a foreign bill is protested for non-acceptance, the holder, after giving due notice to the drawer, may commence his action against the drawer at once, and recover, besides the amount of the bill, twenty per cent. damages, with the usual interest and charges of protest. *Weldon* v. *Buck*, 4 Johnson R. 143.

2. The holder of a bill drawn in New York on England, or any other part of Europe, and returned protested for non-payment, can recover no more than the amount of the bill and interest, with twenty per cent. damages. He can recover nothing for the difference between the price of the bill at the time it was drawn and at the time it was returned. *Hendricks* v. *Franklin*, 4 Johnson R. 119.

3. When one in New York purchases goods in Europe, and is sued here, the creditor cannot recover beyond the amount at the par of exchange, and is not entitled to any allowance for the rate of exchange, or for the price of bills on England. *Martin* v. *Franklin*, 4 Johnson R. 124.

4. The person to whom a bill is remitted, for the purpose of paying a precedent debt, cannot recover against the remitter the twenty per cent. damages. *Thompson* v. *Robertson*, 4 Johnson R. 27; *Kenworthy* v. *Hopkins*, 1 Johnson cases, 107.

5. A bill was remitted by A. to B., in payment of a precedent debt, and was specially endorsed to B. After the bill had been protested for non-payment, B. endorsed it to C., who paid him (B.) the amount, struck out all the intermediate endorsements, and brought his action as first endorsee against the first endorsers, to recover the amount of the bill and damages; *held*, that, after the protest, B. was only an agent of A., in respect of the bill, and should have returned it; and C. having taken it with a full knowledge of all the facts relating to B.'s possession, must stand in B.'s place, was entitled to no other rights than he, and could not therefore recover the twenty per cent. damages. A. was the only person who could have recovered damages. *Ibid.*

6. In an action on a foreign bill of exchange, the plaintiff is entitled to recover the amount of the bill according to the rate of exchange at the time of notice of dishonor, with twenty per cent. damages, calculated on the nominal amount of the bill, and with interest on those two sums from the time of notice. *Denston* v. *Henderson*, 13 Johnson R. 322.

7. A bill was drawn in the United States upon a house in London; the defendants were endorsers. Before the bill became due, B. and C., agents of the defendants, called upon the holder, and offered to pay the bill, if the drawee did not, for the honor of the endorsers (the defendants); and the holder promised to let them have the bill for that purpose. The bill was not paid by the drawee, and B. and C. again requested the holder to let them have the bill, offering to pay it. This the holder refused to do, saying the bill had been put in the post-office to be sent to the United States; *held*, that B. and C. ought to have been ready, *in London*, to pay the bill when it fell due; that their offer to pay, when the rights of the parties had become fixed, was of no avail, and that, under

the circumstances of the case, the defendants were liable to pay twenty per cent. damages on the amount of the bill. *Ibid.*

8. The payee endorser of a promissory note, who had been sued by the endorsee, cannot compel the maker to pay the costs of such suit—the maker being liable to the payee only for the amount of the note. *Simson* v. *Griffin*, 9 Johnson R. 131.

9. When separate suits are brought against the maker and the endorser of a note, and separate judgments recovered, the plaintiff is entitled to the *costs* in each suit. *Austin* v. *Bemiss*, 8 Johnson R. 275.

10. When a bill is lost, through the negligence of an agent with whom it is left for collection, the measure of damages, *prima facie*, is the amount of the bill; but the agent may show circumstances, if any exist, to reduce the recovery. *Allen* v. *Suydam*, 20 Wend. 321.

11. Payment of the principal and interest, by a surety of a protested bill, with a reservation by the holder of his right to proceed against the drawer for damages, is no bar to an action against the drawer for such damages, the obligations of the surety being distinct, and independent of that of the principal. *Tombeckbee Bank* v. *Stratton*, 7 Wend. 429.

12. The circumstance that a bank discounts a note at six per cent. does not deprive them of the right of recovering seven per cent., or the legal rate, against an endorser or guarantor. *Mechanics' Bank* v. *Minthorne*, 19 Johnson's R. 244.

III. Interest.

1. Whether interest is recoverable or not is a question of law depending upon the facts of the case. *Liotard* v. *Graves*, 3 Caines, 234.

2. If a party accepts the principal of his debt, he cannot afterwards maintain an action for the interest. *Tillotson* v. *Preston*, 3 John. R. 229; *Stevens* v. *Barringer*, 13 Wend. 639.

3. An action may be maintained for the interest, when it is stipulated for in the contract, although the principal has been paid. It is only when interest is not stipulated for in the contract, or is recoverable only as damages, or as incidental to the debt, that a creditor is denied an action for its recovery after accepting the principal. *Fake* v. *Eddy's Executor*, 15 Wend. 76.

4. Interest is not recoverable for unliquidated damages or uncertain demands; but a jury have a discretion to allow interest on the amount of a partial loss on a policy of insurance, provided they consider it proper under all the circumstances. *Anonymous*, 1 John. R. 315.

5. Interest is not allowable on an unliquidated account for work and labor. *Renss. Glass Factory* v. *Reid*, 5 Cowen, 587.

6. *Per Sutherland, J.* No interest shall be allowed upon an unliquidated account for goods, wares, or merchandise, without an agreement to allow it, either express or implied; because the balance of the account only constitutes the debt, and until that is ascertained there is no debt due. *Reid* v. *Renss. Glass Factory*, 3 Cow. 425.

7. Payment of the amount of principal money due from a debtor to

his creditor will not prevent an action for the interest, unless payment be made and received specially in extinguishment of the principal. If made generally, it applies first to extinguish the interest, and the balance may be sued for as the principal. *The People* v. *Corp. New York*, 5 Cowen, 331.

8. There is no general principle of law which requires the interest on notes or bonds, or other written contracts, to be paid annually. The time of its payment must depend upon the agreement of the parties as expressed in the contract. *Bander* v. *Bander*, 7 Bar. 560.

9. On contracts for the payment of money which contain no express agreement for the payment of interest, interest can be recovered only from the time when the principal debt falls due. *Williams* v. *Sherman*, 7 Wend. 109; *Gaylord* v. *Van Loan*, 15 Wend. 310.

10. If the contract contains an agreement for the payment of interest, but is silent as to the time when it is to be paid, the interest is not payable until the principal debt becomes due. *Bander* v. *Bander*, 7 Bar. 560.

11. Therefore, upon a promissory note in these words—"For value received, I promise to pay A. B., or bearer, the sum of $1000, in ten annual instalments, with use, the first payment to become due on the 1st day of June, 1848"—interest is payable on the several instalments as they respectively become due, and not annually on the whole principal sum remaining unpaid. *Ibid.*; see also *French* v. *Kennedy*, 7 Bar. 453.

12. In the case of an overpayment, which becomes as partial *ante payment* with respect to future instalments, the amount of such overpayment is to be applied to a portion of the future instalment and the interest on that portion, leaving the interest to be computed on the balance. *French* v. *Kennedy*, 7 Bar. 452; *Williams* v. *Houghtaling*, 3 Cowen, 86.

13. When partial payments are made on a bond or mortgage, or other obligation, after the money has become due and payable by the terms of the instrument, the day on which the payment was to be made is to be disregarded in the computation of interest, and the rests are to be made at the time when the payments are *actually made*, unless any should fall short of the interest then due, in which case the rest is made, when the first payment, which, taken with the previous smaller ones, in the aggregate exceed the amount of interest due at the time, is made. *Ibid.*, 7 Bar. 452.

14. Where a bond and mortgage were conditioned to pay to the obligee "the just and full sum of $1256.50, with interest after the 1st day of April next, in fourteen equal annual payments, on the 1st day of April of each and every year after the 1st day of April next," the instrument bearing date March 18, 1831; *held*, that the meaning of the instrument was, that the obligor should pay $1256.50 in fourteen equal annual instalments, and such instalments to be paid on the 1st day of April in each year, &c., with interest, and that the *interest* on each instalment should be paid when the instalment became due, and not before. *Ibid.*

15. Interest is allowed—1st, upon a special agreement; 2d, upon an implied agreement; 3d, when money is withheld against the will of the

owner; 4th, by way of punishment for an illegal conversion or use of another's property: and 5th, upon advances of cash. *Renss. Glass Co.* v. *Reid*, 5 Cowen, 587, affirming the decision of the Supreme Court in 3 Cowen, 436. *Van Rensselaer* v. *Jones*, 2 Bar. 644.

16. Interest is allowed upon rent payable in money from the time it is due, and while it is unjustly withheld. *Van Rens.* v. *Jones*, 2 Bar. 644; *Clark* v. *Barlow*, 4 John. R. 183; *Jackson* v. *Wood*, 24 Wend. 443.

17. In ascertaining the *mesne profits* or rents of premises situate in the city of New York, interest may be computed upon rents from the expiration of the quarter days, instead of waiting for the expiration of the term. *Jackson* v. *Wood*, 24 Wend. 443.

18. Interest *is not* recoverable in covenant for arrears of rent payable in wheat. *The Executors of Van Rens.* v. *The Administrators of Platner*, 1 John. R. 275.

19. Interest *is* allowable on rent payable in wheat, at a day and place certain, from the day it was payable. *Lush* v. *Druse*, 4 Wend. 313; *Van Rensselaer* v. *Jones*, 2 Bar. 644.

20. Interest is recoverable on a contract for the delivery of cows and calves, to be computed on their value at the time and place of delivery. *Spencer* v. *Tilden*, 5 Cowen, 144.

21. Interest cannot be allowed on an unliquidated account for goods sold and delivered, when no time is fixed for payment, and there is no agreement, express or implied, to pay interest. *M'Knight* v. *Dunlop*, 4 Bar. 36; see also *Still* v. *Hall*, 20 Wend. 51, and *Tucker* v. *Ives*, 6 Cowen, 193.

22. Interest is recoverable on money due under a special agreement, as when compensation for services is agreed upon at a specific sum per month. *Still* v. *Hall*, 20 Wend. 51; *Fecter* v. *Heath*, 11 Wend. 477; *Williams* v. *Sherman*, 7 Wend. 109. It runs from the time the money falls due. *Ibid.*

23. Interest is not recoverable upon a running unliquidated account, unless there is an agreement, either express or implied, to pay interest. *Easterly* v. *Cole*, 1 Bar. 236; *Newall* v. *Griswold*, 6 John. Ch. 45; *Trotter* v. *Grant*, 2 Wend. 413; *Wood* v. *Hickok*, 2 Wend. 501.

24. But if it appears that it is the uniform practice of the merchant to charge interest after a certain time, and that such practice was known to the debtor, an agreement to pay interest in accordance with it is implied. *Reab* v. *M'Allister*, 8 Wend. 109.

25. Dealers are not *presumed* to know such a practice or custom, and the knowledge must be established by positive evidence, or by circumstances from which it may be inferred. *Easterly* v. *Cole*, 1 Bar. 234.

26. When the condition of a bond required the payment of $3200 in manner following, viz.: $1000 on the 1st day of April next (the date of the bond was Dec. 14, 1833), and the remainder in four annual instalments thereafter of $550 each, interest annually; *held*, that the obligee was not entitled to any interest during the interval between the date of the bond and the 1st of April, 1834, when the first payment was to be made. *Fellows* v. *Harrington*, 3 Bar. Ch. 652.

27. When an executor mixes up the trust funds with his own, or

neglects to keep regular accounts of the investments and of the interest received upon such funds, from time to time, he is chargeable with interest, as if the fund had been kept invested upon interest, payable periodically, and as if the payments had been made by him from the interest and principal thus received by him, and in hand when the payments from the trust fund were made by him; and interest should not be computed upon the capital fund for a term of years, with a deduction of the payments and interest on such payments in the mean time. *Spear* v. *Tinkham*, 2 Wend, 211.

28. When there is a general usage in any particular trade or branch of business to charge and allow interest, parties having knowledge of the usage are deemed to contract with reference to it. *Easterly* v. *Cole*, 3 Coms. 502.

29. Interest may be allowed on a partial loss on a policy of insurance. 1 Cowen, 315. The jury have a discretion to allow interest or not in such a case. *Anonymous*, ibid. 312.

30. Where execution is issued in an action (except in debt for a penalty), the plaintiff cannot levy the interest which has accrued since the judgment, but only the amount of the judgment. *Watson* v. *Fuller*, 6 John. R. 282.

31. But it is enacted (Sess. 36, c. 203, s. 50) that in all executions to be issued on judgments hereafter to be recovered upon contracts, it shall be lawful to direct the collection of the interest on said judgment from the time of recovering the same until paid. Same case, note 6, and *Mason* v. *Sudam*, 2 John. Ch. 180.

32. A legacy payable at a future day does not carry interest until after it is payable, unless it is given to a child for which the parent has made no other provision. If no such provision be made, the legacy carries interest immediately upon the presumption that the parent must have intended that the child should be maintained at his expense. But this provision, *it seems*, does not extend to *grand-children*. *Lupton* v. *Lupton*, 2 John. Ch. 628.

33. When a balance of an account is paid without any charge for interest, interest cannot be recovered afterwards. *Consequa* v. *Fanning*, 3 John. Ch. 602.

34. When C. and M. owned contiguous premises, between which the party-wall had become old and dilapidated, and C. demanded of M. a contribution of a moiety of the expense of removing the old wall and erecting a new one, which was refused; *held*, that M. was liable to pay both the moiety of the expense, and *interest* upon that moiety from the time of the demand of contribution and refusal. *Campbell* v. *Mesier*, 6 John. Ch. 24.

35. When land is devised, charged with the payment of a legacy, and the devisee accepts the devise, he is liable to pay *interest* on the legacy from the time it was payable, though payment was not demanded by the legatee; and when the legatee is obliged to sue for the legacy, he is entitled to interest and costs. *Glen* v. *Fisher*, 6 John. Ch. 33.

36. An agent or attorney is not chargeable with interest upon the moneys of his principal, unless he has been in default, or has used such

moneys for purposes of gain to himself. *Williams* v. *Storrs*, 6 John. Ch. 353.

37. In assumpsit against a carrier for not delivering goods intrusted to him to carry, interest is not allowable as a matter of law, but the jury may allow or withhold it in their discretion. *Richmond* v. *Bronson*, 5 Denio, 55.

38. In assessing damages for a breach of contract, the jury may allow interest by way of damages. *Dox* v. *Day*, 3 Wend. 356.

39. The State is liable to pay interest upon the amount of a legal appraisement of damages for land taken for the public use after the party entitled has made a demand upon the officers charged with making payment for the same. *The People* v. *Canal Commissioners*, 5 Denio, 401.

40. But the State is not chargeable with *interest* until a lawful demand of the principal, and a refusal of payment by the officer chargeable with the duty of making payment. *Ibid.*

41. Interest on a bill of official fees is not recoverable, unless there has been a regular taxation. *Mumford* v. *Hawkins*, 5 Denio, 355.

42. At the common law, the plaintiff is only entitled to tax interest on the verdict, when the delay in obtaining judgment has been occasioned by the defendant, and not when the plaintiff himself causes the delay. *Vredenburgh* v. *Hallet*, 1 John. Cases, 27; *Williams* v. *Smith*, 2 Caines, 253; *The People* v. *Gaine*, 1 John. R. 343.

43. The law of 1844 gives interest on the verdict from the time it was obtained to the time of the judgment, whichever party may have occasioned the delay. *Bull* v. *Ketchum*, 2 Denio, 188.

44. Where money is loaned at less than the legal rate, but the contract of lending is indefinite as to the length of credit, and the lender having died, the borrower denies the debt and conceals the evidence of it; *held*, that legal interest is chargeable from the time of such denial and concealment. *Lawrence* v. *Trustees of Leake & Watts, Orphan House*, 2 Denio, 588.

45. If a sheriff retains money collected by him on execution after the return day, he is chargeable with *interest*. *Cram* v. *Dygest*, 4 Wend. 675.

46. In an action against the endorser of a note payable in another State, the *lex posi* will govern as to the rate of interest, unless it be shown that the law of the place where the contract is made prescribes a different rate. *Leavenworth* v. *Brookway*, 2 Hill, 201.

47. Merchants can by agreement prescribe the mode of charging interest upon running accounts, provided the mode adopted is not intended to be, and is not, in fact, a cover for usury. *Hart* v. *Dewey*, 2 Paige, 207.

48. In the absence of any agreement to the contrary, a creditor has a right to apply money received from his debtor to the extinguishment of the interest, and the *surplus* to the part payment of the principal. *Ibid.*

49. Interest is chargeable on a balance of accounts between parties only from the time when the party charged with the balance has notice of the deficiency on his part. *Kane* v. *Smith*, 12 Johns. R. 156.

50. In trover, the plaintiff may have interest on the value of the

goods from the time of the conversion; and on verdict and judgment for the plaintiff in trover, error and judgment of affirmance, the defendant in error has both interest from the time of the judgment below and double costs—the execution being actually delayed by a writ of error. *Bissell* v. *Hopkins*, 4 Cowen, 53.

51. When a writ of error is brought on a judgment for the plaintiff, in an action for a tort, and the judgment is affirmed, the defendant in error will not be allowed interest on the judgment. *Gelston* v. *Hoyt*, 13 Johns. R. 361.

52. It is a rule of the Court of Equity to give effect to the lien of a judgment upon a legal title, so far as it could be enforced by execution at law; and when interest can be levied upon an execution, the judgment creditor is entitled to a preference over subsequent liens and the general creditors of the defendant in the judgment, but he is not entitled to a lien for *interest* upon a judgment which does not draw interest. *Mower* v. *Kip*, 6 Paige, 91.

53. The allowance of interest on a judgment, in an action for tort, is not a matter of course, under a decree in equity. In an action of debt at law, on a judgment for a tort, interest may be recovered by way of damages for the detention of the debt. *Stafford* v. *Mott*, 3 Paige, 100.

54. If the mortgagee, after a sale of a part of the mortgaged premises, agrees to an adjournment of the sale of the residue, without any stipulations respecting interest, he must receive the money arising from the first sale, and cannot claim interest upon his whole debt up to the time of the second sale. *Lawrence* v. *Murray*, 5 Paige, 400.

55. The making of the interest on a loan payable semi-annually or quarter yearly, and before the principal sum is due, does not render the security taken on such loan usurious. A promissory note, payable one year after date, with interest payable quarterly, is valid. *Mowray* v. *Bishop*, 5 Paige, 98.

56. Interest is recoverable in an action of debt, on a judgment for costs of defending an action of assault and battery; so also, it seems, it is recoverable in an action on a judgment, whether the original demand carried interest or not. *Klock* v. *Robinson*, 22 Wend. 157.

57. In an action of trespass, for taking the goods of the plaintiff, the jury, in their discretion, may allow, besides the value of the goods at the time of the trespass, interest on the amount from that time, by way of damages. *Beals* v. *Guernsey*, 8 Johns. 348.

58. Interest was allowed on a bond of defeasance, conditioned to execute a deed by a certain day, from the date of the bond until the decision of the case in the Court of Errors, as a compensation for delay in the performance. *Clute* v. *Robinson*, 2 Johns. R. 595.

59. In an action of *debt* against a sheriff for an escape, no interest is allowed; *otherwise*, in an action *on the case*. *Rawson* v. *Dole*, 2 Johns. R. 454.

60. A. and B., pursuant to a certain written agreement, engaged in certain mercantile adventures. Five years after, B. rendered an account, and offered to come to a settlement, on condition that A. would surrender up the written agreement which he held in his possession, which was

refused. A. died, and five years subsequently his personal representatives filed a bill against B. for an account. *Held*, that A. was entitled to recover not only the amount of money apportioned to him as his share of the proceeds of the adventures, but interest on the same from the time B. had received the money; or, at least, from the time B. had offered to render an account. *Stoughton* v. *Deviar*, 3 Johns. Cases, 303.

61. Interest is not taxable with costs, when the plaintiff is delayed by a *case* made by the defendant, except in actions on contract. *Henning* v. *Vantyne*, 19 Wend. 101.

62. A bank which, by law, is limited to six per cent. upon all discounts, may recover seven per cent. from the time the debt becomes due. *United States Bank* v. *Chapin*, 9 Wend. 471.

63. Interest is recoverable on contracts from the time that the principal ought to have been paid. *Williams* v. *Sherman*, 7 Wend. 109.

64. A forwarding merchant is entitled to interest on his account, when his customer knows that it is his ordinary custom to charge interest. *Meech* v. *Smith*, 7 Wend. 315.

65. When an account for labor, work, and services was not rendered before suit brought, and the amount claimed was much larger than that allowed on a hearing before a referree, interest was not allowed. *Doyle* v. *St. James Church*, 7 Wend. 178.

66. Interest is recoverable from the time of the commencement of a suit, for the recovery of the amount due for work done under a special contract. *Fecter* v. *Heath*, 11 Wend. 477.

67. When, at the suit of the endorser of a note, an injunction is granted, forbidding the maker to pay the note to the payee or *any other person*, the endorser, in an action at law subsequently commenced against the maker, upon the note, is not entitled to *interest* from the time of the service of the injunction. *Stevens* v. *Barringer*, 13 Wend. 639.

68. When a party receives money belonging to another person, and refuses to pay it over, he is liable to pay interest on the sum withheld, although he has a set-off against the person to whom the money belongs, and the precise amount due from him is unliquidated. *Greenly* v. *Hopkins*, 10 Wend. 96.

69. When a mortgage is assigned with the concurrence of the mortgagor, the assignee shall be entitled to interest upon *the interest* paid by him, as well as upon the principal of the mortgage. *Jackson* v. *Campbell*, 5 Wend. 578.

70. Interest may, in all cases, be collected by an action of debt on judgment; and when the judgment is rendered in an action on contract, the interest may be collected by directing its levy upon execution. *Sayre* v. *Austin*, 3 Wend. 496.

71. Interest is recoverable upon money paid into court after suit brought. *Crane* v. *Dygest*, 4 Wend. 675.

72. Interest cannot be charged by commission and forwarding merchants upon items of account for freight, storage, and wharfage. They are entitled to interest only on their cash advances. *Trotter* v. *Grant*, 2 Wend. 413.

73. But *it seems*, that instead of allowing interest to their customers

on moneys received, they may apply such moneys to the satisfaction of the annual balances of account, and allow interest on the excess, unless specially directed otherwise. *Ibid.*

74. An account, consisting of items on the part of the plaintiff, and only of credits of payments on the part of the defendant, is an unliquidated, running account, and does not carry interest without an agreement, express or implied. *Wood* v. *Hickoff*, 2 Wend. 501.

75. In general, interest is payable according to the laws of the country where the contract is made; but if, by the terms or nature of the contract, it appears that it is to be executed in another country, or that the parties had reference to the laws of another country, then the place in which it is made is immaterial, and it is to be governed by the laws of the country where it is to be performed. *Fanning* v. *Carsegub*, 17 Johns. R. 511; *Hasford* v. *Nichols*, 1 Paige, 220.

76. The mere fact that interest is not paid at the time it is made payable, does not sanction the imposition of compound interest. That is allowed only in cases of gross delinquency—of intentional violation of duty. *Ackerman* v. *Emott*, 4 Bar. 626.

77. Compound interest cannot lawfully be demanded or taken, except upon a special agreement made after the interest has become due. An agreement made at the time of the original contract, or loan, that compound interest should begin and run upon the lawful interest as soon as it falls due is not valid. *Van Benschooton* v. *Lawson*, 6 John. Ch. 313.

78. The principle of not giving effect to a stipulation for the compounding of future interest upon a debt does not arise from the usury laws; it is merely adopted as a rule of public policy, to prevent an accumulation of compound interest in favor of negligent creditors, who do not collect their interest when it becomes due; which negligence is found, in the end, to be rather an injury than a benefit to the debtor. *Quackenbush* v. *Leonard*, 9 Paige, 345.

79. Interest is payable according to the law of the place where the contract is made and to be executed. *Consequa* v. *Fanning*, 3 John. Ch. 610.

80. When a Chinese merchant consigned goods to a merchant at New York, and delivered the goods to the agent of the latter at Canton; *held*, that the contract was made in China, and the debt was to be paid there, and the Chinese merchant was entitled to interest according to the laws of China, which allow 12 per cent. *Ibid. Reversed in the Court of Errors*, 17 Johns. R. 511.

81. The true mode of computing interest on an account between debtor and creditor is to carry the payments, as they are made, to the extinguishment of the interest, and apply the surplus only to the principal. *Stoughton* v. *Lynch*, 2 John. Ch. 214.

82. In the absence of any agreement on the subject, a debt is presumed to be payable at the place where the contract is made, and where the creditor resides; and interest is payable according to the laws of that place. *Stewart* v. *Ellice*, 2 Paige, 604.

THE FISCAL HISTORY OF TEXAS.

The Fiscal History of Texas; including an Account of its Revenues, Debts, and Currency, from the commencement of the Revolution in 1834 *to* 1851–2, *with remarks on American Debts. By William M. Gouge, author of "A Short History of Paper Money and Banking in the United States."*

From the New York Courier and Enquirer.

From the recent work of Mr. Gouge, we deduce the following as the main particulars in relation to the debts of the late republic:

1. The republic of Texas, in struggling for its independence, incurred many debts, in the form of bonds, Treasury notes, &c., &c., for the payment of which it pledged its revenues, its land, and its public faith; in short, every thing it possessed or might thereafter acquire.

2. As is usually the case with governments whose ability to pay is remote and doubtful, the government of Texas received for its bonds, Treasury notes, &c., less than their nominal value.

3. On the annexation of Texas to our Union, so many of her debts as her customs had been pledged for became, according to the law of nations, a charge against the United States. But the United States sought to prevent this, by an express stipulation that Texas should retain all her vacant lands, and apply the same to the payment of the debts of the late republic; and that, "in no event," should said debts and liabilities become a charge against the government of the United States.

4. This stipulation was acceded to by the people of Texas, and made a part of their State constitution, by engrafting thereon the resolution of annexation. Thus the *State* of Texas assumed the debts of the *Republic* of Texas, as they had been defined by that republic.

5. Though the State of Texas thus assumed the debts of the Republic of Texas, it did not pay them. It had not, in fact, the power to pay them, as its customs, its only source of revenue of much account, had been transferred to the United States, and as its lands produced little or nothing.

6. Not content with paying nothing, the State of Texas, or rather the Legislature of Texas, resolved to scale the debt of the republic, in some cases to as low as twenty cents on the dollar—alleging that so much was all the value the republic had received, and so much was all that the State, "according to the principles of morality and religion," is bound to pay.

7. As this was a plain violation of the letter of the contract, the creditors applied to the United States for relief, affirming that as Texas had not paid, and would not pay, the United States were bound for the amount; and, more especially, as the United States had absorbed the customs revenue of the republic, which had been pledged for these very debts.

8. To meet the difficulties of the case, Congress passed a law to grant to the State of Texas ten millions of dollars in five per cent. bonds, *nomi-*

nally **in payment for worthless lands, but *really* with the intention that the State of Texas should therewith pay the debts of the late republic, and thus release the United States from all liabilities for the same. It** was made a provision in this law, that bonds to the amount of five millions should be immediately passed over to Texas, and the residue after the creditors should have filed releases at the Treasury Department at Washington, exonerating the United States from all liabilities on account of the debts for which the transferred revenues has been pledged. It was supposed, at that time, that five millions would more than cover the debts for which the United States were responsible; and the obvious expectation of Congress was, that those five millions should be applied in this way; *after* which, the releases from the creditors having been duly filed, the remaining five millions should be paid over to Texas.

9. The authorities of Texas received the bonds to the amount of five millions, and the interest that had accrued thereon, to the amount of 250,000 dollars, and applied a part of the same to the payment of the "domestic debt" of the late republic, another part to the payment of the expenses of the State government; but not *one cent* to the payment of the debt for which the revenues had been pledged, and for which, consequently, the United States are responsible.

10. Not content with this, the Legislature of Texas passed an act, making the payment of the creditors, for whose debts the revenue of the republic had been pledged, dependent on the *previous* surrender of the bonds reserved in the Treasury Department of the United States, or so many of them, at least, as would cover the amount of their valid claims.

11. The United States refuse to surrender the bonds till the releases are signed; because, if they should act otherwise, they would have to pay twice debts for which they have already made ample provision.

12. In this state of things, the creditors of Texas, with claims on two governments—which claims are, to a certain extent, recognized by both—are paid by neither.

Those who will peruse the volume to which we have referred will find these facts stated in the order of their occurrence, maintained throughout by documentary evidence, and illustrated by reasonings which leave no doubt as to the side on which justice lies. No one should be deterred from reading it by the apparent dryness of the subject, as the volume is far more lively and interesting than might be supposed from its title.

We sincerely hope that the present Congress will not adjourn without seeing justice done to the creditors of the late republic of Texas. Some of these debts are of as much as sixteen years' standing; and full seven years have elapsed since the United States, by the annexation of Texas, became, according to the laws of nations and the principles of equity, responsible for all those debts for which the revenues of the republic were pledged. Any longer delay, in a case like this, will be almost equivalent to a denial of justice.

Another reason for prompt action on the part of Congress is, that the longer the decision is deferred, the greater will be the amount to be paid, as the debts go on accumulating at the rate of ten per cent. per annum. We say this, because the act of the Legislature of Texas, stopping inter-

est after the 1st of January, 1850, can no more be sustained, than can its scaling acts, by which it makes a tender of fifty cents in one year as full payment of a debt for a dollar contracted in some previous year.

We learn that the Texas Indemnity bill comes up for consideration on Monday next, in the United States Senate. The proposition is to compromise the whole difficulty between the general government and Texas and her creditors, in regard to the last five millions of the indemnity voted in 1850, by the issue of $8,333,000 federal Three per Cents., in lieu of $5,000,000 Fives. This would cost the government no more interest, and would cover the whole, or nearly so, of the indebtedness of Texas coming under the clause in regard to the original pledge of Texas revenues.

In connection with this matter, our readers will find, under our commercial head, some statistics in relation to the history of Texas—her legislation, finances, &c., &c.—which will fully illustrate her past history in this regard. Any further delay by Congress to settle finally and promptly with the creditors of Texas, would be almost equivalent to refusing to meet the interest on our own debt.

From Mr. Gouge's volume, and from authentic sources, we gather the following facts in relation to Texas as a Republic and as a State. It forms a curious page in the history of the American States—a page, too, with which few of the American people are at present familiar:

1835.

April 30.—The State of Coahuila and Texas chartered, for the term of twenty years, the "Commercial and Agricultural Bank," for the department of Brazos, in behalf of Samuel M. Williams—the capital not to exceed $1,000,000, and branches authorized.

August 15.—First town meeting held for a Committee of Safety and Correspondence.

September 20.—Hostilities with the Mexicans commenced on the Guadaloupe.

October 16.—Representatives from eight municipalities assembled at San Felipe de Austin.

November 1 to 3.—Representatives re-assembled at San Felipe—Branch T. Arthur, President.

24.—T. F. McKinney appointed agent to raise $100,000 by loan in New Orleans.—A gift of 640 acres of land authorized to each soldier.

26.—The provisional government authorized the raising of an army of 1146 men, under Gen. S. F. Austin.

27.—An ordinance passed to establish a navy, and to authorize letters of marque and reprisal.

December 4.—A loan of $1,000,000 authorized, at 10 per cent., for five or ten years, on a pledge of the public lands.

5.—Joshua Fletcher elected the first State Treasurer.

10.—The campaign of 1835 closed, by the surrender of Cos and Utargechea.

12.—First revenue act passed, laying duties of ten and twenty per cent. on foreign goods.

15.—A tonnage duty of $1 25 per ton authorized.

30.—Ordinance passed for appointment of Collectors of Customs.

1836.

January 10.—Thomas F. McKinney and Samuel M. Williams appointed to execute bonds for the loan of $100,000.—Lieut.-Governor Robinson appointed by the Council.

February 12.—Santa Anna reached the Rio Grande with his army.

March 2.—Declaration of Independence declared by the Texans, in convention.

17.—A constitution adopted by the convention.

April 21.—The battle of San Jacinto fought.

22.—Santa Anna surrendered himself a prisoner of war, and the independence of Texas secured, with its territory of 379,000 square miles.

October 3.—The first Congress of the republic of Texas commenced its session in the town of Columbia.

4.—David G. Burnet, President *ad interim*, communicated his first message to the Texan Congress.

22.—Gen. Samuel Houston having been elected President of the republic by the people, was installed into office with a salary of $10,000.

November 18.—The President authorized to negotiate a loan of $5,000,000, at a rate not beyond ten per cent. interest.

December 9.—A league of land (4444 acres), comprising the town plot of Galveston, sold to M. B. Menard for $50,000, payable in approved acceptances on New Orleans.—Act passed authorizing the sale of 500,000 acres of land, at 50 cents per acre.

10.—Loan of $20,000 authorized by the Texan Congress, without limit as to the rate of interest.—General Land Office for the republic of Texas established, by which every white person in Texas, prior to January 1, 1837, would be entitled to 1280 acres of land.—The Secretary of the Treasury authorized to negotiate a loan from any bank or banks in Texas, for the payment of claims held on the republic, by Messrs. McKinney & Williams.

16.—Act passed "to incorporate the Texas Railroad, Navigation, and Banking Company," with a capital of $10,000,000, to connect the waters of the Rio Grande and Sabine. $5,000,000 of this stock was subscribed by eight individuals and firms, and the bonds required by law were tendered to the republic in Treasury notes, and refused.

20.—An act was passed imposing duties on foreign goods imported. —At this period, and for a year preceding, and until the spring of 1837, the currency of Texas was mainly the notes of Mississippi, Alabama, and New Orleans banks.—Congress adjourned, to meet in May following.

1837.

May 1.—The first Texan Congress met, by adjournment, at Houston.

June 7.—Act passed authorizing "the consolidation and funding of the public debt."

9.—Act passed authorizing the issue of $500,000 government promissory notes, receivable for all public dues.

12.—An act passed "to raise a revenue by direct taxation."

12.—Act passed to stop further grants of land to emigrants (vetoed by President Houston, but subsequently passed by the requisite majority).

—Numerous acts for new banking concerns were submitted to the Legislature, and were under favorable consideration at this period, when news was received of the general suspension in the United States.

September 25.—A special session of Congress commenced.

October.—The Texan navy destroyed in a gale.

22.—William G. Cooke authorized by Congress "to sign the name of the President to the promissory notes of the government, in consequence of the wound received by President Houston in his right arm.

November 1.—The issue of Treasury notes was commenced.

4.—The special session of Congress closed.

6.—The regular session of Congress commenced.

21.—The message of President Houston communicated to Congress.

December 14.—A further issue of $150,000 Treasury notes ordered.

14.—The reception of bank notes in payment of government dues prohibited.

18.—A bounty of a league of land granted to every one disabled in the service of Texas.

21.—A bounty of 640 acres of land granted to every man who had been engaged in the battle of San Jacinto.

1838.

April 9.—An adjourned session of the second Congress commenced.

May 16.—New York and Philadelphia bank notes authorized to be received for the loan of $5,000,000.

18. Act passed authorizing the re-issue of government Treasury notes.

September 30.—The public debt of Texas amounted to $1,887,000.

November 5.—The third Congress of Texas commenced its session at Houston.

16.—Treasury notes to the amount of $100,000 authorized, to pay expenses incurred in quelling the insurrection of the Indians in Nacogdoches. (This was the last fiscal act signed by President Houston.)

December 10.—The third Congress commenced its session.

21.—An act passed exempting from direct taxation the inhabitants of counties infested by Mexicans and Indians.

24.—President Lamar sent his first message to Congress, including a plan for a national bank and branches.

1839.

January 4.—Act passed to allow 640 acres to every family arriving between the 1st October, 1837, and 1st January, 1840.

10.—Act passed to sanction the purchase of steamer Charleston for $120,000.

21.—A bill to establish the "Bank of the Republic of Texas" rejected by a vote of 16 to 14.

22.—The President authorized to issue government bonds to the amount of $1,000,000, at eight per cent.

23.—Government officers were prohibited from demanding pay in other funds than Treasury notes.

24.—An appropriation of $1,000,000 made for the protection of the frontier.

26.—An appropriation of $250,000 made for the support of the navy

for the year 1839, and to confirm the purchase recently made by agents, of one ship of 18 guns, two brigs of 12 guns each, and three schooners of 6 guns each.

November 11.—The fourth Congress assembled at the new capital, Austin.—Public debt of Texas now amounted to $3,102,000.

1840.

January 14.—An act was passed whereby "the proceeds of the public lands generally, its revenues and public faith, are solemnly pledged" for the redemption of all loans negotiated by Texas. Under this act, $560,000 was negotiated with F. Dawson and others, and $457,380 with the U. S. Bank of Pa., and $195,907 with J. Holford and others.

February 5.—Act passed authorizing the issue of $1,500,000 government bonds, in sums of $100, $500, and $1000, at eight per cent., and receivable for customs and direct taxes.—An act passed to suppress private banking.—Congress adjourned.

October 21.—Texas treasury notes had depreciated to fifteen cents on the dollar.—At this period there were four loan acts in force—1st, $100,000 loan, and 2d, the $1,000,000 loan (both of the Provisional Government, and unrepealed); 3d, the loan act for $1,000,000, and 4th, the loan act for $5,000,000 of the Republic.—The government realized in this year $158,495 from a loan negotiated with the Penn. Bank U. S. —The public debt estimated at $4,822,000 by the Secretary of the Treasury, independent of the cost of the navy vessels.

1841.

February 3.—An act passed to authorize McKinney & Williams to issue their notes to the amount of $30,000, for circulation as money.

4.—The act for "bonding or funding of the promissory notes, or liabilities of the government," repealed.—Governor James Hamilton announced that he had contracted with Lafitte & Co., Paris, for a loan to Texas. The effect of this news was to raise the price of treasury notes from fifteen cents per dollar to forty or fifty cents per dollar in April following.

5.—The fifth Congress adjourned.

June 29.—Official notice given by John G. Chalmers, Secretary of the Treasury of Texas, that the Texan loan had been negotiated in Paris. (*The loan was not actually negotiated.*)

September 30.—The treasurer's payments for the past three years ascertained to have been $4,855,215, viz.: To September, 30, 1839, $1,504,173; to September 30, 1840, $2,174,752; to September 30, 1841, $1,176,288.

November.—The sixth Congress met at Austin.

December.—General Samuel Houston succeeded General Lamar as President of the Republic.—During the administration of General Lamar, Texas treasury notes had fallen in market value from sixty-five or eighty-five cents, in October, 1838, to fifteen or twenty cents, in November, 1841.

1842.

January 1.—The debt of Texas amounted to $7,300,000, being an increase of $5,418,000 since December, 1838.—The aggregate treasury

receipts for the past year were $442,604, and the expenditures $1,176,000; all in Texas treasury notes.

19.—An act was passed "to authorize the President to issue exchequer bills, and to declare what shall be receivable in payment of taxes and duties on imports."

June 27.—An extra session of the Texan Congress convened by order of President Houston.

July 29.—An act was passed authorizing the reception of exchequer bills, at their market value, only for customs and other public dues.—These securities had now fallen to five or ten cents per dollar.

November 14.—The seventh Texan Congress convened at Washington, on the Brazos.

1843.

January 6.—An act passed authorizing the issue of treasury notes to the amount of $50,000, in sums of one, two, three, five, ten, and twenty dollars. Subsequently bills of 75 cents, 50 cents, 25 cents, and 12½ cents were issued.

December 4.—The eighth Congress assembled at Washington.

1844.

February 5.—An act passed forbidding the circulation of more than $20,000 exchequer bills at any one period.

July 31.—The public revenue for the past year ascertained to have been $178,000.

December 2.—The ninth Congress assembled at Washington.

The treasury expenditures for the past three years of President Houston's administration were $493,175, against $4,855,713 in the previous three years, viz.:

Lamar.		*Houston.*	
September 30, 1839,	$1,504,178	September 30, 1842,	$196,051
Do. 1840,	2,174,752	Do. 1843,	147,274
Do. 1841,	1,176,288	Do. 1844,	147,850

And the imports and exports:

	Imports.	*Exports.*
Year 1839,	$1,506,000	$274,000
Do. 1840,	1,378,060	220,000
Do. 1843,	471,000	415,000
Do. 1844,	686,000	615,000

December 9.—President Anson Jones inaugurated.

1845.

February 3.—An act passed forbidding the further issue of treasury notes, bonds, or bills.

March 1.—The resolution for annexing Texas to the United States approved by President Tyler.

June 16.—An extra session of the Ninth Texan Congress assembled at Washington, on the Brazos, to consider the terms of annexation.

July 4.—The Texan Convention assented to the annexation of Texas to the United States.

August 5.—A report of the commissioner of the General Land Office reported as follows: Superficial extent of Texas, 379,319 miles, or 254,284,160 acres; total amount issued by the land commissioner,

43,543,970 acres, of which were recommended as lawful claims 19,212,206 acres; total number issued by war department as bounty and donation claims, 6,300,000 acres; total number sold by government land scrip, 368,787 acres; total number of legal claims issued by Texas, 25,880,993 acres; total number issued considered fraudulent, 24,381,764 acres; total number issued by Mexico, partly invalid, 22,080,000 acres.

August 27.—A committee reported that 236,803 square miles of Texas land had been appropriated to this date, leaving 160,516 square miles unappropriated.

The Constitution adopted, declaring that "in no case shall the legislature have power to issue treasury warrants, treasury notes, or paper of any description intended to circulate as money."

1846.

February 16.—The first Texan State Legislature assembled at Austin.

March 24.—A committee of the State Senate recommended a sale of the public lands to the general government.

1847.

December 13.—The second State Legislature met at Austin.

29.—Governor Wood sent a message to the legislature, recommending a sale of the public lands to the United States Government, and urged that the "*public debt must be paid. The honor of the State must stand without blemish.*"

1848.

January 24.—A committee of the legislature suggest that it will "violate no principle of moral rectitude" to cut down the public debt one half, inasmuch as *nine-tenths of the liabilities have found their way out of the State.*

March 20.—Act passed requiring—I. All the creditors of the State to *file* their claims before November, 1849. II. Auditor and comptroller to keep a register of claims filed. III. State auditor and comptroller to report the same to the next legislature. IV. The auditor and comptroller to classify all claims, "reducing the same to the actual par value realized by the late republic."

1849.

November 5.—The third State Legislature met at Austin, when the Governor urged that "our only resource for the payment of the public debt is our public lands."

December 27.—The auditor and comptroller reported that claims on the State had been formed to the amount of $7,000,000, and that these had been scaled down to about $3,000,000.

1850.

February 8.—An act passed extending the time for presenting claims to September, 1851, and declaring that "all claims not presented by that time shall be barred."

11.—An act passed that all liabilities of the late Republic of Texas, whether proved or not, "shall cease to draw interest after July 1, 1850."

September 7.—The Texas Boundary act passed by Congress, by which the United States was to pay Texas $10,000,000 in five per cent. stock, in consideration of her public lands.

November 25.—At a special session of the Legislature of Texas, at Austin, a law was passed accepting the propositions made by the United States law for the boundary.

1852.

January 31.—An act was passed by the legislature "providing for the liquidation and payment of the debt of the late Republic of Texas."

The following Tabular view of the Public Debt of Texas at three periods, presents a curious instance of bad management in her fiscal affairs:

	Sept. 1838.	*Sept.* 1839.	*Sept.* 1840.
Audited Drafts,	$775,355	$384,841	$175,210
Treasury Notes and Bonds,	684,070	2,013,762	3,387,962
Funded Debt,	427,200	803,480	1,617,070
Five Million Loan,	—	—	305,261
Total,	$1,886,525	$3,102,083	$5,485,502

Owing to want of proper taxation, this debt, requiring at the latter date only three hundred thousand dollars as annual interest, at six per cent., was allowed, by unsound legislation, to accumulate to seven millions in 1841, and to twelve millions in 1851, viz.:

	Sept. 30, '41.	*Nov.* 12, '51.
Audited Drafts,	193,644	116,828
Treasury Notes and Bonds,	4,881,004	2,967,998
Funded Debt,	1,672,300	1,418,777
Five Million Loan,	457,380	457,380
Naval Debt,	1,000,000	475,908
	$7,704,328	$5,436,886
Interest,		3,150,246
Claims filed, but not audited,		1,060,120
Claims not filed,		2,789,738
Total, according to the Auditor and Comptroller's Report, Nov. 12, 1851,		$12,436,990

This "ostensible debt" of $12,436,990 is reduced by the auditor and comptroller to $6,827,278 as a fair sum to which the creditors are entitled.

The Prospects of Texas.—The annexed letter, dated December 16, from a gentleman of Galveston, gives assurances of better times for Texas:

"This season has been a remarkably prosperous one for the cultivators of our soil. The cotton crop has yielded much more than the planter could pick out with the force he had to cultivate it; a much larger crop of sugar than ever before raised; and such crops of corn as were never known in any country. One hundred bushels of corn to the acre has not been an unusual yield Already the tide of emigration is commencing to pour into our State, and it is believed that this season a population will move into this State nearly equal in number to the population already in it. With every inducement to emigrants that was ever offered—with a climate to suit every particular constitution, and the richest land under the heavens—it will greatly surprise me if this State does not in a few years exhibit a list of exports far beyond the most sanguine expectations of its best friends. Already the Harnsbury Railroad has been commenced from the head of Galveston Bay, some fifteen miles of which are

graded. The iron (a part of it) and one locomotive engine are already on the spot, and two ship-loads of iron on the way from Wales for the same company. The great Texas Central Railroad, from Galveston to Preston, on —— River, under the auspices of some of the most wealthy and influential capitalists in our city, with a charter in every way favorable—with a donation from the State of eight sections of six hundred and forty acres of land to each mile of railroad, as also donations which will to a greater or less extent be made to it along the line, together with the fertile country through which it will run, with the influence of parties in interest here, and the energy with which it is being commenced—require no great foresight to see that this road must, if completed within a reasonable time, be one of the best investments ever made in this country."

An extract from an official communication of the Governor of Texas, at as late a date as 1843, will show what was the state of public opinion at that time on this subject:

Extract from President Houston's Message to the Texan Congress, December 12, 1843.

"It may be well to allude to a fact which has greatly prejudiced the character of the nation. The charge that we had repudiated our government liabilities has been industriously urged, not only abroad, but at home, as a case of distrust and an accusation of bad faith. Other governments of high respectability have done so; *Texas never has, and I trust never will.* It is true that our liabilities were increased to so large an amount during the administration of my predecessor, as to render it not only expedient, but indispensably necessary, to defer their payment until the country could so far recover as to be able to comply fully with *all its obligations.* The fact that many of these liabilities were incurred for purposes not only not sanctioned by the legislature, but entirely illegal and impolitic, *has never with* ME *constituted a reason for a refusal to pay them at the earliest moment within our power.* Notwithstanding the mischievous and utterly groundless publications upon this subject, emanating from some of our public journals, *the good faith of the nation will finally be* THOROUGHLY *vindicated* by the *redemption* of EVERY DOLLAR for which it stands pledged. That we have not been able to do so before this time has perhaps been a fault, as well as a misfortune; but nations, like individuals, are sometimes compelled to yield to the force of circumstances.

"From these facts, it must be apparent to all, except in the eye of prejudice, that *Texas has never* ENTERTAINED THE DESIGN *of repudiation.*"

"The executive has looked upon the question whether our liabilities were legally or judiciously incurred *as one not proper to be made,* but simply whether the *national faith* is involved in their *redemption.* He has *heretofore* and will *ever continue to set his face against every measure* which has the appearance of sullying the *national character.* He sees neither reason nor necessity for deviating from this course. He is *clearly* of opinion that our *public faith* SHOULD BE and WILL BE held *sacred,* and that ALL *obligations* will be *redeemed* to the UTTERMOST CENT at the earliest period our means will justify."

LEGAL MISCELLANY.

I. Bills of Exchange—Usury—Bank Usage.

Bank of British North America v. *Charles Fisher.—Trinity Term, 13th Victoria, Fredericton, New Brunswick.*

Carter, J. delivered the judgment of the court.

On a very careful consideration of the facts of this case, which, on material points coming out in the evidence of both sides (and that the evidence of the two persons between whom the original transaction took place), seem scarcely controverted; and on a review of the several authorities bearing on the question of usury, we are all of opinion that a rule for a new trial must be made absolute—not because the case was an improper one for a jury to decide on, but because one very material consideration which would necessarily influence the finding of the jury—on which, indeed, we think the question must mainly turn—was not brought so distinctly under the notice of the jury, by the learned judge, as appears to us ought to have been done. We think it cannot be maintained that the purchase and sale of the bills of exchange of £700 sterling, in August, 1847, and the loan made by the bank on the discount of Henry Fisher's note of £1000, endorsed by the defendant, on which the alleged charge of usury arises, were separate and distinct transactions; but the evidence shows they formed part of the same agreement made at different times. At all events, there is sufficient evidence for the jury to find that this was the substance of the transaction; for although the amount of the note of £1000, deducting upon discount interest for the time it had to run, was placed to the credit of Henry Fisher, before the bills were delivered to him, and he was afterwards charged with the amount of the bills, still it was only so placed to be used in a particular way, as previously agreed on, and not to be drawn out as cash. In this respect, therefore, this case differs from the leading English case, *Hammett* v. *Yea*, 1 B. and P. 144, although much of the reasoning of the judges in that case may apply to the present. Still, it was one fact relied on there, that after the discount, it was at the option of the party to have either cash, or bills equivalent to cash, or to have the amount placed to his credit.

That the actual bank cash rate of exchange on London, at Fredericton, at the time of this transaction, was 8 per cent. premium (so called) seems clear, and it would necessarily follow that 10 per cent. was 2 per cent. higher than bills could have been bought for at the time with money—we mean money brought in hand to the bank, or lying there at the disposal of the applicant, and not procured by way of an accommodation loan, at the time, from the bank.

If, then, it was agreed, as a condition of the bank loaning £1000, less the discount, to Henry Fisher, that he should take part of that sum in bills of exchange on London, for £700 sterling, at 10 per cent. premium—whereby Fisher paid £14 sterling more than he would have done if he had been a mere purchaser for cash—and the bank received that addi-

tional profit on the bills by reason of the loan, as the bank do thereby apparently gain more than lawful interest, and it is a method whereby more money *may* be paid for interest than the law allows, it would, by inference of law, we think, amount to usury; or, at least, it might be so found by a jury, unless the excess of premium can be ascribed to any contingency, not so slight as to be merely an evasion, or to a compensation for trouble arising out of the nature of the plaintiff's business, or the relative position of the parties, or to both these causes.

If it can be ascribed to any real contingency or compensation for trouble, then, notwithstanding the *prima facie* inference arising on the receipt of the additional premium, the case cannot be made to depend on that alone, whether in or out of the ordinary course of business; but we must consider whether the 2 per cent. was taken as an equivalent, and was a fair equivalent for the risk or trouble, or a mere cover for usury; and, putting aside the ground of trouble, the other may be divided into two questions—1st, Was there any real contingency, or was it merely colorable? 2d, Was the 2 per cent. an excessive compensation for such contingency? And these are questions which we think, as the case went to the jury, the verdict has left undecided; and there are several things, as touching this case, and the application of the law of usury generally, which satisfy us that it should be sent to a new trial; for it appears to us, not only from the evidence of Mr. Taylor, but what must be plain to our own understanding, that where bankers in this province, whose dealing is in money and negotiable securities, wherefrom are partly to arise the expenses of their establishment and the fair profits of their trade, draw bills of exchange for the accommodation of parties dealing with them, not for any special purpose of the bank, or in order absolutely to withdraw their funds from England, but with the intention of afterwards replacing them there as occasion offers; the selling such bills not for cash, but on a credit (which is the real nature of the transaction before us), whereby the price of the bills is not realized until a future day, and therefore does not supply the means of replacing the funds out of which such bills have been paid until that day, there is necessarily a contingency or risk incurred of losing part of the principal as well as the interest, unless the rate of premium taken for the bills had been a high one, in reference to the respective value of English sterling and provincial currency, and the mercantile transactions between this country and England. And this contingency is liable to be affected, more or less, by unforeseen causes—by the operations of trade in the adjoining colonies and in the United States, as also by natural or by accidental events, the state and prospects of the harvest in Europe and America, the occurrence of fires or storms, or by the varying politics of nations; indeed, there is scarcely an occurrence or even rumor so slight as that it may not affect the price of bills of exchange.

It must be remarked, that the first proposition for the sale of these bills to Fisher did not proceed from the bank. The bank was not solicitous to effect it, nor was it represented at the time, nor acted on as a mere mode of raising money; but, on the contrary, was connected with a speculation in the United States, where Fisher carried and disposed of

the bills, even at a lower rate, it is true, than the cash rate at Fredericton. This was in August, 1847. Yet as a proof of the uncertainty in their value, Mr. Hatheway stated he sold bills at 8¾ per cent. premium in New York, in the September following, which was equal to more than 10 per cent. here, as the difference of exchange between New York and this place was proved to be 2 per cent. against this province; and it is not contended that the bills sold by Hatheway were more valuable or saleable than those received by Fisher.

If bills, then, were sold for 7 per cent. in August, and 8¾ per cent. in September, may there not have been good reason to apprehend that in November, when the note discounted for Fisher would be payable, the premium might rise to 10 per cent. or over, and the bank gain nothing beyond, or not so much as the legal interest taken upon the discount? Besides, H. Fisher requiring funds in the United States, must have paid a premium if he had taken bills on the States, instead of bills on England.

It will be remembered, too, that when 8 per cent. is spoken of as a premium, it is only nominally, not really so; when added to the 9th, it makes the exact difference between the relative value of British gold and silver coins in sterling and provincial currency, as fixed by law, although the British gold coins are intrinsically rather higher in value; consequently 8 per cent. is lower, and must, under the ordinary state of trade generally, be lower than individuals or bodies engaged in such business as the Bank of British North America was, could charge or receive without a probability of loss.

In this view, therefore, it is apparent that there was not only proof of a real contingency, but also that the excess of 2 per cent. was a fair equivalent for the risk. The law on the subject is very well stated, in a note to *Jones* v. *Davidson*, Holt's N. P. Cases, 256. "It being the intention of law, whilst protecting from usury, not to endanger or impair contracts necessary to commercial dealing, and common in the intercourse of men, the words of the statute do not apply to cases where the principal and interest are put in hazard upon a contingency, and where there is a risk that the lender may have less than his principal. The reason is, because such contingency is the main characteristic of contracts of trade, and therefore taking such advance of money out of the form of a loan, it renders it a new contract, and much mischief would ensue if such contracts could be shaken; the court, however, still exercising its discretion, with the assistance of a jury, whether the contingency be good and *bona fide*, or a mere shift to elude a statute. Now the main qualities of such contingencies must be two—1st, they must be lawful; and, 2d, being fair and reasonable, must rebut the presumption that they are only covers for usury. Within this description such contingencies are not usurious. Every circumstance by which a contract is assimilated to a loan bears the aspect of corruption, and has a tendency to reveal the *mala fides* of a usurious contract; but the question whether the contract is in substance a loan disguised in a shape to evade the law, or a *bona fide* contract of another species, belongs to the decision of a jury."

The whole of the judgment in *Hammett* v. *Yea* is worthy of the most

attentive consideration, and puts the question of usury in its proper light. Eyre, C. J., there speaks thus: "I begin with stating my assent to the proposition, that where a party in a contract for a loan intentionally takes more than 5 per cent. per annum for forbearance of the loan, he is guilty of usury; but I add to it this further proposition, that whether more than 5 per cent. is intentionally taken upon any contract for such forbearance, is a mere question of fact for the consideration of the jury, and must always be collected from the whole of the transaction as it passed between the parties; and I am of opinion that it never can be determined that any particular fact constitutes or amounts to usury, till all the circumstances with which it was attended have been taken into consideration." His lordship adds at the close: "If it be proved that a bill is discounted partly in cash, and partly in bills upon London, payable, of course, at a future day, this is but evidence to prove the fact in question, and may or may not prove that fact, according to the explanations which may be given. If more than 5 per cent. was gained by the transaction, the excess, according to circumstances, might be usurious, or might arise from a part of the transaction collateral to the mere loan, lawful in its nature, and extremely convenient to the other party, neither unjust nor oppressive, contrary neither to the letter nor to the spirit of the statute; nor do I think there is any danger in this doctrine. The transaction is always before a jury; it is for them to say whether it is a *device* or a *fair agreement* on good consideration; whether, if there be any *overplus after the 5 per cent. taken for discount, it is properly referable to some lawful collateral* consideration or not. If it be so referable, we should do the grossest injustice, if, instead of distributing the transaction into the parts of which it is composed, we were, by a strict literal construction upon evidence, to pronounce the contract to be, what in substance it is not, a contract for a mere loan and forbearance."

In *Caliot* v. *Walker*, 2 Anst. 495, it was held that the custom in Liverpool for the bankers to strike a balance every quarter, and send the account to the merchant, and then make the balance carry interest as principal, with a commission of five shillings for every £100, was not usury.

In *Down* v. *Green*, 12 M. and W. 481, Alerson B. puts the contingency on a broader ground even than the cases before quoted. "Where the agreement," says the learned Baron, "for the loan of money is subject to a risk, so that the lender may make more or less than 5 per cent., I think it is not usurious, unless," he adds, "the agreement were for an excessive amount of premium that would have been colorable, and would have raised the question whether it was corruptly made, in order to avoid the statute."

In the case before us, there was not only the absence of proof of *intended usury*, but the intention was distinctly disproved. H. Fisher admitted, on his cross-examination, that there had been a practice in the bank, which he was quite aware of, to charge a higher rate of premium for bills of exchange, when the payment was made by a note discounted at the bank, than when made in cash; that he felt satisfied with and grateful for the accommodation afforded him by the bank, and never

thought there was any thing usurious, unfair, or improper, till after the commencement of the suit.

Mr. Taylor, the manager, stated that it was the constant practice of the bank to make a difference in the rate of premium on bills, when paid for by a discount, and that the rate often depended on the amount of funds the Fredericton branch had in England, and that at the time of this transaction their account was largely overdrawn.

It cannot, we think, be held, that the practice of a bank, to sell their bills of exchange on England, or other countries, at a higher rate, when the payment is to be made therefor at a future day, than when made in cash (which is the real nature of the present transaction, as contended for by the defendants), necessarily amounts to usury, unless the difference is so excessive as not to admit of explanation on other grounds, but proves it to be a mere color for usury.

Bills of exchange are often an article of merchandise, varying in price from month to month, and sometimes from day to day, according to the demand at the time, or, it may be, the exigencies of the persons who require them for the ordinary purposes of trade or remittance; and it might as well be contended that the practice which prevails, to make a difference in the price of goods, or payment for labor, &c., by way of discount in favor of cash, more than the legal interest for the period of credit would amount to on bills or notes, would be usurious; or the practice of banks, bill-brokers, and others, always to ask a higher price for bills than they are willing to pay, would be usurious, when the purchase or sale happens to be connected with a loan. Any such practice may be attended with this disadvantage—that it raises a suspicion as to its real nature and intent, which must, where a contest arises, be left to a jury; and it may happen that the same excess would be deemed usurious in a case where the rate of bills was higher than ordinary, which would not be deemed usurious where the rate was lower, especially in cases where there is not the same opportunity as was afforded here of getting at the real understanding of both parties at the time, but much must be left to inference.

It would appear to us, to say the least, a far safer practice to keep matters of loan, and of sales of bills, distinct and independent of each other.

To the other case, on the same note of the bank against Henry Fisher, the promissor, in which the rule was made absolute for a new trial at the last term, on a point that did not arise in this case, namely, the improper admission of evidence, the observations we have here made would apply with equal force. The court being satisfied that there must be a new trial, under any circumstances, in that case, did not think it right to delay the judgment, especially as the consideration of the present would enable us to give an opinion on the question of usury alike applicable to both.

The rule for a new trial must be made absolute.

Rule absolute.

II. Partnership.

Before the New York Court of Appeals.

Thomas Burch, appellant, agt. *Walter L. Newberry, Impleaded, &c., respondent.*

The defendants, exchange brokers at Chicago, in April, 1845, agreed to terminate their partnership on the 1st of May following. On the 30th of April, one partner, having formed a new partnership with the plaintiff, to continue the business from the 1st of May, settled with his former partner, and, in the settlement, cancelled two notes of the old firm, amounting to $10,000, which had been taken up by the new firm, and received therefor, from the old firm, a draft, payable to the order of the new firm, for $3000, on J. T. Smith & Co., of New York, correspondents and agents of the old firm, and an order for certain drafts, or their proceeds, which had been sent by the old firm to Smith & Co. for collection—the drafts and order amounting to near $11,000—covering all the assets of the old firm in the hands of Smith & Co., and exceeding the amount of the two notes $940.93, for which sum the note of the new firm was given to the old. The new firm, on the 1st of May, transmitted by mail, from Chicago, to Smith & Co., at New York, the draft and order, with instructions to place the amount of the draft to their credit, and to hold the paper mentioned in the order, for collection, for them. Smith & Co. acknowledged the receipt of the draft and order on the 9th of May, by mail, saying they had placed the $3000 to the credit of the new firm, but had not then time to examine the accounts of the old firm as to the order. This letter, by mail, could not reach Chicago until after the 16th of May. No other demand was made by the new firm upon Smith & Co., for the $3000 or the drafts, until after May 16th, when Smith & Co. failed, having previously received the avails of all the drafts, except one of $1000. They were insolvent on the 30th April, but were in good credit, and paid all demands upon them until their failure. The bill in this cause was filed by the incoming partner, against the members of the old firm, to compel the retiring partners to pay to the new firm one-half the amount of the two notes and interest.

Held, that the old firm was not liable to the new for the losses sustained by the insolvency and failure of Smith & Co.

That the only guaranty on the part of the old firm was, that the things that they assumed to transfer were, in fact, what they described them to be.

That if the guaranty extended farther, the new firm had made Smith & Co. their agents, and assumed the risk of their responsibility.

III. Mortgages to the Bank Department.

Minott Mitchell, respondent, agt. *Miles Cook and Wife, appellants.*

The Comptroller is not authorized to assign a bond and mortgage held by him as security for circulating notes, except in pursuance of the pro-

visions of the 5th, 9th, and 11th sections of the act to authorize the business of banking.

The plaintiff placed in the hands of the President of a banking association circulating notes of such association, equal in amount to the sum for which the Comptroller held one of its mortgages as security; and the President, *acting for and in behalf of the plaintiff*, delivered such notes to the Comptroller, and received an assignment of the bond and mortgage to himself, and delivered them to the plaintiff, who filed a bill to foreclose the mortgage.

Held, that the plaintiff had obtained no title to the bond and mortgage.

That the effect of the transaction was to vest the title in the banking association, discharged from the Comptroller's lien, as it was held before the assignment to him.

That the delivery of the bond and mortgage by the President of the banking association, to the plaintiff, under the circumstances, gave to the latter no title.

IV. The General Banking Law of New York.

The Bank Commissioners of the State of New York and others, appellants, agt. *The St. Lawrence Bank and Henry Van Rensselaer, President, &c., respondents.*

The defendant (Van Rensselaer), late President of the St. Lawrence Bank, presented to the referee appointed to pass the accounts of the receiver, and to take proof of the claims against the bank, fifteen promissory notes of the bank, amounting to $38,000, as a debt due to him from the bank, and the claim was allowed. Another creditor excepted to the report in this respect. The notes were executed by the President (Van Rensselaer) and the cashier, in pursuance of a resolution of the directors, authorizing them to purchase stocks, to raise money to redeem the circulating notes of the bank. They purchased stocks of the Albany City Bank, and gave the notes in question in payment for them. The notes were dated in April and October, 1841, payable at various times, from two to three months from date, with interest, and were endorsed by Van Rensselaer and other persons. The stocks purchased were sold, and the proceeds applied in redemption of circulating notes of the bank. The notes claimed were paid to the Albany City Bank by Van Rensselaer, as endorser.

Held, that the bank was prohibited by statute from giving notes on time or on interest, and that they were therefore void.

That the payment of the notes by Van Rensselaer gave him no claims against the bank, either on the notes, or for the money paid. That it made no difference, in this respect, whether he was or was not liable to the Albany City Bank as endorser.

The claim made before the referee was on the notes, and for the money paid in taking them up. If the payment of the circulating notes of the bank, with the money realized for the stocks, furnished any ground of action against the bank, it could not be allowed under the claim.

V. Bank Notes—Constitutionality.

From the Raleigh Register.

We publish entire in to-day's paper, under the Supreme Court head, the highly able and important decision of that tribunal, delivered by the Chief Justice, in the test case of the *Bank of the State* v. *The Bank of Cape Fear*. It will be seen that the court pronounce the act passed at the last session of our State Legislature, making notes redeemable at any bank at which they may be presented, without reference to the point of issue—*unconstitutional*.

Chapter XII.—*An Act in relation to exchanges of Notes between the several Banks in this State.*

Sec. 1. *Be it enacted by the General Assembly of the State of North Carolina, and it is hereby enacted by the authority of the same*, That when any bank or branch, or agency of any bank in this State, shall or may, either directly or indirectly, present for payment any note or notes of any other bank, either at the principal bank, branch, or agency, it shall and may be lawful for the said bank, branch, or agency to pay the same, or any part thereof, with the note or notes of the bank, branch, or agency by or for which the demand shall have been made, whether made at the instance of the principal bank, its branches, or agency, without regard to the place where the same shall have been issued, or may be payable; and every person or persons who may present the note or notes of the said bank for payment, shall, if required by the cashier or other agent of the bank where said bills may be presented, *to* state whether the demand is made for any bank, or branch or agency of any bank, either directly or indirectly; and in case such person or persons shall refuse to answer or state for whom he or they make such demand, he or they shall not be entitled to receive any interest whatever on any note or notes of said bank for which payment may be refused.

Sec. 2. *Be it further enacted*, That the bank, branch, or agency at which any note or notes shall or may be presented as aforesaid, shall make payment of such note or notes in the note or notes payable at the particular bank, branch, or agency by or for which such note or notes may or shall be presented for payment, if the said bank, branch, or agency shall have a sufficient amount of such notes; and if said bank, branches, or agency shall not have a sufficient amount of such notes, payment shall be made in such notes so far as the same shall extend: *Provided*, after applying in payment of the note or notes presented, all such note or notes as are payable at the particular bank, branch, or agency as the bank upon which the demand may be made shall have in possession, the said bank shall and may pay off the balance of such note or notes so presented in any note or notes on the bank, branch, or agency by or for which the said note or notes may be presented, without regard to the place where the same may be issued or payable.

The decision, it will be further seen, affects the issue of notes by any bank in the State under the denomination of $3.

The Bank of the State of North Carolina v. *The Bank of Cape Fear.*

The following opinion was delivered by Ruffin, C. J.:

This is assumpsit on a bank note for $100, dated October 1, 1844, and payable to P. Rand, or bearer, on demand, at the branch bank of Cape Fear, at Raleigh. Pleas non-assumpsit and set-off; and a case agreed was submitted to the court to the following effect: The note belonged to the principal bank at Raleigh, and the cashier, through a notary public, presented it at the branch bank of Cape Fear at Raleigh, on the 21st of March, 1851, and demanded payment, and the cashier of the said branch bank then offered in payment two bank notes for $50 each, issued by the plaintiff, and payable on demand—the one to the bearer at the plaintiff's branch bank at Milton, and the other to the bearer at the plaintiff's branch bank at Wilmington, and he refused to make payment in any other way. The plaintiff's agent refused to accept payment in that mode, and this suit was then instituted. The Superior Court gave judgment *pro forma* for the defendant, and the plaintiff appealed.

The defence would not be available at common law under either issue. By presenting the note for payment, an action arose to the plaintiff as the holder; and it is fully settled that a promissory note made payable in the body of it on demand at a certain place, becomes due only upon presentment at that place; hence the offer of the two notes for $50 in payment, did not amount to payment, nor do they bar by way of set-off. There was at one period a conflict of judicial opinions in England in respect to an acceptance of a bill of exchange, whether, if given "payable at a particular place," it was to be considered a general acceptance or a special one, requiring presentment at the place named; and the point was not settled until the opinions of the Lord Chancellor and all the judges were taken on it in the case of *Rowe* v. *Young*, 2 Bligh, 391, and 2 Brod. and Bing. 180. It was there held, that a declaration on such an acceptance was bad, because it did not aver presentment at the designated place. No one of the judges expressed a doubt that, notwithstanding some previous *Nisi Prius* cases, the law was, that if one promise by his note to pay at a particular day and place, there must be a demand there. Lord Eldon explicitly laid that down as the established law, and he stated the reason to be, that the place stands in the body of the instrument as a part of it, which must be declared on as it is, and proved as described in the declaration. Indeed, it is apparent that it is an important part of the contract; for when one engages to pay money generally, without mentioning a place for the payment, the law is, that the debtor must seek the creditor, whether the payee or his assignee, and at his peril find him, in order to save himself from the payment of interest and an action. By specifying the place, both parties are saved the trouble, but especially the maker, as he knows when to take the money to meet his note at maturity. The law cannot be said to be settled in the United States exactly in the same way; as in some, and perhaps most, of the courts a distinction has been taken, that the declaration need not aver the presentment at the place; but the want of it may be alleged as matter of defence, if a loss arose therefrom, and the debtor will be discharged *pro rata*; as if the

note be payable at a bank, and the debtor deposit the money there, and the bank afterwards fail. Without going through the cases in this country in detail, it suffices to refer to that of *Wallace* v. *McConnell*, 13 Peters, 36, in which most of them were cited, and considered by the Supreme Court as establishing that rule, and it was then adopted. It has, indeed, been questioned both by Chancellor Kent and Mr. Justice Story, who hold the rule laid down in England to be the true one, according to the plain sense of the contract. But it is not material which position is right in respect to notes payable at a certain day, as well as place, since no one, either in England or here, has supposed that presentment of a promissory note was not indispensable, when, in the body, it is payable on demand at a particular place, which is our case. Even the Court of King's Bench, whose judgment in *Rowe* v. *Young*, as to the special acceptance of a bill, was reversed in the House of Lords, held this on demurrer, to a declaration by the bearer of a note payable on demand, against the maker, in which presentment at the designated place was not averred. *Saunderson* v. *Bowes*, 14 East, 500. The judgment was founded on this: That the maker did not appear to have been in default before suit brought, and that has not subsequently been questioned anywhere. The cases in this country in which it was held that the declaration need not aver the presentment of a note payable at a certain day and place, distinctly admit it is otherwise as to a note payable on demand at a certain place. It is expressly laid down in *Wallace* v. *McConnell*, that upon a note of the latter kind, the declaration must aver a demand at the place; and Mr. Justice Thompson, in delivering the opinion of the court, gives the reason, that, until a demand, the debtor is not in default; and so there is no cause of action. There is, therefore, now no doubt as to the common law, in respect to notes of this kind made by a natural person, that the maker is not bound to pay them until presented at the place where they are expressed to be payable; and there is no ground for a distinction upon this point between notes made by a natural person and those made by a corporation. The reason is not less applicable to bills of an incorporated bank, payable on demand at different branches, which, for purposes of local accommodation, the law generally requires to be established upon shares of the capital adequate to meet the notes issued at the respective branches, in respect to which, punctuality is of the utmost consequence to the public, and is usually enforced under heavy penalties. Every one knows that no individual or bank can at all times and everywhere discharge all outstanding liabilities, due and not due, which would make credit useless. Then, each point of a banking institution having branches has its own liabilities, and must have its own resources, and it can only fulfil its engagements to the public when left to manage its own funds, without impediment from the law. If the funds appropriated to the business at one place, instead of being left for that purpose, may be daily diverted therefrom at the pleasure of the holders of the notes of every other part of the institution, it would be manifestly impossible for the bank and its branches to meet their notes for any length of time. It is therefore apparent, that the provisions in the notes, that they are payable on demand at the several branches, is of their essence; and consequently

there is at common law no liability on such a note but for not paying it when demanded according to its tenor.

The defence, however, is not founded on the common law, but upon an act passed at the last session of the Assembly, entitled "An Act in relation to exchanges of notes between the several Banks of this State." Yet the discussion of the rule at common law was not the less needful, in order to a proper understanding of the nature of the contract constituted by notes in this form, and of the operation of the statute, if it be effectual. Its principal provision is, that when a bank or its branch presents for payment a note of another bank, the latter may pay its note with a note or notes of the former, without regard to the place where the same may be payable. It is clear that the case before the court is within the act, and that the question is as to its validity. With all respect to the legislature, and every disposition to carry out its will, if reconcilable with the fundamental law, the court is, nevertheless, constrained to declare this enactment to be plainly contrary to the Constitution of the United States, and therefore inoperative. It is so both upon the ground that the act violates a provision of the charter to the plaintiff, and upon the principle that it interferes with and violates substantive provisions of the notes of the two parties, which can no more be done with respect to the contract of a corporation than that of a natural person; for the court supposes it to be clear law, that a corporation is like an individual bound by and may take benefit of the general laws where it is within the reason of them, unless there be particular modifications in the charter. It is not doubted, for example, that a bank is within the statute avoiding usurious contracts, though no restraint as to the rate of interest it may take be expressed in the charter; for while there are stringent prohibitions against oppression on the needy by individuals with their limited means, much more must it be supposed to be contrary to the legislative intention, that banks with their large associated wealth, and the power of making the demand for money easy or tight, should be without restraint upon their exactions on borrowers. The charters, indeed, usually prescribe a rate of interest or discount; but such clauses have their operation in preventing the effect on the bank of a change of the rate of interest by a subsequent general law, and in making the corporation amenable to the State for a violation of its charter. They do not affect contracts with the banks, because there is no provision in them for the avoiding those on which a greater rate is reserved; but that is left entirely to the general law. Another instance may be stated. It seems certain that the general statute prohibiting the passing of notes under a particular denomination, applies as well to corporate as natural persons, unless there be a provision in the charter express or plainly to be implied to the contrary; for the prohibition is founded on a legislative policy to encourage the circulation of metallic coins, by preventing the issuing and passing of small notes here; and therefore the reason of the law extends quite as much to banks as to other persons; nay, more, since they can most effectually defeat the public policy. In such a case, therefore, the general law applies, unless it be modified by a plain provision of the charter. Its silence cannot have that effect, since that allows full scope to the general law; and therefore

the exemption from the general law must distinctly appear in the charter. Since, then, the restraints of general laws apply to corporations when they are within the reason of those laws, unless excepted, so they are entitled to all the benefits of those laws like other persons, unless excluded therefrom by the charter. It has been already shown that a natural person is not bound to pay a note made payable on demand at a particular place, unless or until it be presented there, and that he is not bound to pay at another place, for the good reason, that, except at that designation, he may not be prepared with the means for paying, and may not be able to raise them there without loss. Hence that part of the note is an essential ingredient in the contract; and a statute requiring a creditor in his natural capacity to take from his debtor, in payment of a sum due to him at one place, the note of the creditor payable on demand at another place, which had never been there demanded, would be plainly incompatible with those two provisions in the constitution which restrain a State from making any thing but gold and silver coin a tender in payment of debts, and from passing any law impairing the obligation of contracts. Art. 1, sec. 10. The statute under consideration is likewise within that clause of the constitution; for although that instrument does not mention corporations by name, yet they are within it as a part of the general law, for the reason already given; and it has accordingly been repeatedly held throughout the Union, for example, that a legislative charter to a corporation is a contract of inviolable obligation within that instrument, and that a corporation created by a State may sue in the courts of the United States, or of another State. The rights and contracts of corporations, therefore, have the full guaranty of the constitution; and consequently this statute cannot be valid, insomuch as it essentially changes the obligation of the notes issued by the plaintiff, by requiring them to be taken up—in effect, paid—at a different time and place from those at which they are payable according to their terms and their legal effect when they were issued, which may be, and in most instances must be, to the prejudice of the plaintiff. Such modes of payment might, doubtless, be required in the charter, and it would then be at the election of the citizens to accept it or not. It is remembered that the late congressional charter of the bank of the United States provided that all the five-dollar notes, no matter where made payable, should be paid up on presentment at the bank, or any branch. But without a clause of that kind in the charter, the legislature cannot give to the notes of a bank a different effect from that legally arising from their terms when made, so as to work a prejudice to the bank. The plaintiff, therefore, was not bound to take the notes of its branches in payment of the note held by it, because those notes were not then and there due, and because if they had been, they were not a constitutional tender. If they had then, or at any time before this action brought, been presented at the places at which they were payable, and payment could not be got, they would have been available as a set-off. But that was not done, and the case turns merely on the tender of the notes under the act of 1850, at the defendant's banking house, without their having been presented at Milton or Wilmington. The act thus violates the contracts constituted between these parties by their re-

spective notes, both in their letter and spirit, and is therefore unconstitutional. Under the same clause of the constitution, the act is avoided for another reason. It happens that in the plaintiff's charter it is expressly provided "that bills or notes issued by order of the corporation, promising the payment of money to any one, or his order, or to the bearer, shall be binding and obligatory on the same, in like manner, and with the like force and effect, as upon any private person, if issued by him in his natural capacity, and shall be assignable and negotiable as if they were issued by such private person." 2 Rev. St. p. 63, s. 25. Now, the contract constituted by the charter between the State and the bank, though inviolable according to the constitution, is, in fact, violated by the act of 1850, since under the circumstances mentioned in it, a force and effect is given to the notes of the bank which differ from that which, as the notes of persons in their natural capacity, they would legally have, which cannot be done.

Therefore the judgment must be reversed, and judgment entered for the plaintiff, on the case agreed, for the principal money and interest from the day of the demand.

SMALL NOTES IN VIRGINIA.

To prevent the circulation, as a currency, of bills or notes, not issued by banks chartered for the purpose, it is enacted by the 60th chapter of the Code of Virginia:

1. That no association or company, other than a bank or banking company, governed by the 58th chapter (being such as are authorized by law), shall issue, with intent that the same be circulated as currency, any note, bill, or other paper or thing, or otherwise deal, trade, or carry on business as a bank of circulation. All contracts made for forming any such association or company shall be void.

2. That all contracts and securities that may originate from, or be made or obtained in whole or in part, by means of any such dealing, trade, or business, shall be void. And if any person pay any money, or other valuable thing, on account of any such contract or security, he, or his personal representative or assignee, may, by suit brought within one year after such payment, recover back the amount or value of such payment from the person to whom, or to whose use it may have been made, or from his representative.

3. The capital stock of every such association or company, whether paid up or merely subscribed, shall belong to the commonwealth; and the Attorney-General, whenever informed of the existence of any such association or company, shall institute a suit in a court of equity holden in the city of Richmond, for the purpose of recovering the said capital stock. In such suit, all or any of the members of such association or company, and any officer, agent, or manager thereof, may be made defendants, and compelled to exhibit all their books and papers, and an account of every thing necessary to enable the court to decree. But no

disclosure made by a defendant in such a suit, and no books or papers exhibited by him, in answer to the bill or under the order of the court, shall be used as evidence against him in any case at law.

4. Every member of any such association or company made defendant in such suit in equity shall be held liable to the commonwealth, and be decreed against for his proportion of the capital stock held in such association or company by him, or by any person, for his use or benefit, at the institution of such suit, or at the time of the decree. Such decree against any defendant shall be a bar to a proceeding at law against him for any act done in violation of this chapter.

And under the head of "Offences against Public Policy," chapter 198 of the Code of Virginia, it is further enacted:

16. That all members of any association or company that shall trade or deal as a bank, or carry on banking without authority of law, and their officers and agents therein, shall be confined in jail not more than six months, and fined not less than one hundred, nor more than five hundred dollars.

17. That every free person, who, with intent to create a circulating medium, shall issue, without authority of law, any note or other security, purporting that money or other things of value is payable by, or on behalf of, such person, and every officer or agent of such person therein, shall be confined in jail not more than six months, and fined not less than one hundred, nor more than five hundred dollars.

18. If a free person pass or receive in payment any note or security, issued in violation of either of the two preceding sections, he shall be fined not less than twenty, nor more than one hundred dollars.

19. If a free person shall bring into this State, with intent to put the same in circulation, any bank note of less denomination than five dollars, issued in another State, or shall pass or receive such note in payment, he shall be fined not less than twenty, nor more than one hundred dollars; but this section shall not apply to a non-resident of this State travelling or temporarily sojourning therein.

20. That all laws for suppressing unchartered banks, and the circulation of bank notes for less than five dollars, shall be construed as remedial.

21. That in every case of conviction for an offence under any of the last preceding sections, from 1 to 5, an attorney's fee of ten dollars shall be taxed in the costs.

Upon this subject, one of the members of the Virginia Legislature observes:

"Surely here is legislation enough, and stringent enough, to have effected the total suppression of the circulation of small notes, if it were within the power of legislation to accomplish that end. Confiscation, fine, and imprisonment, are all denounced; and yet their denunciation has contributed *nothing* to the removal of the evil so much and so justly complained of. There is scarcely a State in the Union whose banks have not contributed to swell the amount of illegal paper money in circulation amongst us; and private individuals and unchartered associations are this day issuing and circulating their *shinplasters* throughout the commonwealth as freely and as notoriously, as though, in so doing, they were

violating no law whatever. Not only have the offences of "passing" and "receiving" this illegal currency become *universal*, but the far graver one of creating and putting it in circulation is committed so openly and publicly, as to be made the subject, like any other business transaction, of notices and advertisements in the newspapers of the day.

THE GENEVA BANK.

From the Geneva Gazette.

The charter of the Bank of Geneva expired, by its own limitation, on December 31, 1852. Its history is interesting, as one of the oldest and most valued banking institutions in New York. It was incorporated March 28th, 1817, and commenced its business on the 1st day of January, 1818, having done business for 35 years.

The first directors were Robert Troupe, Septimus Evans, Wilhelmus Mynderse, Charles Thompson, George McClure, Herman H. Bogert, Truman Hart, Jacob Dox, Elnathan Noble, Thomas Suz, Simon Hotchkiss, Every one of these directors, it is believed, is now dead.

Henry Dwight, Esq., was appointed the first president and director of the new bank, November 28, 1817, and continued until November, 1840, when he was succeeded by C. A. Cook, Esq. The bank commenced business with $70,000 capital, which was soon increased to $100,000; and, in the course of ten years, to $200,000. It was further enlarged to $400,000, in December, 1829.

When it commenced business, we are informed, there was no bank west of Canandaigua. The loans of the Bank of Geneva were about half of all the bank accommodations used at Rochester, and as large a proportion of the business at Buffalo. All the business on both sides of the Seneca Lake, and of the country about the head, and in Steuben, to the Pennsylvania line, was done at this bank.

Over this territory, which now possesses some millions of banking capital, one-half of the banking business was done at an early period by this bank. There were no canals, no railroads, no telegraph, no business facilities, but a vigorous population, with intelligence to discover the advantages within their reach, and energy to secure them.

In 1817, James Rees, Esq., was appointed cashier, and continued in that office for eight years, with great respectability, and then resigned his office to become secretary of the Ontario Insurance Company. He was succeeded by Benjamin Day, who retired after two years, and was followed by C. A. Cook, who continued in that office about 18 years. Mr. Cook became president of the institution in 1842, and was succeeded by Mr. Sill, the present cashier.

We learn that the new bank will commence business on the 1st of January, immediately at the close of the old one. Charles A. Cook, Esq., who has been connected with the old bank for thirty years, will continue president; and W. T. Scott, Esq., for many years teller in the old institution, becomes cashier. No doubt it will well sustain the high character and integrity of the expiring bank.

NEW YORK STATE FINANCES.

The annual report of the State Comptroller of New York, dated December 31, 1852, enters into an elaborate examination of the resources and expenditures of the State, past and prospective, and suggests, for adoption by the Legislature, certain modifications which, in his opinion, are essential to the sound and profitable management of the finances.

The general fund, out of which the ordinary expenses of the State are paid, realized only $1,153,477 during the past year, while the expenditures are $1,341,821. The total debt of the State, absolute and contingent, is shown to be $24,323,838, viz. :—1st, the general fund debt—excess of ordinary expenditures over ordinary revenue, $6,389,693; 2d, the canal debt, $15,501,109; 3d, the canal revenue certificates, under the law of 1851, $1,500,000; 4th, the contingent State debt, $933,036.

The ordinary government expenditures of the State, for the fiscal year ending October next, are estimated at $811,835. While some branches of the public finances are disordered, and require more rigid scrutiny in their management, the Comptroller demonstrates that the canals of the State are worth actually $52,985,763, inasmuch as they pay an interest of 6 per cent. per annum on this sum. The year 1852 exhibits a canal debt proper of $15,501,109, to which must be added $1,500,000 for the redemption of the canal revenue certificates, which were issued under the law of 1851.

The most satisfactory feature in the history of our State canals is the progressive increase of their business and their revenue. In the year 1836, the revenues from this source were $1,598,000; while for the past year, they amounted to $3,179,000.

The year 1852 exhibits a decline of $543,017 in its total receipts, as compared with the previous year. The "surplus revenues" for the last year were $2,130,099; while in 1851, they were $2,814,432.

By the law of April 10, 1851, the Banking Department was created, thereby giving to the Superintendent a supervision of banking matters, which had previously been under the eye of the Comptroller. The latter officer, in reference to the banks as a source of revenue, now suggests a tax upon the surplus funds of certain "movable banks," which now find a place in the quarterly reports; but whenever the tax collector calls to make a levy, he finds no property that can be subject to taxation.

The Common School Fund, it will be perceived, amounts to $2,354,-530.09. The revenue from this fund, for the current year, is estimated at $302,388; and the appropriations from the revenue, during the same period, at $295,080. The increase of the fund, during the year, was $29,080.37.

The Literature Fund amounts to $269,080.12. The revenue for the current year is estimated at $43,421; and the appropriations from the revenue, for the same period, at $44,500—an excess of $1,079 over the estimated income. The payments from the fund, during the past year, exceeded the income $1,436.79; and the Comptroller recommends either that the fund should be reimbursed, or the appropriations diminished.

The United States Deposite Fund has a capital of $4,014,520.71—the estimated revenue from which, for the current year, is estimated at $249,400. The capital of this fund is preserved unimpaired, and the revenue is distributed through all the channels of common school education. The balance of revenue in the treasury, on the 30th September last, was $10,192.89, which exceeds the balance of last year by $4,806.68.

The Mariners' Fund amounts at present to $11,990.96; the Albany and Rochester Railroad Company Sinking Fund to $65,852.49; the Tonawanda Railroad Company Sinking Fund to $23,620.46; the Tioga Coal, Iron, Mining, and Manufacturing Company Sinking Fund to $1,303.46 (the title of this company has been changed to "Corning and Blossburgh Railroad Co."); Long Island Railroad Company Sinking Fund to $12,650.60; and the School and Gospel Fund of the Stockbridge Indians to $18,000—a reduction during the year of $18,000, which amount has been paid to the Indians from the treasury, in pursuance to law. The annuities payable to the various Indian tribes, under the several treaties with them, amount to $7,361.60; and the sum required to produce this amount ($122,604.87) is stated as part of the general fund State debt.

The Comptroller calls the attention of the Legislature to the items which have contributed to swell up the amount of payments, on account of the general fund revenue, to the sum of $1,271,445.26, and to the necessity of retrenchment, in the present state of the treasury. He estimates that, according to the contract assigned to Weed, Parsons, & Co., for printing the "Colonial History of the State," the printing and binding of 50,000 volumes will amount to $70,000. The amount paid by the State for printing has been steadily increasing for the past years, and during 1852 amounted to $134,848.50. It is presumed that the documentary history of the State will be completed and distributed during the current year. The sum of $55,000 has been paid for the support of hospitals and orphan asylums, and $24,960 to the survivors of the First Regiment of Volunteers. The Comptroller objects to giving extra compensation to clerks, and recommends that their salaries should be permanently increased. He also objects to the payment of the travelling expenses of the canal commissioners, as unauthorized by the constitution.

The Comptroller comments upon the abuses of the present act for the organization of insurance companies. It is his opinion that there are serious defects in the law, and suggests remedies. Communications have passed between the Comptroller and the Secretary of War, in reference to reimbursing the State $9,336.06, expended to remove obstructions in the Hudson river, near Castleton. The Secretary does not feel authorized to reimburse the State, and the State will lose the money, unless Congress should pass a special act for its relief.

The amount of revenue from auction duties, during the year, was $115,198.43. A considerable improvement has taken place in the financial affairs of the State prisons, and there is a balance in the treasury in favor of each establishment.

The Comptroller closes his report by stating that the payments from the treasury have exceeded the receipts, and will continue to do so until the avails of the taxes for this year are paid in. In fact, the treasury is empty.

MUTUAL INSURANCE COMPANIES.—The Comptroller makes the following remarks, in reference to the present law regulating Mutual Insurance Companies in the State of New York:

The following suggestions have been made by those best acquainted with the defects of the present system, and they are submitted to the Legislature as aids in framing a law to remedy existing abuses:

1. A mutual company should transact business on the mutual plan only, taking a note for not more than three-quarters of the premium, and one-quarter paid in cash. No risk should be taken, on which the note would amount to more than $200, for a less period than three years.

2. No such company should receive a certified copy of its charter, and commence business, until premium notes, founded on actual applications for insurance, have been obtained, to the amount of $75,000, and approved as good securities by the county judge of the county where the company is located, and until the sum of $25,000 in cash has been actually paid in to some officer of the company, and proved to the satisfaction of the Comptroller.

3. Every fire and marine insurance company, whether joint stock or mutual, should make to the Comptroller an annual report on the 1st day of January in each year, containing a statement of their business for the preceding year, and exhibiting the following items:

1. The amount of capital stock.

2. The value of the assets or property of the company, specifying real estate; cash on hand and deposited in banks; amount of loans secured by bonds and mortgages; amount of premium notes; amount of stocks of this State, or of the United States, or any incorporated city of this State, owned by the company; amount of all other securities.

3. The liabilities of the company, specifying amount of losses due and unpaid; amount of losses incurred, and not yet due; amount of claims for losses resisted by the company; amount of all other claims against the company.

4. The income of the preceding year, specifying amount of premiums received; amount of interest received; amount of income from other sources.

5. The expenditures during the preceding year; amount of losses paid; amount of dividends declared; amount of expenses paid; amount of all other payments and expenditures.

6. Mutual companies should be taxed on the fund held by them as a capital.

7. Insurance companies of other States, whether life, fire, or marine, should be permitted to transact business in this State, on furnishing evidence to the satisfaction of the Comptroller that they are possessed of an amount of capital invested in stocks of the United States, or of any State or incorporated city, or in bonds and mortgages on real estate, or in railroad stocks or bonds, or bank stock, to an amount not less than $150,000, at the lowest market value of the same. A small tax, as at present, might be imposed on the amount of premiums received in this State.

PRINCIPLES OF LIFE ASSURANCE.

From the London Daily News.

The necessities—or the ingenuities—of modern commerce have led to the invention of few branches of business more important in their results, or more various in their character, than the business of *assurance*. For the capital it employs; for the profit which it returns; for the industry which it excites and remunerates; and yet more for the regularity, safety, and certainty which it introduces into domains of enterprise that could no otherwise be redeemed from all the demoralizing hazards and vicissitudes of mere gambling, the system of insurance stands almost unrivalled in extent and in utility. Mr. Gilbart, in an essay on the subject, traces its first beginning to a period of unusual excitement and speculation. And it is true that some of the developments of the principle have shown symptoms of the *mania* in which it originated. But, on the whole, the working of the immense system has been sound and wholesome, doing much for the individuals whose energies or whose money were invested therein, and much more for the general trade and commerce of the country. Barring a few bubbles and a few eccentricities, the insurance companies have generally proved sound investments for the proprietary, and useful institutions for their commercial clients. Their annalists, no doubt, must record some instances of swindling, like that of the notorious West Middlesex scheme; and Mr. Gilbart revived the memory of a few half-crazy propositions chronicled among the "curiosities of commerce" during the bygone century. Among them he mentions an Insurance against Highwaymen, which paper money and railways would have long since rendered obsolete, even if it had ever got into profitable working. There were also schemes for a "marriage assurance," in which every insurer was to pay half-a-crown upon every solemnization of other people's matrimony, for the prospect of receiving £200 upon his own; and for a "baptismal assurance," where the same premium was paid on each christening ceremony, until the insurer brought his own child to the font, and received a similarly round sum by way of reimbursement. These, however, must be classed as the perversions and oddities of a system which has in its saner applications contributed essentially to the stability of trade, and the moral advancement of traders, and the comfort of the community.

The flow of prosperity which the country has for some time past so happily experienced, has given a new impetus to this, as to all other descriptions of business. During the current year, accordingly, a vast expansion has taken place not merely in the gross amount of enterprise thus embarked, but also in the character of the hazards and losses which the various companies undertake to reduce to a fair assurable average. The feasibility of such expansion has been long foreseen by scientific judges. "Though the theory of insurances," says Professor De Morgan, "has as yet been only applied to the reparation of evils arising from storm, fire, premature death, or diseased old age, there is no placing a limit to the extension it might receive, if the public were fully aware of its principles, and of the safety with which it might be practised." This knowledge,

however, appears to be gradually and surely penetrating through the great mass of the trading or money-investing public. It has given birth to many—and promises the creation of still more—insurance projects, some of which exemplify, in a very striking manner, the advancement of manufacturing science, and the rational reform accomplished in our fiscal system.

Theoretically, the insurance principle contemplates the reduction of chances, of every sort, to certainties. Events that are in their individual occurrence strictly accidental, and too often would prove little short of ruinous to the individual sufferer, when spread over a sufficiently wide area, become reducible to mere "constants," and the losses they involve are reimbursed by a comparatively minute scale of average payments. Shipwreck, conflagration, death itself, are pure casualties, so far as human prevision is concerned, to every individual possessor of life or property. But, upon the long run, we are accustomed to see the most accurate computations made of the recurrence, and the readiest means afforded for the reparation—when money can repair them—of such calamities. Lloyd's underwriters, and the thousand-and-one Fire and Life Assurance Companies, have rendered the reduction of hazards like these familiar and easy to us all. Other sets of chance and casualty are now, however, included in what Mr. De Morgan calls "some recent extensions of the insurance principle," which are sufficiently curious and useful to deserve commemoration and encouragement. For example, we have assurers against railway accidents; against the casualties attendant upon transit by sea-going steamers; and, in short, against accidental death or damage from any cause whatever. Our modern habits and our modern science induce most of us, as the legal phrase runs, "from time to time, and at various times," to place our personal safety out of our personal keeping. We intrust life and limb to other parties, for the sake of certain services undertaken to be performed, although we know that the very conditions of the problem involve an almost incalculable combination of strength, accuracy, and punctuality for its due accomplishment; that enormous peril hangs upon the smallest imperfection in the tenacity of a bar, the form of a wheel, or the regular pulsations of a complicated series of mechanism. Safety is of course the rule; and though the exceptional instances of calamity depend upon causes so entangled and intricate as we hear them described to be, experience enables us to base our calculations upon certain averages, and to construct tables of assurance by which all the sufferers can be recompensed to any selected degree for their personal injuries, or the deprivation of their relatives, by an aggregate of very moderate contributions from the great mass of persons who voluntarily incur the risks of accident. Upon this principle a whole series of immense enterprises have lately been founded, and promise to run a useful and extending career.

Another class of accidents possess a more local character, and is met by local provision. Out of the numerous farmers' clubs scattered throughout the country, a variety of small and special insurance establishments have arisen, by which the vicissitudes of the weather and the crops are deprived of their calamitous hazards. By a small subscription to one or

other of these clubs, the neighboring agriculturist escapes the extreme loss he would otherwise suffer from hail, murrain, blight, and rot, and generally from all the casualties of destruction and disease to which his stock, alive or dead, is necessarily exposed.

These are accidents which we may characterize as being mechanical or meteorological. But the assurance principle has recently taken its most important development through a class of eventualities belonging rather to the region of morals than of practical science. Yet even here the system, if worked with due caution, can be applied just as usefully, and by a mechanism of exactly the same construction. Dishonesty, for instance, can scarcely be denominated an *accident*. But we find that in practice the individual instances where trust is broken, and moral restraint gives way before the impulse of cupidity or the cravings of want, are susceptible of computation to a very nice average, and can consequently be safely defrayed out of a fund accumulated from the joint contributions of persons placed in situations of trust and responsibility. Here is the foundation for the increasing Guarantee Societies, which, after struggling against much misconception and obloquy at their outset, are now becoming recognized as affording signal advantages to the employers as well as the *employés* of this commercial metropolis. It is singular that among the abortive schemes started in the bubble year of 1720, was one for an Assurance Company of almost identical character, being designed to "protect employers against losses by theft among their servants and workmen." Under the assumption of protecting property, an enterprise of somewhat analogous character is also struggling into existence. Insurers are reimbursed, within certain limits, their losses by theft of every description, and the thief, if he can be caught, prosecuted to conviction out of the associated funds.

Commercial morality, however, enjoins the payment of debts, as well as a respect for the *meum* and *tuum*. So the offence of indebtedness is now provided against with not less certainty than the more flagrant crime of theft; its practical working being distributed according to the most approved theory of the "division of labor." General commercial solvency is guaranteed by one class of associations, organized chiefly upon the "mutual" principle. Others insure the solvency of tenants, and provide for the regular payment of rents and rates. A third set undertake to secure creditors from loss, under the event of bankruptcy among their debtors; and a fourth condescends to look after the destinies of the unhappy bankrupts themselves, by providing some small pittance, placed beyond the reach of the Basinghall-street functionaries, for their impoverished families.

Our catalogue is necessarily incomplete, even of the existing establishments, and the system presents a multitude of opportunities which may hereafter be traced and worked. We have, however, said enough to show how rich is the mine thus opened, and how wide and various the uses to which this department of commercial adventure may be turned. In principle, the system now stands unassailable. It has outlived and extinguished the accusations brought against it at an earlier period as tending to encourage carelessness, or stimulate crime. Morally, as well

as economically, its advantages are now recognized by everybody. Much, nevertheless, remains to be done towards extending its application; and not a little towards the improvement of those practical details, and the revision of those arithmetical computations, upon which the stability and safe working of these, as of all other trading institutions, must intrinsically depend. Designed to mitigate the hardships consequent upon accident, dishonesty, or misfortune, it is indispensably necessary that the insurance associations themselves should be free from every element that could involve the suspicion of fraud, or the chance of a financial collapse.

THE AUSTRALIAN GOLD FIELDS.

From the London Times.

We have received Victoria papers of the 7th of September, announcing the discovery of two fresh gold fields on the Anaki Hills and in the Forest Creek district. The Anaki Hill field has been found by the agents of the Exploration Company; its yield has as yet been merely middling, worked as it was by agents for the purpose of testing its qualities, rather than making a profit from the result of their labors. The locality has been entered into the local maps under the name of the "Sharp's Run" Diggings. The second newly-discovered "placer," the "Daisy Hill," is about thirty miles from Forest Creek, on the main line of road from Adelaide to Mount Alexander and Bendigo. These diggings are situated on a "blind creek" connected with one of the branches of the Deep Creek, exactly where, about four years ago, a heavy lump of gold was picked up. The whole surrounding district, to the extent of some miles, is strongly impregnated with gold, and it is supposed that there must be a number of valuable "pockets" which will make the fortunes of those who are lucky enough to pick them. The Daisy Hill diggings have within the first days of their existence attracted a population of about one hundred miners, chiefly Adelaide men, who stopped on their way to Mount Alexander. The richness of the soil has in a great measure indemnified these novices for their want of skill and mining experience. Many of them made three pounds weight (£136) and more in a week; and nuggets of from five ounces to eight ounces, varying in shape from that of a bean to that of a bent and defaced shilling, have been frequently shown to the correspondent of the Melbourne *Argus*. This will consequently attract vast numbers of miners, as soon as their fame has had time to spread. The discovery of a large and rich gold field at Bingara, too, is again confirmed by the latest advices. This is a fact of incalculable importance, because it demonstrates the existence of auriferous strata in a northerly direction. And lastly, what hitherto has been but vaguely reported and extensively doubted, is now announced as a positive fact—a gold field has been discovered within eighteen miles of Adelaide, South Australia. It may not, perhaps, prove equal to Mount Alexander, or Ballarat, but it appears, upon competent authority, to be, at all events, remunerative. It is now proved by actual events, that a vast belt of highly auriferous land extends across the Australian continent, from the Victoria gold fields to

those of Bathurst and its neighborhood, and thence to the banks of the Hunter and the back of Moreton Bay—a belt of land of hundreds of miles in length, and of unknown width. And the more marvellous circumstance is, that even the older diggings, and those which have been most worked, yield surprising quantities of gold to every set of fresh miners, or after every change of the mode and manner of "digging" or "washing" the dirt. Ophir was thought exhausted, but still we hear of an old man and a boy who worked there for nine months, and cleared £570, after paying all expenses. At Braidwood, parties are mentioned making one hundred ounces; that is to say, above £300 in one week, and seventeen ounces in one day. At the Dirt-holes and Tambaroora, the quartz claims are being worked with Mexican crushers. We know nothing of the financial result of the undertaking, except that "it pays well," whatever that may mean. There are fresh diggings in an old locality near the Sheepstation Point, on the Turon. Rich diggings have been mentioned in former papers, and are again mentioned at Moss Mark's Hill, near Goulburn, and at Koranong, near Picton. The flat between Adelaide Gully and Wattle-Tree Flat, in the Forest Creek district, where, as we mentioned in a former report, four Adelaide men dug out 150 pounds weight of pure gold between breakfast and dinner, has subsequently sustained its reputation by finds of nine, twelve, and twenty pounds weight in a day. It was confidently expected that 500 tons of gold would be taken from the Forest and Friar's Creek districts. The most fortunate of diggers are undoubtedly the Adelaide men, chiefly because a great many of them learned the art and mystery of mining in the South Australian copper mines. One hundred and ninety-six pounds of gold were taken by an Adelaide party of three at Pegley Gully, Bendigo, and seventy pounds weight at New Bendigo Flat, Forest Creek; sixteen pounds weight in Spring Flat, Forest Creek; and seventy pounds weight in the lower part of Friar's Creek, all by about twenty Adelaide men, who netted £30,000 in less than a fortnight! For the future, these Adelaide miners will probably exert their skill and ingenuity on the mineral treasures of their own province, for we see that a great many vessels were announced as leaving Melbourne for the Adelaide diggings, South Australia.

Large quantities of gold arrived in Melbourne within the first days of September, and £400,000 of specie were imported into the colony in the last week of August and the first week of September. The government escort from Ballarat brought to Melbourne and Geelong, on the 4th of September, 4627 ounces, and on the 6th, the Victoria Escort Company brought 33,805 ounces; making a total of 38,433 ounces. The most brilliant test of the continuity of the yield of the two great gold fields of Mount Alexander and Ballarat, is given in a series of escort returns published in the Melbourne *Argus*, embracing the period from October, 1851, to the end of August, 1852. The following are the totals: October (1851), 18,482 oz.; November, 60,878 oz.; December, 169,684 oz.; January (1852), 107,216 oz.; February, 111,778 oz.; March, 122,778 oz.; April, 135,112 oz.; May, 138,906 oz.; June, 162,990 oz.; July, 353,182 oz.; and August, 350,968 oz.; making, with the addition of an

odd 40,000 oz. from some smaller places, an enormous total of 1,771,974 oz., or between seventy-three and seventy-four tons of gold. Of course this statement relates only to part of the fabulous yield of the Victoria gold fields. The following table will perhaps come near the actual yield:

	Ounces.
Amount actually shipped,	1,240,528
Amount deposited in the Treasury and Banks,	310,877
Amount paid into Adelaide Assay Office,	264,817
Probable amount exported in private hands,	337,200
Probable amount in private hands in Melbourne and Geelong,	100,000
Probable amount in the hands of diggers at the gold fields and on the roads,	280,000
Grand general total of the yield of the Victoria gold fields at the end of August,	2,532,422

Or 105 tons, 10 cwt. and 2 ounces of gold.

We may here remark that the gold exported since October last, represents a value of £8,863,477, and all those accounts, we are assured by the Melbourne *Herald*, are rather under than over stated. These astounding results have been obtained by unskilled laborers, working without either plan or concert.

Four thousand two hundred and eighty-three immigrants arrived in the colony in the first week of September, and the labor market was consequently well supplied; but as the demand was nearly equal to the supply, wages did not change materially. Married couples were still engaged at £50 without, and £55 to £60 with family, which shows that in another hemisphere children are a source of income, while with us they are expensive. Shepherds and hutkeepers could get £30; general servants, carmen, and gardeners, £50; cooks, bush carpenters, and grooms, £60; blacksmiths, £60 to £70 per annum; agricultural laborers, £1 to £1 5*s.* per week—all including rations. Compositors were paid at the rate of 1*s.* 9*d.* per thousand, and pressmen received £4 per week. Seamen received £50 for the voyage to England, and in the coasting trade £7 to £8 per month was the usual price. The wages of housemaids, laundresses, nursemaids, and cooks averaged from £20 to £36 per annum. The Melbourne prices of provisions were high. A four-pound loaf sold at 16*d.*; beef and mutton at 4*d.* per lb.; veal, 8*d.*; pork, 1*s.*; butter, 2*s.* 6*d.*; cheese, 2*s.*; eggs, 5*s.* per dozen; ham and bacon, 2*s.*; potatoes, 12*s.* per cwt.; coals, £5 per ton; water, 3*s.* per hogshead. The prices at the diggings were higher in some places, and lower in others, but "rations" generally were looking up.

The social condition of Victoria is still represented as deplorable in the extreme. Society has been tainted with the refuse of the English jails. Of the government, it is stated in very strong terms that it wants perseverance, energy, and wisdom, and that its "laxity, parsimony, and absolute imbecility," have done the colony incalculable harm. Crimes of the most fearful character and degree abound on all sides; the country is overrun with bushrangers, and the towns are infested with burglars. In broad daylight, and in the most public streets, men have been knocked down, ill-used, and robbed. Shops have been invaded by armed ruffians, who have "stuck up" the inmates, and rifled the premises. Thieves appear so thick upon the ground, and so unceasing in their operations, that

it is quite clear they must often, almost always, escape unpunished. The police are cowed or leagued to rob one another. Murders are numerous, and remain with the ruffians, and the administration of the law is fast sinking into contempt. "We have," says the Melbourne *Argus*, "all the evils of Lynch-law, without its vigor, and a considerable portion of the community makes no ceremony of advocating that barbarous and sanguinary practice."

Next to an efficient police force, an importation of female servants is urgently wanted in Victoria. Ladies must do their own household work, or be exposed to the double annoyance of paying high wages and having to put up with a great deal of incompetence. Men have flocked into the colony by thousands, but the women of England have been less migratory; and as successful diggers usually get married as fast as circumstances permit, the few women who arrive are usually soon removed from servitude, and placed at the head of some rough establishment at the diggings or in the bush. We are assured that the splendor of a digger's wedding is sometimes rather startling. Young Irish orphan girls, who scarcely knew the luxury of a shoe until they put their bare feet upon the soil of Victoria, lavish money in white satin at 10*s.* or 12*s.* a yard for their bridal dresses, and flaunt out of the shop slamming the door, because the unfortunate storekeeper does not keep the *real* shawls at ten guineas a piece!

BRITISH CONSOLS AND THE NATIONAL DEBT.

From the London Illustrated News.

Last week Consols were at par, the Three-per-Cents. were at 100, and there was great cheering on the Stock Exchange. Only once before in the present century has this circumstance happened, and only three times before since the national debt became a great national burden. We will lay before our readers a few interesting particulars connected with the subject.

The practice of borrowing money for a perpetuity, or on interminable annuities, was begun in the reign of William III. Previous sovereigns were borrowers; but their loans were for a limited period, and were repaid when the wars were at an end. He and his immediate successors borrowed without any intention to repay, and began a debt that has since been increased to the amount, in 1851, exclusive of unfunded debt, of £769,272,562. Instead of borrowing money as private individuals do, at some current rate of interest, it was from an early period customary with the government to fix the rate of interest, generally at three per cent., and, as the market rate was high or low, to promise to pay a larger or smaller amount of principal. Hence the mass of the debt was contracted in a three-per-cent. stock, and the amount of the debt was augmented nearly two-fifths more than the sum actually lent to the government.

In 1751, the different Three-per-Cent. Stocks were consolidated into one stock, which has ever since been known by the name of Consols, and, with successive additions, has ever since formed a portion of the national

debt. Prior to that consolidation, the Three-per-Cents. rose in 1737 to 107, the highest point they ever reached. Again, in 1749, they rose to 100, and from that time to 1844 they were always below par. In 1844, Consols were at 101¼; and on Friday last, they reached 100, being only the second time Consols have been at par since they were created, and only the fourth time within 160 years that a three-per-cent. annuity in perpetuity has been worth £100, or more than £100.

The funds have undergone some fearful vicissitudes. In 1700, on the death of the King of Spain, they fell to 50 per cent., "whereby," says the historian, "great distress ensued to many." After the peace of Utrecht, in 1715, they rapidly rose; and between 1730 and the rebellion in 1745, they were never below 89; but during the rebellion in 1745, they sank to 76. They fell to 53⅝ in 1782, at the close of the American war; and, mounting afterwards to 97⅛ in 1792, fell in September, 1797, to 47⅞. This was the lowest they ever reached. Between that and the highest point, 107, attained in the year 1737, the difference was equivalent to 117 per cent., sufficient to annihilate many fortunes, or to confer great wealth on those who purchased when the funds were at the lowest.

It is customary to speak with approbation of the high price of stocks, and it is advantageous to stockholders wishing to sell; but it is the reverse of advantageous to those who wish to buy. To possess one hundred pounds in the Three-per-Cent., means a right to claim from the government a perpetual annuity of £3. The price of annuities varies with the interest of money; and as that is high, as a sum doubles itself in fourteen or twenty-one years, a proportionate less sum paid down will purchase an annuity. A high price of the funds, or the necessity of giving a large sum for an annuity, is equivalent to a low rate of interest for money; and as a high rate of interest is a proof of high profit, and of successful industry, a high price of the funds is not considered a good sign by political economists. The security offered by our government has undergone no change for the last thirty years; and as it gave £3 a year to receive £75 or £96, the interest of money in the market was comparatively high or low. To all borrowers, a low rate of interest is advantageous; to all lenders, the reverse; and thus, as we are borrowers or lenders, we speak of a high price of the funds as advantageous or disadvantageous.

A high price of the funds being equivalent to a low rate of interest, whenever the funds have risen to par or above it, the interest of the national debt has been reduced, or an expectation has prevailed that it would be reduced. It is now talked of, but apparently without reason, as Consols have declined, and their immense amount (about £380,000,000) will prevent the reduction of interest upon them, unless the interest of money remains permanently low, and Consols rise and continue above par.

The first reduction of interest was made by Sir Robert Walpole in 1716, when, being enabled to borrow at a low rate, he induced the national creditors to accept a lower rate than they had lent their money at. In 1794, a similar operation was carried into effect by Mr. Pelham, a brother of the then Duke of Newcastle. No similar reduction was possi-

ble from that period almost to our own times. In 1822, Mr. Vansittart reduced the interest on a five per cent. stock to four per cent.; and in 1824, Mr. Robinson, the present Earl of Ripon, reduced the four per cent. stock to three and a half. In 1830, Mr. Goulburn followed the same course, and reduced the new four per cents. to three and a half; and in 1844, he reduced the three and a half to three and a quarter, to become three per cent. stock in 1854. By the several reductions of interest, it is estimated (what Sir Robert Walpole saved is not stated) that—

Mr. Pelham saved per year,	£655,000
Mr. Vansittart,	1,280,000
Mr. Robinson,	375,000
Mr. Goulburn in 1830,	778,000
" " 1844,	625,000
Total.	£3,563,000

To which must be added the prospective saving to take place in 1854 of £625,000, and making a total annual reduction of charge by a reduction in the rate of interest of £4,188,000. Notwithstanding that reduction, the annual charge was not less in 1850 than £27,902,572; and we cannot flatter our readers with the hope of any further reduction at present. Californian and Australian gold has had no effect in raising prices, very little effect in lowering the rate of interest, which was lower in 1844 than in 1852, and giving no reasonable prospect of, as some persons have said, facilitating the liquidation of the national debt.

A VISIT TO THE PARIS EXCHANGE (LA BOURSE).

Correspondence of the Ohio State Journal.

PARIS, November 1, 1852.

A VISIT to the Bourse just now affords as exciting a scene as one can desire to witness. A new era for speculation has dawned upon France, much resembling that in the United States—the era of railroads. The roads constructed and constructing in France are not so numerous as in the United States or in England; but they are very costly in their formation, and require immense sums to procure the right of way, so that they throw vast amounts of stock into the hands of the Bourse stock-jobbers. Owing to the increased security felt in the stability of the government of Louis Napoleon, the large amounts of government stocks which have heretofore been dull sale, are now in active demand on change, and these, added to the railroad stock, the foreign loan stock, and "miscellaneous," have swelled the speculating excitement to such an extent, that nowhere in Paris can a scene of equal interest be found as in an hour's visit to the Bourse, between one and two o'clock in the day, when the steam is fairly up.

"The Bourse and Tribunal of Commerce" of Paris, is the finest building of the kind anywhere to be found, possessing more style, more of that perfection in architecture which pleases the eye, and a greater adaptation to the purposes for which it is used, although not any larger than the Merchants' Exchange in New York, or the Royal Exchange in Lon-

don. The hall where the merchants and stock-brokers meet is a splendid room, 116 feet long by 76 wide. It has an arcade running all round, with committee rooms on the outside of the arcade. Light is admitted from the high arched ceiling. The room will contain two thousand persons. The pavement of the hall is entirely of marble, and devoid of furniture, except a circular railing near the eastern end of the hall, in which the heaviest stock-brokers transact business. Here the greatest scenes of excitement are to be witnessed. Thirty or forty persons are named by government for the privilege of entering this inclosure during business hours, where they stand leaning over the circular railing, which is perhaps twenty feet in diameter, screaming at each other for two hours like so many madmen, all intent upon annihilating each other with words, shouts, and French gesticulations. In the short two hours, millions of money change hands between these men, by means of shouts, gestures, and little slips of paper with a few hieroglyphics on them, which are passed around with rapidity by four uniformed clerks or waiters. The Rothschilds and the Barings are among the heaviest dealers in this exclusive company, although they are all members or agents of distinguished houses. A few feet on the outside of these persons, another railing is thrown around to protect them from the pressure of the crowded hall, where trading on a small scale is carried on promiscuously. On account of the peculiar construction of this room, the high-arched ceiling, perhaps eighty feet high, every whisper even produces an echo, every noise a hollow reverberation, so that one can well imagine what would be the effect produced on the ears when two thousand persons are here congregated, and every man is talking in a scream, so as to be heard over the din. There are but two things to compare it to—the confused, Babel-like noise is well represented on a small scale by putting the ear to a bee-hive when its inmates are actively engaged; and the scene itself, as viewed from the galleries, but for the shiny hats, black coats, and moustaches, is well represented by a meeting of Fardowners and Corkonians, discussing the merits of nobody ever knew what, with pickaxes, shillalahs, broken heads, and bloody noses in the immediate background. It is a scene of legalized gambling on a grand scale. Formerly women were admitted even to the circle of the favored few; but it was found to encourage such a reckless spirit of gambling among the fair sex, that government deemed it prudent to exclude them from the inner circle. Women of small fortunes, however, are still found under the arcades, on the porticoes, and under the trees that surround the Bourse, speculating in stocks; and it is no uncommon circumstance to hear of a woman losing several thousand francs in a few hours. Last week a lady whose husband was worth about six thousand dollars, and who happened to be the weaker vessel of the two, coaxed all his money away from him to speculate in stocks (a passion which was too strong to resist), by representing to him how easily she could double and treble their little fortune, and in three days' speculating she lost every cent. The men who had got her money, when they heard the circumstances in which she was placed, made up a sum sufficient to support the couple until they could obtain employment.

FLUCTUATIONS OF THE ENGLISH FUNDS.

Highest and Lowest Prices of the Principal Funds, from November, 1851, to October, 1852.

1851-2.		Bank Stock.	3 per ct. reduced.	3 per ct. Consols.	3 per ct. Annuities, 1726.	New 3½ per ct.	New 5 per ct.	Long Annuities, expire 1860.	Long Annuities, 30 years, ex. 1859.	Long Annuities, 30 years, ex. 1860.	India Stock.	South Sea Stock.	Exchequer Bills, £1000, at 1½d.
1851: November,	{	215½	98⅛	99	...	99⅜	125	7⅛	6¾	7¼	264½	109½	57s. pm.
	{	214	97	97¾	...	98	124½	6⅞	6⅝	6¾	262⅛	108¼	51 "
December,	{	215½	98¼	98½	...	99	...	7	6¾	7¼	264	...	57 "
	{	214¾	96	96⅝	...	96⅞	...	6⅞	6⅝	7¼	261	...	47 "
1852: January,	{	217	98	97⅞	95⅞	99⅜	...	7	6¾	6¾	261	108	62 "
	{	215¾	96¾	96	95¾	98	...	7	6¾	6¾	259	106⅞	55 "
February,	{	219⅛	98	97½	...	99½	...	7⅛	6⅞	6⅞	261	108½	64 "
	{	216½	97	96¼	...	98¼	...	7	6¾	6⅝	258	107	53 "
March,	{	220	98⅝	98¾	98¼	100	...	7⅛	6⅞	6⅞	261	110¼	71 "
	{	218½	98	97½	...	99⅛	...	7	6¾	6¾	260	107⅞	62 "
April,	{	220½	99¼	100	99	102⅝	126	6⅞	6⅝	7	266	111⅛	71 "
	{	216	98	98½	98¾	99¼	...	6⅝	6⅜	6⅞	262	109⅛	65 "
May,	{	221½	99¾	100¼	99⅝	102¼	124	6⅞	6⅞	7⅛	274	111⅜	74 "
	{	219½	98¼	99¼	...	100⅛	...	6¾	6½	7	268	100⅝	62 "
June,	{	225	101⅝	101⅞	...	104⅞	...	6⅞	7⅛	7⅛	276	112½	83 "
	{	221	99⅝	100⅜	...	102⅛	...	6⅞	6⅝	7⅛	276	111½	68 "
July,	{	224	101½	101¾	99⅜	105⅛	126	6⅞	6⅝	6¾	287	122½	79 "
	{	225	100⅛	100⅛	99¼	104	...	6¼	6⅜	6⅜	272	110⅜	69 "
August,	{	224	101	100⅜	...	104⅞	125½	7	6¾	6¾	286	112	70 "
	{	223	99½	99	...	102⅜	125	6⅞	6⅝	6⅜	274	110⅜	74 "
September,	{	229½	101	101¼	...	104⅞	...	7⅛	6¾	6⅜	280	111¾	76 "
	{	227	100¾	99¾	...	104⅛	...	6⅞	6⅝	6⅝	276	...	71 "
October,	{	225	99⅝	100½	99⅜	103⅜	128	6½	6½	6¾	279	110⅜	78 "
	{	220½	99⅜	99⅞	...	103¼	...	6⅜	6¼	6⅜	274	...	69 "

BANK STATISTICS.

VIRGINIA.

Farmers' Bank of Virginia and Branches.

LIABILITIES.	*Oct.*, 1847.	*Jan.*, 1849.	*July* 1, 1850.	*July* 1, 1851.	*Jan.* 1, 1858.
Capital,	$2,978,700	$2,981,800	$3,000,900	$3,000,900	$3,000,900
Circulation,	2,943,674	2,940,186	2,542,437	2,448,820	3,114,683
Individual deposits,	1,115,440	1,342,140	1,640,848	1,684,600	1,942,957
Surplus fund,	268,160	303,347	287,120	296,484	330,998
Profits, six months,	90,124	142,735	148,760	157,320	168,592
In transitu,	35,588	33,692	43,645	37,388	3,315
Total liabilities,	$7,426,686	$6,943,850	$7,664,610	$7,625,512	$8,561,445

RESOURCES.	*Oct.*, 1847.	*Jan.*, 1849.	*July* 1, 1850.	*July* 1, 1851.	*Jan.* 1, 1858.
Loans,	$5,363,086	$5,647,070	$5,750,395	$5,923,470	$6,698,985
Sterling bills,	45,100	9,795	15,981	16,143	16,492
Stocks,	253,407	166,988	45,012	73,578	57,592
Specie on hand,	990,888	697,223	885,325	960,582	905,322
Notes of other banks,	231,296	146,990	326,845	206,332	223,810
Bank balances,	302,644	43,154	418,666	90,788	461,343
Real estate,	240,713	280,630	202,583	199,474	197,951
Loans to Commonwealth,	. . .	. . .	75,000	155,200	. . .
Total resources,	$7,426,686	$6,943,850	$7,664,610	$7,625,512	$8,561,445

Dividend, January, 1858, 4 per cent., net.

Bank of Virginia and Branches.

LIABILITIES.	*Oct.*, 1846.	*Oct.*, 1847.	*April*, 1850.	*April*, 1851.	*Jan.* 1, 1858.
Capital,	$2,550,870	$2,550,870	$2,550,870	$2,580,900	$2,580,900
Circulation,	2,000,145	2,292,393	2,069,363	2,237,996	2,882,318
Individual deposits,	940,022	1,068,100	1,390,953	1,191,530	1,442,178
Contingent fund,	88,053	130,314	214,923	231,973	279,706
Profits,	58,266	66,465	66,743	72,090	13,887
Bank balances,	133,380	106,337	154,288	237,016	171,507
In transitu,	8,804	27,586	7,926	22,050	. . .
Total liabilities,	$5,819,540	$6,242,065	$6,454,846	$6,573,558	$6,870,496

RESOURCES.	*Oct.*, 1846.	*Oct*, 1847.	*April*, 1850.	*April*, 1851.	*Jan.* 1, 1858.
Loans,	$4,808,913	$4,545,664	$4,582,288	$4,900,740	$4,996,478
Sterling bills,	43,726	16,385	19,147	. . .	466
Stocks,	153,140	153,140	143,044	141,620	188,244
Specie on hand,	768,225	830,818	815,642	874,311	759,123
Bank balances and notes,	344,166	445,944	684,147	447,210	735,224
Real estate,	206,370	196,817	170,017	169,290	162,710
Defalcation at Lynchburg,	. . .	58,797	90,110	40,381	. . .
Robbery at Portsmouth,	. . .	. . .	. . .	. . .	18,900
In transitu,	. . .	. . .	. . .	. . .	59,357
Total resources,	$5,819,540	$6,242,065	$6,454,846	$6,573,558	$6,870,496

During the past year, there has been charged to Surplus Profits the remainder of the defalcation at Lynchburg, $14,326, and on account of loss by robbing at the Portsmouth branch, $51,161.

Dividend, January, 1858, 4 per cent., net.

KENTUCKY.

Bank of Kentucky and Seven Branches.

LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*Jan.* 1, 1853.
Capital Stock,	$3,700,000	$3,700,000	$3,700,000	$3,700,000	$3,700,000
Over issue by Schuylkill Bank,	470,300	52,100	. . .	. . .	. . .
Circulation,	2,586,672	2,781,706	2,453,092	2,585,892	3,528,408
Individual deposits,	740,984	671,965	791,645	777,140	877,947
Bank balances,	392,814	344,144	283,907	633,854	662,760
Reserved fund, by charter,	100,000	100,000	100,000	74,000	74,000
Schuylkill Bank fund,	55,137	. . .	600,000	415,000	285,500
Contingent fund,	139,480	89,735	114,826	318,240	381,378
Due Treasurer of State,	58,181	95,991	49,674	. . .	173,180
Dividends unpaid,	105,256	93,802	154,070	7,250	7,573
Total liabilities,	$8,343,824	$7,929,493	$8,247,121	$8,561,876	$9,690,740

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*Jan.* 1, 1853.
Notes discounted,	$3,093,840	$2,642,215	$2,645,531	$2,417,610	$2,349,805
Bills of exchange,	1,850,222	2,132,721	2,137,700	2,354,066	3,923,450
Suspended debt,	167,430	95,800	107,625	93,933	98,526
Real estate,	252,205	211,088	197,382	173,687	151,994
Kentucky State Bonds,	250,000	250,000	250,000	. . .	. . .
Louisville City Bonds,	200,000	200,000	200,000	190,000	181,710
Bank balances,	466,131	572,125	620,990	1,303,423	703,501
Schuylkill Bank fund,	470,300	52,100	. . .	. . .	262,228
Gold and silver,	1,275,308	1,371,398	1,241,063	1,082,697	1,328,540
Notes of other banks,	319,388	345,373	334,761	476,887	218,692
Miscellaneous,	. . .	46,723	512,070	409,070	80,094
Deposits in N. York, Phila., &c.,	. . .	. . .	. . .	. . .	437,200
Total resources,	$8,343,824	$7,929,493	$8,247,121	$8,561,876	$9,690,740

Dividend, January, 1853, 5 per cent.

Northern Bank of Kentucky and Four Branches.

LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1850.	*July*, 1851.	*Jan.* 1, 1853.
Capital,	$2,237,600	$2,238,900	$2,250,000	$2,250,000	$2,250,000
Circulation,	2,453,582	2,576,780	2,371,795	2,556,925	2,993,396
Individual deposits,	674,506	742,906	697,408	673,080	687,696
Bank balances,	669,327	827,153	308,420	321,365	535,956
Profit and loss,	267,058	334,542	411,878	397,910	495,884
Miscellaneous,	32,695	15,228	16,060	12,680	10,004
Total liabilities,	$6,334,715	$6,735,409	$6,055,561	$6,211,910	$7,062,796

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1850.	*July*, 1851.	*Jan.* 1, 1853.
Notes discounted,	$1,849,698	$1,785,302	$1,707,240	$1,690,518	$1,478,982
Bills of exchange,	2,007,287	2,156,410	2,233,450	2,208,825	2,867,218
Suspended debt,	123,268	136,910	82,100	82,142	73,021
Bank balances,	928,281	1,111,784	665,108	890,503	1,073,180
Real estate,	179,865	123,980	125,631	103,236	101,918
Kentucky State Bonds,	5,000	5,000	5,000	5,000	5,000
Lexington City Bonds,	35,000	28,000	16,000	14,000	11,000
Gold and silver,	909,704	1,033,413	1,016,888	1,008,891	1,239,164
Notes of other banks,	287,920	340,760	202,786	209,325	159,544
Miscellaneous,	8,792	8,850	1,213	9,970	8,769
Total resources,	$6,334,715	$6,735,409	$6,055,561	$6,211,910	$7,062,796

Surplus profits, above stated, $495,884, from which deduct a semi-annual dividend of 5 per cent., January 1, 1853, $112,500, will leave undivided profits $323,000, or nearly 15 per cent. upon the capital.

Bank of Louisville and Two Branches.

Liabilities.	*Jan.*, 1847.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*Jan.*, 1853.
Capital,	$1,082,600	$1,080,000	$1,080,000	$1,080,000	$1,080,000
Circulation,	989,892	1,126,228	968,390	1,149,472	1,608,500
Individual deposits,	168,980	284,466	202,236	270,482	225,285
Bank balances,	57,091	132,988	223,869	296,274	378,105
Profit and loss,	126,880	158,166	162,933	209,924	192,562
Total liabilities,	$2,369,723	$2,781,898	$2,650,921	$3,006,152	$3,479,452

Resources.	*Jan.*, 1847.	*Jan.*, 1848.	*July*, 1849.	*July*, 1851.	*Jan.*, 1853.
Notes discounted,	$ 736,700	$ 649,060	$ 608,831	$ 633,366	$ 596,142
Bills of exchange,	717,987	1,136,262	998,521	1,050,392	2,527,045
Louisville City Bonds,	75,000	75,000	75,000	68,000	85,000
Bank balances,	132,880	154,410	295,578	398,610	471,640
Suspended debt,	88,448	47,962	46,080	29,935	30,198
Real estate,	97,271	99,271	99,641	93,736	95,510
Specie on hand,	445,844	510,841	527,894	614,658	688,890
Bank notes, &c.,	75,650	70,592	104,876	116,960	95,027
Total resources,	$2,369,723	$2,781,898	$2,650,921	$3,006,152	$3,479,452

Dividend, 4½ per cent., and an extra dividend of 2½ per cent., leaving a surplus fund of 11 per cent. on the capital.

Recapitulation of Kentucky Banks.

	Circulation.	*Deposits.*	*Loans.*	*Specie.*	*Due from Banks.*
Bank of Kentucky,	$3,523,000	$ 877,000	$6,278,000	$1,328,000	$1,140,000
Northern Bank,	2,998,000	832,000	4,344,000	1,289,000	1,073,000
Bank of Louisville,	1,603,000	222,000	2,113,000	638,000	471,000
Jan., 1853,	$8,124,000	$1,931,000	$12,735,000	$3,255,000	$2,684,000
July, 1851,	6,290,000	1,720,000	10,425,000	2,704,000	2,641,000
Jan., 1846,	6,063,000	1,627,000	10,600,000	2,586,000	1,500,000

For further particulars in reference to the Kentucky banks, our readers are referred to pages 239–242, September number, 1852.

Rothschilds.—The game playing at the Exchange excites great interest. The De Rothschilds are in the worst possible humor, and are beating down the funds in the most alarming manner; they have "lamed" a good many, who cry as earnestly as Mercutio, "a pox o' both your houses," as this feud between the De Rothschilds and the Foulds costs them dear. MM. de Rothschilds are bitterly opposed to the new banking company. You may have seen their opinions expressed in last Saturday's *Times*' leading article. They fear a terrible financial peril in the present mad fever of speculation. Louis Napoleon himself has directly interfered as mediator between the hostile houses, hitherto without success. The Foulds have offered the De Rothschilds 34,000 reserved shares in the Société Générale, which have been declined. Negotiations still continue. Another incident which has increased the annoyance of the De Rothschilds, is the purchase of the forests of Crecy and d'Armainvilliers by M. Pereire. It was first offered to the former, but they were too long in deciding to give $1,200,000 for them. M. Pereire offered $1,400,000 cash, which was taken, and the De Rothschilds left in the lurch.—*Paris Correspondent of the Boston Atlas.*

THE UNITED STATES MINT.

I. *Remarks on the proposed change in the standard of Silver Coins.*—II. *Expenses of the Branch Mints.*—III. *On the exchange of Coin for Bullion.*

THE report on the subject of the coinage, made by Senator Hunter, has been before the country since March last. It is not a subject of very deep importance to any one, or to any particular interest, or it would, ere this, have been finally acted upon. But it is a subject in which the whole community feels an interest, because all persons are put to serious inconvenience in consequence of the delays, necessary and unnecessary, that have arisen in the action of Congress upon the proposed bill.

The new coinage advocated by the Treasury department was fully discussed in the annual report of Secretary Corwin in December, 1851. He then adverted to the increased legal value of silver in Great Britain as compared with our own, and recommended such an alteration of the law as would give to silver in this country such an additional value as would prevent its export. He then stated the relative values of gold and silver to be—

In the United States, ...	as 1 to 15.988
In France, ...	as 1 to 15.499
In Great Britain, ...	as 1 to 14.288

In other words, 14,288 ounces of silver coin in Great Britain are equal to 15,988 ounces in the United States. As a consequence, the silver coin existing in this country three or four years since, has been gradually exported to Europe, where it had greater value than with us, and now we have scarcely enough to convert into the new coins that have been suggested.

The director of the Mint suggests such a modification as will make the relative value of silver to gold at 14.884 to 1.

Mr. Hunter's bill proposes to diminish the quantity of silver in the half-dollar, and in the coins of smaller denominations, by about 6.91 per cent., without disturbing the present value of the larger coin. It is not intended at present to fix a new relative value between the two metals; nor until their production throughout the world can be so nearly ascertained, that such values shall be permanently fixed by a new law. With a reduction of only 5 or 6 per cent. in the value of silver, this coin would not be exported. The report says:

"With this reduction, silver on the smaller coins would bear to gold a ratio of nearly 15.238 to 1, which gives it a greater value than the existing laws of Russia, Holland, and France, in which it bears to gold the respective values of 15.333 to 1, 15.5 to 1, and of 15.5 to 1. In England it bears a higher value; but there it is a legal tender for only small sums."

The report concludes:

"The committee have also adopted the recommendation of the Secretary of the Treasury in relation to a seignorage. The mints of this country are likely to be-

come so expensive, and the quantities of the precious metals manufactured in them are already so large, that it would seem to be proper to impose some legal charge upon the manufacture for the purpose of sustaining the mints. The amount of seignorage is a question of some practical difficulty; but the charge now proposed is somewhat less than that exacted in England or France. In France the charge is one-half per cent. on gold, and one and one-half per cent. upon silver. In England one and one-half per cent. is paid upon gold, and two and one-eighth per cent. on silver. We propose to charge to depositors one-half of one per cent. for both gold and silver, denying them, however, the right of having the new silver coin struck on their own accounts.

We earnestly hope that Congress will not permit the present session to terminate without adopting the measures jointly proposed by the Treasury and by Mr. Hunter.

It is, in fact, a matter of no importance whatever to the community at large as to what degree of alloy shall be allowed in the new coinage of three, five, ten, twenty-five cents, and fifty cent pieces. It is very clear that the proposed change, or something near it, will be the only means of retaining in the country the small amount of silver now held. We now have two standards, when one only would be sufficient. The increasing supply of gold points to that metal as the true and sole legal standard with us as it is now in Great Britain. As Mr. Abbott Lawrence says:—It will hereafter be found a source of great inconvenience to attempt to maintain more than one standard, which should be of gold, and the silver coinage adapted to it. . . . In case gold should continue to be abundant in California, and sums to the amount of forty millions annually taken from that State for three or four years to come, with a prospect of a continuance of a large supply, then the standard of value may be materially reduced, and the United States, Great Britain, and France, and doubtless every country in Europe, would be forced to conform to it."

The subject of a Branch Mint at New York has been brought before Congress by the Secretary of the Treasury. In his opinion, confirmed as it is by that of every unbiased mind, "sound policy demands that at this great commercial and financial centre, a branch Mint should be established, which should be the custodian of the large amount of public moneys collected here, and which will enable foreign coin and bullion to be converted most speedily into our own currency, without the risk, delay, and expense of transportation to *and from* any other point."

The Mints at New Orleans, Charlotte, and Dahlonega, could be advantageously dispensed with. They entail a heavy expense upon the government, which, under present circumstances, is totally unnecessary. The aggregate coinage in a late year at Charlotte was only $390,000, at Dahlonega $250,000; and the actual cost of coinage to the government at these points is about *three* per cent., as may be seen by the following summary, which has been furnished at the Philadelphia Mint:

Coinage of the United States Mint Branches, from January, 1837, to December, 1850, and Expenses.

Year.	*New Orleans.*	*Charlotte.*	*Dahlonega.*	*Total.*	*Expenses.*
1837,	. . .	. . .	. . .	. . .	$ 17,186
1838,	$ 22,250	$ 84,165	$102,915	$209,330	123,920
1839,	192,565	162,767	123,880	484,512	95,080
1840,	911,575	127,055	128,310	1,166,940	98,040
1841,	682,925	138,087	168,885	929,747	72,998
1842,	1,287,750	159,005	309,647	1,756,402	70,670
1843,	4,649,500	287,005	582,773	5,519.278	74,806
1844,	4,208,500	147,210	488,600	4,844,310	79,594
1845,	1,750,000	. . .	501,795	2,251,795	69,086
1846,	2,468,800	76,995	449,727	3,010,522	72,734
1847,	7,469,000	478,820	361,485	8,309,305	73,868
1848,	1,978,500	364,380	271,758	2,614,588	75,796
1849,	1,646,000	361,300	244,130	2,251,430	82,558
1850,	3,966,000	264,861	216,767	4,347,127	82,194
Total,	$31,098,565	$2,646,050	$3,950,666	$37,695,281	$1,079,000

In connection with this subject, we would suggest, in the first place, such a seignorage as will fully remunerate the government for the actual cost of coinage, and that will serve to prevent the export of silver coins. There is no reason why the government should discharge the duty of converting bullion into coin at its own sole expense, when the service is merely for individual benefit. And secondly, that the depositors at the Mint shall receive coin in the same metals, or in the same proportions, as deposited by them.

The law which regulates the transactions of the Mint is the act of Congress approved January 18, 1837. Of that act, section 18 enumerates the charges which may be made to depositors, one of which is "for separating the gold and silver, when these metals exist together in the bullion." Also, section 19 enacts that the treasurer shall give to the depositor "a certificate of the net amount of the deposit, to be paid in coins of the same species of bullion as that deposited;" and section 30 further enacts, that payments shall be made in the order of priority of deposit; "and that in the denomination of coin delivered, the treasurer shall comply with the wishes of the depositor, unless when impracticable or inconvenient to do so; in which case the denominations of coins shall be designated by the director." Such are all the provisions which relate to the subject.

It was always customary at the Mint to keep the gold and silver accounts entirely distinct and separate, and to pay silver coins for silver bullion deposited, whether said silver was unmixed or contained in gold bullion. But when silver began to command a premium of one or two per cent., after the heavy influx of California gold, the Mint commenced to pay gold for silver; and since the passage of the postage law, in which the Mint was allowed to coin pieces of the denomination of three cents (the weight of which is proportional to that of the dollar, but their fineness debased from 90 to 75 per cent., yielding therefore a profit of 20 per cent.), depositors have been refused payment in silver for silver deposited in mixed bullion, unless they consent to be paid in three-cent pieces debased 20 per cent. in intrinsic value.

If there were no coinage of three-cent pieces, it would be a matter of convenience to the Mint to pay silver coins of full value for silver in mixed bullion. Such was formerly its invariable custom, and such it would be still. But if it should pay to the depositors the silver they carry there, then to obtain raw material for the very profitable three-cent coinage, the Mint would be obliged to purchase silver in the market, and to pay for it the premium it commands, which would reduce the profits of said coinage. Now the depositors lose the premium to which they are legally entitled, and the Mint profits to its full extent.

It should here be remarked, that the act of Congress authorizing the coinage of pieces of three cents of debased silver, was an act merely for cheap postage. It made no appropriation of the profits of said coinage; and the only legal disposition which can, therefore, be made of said profits is, that they be carried into the Treasury of the United States by warrant. The use of them to defray contingent expenses of the Mint, or for any other purpose, without express appropriation by Congress, is clearly a violation of law.

The Mint is required by law to pay to depositors the aggregate value of the gold and silver contained in each deposit, *without any deduction for the expenses of coining*, but with such deductions as shall be necessary to cover the actual cost of the labor and materials required for refining, separating, and alloying.

The law of 1837 was framed to fit the custom of the Mint. It was drafted by the late Director of the Mint, Dr. Patterson, aided by John K. Kane, now United States District Judge. The law was adapted to the custom, and not the latter determined by the law; and as the custom with regard to mixed bullion had always been to pay silver coins for silver, and gold coins for gold, such would be considered a fair interpretation of the meaning of the language, "In coins of the same species of bullion as that deposited." And more especially should this construction be regarded as the equitable and proper meaning of those words, when one of the "species of bullion" commands in the market a premium, as silver does at present. In fact, to deny to the depositors the silver they carry to the Mint, to pay them for it in gold or debased coins, and then to use that silver for coining three-cent pieces, is but to defraud them of the premium which their silver is worth.

We observe that a new pattern of a gold dollar has been prepared at the Mint for the consideration of Congress. The Philadelphia *Ledger* says:

"In size it is about half as large again in circumference as the present gold dollar, with a hole in the centre. On one side is the word 'DOLLAR' in large letters, and on the other, 'United States of America, 1852.' This is a more convenient coin in size than the present gold dollar, but as the public are now familiar with the size and shape of the present dollar, it is probably well enough to continue them, and authorize gold half-dollar pieces of the rim shape proposed, by which the inconvenience now experienced from want of change would be greatly relieved. The half-dollar of rim shape would be as large as the present gold dollar, and yet could be readily distinguished by touch from the whole dollar.

BANK ITEMS.

NEW YORK. — The Shoe and Leather Bank commenced business on the 6th of January, at the corner of William and John streets. President, Loring Andrews, Esq.; Cashier, William A. Kissam, Esq., late of the Bank of the Republic.

Uncurrent Money. — The following banks receive uncurrent money upon the terms adopted by the Metropolitan Bank:

1. Bank of the Republic.
2. Bowery Bank.
3. Grocers' Bank.
4. Market Bank.
5. Marine Bank.
6. Mercantile Bank.
7. Nassau Bank.
8. Ocean Bank.
9. Pacific Bank.
10. People's Bank.
11. Shoe and Leather Bank.
12. Am. Exch. Bank.

Troy. — The Farmers' Bank of Troy has been organized under the general banking law of the State, with a capital of $300,000. President, John T. McCoun, Esq.; Cashier, Philander Wells, Esq. The old Board adopted the following resolutions on the 30th day of December, being its last meeting:

"*Resolved*, That the Board of Directors hereby return their thanks to James Van Schoonhoven, Esq., for the able and important services, which, as President of this Board, he has for many years rendered.

"*Resolved*, That the thanks of this Board be given to Philander Wells, Esq., for the fidelity, industry, and ability with which he has discharged for many years the responsible duties of the office of Cashier of the bank."

Traders' Bank. — A new bank has been organized at Troy, under the name of the Traders' Bank, with a capital of $125,000. President, J. Lansing Van Schoonhoven, Esq.; Cashier, James Buel, Esq.

New Banks in Albany. — Some days since we spoke of rumors generally current there, of the intention of some of our citizens to organize a new bank in this city. These rumors have, within a few days, assumed a most tangible form, and, instead of one bank, we can state that three are to be organized forthwith. The first is to be called "The Bank of the Capitol,' under the charge of the esteemed present Cashier of the Albany Exchange Bank, Noah Lee, Esq., as President, and acting financial officer. The capital is to be $300,000. Who is to be Cashier of this institution we have not heard named. This bank, we are assured, will make its debut under the most flattering auspices. The books will be opened for subscriptions to its stock in a few days.

Another bank, with a capital of $250,000, is to be placed under the presidency of our friend and fellow-citizen, John Tweddle, Esq. The high character of Mr. Tweddle will, aside from extensive business connection of that gentleman and the firm to which he is attached, secure to the bank a large business. John Sill, Esq., now of the Bank of Albany, is named as Cashier. We have not heard what name the bank is to take.

The third is to have a capital of $100,000, and is to be an individual bank. The only name we heard in connection with it is that of Mr. Hand, at present connected with the Bank Department, who is to be Cashier.—*Argus.*

NEW JERSEY. — The following banks, organized under the general banking law of New Jersey, are winding up their affairs:—Ocean, Bergen Iron Works, Atlantic, May's Landing, Delaware and Hudson, Tom's River, Farmers', Freehold. In relation to the manner of closing the business of a bank, under the law of New Jersey, the Newark Daily Advertiser remarks:

"The law says, that when a bank desires to relinquish business, and shall have returned to the Treasurer at least 80 per cent. of its circulating notes, having redeemed them, and shall also have given him a certificate of deposit in some approved bank of sufficient funds to redeem the remainder of the circulation, he may then surrender to it all its stock securities. The bank must then publish its intention for two years in Trenton and in the county where the bank is located, on proof of which, at the expiration of the two years, the treasurer is authorized to surrender

any securities held to redeem notes, whether all have been redeemed or not; provided he shall publish notice of his intention to do so in three papers printed in the State."

MASSACHUSETTS. — *Small change.*—The Boston banks have addressed a petition to Congress, representing the need of some alteration in the present standard of our small silver currency, so that a supply can be obtained on more favorable terms than at present.

Forgery. — A few days since it was discovered that a forged check for $700, drawn in the name of Hall & Myrick, 35 Commercial-street, was paid on the 13th of December at the counter of the Bank of North America. As the check was proved to have been taken from the check-book at Messrs. H. & M.'s store, and was rightly numbered, it is supposed that their store must have been burglariously entered.

New Bank at East Cambridge. — We understand that measures are in progress to establish a new bank at East Cambridge, with a capital of $200,000, under the name of the "Lechmere Bank." From the increase of manufactures and various kinds of business in that part of our sister city, it would seem that such an institution was called for in that location.

The Webster Bank. — William Thomas, Esq., and associates, have petitioned the Legislature to charter a new institution, named the Webster Bank, to be located in State-street, with a capital of $2,000,000. The subscription list contains the names of many capitalists, merchants, and others, of high standing in this and neighboring cities. This gives assurance that the new corporation will be conducted on sound principles. The projectors, in receiving subscriptions, have made no pledges to individuals, but propose to establish the new bank for the public accommodation, and the legitimate revenue to be derived from a safe investment.

CONNECTICUT. — The Uncas Bank, at Norwich, has commenced operations under the general banking law of Connecticut, with a capital of $100,000, all paid in. President, James A. Hovey, Esq.; Cashier, E. H. Learned, Esq., for some years cashier of the Quinebaug Bank.

Savings Banks in Connecticut. — By the latest returns for the New Haven (Conn.) Register, the amounts on deposit at the several savings banks in the State, and the annual dividends, are as follows:

		Per cent.			Per cent.
Hartford,	$1,958,675	at 6	Stonington,	46,182	at 5½
Norwich,	1,115,169	" 6	Danbury,	45,000	" 5
Middletown,	938,374	" 6	Salisbury,	40,552	" 5
New Haven,	835,112	" 5½	Essex,	38,207	" 5
New London,	575,989	" 6	Waterbury,	28,408	" 5
Bridgeport,	550,000	" 6	Litchfield,	24,550	" 5
Tolland,	143,322	" 5	Stamford,	19,276	" 5
Willimantic,	103,588	" 6	Meriden,	15,814	" 5
Derby,	61,201	" 5	Deep River,	13,028	" 6
Norwalk,	56,160	" 5	Farmington,	10,422	" 5

Bank of Hartford County. — The shareholders of this bank met on the 3d. ult., for the purpose of considering a proposition to double the amount of their capital stock—that is, to make it $400,000 instead of $200,000. One hundred and forty thousand dollars were represented in the vote, and there was not a single vote against the increase. The bank has done exceedingly well since its organization, and it has not been able to supply the demands upon it. Its stock has been sold at 105. The increased stock has all been taken by the present stockholders at par.—*Times.*

Westport. — The Saugatuck Bank at Westport commenced business on the 3d day of January, under the free-banking law of Connecticut. Capital subscribed, $100,000, of which $50,000 has been paid. President, David M. Marvin, Esq.; Cashier, Charles Webb, Esq., late of the Merchants' Bank, Norwich.

Norwich.—Lewis A. Hyde, Esq., has been appointed Cashier of the Quinebaug Bank, in place of Edward H. Leonard, Esq., resigned.

New Milford. — Alexander McAllister, Esq., teller of the Bridgeport Bank, has been appointed Cashier of the Litchfield County Bank at New Milford.

Rhode Island. — Albert W. Snow, who pleaded guilty at the December term of the Rhode Island Court of Common Pleas, on an indictment for embezzling the funds of the Mechanics' and Manufacturers' Bank, in which he was cashier, has been sentenced to the state prison for two years upon one of the ten indictments against him.

Savings Banks in Rhode Island. — The annexed table shows the amount deposited in the various savings banks in this State, together with the number of depositors, at the date of their last reports to the General Assembly:

	Amount.	No.
Providence Institution for Savings,	$1,127,007 67	6827
People's Savings Bank, Providence,	118,896 26	651
Newport Institution for Savings,	291,813 25	1512
Bristol Institution for Savings,	84,819 05	430
Pawtucket Institution for Savings,	337,209 43	1579
Warwick Institution for Savings,	246,822 36	944
E. Greenwich Institution for Savings,	19,888 52	142
Woonsocket Institution for Savings,	118,996 17	800
Wakefield Institution for Savings,	22,181 90	189
Tiverton Savings Bank,	112,029 51	872
	$2,474,109 12	13,896

Pennsylvania. — Books of subscription, for additional capital stock to the York Bank, are now open. It is proposed to increase the capital from $100,000, its present sum, to $200,000.

Maryland. — The Franklin Bank of Baltimore has issued the following notice:

"Franklin Bank of Baltimore: December 13th, 1842.—At a meeting of the Board of Directors, the following resolution was adopted:

"'*Resolved*, That the capital stock of this bank be doubled, and that the option be given to the stockholders at any time between the 1st of January and 1st of February next, to take the shares at their par value, with interest from 1st of January. The new stock to be entitled to dividend in July.'

"The books for the above subscription of stock will be opened at the banking-house on the 1st of January next.

"On the same day the president and directors declared a dividend of 3½ per cent. for the past six months, payable on the 1st of January. The State and city taxes on this stock have been paid by the bank."

Illinois. — *Banks at Chicago.*—The Chicago Press of the 6th ult., says:

"A new bank is soon to be started in this city, to be called the 'Garden City Bank,' with a capital of $600,000. There is space enough in Clark-street for them all.

"During the past week the bills of the Bank of Chicago, of Seth Paine & Co., have been thrown out by all our brokers and regular banks. A retaliatory measure has been adopted by the concern to protest the certificates of deposit of other brokers. We understood, also, yesterday, hand-bills were being prepared to circulate through the country, to the effect that George Smith & Co. had failed, and that the checks of several other banks had been refused. There is not the least foundation for such a report. We do not apprehend the least danger—and we advise our country friends to keep cool. The bills of Paine & Co. have been thrown out by the banks and the brokers generally; and the Farmers' Bank has never been taken. We shall not express an opinion as to their soundness, but simply say that bankers have the best chance to know the standing of one another. Whatever may be the fate of these, we believe there is no immediate fear for any of the other institutions in the city.

"It is not our intention to excuse any of the illegal bankers, but we wish to keep our country friends advised as to the true state of things in the city. We hope our entire currency will soon be properly secured, and the day of 'shinplasters' of all kinds come to an end."

VIRGINIA. — We understand the Central Bank will go into operation about the 5th or 10th of January next. The stone building, near the jail, occupied by Wm. Kinney, Esq. (the president), as a law office, is being securely fitted up for the present use of the bank. The iron safe, in which the valuables are to be kept, is not only fire-proof but *burglar*-proof. We have been shown some of the notes of this bank—they are very handsome, and with popular and efficient officers, as the bank has, it must hold a high place in the public confidence.

John Wayt, Esq., of Waynesboro', has been appointed clerk to the Central Bank, which is to be located in this place.—*Staunton Vindicator.*

TENNESSEE. — A. R. Herron, Esq., was, in December last, elected President of the Branch Union Bank of Tennessee at Memphis.

INDIANA. — The House called on the Auditor of the State for a report of such of the banks in Indiana, organized under the general law, as were doing business in conformity with the provisions of the law. In response to this call, the Auditor sent in the following Report:

"In answer thereto I have the honor to submit the following statement:

"The following banks are doing a local legitimate business, to wit:

"The Bank of Connersville, at Connersville; State Stock Bank of Indiana, at Peru; the Indiana Stock Bank, at Laporte; the Wabash Valley Bank, at Logansport; the Gramercy Bank, at Lafayette; the Prairie City Bank, at Terre Haute.

"These banks have an aggregate capital of one million three hundred thousand dollars.

"The notes of the following banks are taken principally to New York, and there put in circulation, to wit:

"The State Stock Bank, at Logansport; the Plymouth Bank, at Plymouth; the Government Stock Bank, at Lafayette; the Public Stock Bank, at Newport; the Bank of North America, at Newport.

"The aggregate capital of these banks is three hundred and sixty-five thousand dollars. These also have agencies at the localities named, for the redemption of their notes.

"No notes have been issued to any other institution.

"E. W. H. ELLIS, Auditor of State."

STOLEN BANK OF ENGLAND NOTES. — It has transpired that an extensive robbery of Bank of England notes from a clerk in the London Joint Stock Bank took place recently. The particulars of the notes are as follows:

No. 13414, November 8, 1852,	£ 80	No. 44606, January 18, 1852,	£500
" 41149, October 9, 1852,	50	" 40867, July 14, 1852.	1000
" 38598, October 9, 1852,	50	" 40081, July 14, 1852,	1000
" 33836, April 12, 1852,	300	" 44141, July 14, 1852,	1000
" 33385, April 12, 1852,	300		
" 31985, April 12, 1852,	300	Total amount,	£4,530

NEW JERSEY. — A bill has been introduced into the New Jersey Legislature to prevent the issuing and circulation of small notes for the payment of money. The bill makes it unlawful for any notes of a less denomination than three dollars to be issued and put in circulation on and after the 4th of July next. And after the 1st day of January, 1854, it makes it unlawful to circulate any notes of a less denomination than five dollars.

SIGHT BILLS. — There is one subject connected with the New York banks which should be acted upon at an early day, especially as it daily involves large sums of money. We allude to a law granting grace on sight bills. At present this matter is left open by the courts of the State, and no final decision has been given on this point. The law is so uncertain, that the banks of this city feel bound to protest all paper payable *at sight*, where the parties claim grace. All this could be obviated by a statute, affirmative or negative, and would settle the practice of bankers instantly. In Massachusetts this matter was put at rest as long since as the year 1824, when it was provided that "bills of exchange, payable at sight, or at a future day certain, and promissory notes, &c., payable at a future day certain, within this State (Massachusetts), *shall be entitled to grace.*" And the same act provided that bills of exchange, notes, drafts, &c., payable *on demand, are not entitled to days of grace.*

FOREIGN MISCELLANEOUS ITEMS.

MEXICAN FINANCES. — Mexico, November 1, 1852.—I do not wish to let this packet go without a few lines; but I find it would be very difficult to give an accurate idea of the present state of this unfortunate republic. The federal system, so ill suited to the peculiar circumstances of this country, together with a corrupt administration, has gradually brought on a state of anarchy. The States of Vera Cruz, Jalisco, Sinaloa, and Michoacan are now in open rebellion; and throughout the country a general feeling of discontent prevails. The government has neither moral influence nor physical power, and becomes more and more unpopular at the same time that it has to contend with greater difficulties. In the mean while the treasury is utterly exhausted, although the country is teeming with wealth, and evidently increasing in prosperity. This must appear quite anomalous to all who are not familiar with the degraded condition of the Mexican authorities, who are not only accomplices in a barefaced system of plunder, but are actually the chief instruments of wholesale fraud. Thus it is that smuggling in Mexico is as free from danger or punishment as it is lucrative for dishonest merchants, and ruinous to the nation and its creditors. The custom-houses being the chief sources of revenue, it follows, as a natural consequence, that the government must necessarily remain in a state of penury so long as it winks at the scandalous corruption of its officers. To give you some idea of what I have just stated, I may mention that a short time since a vessel arrived at Mazatlan from England, with a very valuable cargo, which should have paid upwards of 250,000 dollars of import duties, instead of which only 13,000 dollars have been paid! On the other hand, the Congress, far from granting any supplies, or devising means to meet the exigencies of the national expenditure, studiously avoid any new taxes which might endanger their popularity, and are generally engaged in frivolous questions of domestic squabbles, or in raising opposition to whatever measures the executive may dictate.—*Cor. London Times.*

THE BANKING INSTITUTE. — The periodical meeting of the Banking Institute took place last night, Mr. Gilbart presiding, when a paper respecting the law of partnership was read by Mr. Shaw. The writer traced the principles of partnership as distinguished between private trading firms and those which regulate public companies, and in illustrating his subject adverted to some of the precedents settled by the decisions in our various courts. Introducing incidentally the question of partnership *en commandite*, he appeared to favor the view that liability should be limited in the case of all joint-stock companies, excepting banks, the security of creditors and depositors demanding in the latter case the increased responsibility sanctioned by law. After an animated discussion, in which a diversity of opinion was expressed with regard to the actual result of the *commandite* principle in France, other continental countries, and America, the usual votes were accorded, and the meeting separated.—*London Times, Dec.* 17.

THE BANK OF FRANCE. — In France the fever of speculation, particularly in Paris, has not yet subsided. Among others is the announcement of a new company on a large scale, purporting to begin operations with an immense capital, for the encouragement of the export of French produce. The timidity of French manufacturers in venturing their produce to foreign countries with which they have had previously no commercial or political relations is well known, and the avowed object of the company alluded to is to create a revolution in that respect.

The Bank of France has declared the extraordinary dividend of sixty francs per share, equivalent to six per cent., for the last six months. Such is the rage for shares that sales are now made at 2,995 francs, against a par value of 1000 francs per share. We feel in this country already, and most clearly, the impetus given to prices since the increase of gold commenced. This observation applies more particularly to real estate near the cities, and to sound stocks. These are the two kinds of property which will continue to improve in market value, as long as the production of gold continues in the present ratio, or any thing like it. We observe

also that in France, where speculation is more active than for many years past, that prices are advancing rapidly. The following remarks on this point are from the Paris correspondent of the London Times:—

"It has been remarked, and felt too, that the price of many articles of ordinary consumption in France has considerably advanced for the last few months; in some cases it has more than doubled, in many more by two-thirds. The wages of operatives in most branches of industry have advanced, and those who were formerly satisfied with 4f. or 5f. a day, now, without difficulty, obtain 6f. or 7f.; and when they quit one employer, from this or some other cause, they easily find entrance into another establishment. The orders for cabinet-work keep most of the skilful hands employed in that branch of industry in full work, and it is not in all cases that those required to be completed for the end of the year can be so. The facilities recently afforded by the Spanish government for the admission of French produce, have given great encouragement to the export manufacturers, and there is reason to suppose that the smuggling trade, extensively carried on for so long a time on the frontier, to the great injury of the fair dealer, will become gradually extinguished.

Danish Commerce. — The Copenhagen correspondent of the London *Morning Chronicle*, under date December 23d, says:—

"The important bill reducing the customs' payments on 'materials, machines, and implements used in any new water-works, gas-works, sewer system, or any other similar large improvement in any town or borough,' has now been passed by the lower house. It fixes the rate at five per cent. *ad valorem;* but where the tariff fixes a lower sum, only such lower payment shall be made. This measure is of great interest to our manufacturers of machinery, &c., for in a short time every town in Denmark will require supplies from England of every thing necessary for water and gas works, &c. This was about the last bill which went through the Folk-thing. Both houses have now adjourned over the Christmas holidays, and will reassemble on the 5th of January."

Egypt. — Among all the governments of the East, there is no one, apparently, that is making more rapid strides in commercial matters than Egypt. The Paris *Constitutionnel* says:—

"The following are the official returns of the exports from Egypt during the ten years from 1841 to 1851:—

	Value in Egyptian Piastres.		Value in Egyptian Piastres.
1841	198,270,150	1847	301,343,500
1842	180,446,600	1848	157,256,546
1843	191,588,400	1849	203,056,232
1844	167,868,450	1850	315,357,860
1845	185,782,290	1851	325,804,695
1846	187,311,080		

"These returns show that the foreign commerce of Egypt has increased considerably from 1849 to 1851, under the government of the present viceroy. This progress is due principally to the system of government which has prevailed since the death of Mehemet Ali, and which was not completely developed until it was undertaken by the present government."

During the period above named, the imports into that country increased from 187 millions of piastres per annum, to 230 millions in value. The navigation returns show that British shipping occupies the first place in Egyptian commerce, the North comes next, Austria the third, and France the fourth.

The New French Land Bank. — It appears that on the part of many persons there is still a very imperfect knowledge of the actual details of the constitution of the new French Bank, the *Société Générale du Crédit Mobilier*. This circumstance is not surprising, since the published documents with regard to it are very obscure, and are full of statements of a most complicated nature. As far as a simple result can be gathered from them, it seems that the concern consists of 120,000 shares of 500f. each, forming a subscribed capital of 60,000,000f., or £2,400,000. All the shares are issued, and the amount at present called upon them is 50 per cent.

The bank can issue post-notes at 45 days' date, or for a longer period, and bear-

ing about 8½ per cent. interest, to the extent of five times the subscribed capital, previously to its being fully paid up, and afterwards to the extent of ten times. In the first instance, their issues may consequently amount to £12,000,000 sterling, and in the second, to £24,000,000. They are not, however, to put forth notes in any one year for a sum that shall be more than twice as much as their capital. With this restriction they can take any quantity of stock or railway shares they may think fit, and give their own paper in payment. They have already circulated notes to a considerable amount, and have subscribed to the extent of 40,000,000f., or £1,600,000 sterling, in a loan of 200,000,000f., raised by the *Société de Crédit Foncier*. This loan bears only 3 per cent. interest, but a portion of the bonds are to be drawn and paid off every year with a number of prizes, some to the extent of 100,000f. each, to be decided by a sort of lottery.

The shares of the Credit Bank immediately after their allotment went to about 1700f., or 240 per cent. premium. They are now at 850f., or 70 per cent. premium. The inflated anticipations originally entertained, and which were founded on the power of the bank not only to lend the whole of their subscribed capital, but also the additional sum of £22,000,000 which they are ultimately to fabricate, have therefore rapidly subsided. The transactions of the concern, and the hopes it encourages, are precisely analogous to those in the case of the Bank of the United States, when that institution put forth its bonds in millions to sustain the American money and produce markets in 1839. At the same time, as the operation of the natural laws which brought that experiment to a speedy close are immutable, it appears impossible to suggest any reason why an imitation of it at the present day should meet with any different conclusion.—*London Times.*

MISCELLANEOUS.

Michigan.—The Governor of Michigan in his recent annual message to the legislature, recommends the passage of a general banking law. For which measure he gives strong and pertinent reasons, among which are the following:

"At present we are giving charters to the issues of banks about which we actually know nothing, in whose management we have no participation, and are thus literally paying a large tribute for what generally in the end proves to be a great curse. If the other States will permit the issue and circulation of a worthless, irredeemable currency, it should be our object to lessen, if we cannot entirely destroy, the evil.

"Experienced bankers estimate the amount of foreign bank circulation in this State at $3,000,000; domestic, $600,000; gold and silver coin in actual circulation, $500,000; making in the aggregate, $4,100,000. It will be seen that at five per cent., a very reasonable estimate, we are annually paying the bankers of other States $150,000. Much of this currency is the production of unsound banks and fraudulent bankers. Some of the banks are placed at points almost inaccessible to the bill-holders. Large amounts are issued by eastern banks expressly for circulation in the west. Even if we had a larger number of sound and solvent banks within our own borders, the inferior might take the place of the superior currency. It is a difficult matter to manage and regulate; but of one thing we could be certain, that upon all the capital employed for such purpose in the State, we could levy a tax, and thus receive some compensation for the franchises enjoyed."

Small Notes in Maryland.—It will be seen by the proceedings of the city council yesterday, that a resolution passed the first branch by nearly a unanimous vote, asking the legislature to repeal the act of the last session, prohibiting the issue by the banks of Maryland, after the 1st of March next, of notes of a less denomination than five dollars. This action of the first branch is but a reflection of public opinion here, and everywhere else in the State, and we hope the legislature will respond to it by promptly repealing the law referred to. The failure of the legislature to do so would, in the present scarcity of the small currency, impose a very serious evil upon the people.—*Baltimore Patriot.*

BANKING IN INDIANA.—The annual message of the Governor of Indiana represents its financial condition as rapidly improving. The annual revenue for 1852 was $658,099. The ordinary expenses were $160,312. The Governor recommends a tax of five cents on each hundred dollars of property, which rate and the application of certain moneys to be received from the Madison and Indianapolis Railroad Company, to the purchase of 2¼ and 5 per cent. bonds, he thinks that more than a half million of the indebtedness of the State might be absorbed within the next two years.

The Governor has come to the conclusion that the free banking law of last year has failed to accomplish any good. Under this law sixteen banking institutions have been organized, representing a capital of $2,365,000. Six of these are said "to be doing a legitimate banking business;" five of them have not yet received any notes for circulation; and the remaining five, "with a capital of $365,000, have a mere nominal location, all of their notes being put up in packages as soon as they are signed by the auditor, and carried to some distant city or State for circulation."

Of the mode adopted by banking speculators in the establishment of these banks, he says:

"The speculator comes to Indianapolis with a bundle of bank notes in one hand and his stock in the other. In twenty-four hours he is on his way to some distant part of the Union to circulate what he denominates a legal currency, authorized by the Legislature of the State of Indiana. He has nominally located his bank in some remote part of the State, difficult of access, where he knows that no banking facilities are required, and intends that his notes shall go into the hands of persons who will have no means of demanding their redemption."

The Wabash and Erie Canal, the Governor states, has progressed rapidly during the past year, and no doubt is entertained that by the 1st day of March next, the waters of the Lake and of the Ohio will be united, and the entire canal from Toledo to Evansville, a distance of four hundred and sixty-five miles, will be in successful operation.

SMALL BILL LAW IN ALABAMA.—The new code of Alabama, which goes into effect on the 14th of January, contains the following enactment against the passage of bank bills under the denomination of five dollars not issued under the authority of that State:

"*Sec.* 3271. Any person who passes or circulates in this State any bank bill of a less denomination than five dollars, not issued under the authority of this State, must, on conviction, be fined not exceeding fifty dollars.

"*Sec.* 3272. An indictment under the preceding section, which charges that the defendant did pass or circulate a bank bill under the denomination of five dollars, not issued under the authority of the State, is sufficient without describing such bank bill; and proof that such bill on its face purported to be issued by the authority of any other State or country, or by any bank or corporation out of this State, or by any bank or corporation known to be out of this State, is sufficient without further proof."

If the legislature, before passing such a stringent statute, had provided facilities for supplying the demand for small bills which the law will create wherever it is regarded, there might have been some probability that the law would be observed and obeyed. But in the absence of such sufficient provision, we very much mistake the character of the people, if the law is not a dead letter, and by general consent disregarded throughout the State. It is a trite remark, that "necessity knows no law," and we venture the opinion that this law will afford another illustration of its truth. Some years ago the Legislature of Georgia, in their blundering, ignorant currency tinkering, passed a law prohibiting, under severe penalties, the passing of the bills of any bank, in or out of the State, of a less denomination than five dollars. The people, by almost universal consent and approbation, disregarded and violated it daily, and we never heard of a prosecution for the offence. It was regarded by the people, and was from the day it purported to take effect, a dead letter.—*Augusta Chronicle.*

COUNTERFEITING.—A singular development has taken place in regard to the special agency in Boston, for the detection of counterfeiters. An association of the

banks has, for some years, appropriated quite a liberal sum annually for the suppression of counterfeiting. The Legislature of Massachusetts granted last year the sum of $2,500, annually for five years, in aid of this object.

The special agent appointed by the banks to discover the source or sources of counterfeiting, has himself been detected in engraving and printing spurious notes. He has been in the habit of buying the spurious plates from professional counterfeiters, and selling them to the Banking Association, with a view to the plates being destroyed. Sufficient evidence is brought forward to show that the agent has deceived his employers, and has contributed very largely to the numerous counterfeits that have been afloat within a year or two past.

The name of this person is William W. Wilson, who is charged with counterfeiting on the Merchants' Bank, Boston, and the Tradesman's Bank, Chelsea, and having in his possession dies and bank plates for that purpose. His case came up in the Police Court on Tuesday, 18th January, per assignment. A fifth complaint was entered against him, charging the same offences on the Housatonic Bank, after which the examination upon the previous complaint proceeded.

The government produced about a dozen witnesses. Police officer Galen Holmes and constable Wm. K. Jones detailed the circumstances of the arrest, and what implements, counterfeit bills, &c., were seized; and Mr. Pelton, an engraver, testified concerning certain bank plates and dies made by him, which passed into Wilson's possession, and by the use of which, it is alleged by the prosecution, he counterfeited bank bills.

Forged Checks.—*To the Editors of the Cincinnati Gazette.*—The daring and successful frauds which have been practised lately in the forging of checks on banks and bankers, have caused much inquiry as to the cause or fault, if there be any, on the part of those who have been injured, and as to the best probable mode of prevention for the future. I design to offer some remarks on both branches of this subject.

The chief cause of this evil is carelessness. If there was as much vigilance on the one side as there is smartness on the other, such frauds would seldom be successfully carried out. In the daily and hourly transfer of the vast sums which pass from man to man by means of checks, a wide field is thrown open for the operations of the sharper, whose devices can only be guarded against by the universal observance among business men of system, uniformity, and care. These are qualities which belong to the commercial character, and which can never be dispensed with without the hazard of loss to the individual who neglects them, and injury to the public who deal with him.

In regard to the drawing and using of bank checks, there is in our city, I am sorry to say, neither method nor carefulness, but on the contrary, a very culpable and embarrassing degree of looseness. The checks of the same individual or firm often present so great a variety of form as to embarrass the most expert paying teller. In very many cases several persons are authorized to use the same signature, and they not only all use this right on the same day, but they write their checks at different places, use different paper, forms, ink, &c., and alter the printed forms of one bank so as to make them payable at another.

Again, there are too many checks made. Banks and bankers are burdened with a mass of them, pouring in often at the last business hour of the day, when it is difficult to bestow upon them the scrutiny requisite to test their genuineness.

The practice of deferring all the bank business of the day to a late hour, and the consequent pressure of business upon the clerks of banks and banking houses, increase greatly the chances of mistake and of want of due caution in the receiving and paying of money.

Such being some of the difficulties, what should be the remedies?

It has been proposed that all checks should be drawn *to order*, and that they should be stamped. Both these things might be useful, but they would not reach the whole evil. If checks were drawn to order, they would require to be endorsed, and the payees, if strangers, would have to make themselves known. A stamp upon the check would also increase the difficulty of counterfeiting. I suggest further the adoption of the following precautions:

1. That, as a general rule, but one person in each firm or house should sign checks.

2. That persons making checks should provide their own blanks, and use none other. It would be well for every merchant to have his own peculiar check, well got up, on good paper. The checks should be numbered, and the filling up uniform, neat, plain, and without erasures.

3. Banks and brokers should abandon the absurd practice of keeping multifarious lots of blank checks on their counters for the use of all comers. A few might be kept by each for the use of their *own depositors;* but no bank should keep and furnish checks on other banks. The object would be to break up the hasty and irregular practice of filling up checks at the bank counters. Let every man provide his own checks, fill them up at his place of business, and keep a record of them.

4. Let the regulation be adopted unanimously, that checks shall not be received after two o'clock on banks other than that on which they are drawn.

5. Let the banks and bankers individually refuse to pay any check on the face of which there is an *erasure* or *alteration*, either in the printed form or in the written filling up.

6. Let banks and bankers invariably refuse to receive deposits unless accompanied by the depositor's book and a written ticket. Call these books in frequently, and have them written up and balanced; and never allow an account to be overdrawn, except by special agreement in each particular case. The state of the account is often a sure indication of the genuineness or otherwise of the check; but it is only so when the understanding is distinct that a check overdrawing the account is not to be paid, and when the account is accurately kept on both sides.

7. In short, let banks, bankers, and their customers, unite in practising and requiring more method, exactitude, neatness, and circumspection in the transaction of business. This should be done without delay. Who will take the lead? I propose that John H. Groesbeck call a meeting of the banks, bankers, and brokers, who shall, upon careful advisement, digest and adopt a system of rules having reference to this subject, and the transaction of business in general at the counters of banking houses, which rules shall be printed and distributed by each bank and banker to their customers. J. H.

Ohio.—A new mode of tax-gathering was attempted at Salem, Ohio, on the 3d inst., which has created in that town quite a muss. The treasurer of Columbiana county having called upon the Salem Bank for taxes assessed several times, and being refused, on the grounds that the tax was levied on the capital instead of the profits, entered the bank with a *posse* armed with guns, revolvers, and sledges, for the purpose of breaking open the vault and seizing the requisite funds. At this state of the affray, an armistice was declared for the purpose of calling the directors together, that they might decide whether they would or would not pay the tax so assessed. The directors met, and protested against paying, and by means of guns, crowbars, &c., drove the tax-gathering party out of the bank. On the 4th, a renewal of the hostilities upon the bank was expected, the result of which we have not yet learned.

Bank of St. Mary's, or Columbus, Ga.—Our readers will remember that we published, not long since, an article from the Columbus *Times*, which gave the information that a judgment had been obtained against the Bank of St. Mary's for $47,000 for violating a law prohibiting the circulation of small notes within the limits of the State of Georgia.

We find in the Columbus *Times* of the 5th instant, a letter from Colonel Winter, addressed to Mr. Forsyth (late editor of that paper), in which he says that an appeal has been taken to the Supreme Court, and that the issue will be presented to that body during the next month. The Colonel says, "that the court above will reverse the decision of the court below, there is not a shadow of doubt upon the minds of the best counsel that Western Georgia affords."

Notes on the Money Market.

NEW YORK, JANUARY 24, 1853.

Exchange on London, sixty days' sight, 9 a 9¼ premium.

THE new year has opened with brilliant prospects for the business community. Great activity prevails throughout the various channels of trade, commerce, and manufactures, and the present high prices afford abundant profit to operators. The large accumulation of capital at New York and at other points, is one of the many indications of prosperity around us; and the high rate of interest now prevailing, shows that this rapid increase of capital is fully absorbed for new and extensive channels of business.

Cotton, the great staple of the South, and one of the great sources of the wealth of this country, furnishes ample remuneration to the planter. We annex rates for the prices of Midland Upland cotton on the first of each month during the last six years:

	1847.	1848.	1849.	1850.	1851.	1852.
January,	10¼	7¾	6¼	10⅜	12⅜	8¼
February,	12¼	7¼	6⅜	13¼	13¼	8¼
March,	10¼	7¼	7	12¼	10⅜	8¼
April,	10⅞	6¼	6⅞	12	11¼	8
May,	11¼	5¼	6⅜	12	11	9⅞
June,	11¼	6	7	12¼	9¼	10
July,	10⅜	6¼	7¼	12¼	9¼	9¼
August,	11¼	6¼	8¼	12¼	7¼	9¼
September,	11⅜	6¼	9¼	13	8¼	10¼
October,	11¼	6¼	10	14¼	9¼	10¼
November,	8¼	5¼	10¼	14¼	8¼	10
December,	6¼	5¼	10¼	13¾	8¼	9¼

The foreign demand for cotton is greater than at any previous period. The export to Great Britain alone since 1st September last having reached 840,000 bales, and to other foreign countries 586,000 bales; while the home demand is increasing quite as rapidly as that from abroad.

The rapid extension of railroads throughout the Union, adds largely to the facilities for getting produce to market on the seaboard and on the Gulf ports. Among these important improvements so essential to the full development of the resources of the whole country, we name the railroad leading from Nashville to New Orleans; another from Nashville to Louisville, Ky. One of leading importance is from Norfolk on the seaboard, through Virginia and North Carolina and Tennessee. Indiana, Ohio, Illinois, Missouri, Virginia, North and South Carolina, and Georgia, are each striving to enlarge their internal trade by this means. Massachusetts and the other New England States have already, apparently, accomplished as much in the system of railroads as is necessary for their present purposes; but New York, after having expended over sixty millions of dollars in railroads, and Pennsylvania one-half or two-thirds of that sum, are both striving to get the carrying trade to and from the West.

The quarterly report of the banks of New York city for the last week in December, show that their capital has increased since September, 1849, $18,000,000. Circulation, $3,200,000; deposits, $27,000,000; loans, $35,000,000; and their aggregate liabilities, $54,000,000.

The revenue of the general government is now such, that the public debt can be discharged, without recourse to new loans, before its maturity. During the last year, $7,199,477 of this debt was paid off, leaving the amount, on 1st January, 1853, $65,131,692, exclusive of $5,000,000, Five-per-Cent. Stock, yet to be issued to the State of Texas, under the Boundary Act of September, 1850.

Money has fluctuated during the last six weeks between 5 and 7 per cent. on first-class securities in the New York market. The banks have demands for all their surplus funds; and the private bankers, who now wield a very large capital in this metropolis, have calls for more than they can supply on legitimate business paper and loans on stock hypothecation. We quote:

Prime business paper, 60 days,		6 *a* 7	per cent.
Do.	do. 3 to 6 months,	6¼ *a* 7¼	"
Loans on demand,	Government Stock collaterals,	6 *a* 6¼	"
Do.	Miscellaneous Stock collaterals,	7 *a* 9	"

The New York papers teem with advertisements of ships destined for California and for Australia. The increase of population in those remote regions is so great as to give an impulse to the productive industry of both Europe and America. Manufactured goods and produce are now largely ex-

ported from New York and Boston to Australia, where prices are, and probably will be for a length of time, profitable to shippers.

The advance in State and City Securities, railroad and county bonds, gives assurance of greater confidence abroad in the numerous loans issued in this country. A late decision in the Supreme Court of Mississippi confirms the legality of the Planters' Bank Bonds, and some hope is now felt that the existing bonds of that State will, ere long, be assumed and liquidated. Mississippi must soon see that its prosperity and progress will be identified with its public credit, and that the State cannot keep pace with its neighbors, unless more regard be paid to its obligations.

In the London Money Market, early in January, the leading topic of conversation was the advanced rate of interest adopted by the Bank of England—viz., 2½ per cent. This measure has been adopted in order to discourage the enormous speculation now going on in new mining companies, and other new schemes.

Great indignation is expressed in the London circles at the financial decree of the Portuguese government, which had ordered the conversion of its whole debt, home and foreign, to a Three-per-Cent. Stock. Portugal has contracted, at various periods, loans to the extent of £10,000,000 sterling, at four or five per cent. interest. Of this sum, it is believed that about four-fifths of the whole are now held in England. It is stated by the London *Economist* that one gentleman holds £1,000,000. After neglecting to pay their annual interest, and forcing the government creditors into several compromises, and taxing them largely, the Portuguese government now, by a *coup d'état*, attempt to reduce the rate of interest from 5 or 4 per cent. to 3 per cent.

The London papers by the Europa at Boston, furnish us some interesting notices of the English Money Market for the past year, from which we learn that Consols reached their highest price in November (101¼), and their lowest in January (95⅞).

We append the highest and lowest price of this security, which is always considered a fair criterion of the English Money Market; also the amount of bullion held by the Bank during each month in 1852:

	Consols.		
	Highest.	*Lowest.*	*Bullion in Bank.*
January,	96⅞	95⅞	£21,088,000
February,	97⅛	96⅛	20,706,000
March,	96⅞	97⅛	20,237,000
April,	100	98⅛	22,055,000
May,	100⅛	99⅛	21,845,000
June,	101	100⅛	21,685,000
July,	100⅞	100	23,747,000
August,	100⅛	98⅛	23,040,000
September,	100⅛	99⅛	22,811,000
October,	100⅛	99⅛	23,813,000
November,	101⅛	100⅛	23,351,000
December,	100⅞	100	22,798,000

The largest amount of bullion held during the year was in July, £23,747,000. After that period there were large shipments of coin to Australia.

We notice that foreign securities have generally advanced between January 1st, 1852, and January 1st, 1853, viz.:

		Jan. 1, 1852.	*Jan.* 1, 1853.
Belgian	4½ per cent.	93 *a* 93	98 *a* 99
Brazilian	5 do.	94 *a* 96	102 *a* 103
Buenos Ayres	6 do.	50 *a* —	73 *a* 75
Chilian	6 do.	99 *a* 101	106 *a* 108
Danish	3 do.	77 *a* 79	85 *a* 87
"	5 do.	100 *a* 102	106 *a* 108
Dutch	2½ do.	59½ *a* 60	68 *a* 69
"	4 do.	90 *a* 91	98½ *a* 99½
Equador		3½ *a* 3½	5½ *a* 5⅝
Peruvian	6 do.	93 *a* 95	103 *a* 105
"	3 do.	47 *a* —	63 *a* 65
Portuguese	4 do.	33½ *a* 33½	49 *a* 41
Russian	5 do.	112 *a* 113	121 *a* 122
Sardinian	5 do.	87 *a* 87½	95 *a* 96
Spanish	3 do.	41⅜ *a* 42½	50⅜ *a* 51½
Venezuela	3½ do.	36 *a* 37	42 *a* —

The only stock quoted lower, is the Mexican government Three-per-Cents. These were in 1852, 28¼ *a* 29, but have now declined to 23¼ *a* 23½.

Railway shares have advanced rapidly as compared with January, 1852.

Gold mining shares, which early in the year had fallen into disrepute, have advanced in many cases 50 per cent. On Thursday, January 6, dividends to the amount of £6,778,000 sterling, or $30,000,000, were payable in London, viz.:

	Half-Yearly Dividend.		*Half-Yearly Dividend.*
Three per cent. Consols, . . .	£5,700,000	South Sea Three-per-Cents., 1751, .	7,000
New five per cent. Annuities, . .	10,000	South Sea New Annuities, . .	32,000
Three per cent. Annuities, 1726, .	10,000	East India Stocks, ...	315,000
South Sea Stock, ...	64,000	Annuities ending 1860, . . .	646,000
			£6,778,000

Notwithstanding the adoption by the Bank of England of an advance in the minimum rate of interest, from 2 to 2½ per cent., discounts were actually effected on the 6th inst., in Lombard-street, at 1¾ and 1½ per cent.

Besides the large amount of dividend above named, the following were announced as payable by the parties mentioned during the past week in January:

Austrian Five-per-Cents, paid by Messrs. Rothschild & Son.
Russian Four-and-a-half-per-Cents., Baring Brothers & Co.
South Carolina Sterling Bonds, Baring Brothers & Co.
Maryland Sterling Bonds, Baring Brothers & Co.
Massachusetts Eastern Railroad Five-per-Cents., Baring Brothers & Co.
South Carolina Bonds, Palmer, Mackillop & Co.
Louisiana Bonds (also New Orleans), Lizardi & Co.
Michigan Central Six-per-Cents., London Joint Stock Bank.
Richmond, Fred., and Potomac six per cent. Bonds, Messrs. Hankey & Co.

The export of coin to Australia from London is still large. During the first week in January, no less than £490,000 were shipped to the gold regions. Also, 67,478 ounces of gold and 88,334 ounces of silver to Hamburg, Belgium, &c., mostly *en route* for Russia.

The following significant paragraph from the London *Times* is, no doubt, founded on accurate information:

"For the past three years, it has been seen that the home demand for American securities has been beyond precedent, and that although new railroads and other undertakings have been brought out in that country day by day, so as to lead casual observers, unacquainted with the causes in operation, to put forth incessant predictions of a crisis, they have been steadily absorbed, the New York market remaining as easy at this moment as at any period within recollection. Henceforth a similar result, but apparently in a much more extended degree, must be expected here. The enormous amounts now in process of accumulation must seek investment somewhere, and the question is, in what ways the requisite outlet will be found."

In reference to the advance in the rates of discounts by the Bank of England, the *Daily News* says:

"The apprehensions that were entertained of a movement on the part of the Bank of England proved to-day well founded. At the meeting of the board this morning, it was quickly decided to raise the *minimum* rate of discount from 2 to 2½ per cent. This movement of the Bank is generally believed to result chiefly from the continued unfavorable state of the exchanges, after an uninterrupted efflux of bullion to the extent of £1,200,000. Coupled with this, the demand for accommodation may be fairly said to have increased of late; further supplies of the precious metals are known to be on the eve of dispatch to Russia; and there is a prospect of a large importation of grain during the spring. In these circumstances we have probably a full explanation of the motives that have actuated the Bank directors."

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BANKING IN MASSACHUSETTS.

BY G. P. BISSELL, OF SPRINGFIELD, MASS.

BY a law upon the statute-book of Massachusetts, each bank is requested every year to make a return to the Secretary of the Commonwealth, of the state of the bank as it existed on the first Saturday of such preceding month as the Governor may designate. The circular of the Governor for the year 1852 was issued to the banks in October, and called for a statement of their condition on the first Saturday of September. An abstract of these returns has been published, and is now before us.

The statements of the banks are very complete; the arrangement of the tables is a very convenient one for reference, and the whole document is very creditable to all concerned.

There is one item always included in bank statements in Massachusetts, which makes these statements more satisfactory than those which we see in some other States. We refer to the item of suspended and doubtful paper. This item is given in the abstract before us, and it enables us to get a better idea of the condition of the banks than we could obtain if it were not included. We never remember seeing such a statement made by any of the New York banks, but we have heard of banks in New York State which have failed very soon after publishing their quarterly returns, which looked fair, although the banks at the time of making the returns were insolvent. A bank statement which does not mention the amount of doubtful paper, is a document which it is of little use to consult, if you wish to find out the true standing of the bank. There are also two other items in the statements of Massachusetts banks, which, if

not as necessary as the one already alluded to, are certainly very interesting. These are, "Rate, date, and amount of last dividend," and "Amount of reserved profits at the time of declaring the last dividend." With all these given, in addition to the others usually called for, we can pronounce the returns very nearly complete, and we enter upon the review of the pamphlet, confident that from it we can get at the true condition of the banks in the Commonwea.th of Massachusetts.

There are in Massachusetts one hundred and thirty-seven banks, of which thirty-two are in Boston. These are all regularly chartered institutions, each doing business under the style of The President, Directors, and Company of —— Bank. Each is a bank of discount, deposit, and issue, and each has a *bonâ fide* capital paid in. The amount of the capital is stated in the charter, and no bank can increase it without a special act of the Legislature. Stockholders are liable in their individual capacity, to an amount not exceeding the amount of stock held by them, for any loss or deficiency of the capital stock which may arise.

The largest bank in the State is the Merchants' Bank of Boston. Its capital is $3,000,000, and with one exception there are none in active operation of less capital than $100,000. One bank is winding up its affairs, and shows $6,500 surplus, and no bad debts.

The whole amount of banking capital in the State is $43,270,500. Of this $24,660,000 is in Boston, and $18,610,500 is in the country. The total amount of bills in circulation is $21,172,369, of which $8,304,591 is issued by banks in Boston, and $12,867,778 by the country banks. By this it appears that the capital of the country banks, which is only three quarters the amount of the capital of the Boston banks, sustains a circulation one half larger than the circulation of the Boston banks. The reason for this is that country banks, having small deposits, depend upon their circulation for keeping up their loans, while the city banks depend more upon their deposits. The specie in the vaults of the country banks is less by $2,000,000 than the amount held by the banks in Boston, so that, on comparing the proportion of circulation to specie, we find 16.53 of circulation to 1 of specie in the country, while in Boston the proportion of circulation is but 2.98 to 1 of specie. Taking the circulation of all the one hundred and thirty-seven banks together, the proportion is 5.94 of circulation to 1 of specie. This is a very good state of things, and compares favorably with institutions in other States; Connecticut, for instance, where the proportion is about 8 of circulation to 1 of specie, or New Hampshire, where the proportion is about 12 to 1. In Massachusetts there is no law regulating the amount of specie held by the banks. The city banks usually keep themselves very well fortified. The country banks, as shown by the statement, do not keep as much in proportion, but they all keep accounts in Boston, and as communication from that city with all parts of the State is so easy, they depend upon their Boston correspondents in a great measure for relief in case of a run or an extraordinary demand. They all mean to keep enough to satisfy any sudden call, or to repel any first attack, depending on Boston (or perhaps New York) if the demand or attack is made a second time. Runs upon banks are now so seldom at-

tempted, and panics for specie are so seldom known, that banks within half a day's journey of New York or Boston feel very secure with but a small amount of coin in their vaults. Aside from the fact that there is no law in Massachusetts requiring a given amount of specie to be held by each bank, the banks give as an excuse for not keeping more coin, that they are obliged to pay a tax of one per cent. on their capital stock annually to the State, and also that they are obliged by the Suffolk Bank system to keep a permanent deposit with that institution, and with these two burdens in a State where the rate of interest is low and the bank laws severe, they cannot afford to have dead capital in the shape of coin lying idle in their vaults. This excuse is one which is certainly entitled to great respect, and the wonder is that the banks in Massachusetts keep as much coin as they do. The question of specie as a basis is one which does not come within the range of this article, and which, as we are only reviewing the returns of the banks in Massachusetts, we do not propose to discuss. We may, however, be allowed the remark, that coin and confidence are not both wanted. As long as we have entire confidence in ourselves, in our neighbors, in our customers, in the prosperity of the banks, and of all with whom we deal, we can laugh at the old idea of a specie basis. But when this confidence is gone, and it always goes at the time of a panic, then we regard the old idea of specie as a basis as a very sound and comfortable one.. The system upon which banking is conducted in Massachusetts is one which is designed to inspire confidence in the banking institutions of the State. The laws all tend that way. The management of the banks being intrusted to responsible men, and to faithful officers, also has a tendency to give confidence. In short, every step that can be suggested has been taken in Massachusetts to place the banks on a sure and safe footing, and to give them a reputation for soundness and strength, and we believe that they well sustain this reputation.

The amount of loans or bills discounted by the banks of Massachusetts is $ 77,172,079. Of this there was reported, at the time of making the last dividend, only $ 198,768 as bad or doubtful. This is a small amount for so large a business, and is the more remarkable, when we consider that the great manufacturing interests of the State have been much depressed for a few years past. The amount of reserved profits at the time of last dividend was $ 3,180,037, or about eight per cent. The average dividends for the year were a fraction over 7.64 per cent. The amount of direct tax paid by the banks during the year was $ 432,705, or one per cent. This goes to the support of the State government. A list of stockholders, with the amount of stock that each owns, is also sent to the assessors of every town where stockholders reside, and it is there taxed again for town and other matters. This double tax is considered an oppressive imposition upon banking capital. It does not seem reasonable that banking capital should be singled out from all others, and be obliged to bear the load of supporting an expensive State government. Why, for instance, should the $ 3,000,000 of the Merchants' Bank, Boston, pay $ 30,000 a year, and three millions of other productive property be exempt? There are many evils which result from this unequal distri-

bution of taxation. Besides being decidedly contrary to the spirit of our democratic institutions, it is a great burden to the banks, and it induces extravagance in legislation. Where the pay comes from the banks, the legislature do not so much fear the murmurs of the people, and without these sounding in their ears they waste the public money by long sessions, and in divers and sundry other ways, which they probably would not do if the tax were paid by individuals, upon their property on the lists. Another bad result is, that the legislature is less careful in chartering banks than it would be if the one per cent., which such new banks will pay, were not to be added to the revenue. It operates very much like the bonus system lately practised in Connecticut. Efforts have been made in Massachusetts to reduce this tax, or to place banking capital in the same list with other property, and, by taxing the whole for State expenses, serve all alike; but as yet such efforts have not been attended with success.

There has been considerable increase of banking capital in the State during the last four years. The following table shows some of the principal features of the banks in 1849 and 1852.

	Number of Banks in 1849, — 119.	*In* 1852, — 137.
Capital,	$ 34,630,011.00	$ 48,270,500.00
Circulation,	15,700,985.00	21,172,869.00
Net Profits,	3,011,996.21	5,268,473.43
Deposits,	9,875,316.91	15,067,204.22
Specie,	2,749,917.32	3,563,782.52
Loans,	56,599,309.69	77,172,079.08
Doubtful Debts,	193,581.81	198,768.21

In most of the items a large increase will be noticed. In the one particular item of doubtful debts a most satisfactory state of rest is observed.

We have thus in brief given the main items showing the condition of the Massachusetts banks in the aggregate. In looking over the statements of each bank, we find nothing of special interest. Some banks we notice have a surplus of five per cent., others ten per cent., others fifteen per cent., and there are one or two rare instances where a surplus of twenty and twenty-four per cent. has been accumulated.

On the other hand, there are very few whose bad debts look large enough to trouble them. The worst case is that of a bank of $ 100,000 capital, which reports bad debts of $ 25,000 more than its earnings. No other cases are any thing like as bad.

The summing up and review which we have given show that the banks of Massachusetts are in a sound and healthy condition, and that the bill-holders have the very best security for their money; to wit, sound banks, *bonâ fide* capital paid in, men of standing and responsibility for managers and directors, and personal liability of stockholders. These are the essential prerequisites for sound and legitimate banking.

We propose now briefly to remark upon the bank laws of Massachusetts. We cannot speak of every law, but only of such as strike us as interesting or peculiar to this State.

Among the first we find that which obliges the banks to pay the one per cent. tax. This we have already alluded to.

The law regulating circulation provides that the circulation of any bank shall not at any one time exceed its capital stock more than twenty-five per cent. Banks of large capital very seldom get up to this limit, but sometimes the smaller banks find the bounds are too narrow for their convenience, and do not allow them to issue enough to satisfy their customers, or as much as they could perfectly well take care of and protect. There has been during the year 1852 a great demand for currency. Circulation has been larger than has been known for many years, and for the last half of the year very many of the banks have had their issues close up to the law limits all the time. This law is a wholesome check upon excessive issues, and is one of the safeguards of Massachusetts banking; but we think that if the limit were set at once and a half, instead of once and a quarter, the amount of the capital, it would be just as safe for the community. For every bill issued, the bank holds something which was taken as value received, which, with the credit and capital of the bank, is security to the holder of the bill. This value received is usually discounted paper which the bank considers good. Of course, then, it follows that, the larger the issue of a bank, the larger is its sum of assets, and the larger will be its receipts when the paper matures. The difficulty which banks experience when inflated, in taking care of their circulation, does not so much arise from the mere fact of their inflation or large issues, as from the fact that there has been want of judgment in discounting paper of the right length. They have taken too much long paper, or they have not been uniform in taking either long or short, and not having looked ahead, they find, perhaps, when the beginning of a certain month is reached, that it is a month of very light receipts, and if their bills come home rapidly, they find themselves troubled to take care of them without help. The great secret of being always easy, lies in *timing* paper; placing it at regular intervals, so that no blank weeks will turn up on the "tickler." Proper attention to this point would, in a great measure, remove the necessity for laws to prevent our issues. But all do not exercise this judgment, and it is but right that the laws should step in and protect the community from any loss, by placing the limits at such a point that no loss may arise from carelessness.

The law regulating the loan or discount-line of the banks provides that no bank shall have due to it at any one time, exclusive of balances from other banks, more than twice the amount of its capital. There is more complaint of this law in Massachusetts than there is of the law limiting circulation. There may be danger to the community from over-issues of paper, and it is perfectly right and proper that the most stringent laws should be made to guard the bill-holder, who when he takes a bill cannot inquire the standing of the bank, but only knows that it obeys Massachusetts laws; but what danger can arise from allowing a bank to proportion its loans to its means of loaning? If a bank has large deposits, why may it not be allowed to take advantage of them and loan to a certain extent upon them. Banks receive deposits, not for the pleasure of keeping the accounts, but for the benefit which they derive from loaning them, or a portion of them. The proportion which it is safe to loan is

known to every bank officer, and in extending his loans upon the strength of his deposits he knows how to calculate.

Take a given amount as the average deposit of any bank, and it will be found that it seldom varies one third of the average. In the easiest times the deposits may perhaps be one third more, but it is very seldom, even in the very hardest times, that they are one third less. We have examined, with reference to this point, the returns of the banks of different States, made at different times during the last four years, and the result confirms us in the opinion that two thirds of the deposits may safely be depended upon as a basis for loaning. But allowing a large margin for all contingencies, and place the proportion at one half, we would ask why is it not safe to allow a bank by law to loan upon one half its deposits, especially in a State where a law exists, as it does in Massachusetts, forbidding banks to take deposits on interest, thus confining them to legitimate and unsought deposits. That certainly would not be too great extension. If the laws of Massachusetts, which now allow banks to have a discount-line of twice their capital, could be so amended as to read, twice the amount of their capital and one half of their deposits, the banks would be greatly benefited, the public better accommodated, and the interests of the community not in the least jeopardized.

There is in Massachusetts a board of three Bank Commissioners, appointed by the Governor and Council, whose duty it is to examine, at least once in every two years, every bank or institution for savings in the State. These commissioners have free access to the vaults, books, and papers of the banks, and they also have power to summon and examine, under oath, all directors, officers, or agents of the banks, and such other witnesses as they may think proper, in relation to the affairs, transactions, and condition of such corporation. Any person refusing to appear, without good cause, or any person obstructing in any way any commissioner in the discharge of his duty, shall be subject to a fine not exceeding one thousand dollars, or imprisonment for a term not exceeding one year. These commissioners make a report annually in the month of December, of the condition of the banks examined by them, and report any violation of the bank laws which they may have found, to the Secretary of the Commonwealth.

In some States, bank commissioners have been satisfied with examining the wine vaults of bank *officers*, without troubling what little there might be in the bank vaults, but this is not true of the gentlemen composing the board of Bank Commissioners in Massachusetts. They count, themselves, every dollar of cash in the vault and till of every bank. They examine every note and every item of security, and also every balance of every account upon the leger. They make the cashier draw off a full and complete statement of the condition of his bank; they then prove it themselves, item by item, and afterwards they make the president and cashier swear to it. In short, they make thorough work, and, unlike many examiners, when they get through, they are able to tell just how the bank stands. The office of bank commissioner is one which has been shamefully abused, and one in which the people had almost lost confidence; but the present board have proved that the duties of their po-

sition can be faithfully performed, and they deserve great praise for restoring the office to that confidence which it deserves, and which it really should have placed in it. In mentioning the security that the stockholders of Massachusetts banks have for their investments, and that the holders of bills of Massachusetts banks have for their money, we may put down as one very important item, that we have in Massachusetts an experienced and efficient board of Bank Commissioners.

The law regulating loans to directors provides that no bank shall have due to it, either directly or indirectly, from one of its directors, or from any partnership of which he is a member, as principal, surety, or indorser, a sum greater than eight per cent. of its capital, or more than forty thousand dollars, or from its whole board a greater sum than thirty per cent. of its capital, unless a larger sum is authorized by the stockholders at a legal meeting.

The laws referring to stockholders provide that no person shall, directly or indirectly, hold or own more than one half the capital stock of any bank.

There exists in Massachusetts a General Banking Law, ably drawn up, and very secure in its provisions, but it has stood upon the statute-books since May, 1851, and not one bank has yet gone into operation under it. It is formed after the plan of the General Banking Laws of other States, and provides that a certain number of persons may become a body corporate for the purpose of carrying on the business of banking. Stocks issued by any city or town of the State of Massachusetts, or by either of the States of Massachusetts, Maine, New Hampshire, Vermont, Connecticut, Rhode Island, or by the United States, to be pledged as security for the bills which such banks shall issue. As all are familiar with the tenor and scope of General Banking Laws, we will not remark upon the various points of this law. It is very much like other laws of the same kind. It is more strict in its requirements than the general law of New York State, and it is wise that it should be so; for in New York the receiving of bonds and mortgages as security has, in several instances, resulted in loss to the bill-holders. The Massachusetts law allows nothing to be taken in pledge but stocks of the very highest standing. With such a law in existence, the question naturally arises, Why have no banks been formed under it? The law is a very good one, and is designed to afford to the community the best security that bills issued under its provisions will be safe; and why have no bills appeared? We will venture to attempt to answer the question, about which there has been so much discussion. It seems to us that the answer must be sought for outside of the law itself. Looking at the law as it stands, there is no reason why it should be thus inoperative. The difficulty is elsewhere. It is, 1st, the State tax; 2d, charters are always more valuable than associations under general laws; and 3d, there were about banks enough in Massachusetts at the time of the enactment of the law, and the non-increase of banking capital for two years is but a healthy recess.

These are the reasons which present themselves to our mind why no banks have been formed under the General Law. The reader may at first think that we are wrong in mentioning the State tax as a reason;

for the General Law provides that the capital invested in stocks shall be exempt from this tax, to an amount not exceeding three quarters of the whole capital of the bank. But banks of large capital would not invest very much in stocks, and so but very little would be released from the load. A city bank of one million capital would not probably invest more than one quarter of its capital for the purpose of obtaining circulation, and the one per cent. tax would rest on all not invested. Upon the other two reasons we will not remark. We merely submit them, and leave it to every practical banker in Massachusetts to decide if they are not at least *among* the reasons why no banks have yet gone into operation under the General Law. We will add, that the law limiting loans to twice the amount of the capital (which, although not in the General Law, yet applies to banks availing themselves of its privileges) is also an obstacle. Without this restriction, a small bank might be formed in Boston, or in some of the large towns, and, by getting large deposits, run up a discount-line much more than twice as large as its capital. Such a bank would make money; but the old law alluded to prevents any such operation.

We have thus reviewed the returns of the Massachusetts banks, and have briefly noticed the laws which regulate Massachusetts banking. We are somewhat proud of the high standing of our moneyed institutions, and are not afraid to compare them with institutions in sister States. Some of our laws we cannot but think are too strict, — needlessly so; but take the Massachusetts banking code as a whole, it is an admirable one, and it is one which guarantees the bill-holders, as far as laws can do so, against loss.

BANKS OF BOSTON, SEPTEMBER 4, 1852.

LIABILITIES.	*Capital.*	*Circulation.*	*Profits.*	*Bank Balances.*	*Deposits.*
Atlantic Bank,	$ 500,000	$ 307,106	$ 107,773	$ 67,684	$ 295,518
Atlas Bank,	500,000	221,716	57,331	118,806	241,300
Bank of Commerce,	1,500,000	619,760	119,205	1,084,908	986,188
Bank of North America,	500,000	284,220	36,404	64,868	304,456
Blackstone Bank,	250,000	258,950	16,475	. . .	211,778
Boston Bank,	900,000	251,986	120,283	86,286	506,382
Boylston Bank,	250,000	217,291	40,334	. . .	256,086
City Bank,	1,000,000	229,717	129,500	26,514	366,104
Cochituate Bank,	250,000	199,298	21,444	. . .	59,266
Columbian Bank,	500,000	101,490	36,548	. . .	207,004
Eagle Bank,	500,000	160,548	65,781	45,258	363,000
Exchange Bank,	1,000,000	425,582	123,573	496,270	389,908
Faneuil Hall Bank,	500,000	304,256	33,443	39,000	279,287
Freeman's Bank,	300,000	209,637	52,320	. . .	157,216
Globe Bank,	1,000,000	168,256	172,074	409,896	336,013
Granite Bank,	750,000	264,524	77,988	183,898	421,060
Grocers' Bank,	300,000	275,125	31,177	245,035	136,425
Hamilton Bank,	500,000	276,497	98,670	23,406	260,864
Market Bank,	560,000	178,486	124,400	140,110	310,728
Massachusetts Bank,	800,000	172,621	76,467	10,471	297,358
Mechanics' Bank,	150,000	159,941	27,356	. . .	98,536
Merchants' Bank,	3,000,000	778,148	452,960	838,156	1,090,093
New England Bank,	1,000,000	157,382	116,054	279,458	260,712

Liabilities.	Capital.	Circulation.	Profits.	Bank Balances.	Deposits.
North Bank,	$ 750,000	$ 209,975	$ 84,704	$ 63,280	$ 288,947
Shawmut Bank,	500,000	177,543	91,264	221,350	266,401
Shoe and Leather Dealers' Bank,	1,000,000	202,248	147,774	263,880	244,518
State Bank,	1,800,000	247,290	251,576	184,000	517,875
Suffolk Bank,	1,000,000	295,848	194,970	2,524,128	162,396
Traders' Bank,	600,000	176,273	65,076	214,781	194,796
Tremont Bank,	1,000,000	371,714	115,260	687,017	484,887
Union Bank,	1,000,000	214,693	150,554	86,736	334,807
Washington Bank,	500,000	195,809	45,270	16,000	235,750
Total,	$ 24,630,000	$ 8,304,592	$ 3,283,396	$ 8,870,296	$ 10,549,120

Resources of the Boston Banks.

Resources.	Coin on hand.	Real Estate.	Bank Notes.	Bank Balances.	Loans.
Atlantic Bank,	$ 44,202	$ 20,000	$ 105,445	$ 109,674	$ 998,761
Atlas Bank,	24,893	. . .	36,903	60,472	1,016,884
Bank of Commerce,	519,028	15,406	556,096	165,722	2,953,760
Bank of North America,	34,614	. . .	63,671	130,814	960,943
Blackstone Bank,	12,433	. . .	50,800	176,976	496,990
Boston Bank,	86,910	50,000	132,526	84,776	1,560,727
Boylston Bank,	16,548	. . .	42,886	207,964	496,264
City Bank,	63,958	30,000	28,771	32,451	1,598,655
Cochituate Bank,	4,725	. . .	5,822	37,040	482,473
Columbian Bank,	24,860	. . .	52,684	16,016	751,483
Eagle Bank,	52,806	. . .	111,842	22,000	948,986
Exchange Bank,	160,472	. . .	180,732	98,318	1,999,806
Faneuil Hall Bank,	38,516	. . .	86,110	30,364	999,997
Freeman's Bank,	27,271	. . .	16,358	76,555	599,493
Globe Bank,	111,562	55,000	86,861	54,153	1,768,761
Granite Bank,	40,507	. . .	131,285	28,316	1,497,312
Grocers' Bank,	45,818	. . .	261,984	84,725	592,796
Hamilton Bank,	40,955	. . .	107,025	52,141	959,337
Market Bank,	51,753	. . .	126,465	41,800	1,068,684
Massachusetts Bank,	57,464	75,812	87,806	107,688	1,078,158
Mechanics' Bank,	10,616	16,500	1,822	104,615	297,283
Merchants' Bank,	388,478	153,000	350,713	151,804	5,115,354
New England Bank,	63,203	30,000	68,906	33,393	1,618,604
North Bank,	21,317	. . .	85,626	21,333	1,268,631
Shawmut Bank,	50,197	. . .	111,782	74,978	1,019,601
Shoe and Leather Dealers' Bank,	33,856	40,200	133,134	36,132	1,615,097
State Bank,	105,933	. . .	139,951	159,000	2,595,351
Suffolk Bank,	427,160	100,000	1,174,580	478,060	1,997,541
Traders' Bank,	46,824	5,823	72,693	47,306	1,078,788
Tremont Bank,	75,820	40,000	231,267	129,778	2,182,013
Union Bank,	64,344	. .	136,333	13,548	1,622,564
Washington Bank,	44,232	. . .	69,204	31,571	847,322
Total,	$ 2,784,792	$ 631,241	$ 4,797,528	$ 2,844,480	$ 44,109,364

Progress of Capital, and Dividends of the Banks of Massachusetts in the Years 1825 – 1833.

Date.	Capital.	Amount Divided.	Average Rate per ct.
January, 1825	$ 14,300,000	$ 344,370	2 7/10
" 1826	16,378,869	412,910	2½
December, 1826	17,969,870	422,271	2⅜
" 1827	18,702,150	469,750	2½

Date.	*Capital.*	*Amount Divided.*	*Average Rate per ct.*
December, 1828	20,140,050	501,800	2½
August, 1829	20,420,000	583,125	2¾
June, 1830	19,295,000	500,925	2 42/100
October, 1831	21,489,800	566,715	3
August, 1832	24,520,200	689,275	3½
October, 1833	28,296,250	822,225	3 1/14

Annual Report of the Bank Commissioners.

The following extracts from the Annual Report of the Bank Commissioners of Massachusetts will serve to explain, in part, the tables given in the present No.

The Commissioners, on a visit to the Cochituate Bank, March 6, 1852, ascertained that there was due to the bank on that day, either directly or indirectly, from each of two directors, as principal or indorser, a sum exceeding eight per cent. of the capital stock of the bank. A vote of the stockholders, passed October 11, 1851, enlarged the limits of the aggregate liabilities of directors, but made no other reference to the limit of their individual liability. The Commissioners considered this a case upon which it was their imperative duty to report the facts to the Secretary of the Commonwealth. They made such a report. The Attorney-General, on receiving notice of it, commenced a prosecution against the bank, for the recovery of the forfeitures for a violation of the law of 1838, and the suit, as we are advised, is now pending in the Supreme Judicial Court, and being beyond our official cognizance, we forbear to make any additional comment.

Since the date of our last Report, a loss of serious character and magnitude has occurred to the Suffolk Bank, by the fraudulent conversion of its funds to their own use by Thorndike Rand, late first bookkeeper, and Charles H. Brewer, late receiving teller, of that institution. The probable amount of the loss cannot now be stated with any greater degree of exactness than the sum of $200,000, or one fifth part of the entire capital stock of the bank. The Commissioners, at their recent examination of this bank, commenced on the 7th instant, learned that there appeared to be no evidence of any defalcation before October 1, 1851; and it is believed that the first money fraudulently taken by either of those officers, was appropriated to their own use soon after that date. Rand and Brewer appear to have been confederates in abstracting this large amount of funds in about five months; and it was, probably, in anticipation of the usual examination by the directors, preparatory to the last April dividend, that, fearing detection, they both absconded. Brewer was arrested in New York, about to embark for Europe, — brought back to Boston, — indicted, — pleaded guilty to the charges against him, — and was sentenced to imprisonment for the term of three years. The bank recovered from him, in part by his voluntary surrender, the sum of $9,741.95. Rand escaped. A very thorough examination of the books, cash, and securities of the bank, was made by a committee of the directors, to ascertain the amount of the deficit, which was stated in their report of April 17, 1852, at $214,518.13, from which the amount re-

ceived from Brewer should be deducted, together with any additional sum which may be recovered of the sureties of Rand or Brewer, on their official bonds, which were for the sum of $ 5,000 each.

On the 21st day of April, 1852, a committee, consisting of William Gray, J. Wiley Edmands, W. W. Tucker, and Edward Austin, presented to the Board of Directors an able report, recommending a series of measures to be adopted for the security of the bank, and a plan for the separate organization of the banking department, and the foreign money department, with a system of strict accountability of the officers of each department to its head. This report, after having been accepted, was referred to appropriate committees for future action.

Among other recommendations contained in the report, was the following: "No person engaged in speculating in stocks, or who is known to live beyond his means, shall be retained in the employ of the bank."

Such, however, has been the confidence of the public in the integrity and ability with which the affairs of the Suffolk Bank have been conducted, that the value of its stock in the market has not suffered a depreciation, in proportion to its loss by the late book-keeper and receiving teller. The shares in its stock were valued in September, 1851, at $ 138, and in September, 1852, at $ 130. Some allowance should be made for an advance of bank stocks generally.

Some idea may be formed of the large amount of business transacted in the Suffolk Bank, when it is stated that "the average daily amount of foreign money redeemed is seven hundred and fifty thousand dollars. The average daily receipts and payments amount to three millions of dollars." It is a gratifying fact that the usefulness of an institution which stands at the head of the "Suffolk Bank System," so called, and which has been so efficient in contributing its aid to the safety and soundness of our currency, remains unimpaired. The Suffolk Bank, in its present position, possesses great power, and its discreet exercise, for the purposes of salutary control over other banks, has been a subject of careful attention on the part of its directors. The committee before named, with a due appreciation of the character of its relations to other institutions, well remark, that "the security of the stockholders and of the public, which is deeply interested in the success of this bank, requires that the highest abilities and the highest integrity should administer its affairs."

The alarming increase of the crimes of counterfeiting and of fraudulently altering bank notes, has arrested the attention of the Commissioners. The means of prevention, as well as those of detection, are deserving the consideration of the banks and of the Legislature. The banks which enjoy the privilege of furnishing a currency for the people in the form of bank notes, are bound, by the highest considerations of duty to the public and to themselves, to take every wise precaution to prevent the commission of crimes which abridge their own profits, and cause serious losses to the unsuspicious and least informed portion of the community.

SYNOPSIS

OF THE

LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, ON THE SUBJECT OF BANKS AND BANKING.

I. In General.

1. Each bank incorporated in this State is to be known by the corporate name of the President, Directors, and Company of the ——— Bank. R. S., c. 36, § 2.

2. Every bank must be kept in the town in which it is established, and in the part of the town prescribed by its charter. R. S., c. 36, § 34.

3. No bank can go into operation, until one half, at least, of its capital

stock has been paid in gold and silver, and is in its vaults, and until the said money has been examined by three commissioners appointed by the Governor; the commissioners are, at the expense of the bank, to examine and count the money actually in the vaults, and ascertain, by the oaths of a majority of the directors, that such money has been paid in by the stockholders, towards payment of their shares, and for no other purpose, and is intended to remain therein as part of the capital, and the commissioners are to return a certificate thereof to the Governor. R. S., c. 36, § 4.

4. No part of the capital stock of any bank can be sold, or transferred, until the whole amount thereof has been paid in. R. S., c. 36, § 7.

5. The Commonwealth may, whenever provision therefor is made by law, subscribe to the capital stock of any bank, in addition to the capital stock to which the bank is entitled, to an amount not exceeding 50 per cent. of the bank's authorized capital; and the Commonwealth will be entitled to a proportionate share of the profits and dividends from the time of making such payment. R. S., c. 36, § 42.

The Commonwealth in such case authorized to choose directors. See *Officers.*

6. When an increase of capital is granted to any bank, it may be paid in such instalments, not exceeding four in number, as the directors may determine; and when such instalments have been actually paid in, and a certificate thereof forwarded to the Secretary of State, as provided in the act granting the increase, the bank may operate upon the same in proportion to the amount so paid in. 1836, c. 263.

7. Banks may hold such real estate as may be requisite for the convenient transaction of their business; but such real estate must not, unless where specially authorized, exceed twelve per cent. of the capital stock, exclusive of real estate held on mortgage, or received on execution, or as security for or in payment of debts. R. S., c. 36, § 15.

8. Banks are forbidden to use or employ any of their moneys, goods, or effects in trade or commerce, but they may sell all kinds of property held by them in pledge; and if the proceeds of such sale exceed the sum loaned on such pledge, with interest and expenses, the surplus is to be paid over, on request, to the pledgor or his assigns. R. S., c. 36, § 14.

9. Banks are forbidden to purchase or hold (under a penalty, not exceeding $ 500 for each offence, — Act of 1851, c. 339) their own stock, except as security for debts; and stock received as security must be sold within six months after it has become the property of the bank. 1838, c. 196, § 7.

As to pledged stock, see *Stockholders* and *Officers.*

10. Every corporation is bound to publish in the month of January, in the year 1838, and once in every five years after that time, a list of all dividends and balances which shall have remained unclaimed for two years or more, with the names of the persons to whose credit they stand; the publication to be made in some newspaper published in Boston, and also, if there be any such, in some newspaper published in the county where the bank is established, and be continued in three successive papers. 1837, c. 56.

11. The directors of banks are to have all the weights used in their respective banks compared, proved, and sealed by the Treasurer of the State (or some person therefor specially authorized by him), once in five years, which supersedes the sealing of such weights by the town sealer. R. S., c. 36, § 47.

12. No tender of gold, by any bank, weighed with weights other than those compared, proved, and sealed as above required, is legal; and the payer or receiver may require that the gold be weighed in each scale, and the mean weight resulting therefrom is to be taken as the true weight. R. S., c. 36, § 48.

II. Issues.

1. No bill or note can be issued by or on account of any bank, at any other place than its banking-house. R. S., c. 36, § 8.

2. No bank is allowed to pay out from its own counter any other bills than its own. 1843, c. 93, § 11. (See Act 1851, c. 267.)

3. All bills are to be issued in the name of the president, directors, and company of the bank issuing them, and to be signed by the president and cashier of the bank; but all bills signed by either the president or cashier, in circulation through the agency or neglect of any officer of the bank, must be redeemed by the corporation. R. S., c. 36, § 55.

4. Banks are liable to pay to any *bonâ fide* holder the original amount of any of their bills which may have been altered to a larger amount in the course of circulation, notwithstanding the alteration. R. S., c. 36, § 44.

5. Banks may issue bills under five dollars to the amount of one quarter part of their capital actually paid in; but no bank can issue bills of a less denomination than one dollar, under a penalty of one hundred dollars for each offence. R. S., c. 36, § 56.

6. The amount of bills issued by a bank must not at any time exceed its capital actually paid in more than twenty-five per cent. R. S., c. 36, § 8.

7. If the officers of any bank refuse or delay payment, in gold or silver money, of any note or bill of the bank, presented for payment in their usual hours of business, the bank will be liable to pay to the holder, as damages, at the rate of twenty-four per cent. a year during such delay or refusal. R. S., c. 36, § 29.

As to weighing gold and silver, and tender, see *In General*, 11, 12.

8. No bank can make or issue any note, bill, check, draft, acceptance, certificate, or contract, in any form whatever, for the payment of money at any future day certain, or with interest, excepting for money that may be borrowed of the Commonwealth, or of any institution for savings incorporated under the authority of the Commonwealth. R. S., c. 36, § 57.

Debts due from one bank to another, and on account current between banks and the city of Boston, excepted. See *Loans*.

9. Every bank which shall issue any bill, note, check, or draft, redeemable in any other manner than by payment in specie on demand, or payable at any other place than that where the bank is established by

law, and kept, will be liable to pay the same to the holder, in specie, on demand at the bank, without any previous demand at the place where the note is made payable; and if the bank shall refuse or neglect so to pay on demand, it will be liable to pay to the holder two per cent. a month damages. R. S., c. 36, § 61.

10. From the above provisions are excepted checks or drafts drawn by the president or cashier of any bank on any other bank, for any sum exceeding one hundred dollars; which drafts or checks must first be presented for payment at the bank on which they are drawn; and, in default of payment, the holder will be entitled to recover against the bank which issued the same, the amount of such draft or check, with additional damages at the rate of two per cent. per month, from the time when the bank issuing the same shall have refused payment thereof. R. S., c. 36, § 62.

11. Any bank may draw any check or draft for any balance due to it. R. S., c. 36, § 63.

12. No bank can loan or issue any of its notes or bills, excepting such post-notes as are authorized by law, with an express or implied agreement or understanding that such notes shall be kept from free circulation for a limited time, or that they shall not be put into immediate circulation, or returned to the bank for redemption within a limited time. 1837, c. 224, § 1.

Any bank offending against the above provisions will forfeit to the use of the State not less than one quarter nor more than one half of the amount loaned or issued contrary to the intent of the act. *Ibid.*

13. Any person issuing or passing, with the intent that it shall circulate as currency, any note, bill, order, or check, other than foreign bills of exchange, the notes or bills of some bank incorporated by the laws of Massachusetts, or of the United States, or some one of the United States, or of either of the British Provinces in North America, is liable to forfeit fifty dollars for each offence. R. S., c. 36, § 70.

14. Bills, notes, and other evidences of indebtedness, issued by any bank, are excepted from the operation of the statute of limitations. R. S., c. 120, § 4.

III. Debts.

1. The total amount of debts, which any bank may at any time owe, must not exceed twice the amount of its capital stock actually paid in, exclusive of sums due on account of deposits not bearing interest. R. S., c. 36, § 9.

2. If any bank becomes indebted beyond the above amount, the directors under whose administration it happens will be liable for the excess, in their private capacities; and an action of debt may be brought against them, or any of them, or their heirs or representatives, by any creditor of the corporation; or such creditor may have a remedy by a bill in equity in the Supreme Court. R. S., c. 36, § 11.

3. Any directors absent when such excess of debts was contracted, or who have dissented from the act or resolution whereby it was contracted, may exonerate themselves from such liability, by forthwith giving notice

of the fact, and of their absence or dissent, to either of the Bank Commissioners. R. S., c. 36, § 12; 1838, c. 14; 1838, c. 196, § 5; 1843, c. 43; 1851, c. 127.

4. The above provisions do not exempt the bank, or its property, from being also liable for such excess. R. S., c. 36, § 13.

IV. Loans.

1. Banks may loan and negotiate their moneys and effects by discounting on banking principles, upon such security as the stockholders may deem expedient. R. S., c. 36, § 3.

2. No loan or discount can be made by or on account of any bank, at any other place than its banking-house. R. S., c. 36, § 8.

3. No loan can be made to any stockholder until the whole amount of his shares has been paid in. R. S., c. 36, § 5.

4. Loans outstanding on pledges of the stock of the bank must not exceed at any time one half of its capital actually paid in. R. S., c. 36, § 6.

5. The debts due to a bank must not at any time exceed double the amount of its capital stock actually paid in. R. S., c. 36, § 9. Debts due to any bank from any other bank, including bills of the bank so indebted, are not to be deemed debts due to a bank within the intent and meaning of the preceding section. R. S., c. 36, § 10.

6. No bank may have due to it, directly or indirectly, from any one of its directors or officers, or from any partnerships of which any director or officer is a member, as principal, surety, or indorser upon notes, checks, drafts, or other security, a sum greater than eight per cent., or more than forty thousand dollars, or from its whole board of directors a sum greater than thirty per cent. of its whole capital stock, unless the stockholders, at a legal meeting, by express vote, authorize a greater sum. Such vote will not be valid for more than one year and thirty days, nor unless it specifies the greatest amount authorized. 1838, c. 196, § 6.

The penalty for a neglect to comply with the provisions last above set forth is five hundred dollars for each offence. 1851, c. 339, § 1.

7. Banks are forbidden to discount any note or bill of exchange to which a Bank Commissioner is a party, as principal, surety, indorser, or otherwise. 1851, c. 127, § 8.

8. No cashier of a bank, nor any officer under him, is to be permitted to hire money of the bank in which he is employed. 1843, c. 93, § 2.

9. In every bank a book must be kept, in which are to be entered all notes and bills offered for discount to the board of directors, specifying all that are discounted. 1843, c. 93, § 5.

10. No loan or discount may be made, directly or indirectly, unless the amount or proceeds thereof be payable by the bank on demand in specie or its own bills; and loans or discounts made in contravention of these provisions are so far void, that the bank cannot recover the amount thereof, and is liable, moreover, to forfeit five hundred dollars. R. S., c. 36, § 58.

11. Banks are forbidden, under a penalty of five hundred dollars, to take any greater rate of interest or discount than six per cent. per annum; but this may be calculated and taken according to the established rules of banking; and in discounting drafts or bills of exchange (or notes of hand payable at any other place than where the bank is established), the bank may add to the interest the then existing rate of exchange between the place where the discount is made, and that where the draft, bill, or note is payable. R. S., c. 36, § 59, 60; 1838, c. 196, § 4.

12. Debts due from one bank to another bank, including bills of the bank indebted, may draw interest; and any banks may contract with the city of Boston for the receipt and payment of interest, at a rate not exceeding six per cent., upon an account current of moneys deposited and drawn by the city. R. S., c. 36, § 57; 1842, c. 98.

V. Loans to the Commonwealth.

1. Upon requisition of the Legislature, each bank must loan to the State a sum not exceeding five per cent. of its capital stock, reimbursable in five annual instalments, or at any shorter period at the election of the State, with the annual payment of interest, at a rate not exceeding five per cent. R. S., c. 36, § 35.

2. Such loans are not together, at any one time, to exceed ten per cent. of the capital of the bank. R. S., c. 36, § 35.

3. The Treasurer of the Commonwealth, whenever authorized by an act or resolve of the Legislature to borrow money of any bank, is to give notice to the president or cashier thereof, of the amount to be furnished by the bank, and require a loan of the same; and the bank must thereupon place to the credit of the State the amount of the required loan. R. S., c. 36, § 36.

4. The Treasurer is bound to equalize, as far as conveniently practicable, the amount of such demand among the several banks within the State, having reference to the amount of the obligation of each bank to loan to the State, and to the amount previously borrowed of each bank. R. S., c. 36, § 37.

5. Every bank refusing, for the space of thirty days after notice from the Treasurer, to place the amount of the required loan to the credit of the State, will be liable to forfeit to the State treasury at the rate of two per cent. a month upon the amount, so long as the neglect or refusal continue; provided, that the notice demanding such loan is approved by the Governor in writing, and accompanied by an attested copy of the act or resolve. R. S., c. 36, § 38.

6. The Treasurer, at the expiration of thirty days after demand made, and after such neglect or refusal of any bank, is to institute an action against the bank, in the name and for the use of the Commonwealth, for the recovery of the penalty, and must institute similar suits, from month to month, during such neglect or refusal, and, upon obtaining judgment and execution, must cause the same to be levied upon the property of the bank. R. S., c. 36, § 39.

VI. Officers.

1. No bank shall have less than five, nor more than twelve directors, as shall be determined by their by-laws. R. S., c. 36, § 19.

2. In addition to the directors authorized to be chosen by the stockholders of banks, the Legislature may from time to time appoint a number of directors in any bank, in such proportion to the whole number, as the sums paid by the State towards the stock of the bank bear to the whole amount of stock actually paid in. R. S., c. 36, § 43.

3. A majority of the directors shall be residents in the county where the bank is established. R. S., c. 36, § 18.

4. No person shall be a director unless a stockholder in the bank, and a citizen of and resident in the State; and no person shall be a director in two banks at the same time. R. S., c. 36, § 17.

5. No person shall be a director in any bank, whose whole stock therein is pledged. 1838, c. 196, § 6.

6. No cashier of any bank shall be a director thereof (1838, c. 196, § 8), under a penalty of five hundred dollars. 1851, c. 339, § 1.

7. A majority of the directors is necessary to constitute a quorum for doing business. R. S., c. 36, § 21.

8. The directors of every bank shall, under a penalty not exceeding five hundred dollars for each violation of the provision, cause a record to be kept of the names and proceedings of all the directors, who may be present at any meeting of the board, when assembled for the purpose of making discounts or transacting any other official business. 1838, c. 196, § 9; 1851, c. 339, § 1.

9. The directors shall choose one of their own number to act as president, and make him such compensation as they deem reasonable. R. S., c. 36, § 20.

10. The directors shall be chosen annually, by ballot, at a meeting of the stockholders. R. S., c. 36, § 22. See *Meetings*, for time of holding. See *Stockholders*, for manner of voting.

11. Any vacancies occurring in the board of directors may be filled at any meeting of the stockholders duly called for that purpose. R. S., c. 36, § 24.

12. Directors may be removed, and vacancies resulting from the removal, as well as otherwise, filled at any special meeting of the stockholders, duly called and notified; but no director shall be removed unless the notification of such meeting shall state that a change in the board of directors is contemplated. 1838, c. 196, § 2.

13. Directors may make dividends of the profits of the bank every six months. R. S., c. 36, § 3.

14. Directors empowered to call special meetings. R. S., c. 36, § 25. See *Meetings*, 9.

15. Directors and other officers not allowed to cast, by virtue of any proxy, more than ten votes. 1840, c. 61, § 2.

16. Directors to determine in what instalments, not exceeding four, the increased capital granted any bank may be paid. 1836, c. 263. See *In General*, 6.

17. Directors' liability for debts of bank exceeding twice the amount of its capital paid in. R. S., c. 36, §§ 11, 12. See *Debts*, 2.

18. Directors to make returns to assessors, under penalty, where cashier resides out of the State. 1844, c. 147, §§ 1, 2. See *Taxes*, 2.

19. Directors of banks closing concerns to make returns to Legislature, under penalty. 1847, c. 32. See *Returns*, 7.

20. Limitation of loans to directors and other officers. 1838, c. 196, § 6. See *Loans*, 6.

21. The directors shall appoint a cashier, and may appoint clerks and other officers for conducting the business of the bank. R. S., c. 36, § 26. The cashier, clerks, and other officers, shall be removable at the pleasure of the directors. *Ibid.*

22. The cashier, before entering on the duties of his office, shall give bond, with two or more sureties, to the satisfaction of the directors, for the faithful performance of the duties of his office. Such bond shall in no case be for a less sum than twenty thousand dollars. R. S., c. 36, § 27; 1838, c. 196, § 3.

23. No cashier of a bank, nor officer under him, shall be permitted to hire money of the bank in which he is employed. 1843, c. 93, § 2.

24. It shall be the duty of the cashier, or other officer who has the charge of the records of transfers of shares in any corporation, upon the written request of any creditor of the general owner of any stock pledged or transferred as collateral security, to exhibit to him the record of such transfer; and in case of refusal, and of any loss to such creditor by reason thereof, such corporation shall be liable to the creditor for the amount of the loss. 1838, c. 98, § 4.

25. The cashiers of incorporated banks are exempted from serving as jurors. R. S., c. 95, § 2.

26. Cashier bound to call special meetings on application of stockholders. R. S., c. 36, § 28. See *Meetings*, 10.

27. Cashier's returns to assessors. 1843, c. 98, § 1. Penalty for neglect. 1848, c. 299, § 1. See *Taxation by Towns*, 1. Cashier's returns to Secretary of Commonwealth. R. S., c. 36, § 66, &c. See *Returns*.

28. If any officer of a bank, or other person having charge of the books or property of any bank, refuse or neglect to exhibit them to any committee appointed by the Legislature to examine into the doings of the bank, or in any way obstruct the examination, he shall be deemed guilty of a misdemeanor, and punished by a fine not exceeding ten thousand dollars, or imprisonment not exceeding three years. R. S., c. 36, § 41.

29. Any director, agent, or other person, refusing, without reasonable cause, to appear and testify when summoned by the Bank Commissioners, or in any way obstructing the Bank Commissioners in the discharge of their duty, shall be liable, on conviction, to a fine not exceeding one thousand dollars, or imprisonment for a term not exceeding one year. 1851, c. 127, § 3.

30. If any cashier, or other officer or servant of any bank, shall embezzle or fraudulently convert to his own use, or fraudulently take or secrete with intent so to convert, any effects or property belonging to or deposited in the bank, he shall, whether intrusted with the custody thereof

or not, be deemed to have committed the crime of larceny in such bank, and be punished by imprisonment in the state prison not more than ten years, or by fine not exceeding one thousand dollars and imprisonment in the county jail not more than two years. R. S., c. 36, § 64; c. 126, § 27; 1846, c. 171, § 1.

31. In any prosecution of the president, directors, cashier, or other officers of a bank, for the embezzlement of money, bank-notes, checks, drafts, bills of exchange, or other securities for money (under the above sections), it shall be sufficient to allege generally in the indictment, an embezzlement of money, or a fraudulent conversion, to a certain amount, without specifying the particulars thereof; and evidence may be given, on the trial, of any such embezzlement committed within six months after the time laid in the indictment, and it shall be sufficient to sustain the indictment if it shall be proved that any bullion, money, bank-note, &c., of whatever amount, was fraudulently embezzled or converted by such president, &c. within said six months. R. S., c. 133, § 10; 1845, c. 215; 1846, c. 171, § 2.

32. Fraudulent taking or receiving of any money, &c. belonging to a bank by any person, by reason of an unlawful confederacy or agreement with an officer or servant of the bank, is to be held a fraudulent taking by such officer or employee, and it is not necessary at the trial to identify the particular bullion, money, note, bill, or security so taken or received. 1846, c. 171, § 3.

VII. Stockholders.

1. No person shall directly or indirectly hold or own more than one half of the amount of the capital stock of any bank, exclusive of stock held by him as collateral security. R. S., c. 36, § 16.

2. Every stockholder shall have, at meetings of the corporation, one vote for one share, and for every two additional shares one vote more; but no stockholder shall have more than ten votes. R. S., c. 36, § 23.

3. Executors, administrators, guardians, and trustees shall represent the stock in their hands, at all meetings of the corporation, and may vote as stockholders. 1838, c. 98, § 2.

4. Absent stockholders may vote by proxy authorized in writing. R. S. c. 36, § 23. But no individual, at any meeting of the stockholders, shall be allowed, by virtue of any proxies held by him, to cast more than fifty votes. 1840, c. 61, § 1. And no director, cashier, or other officer, shall be allowed, by virtue of any proxies held by him, to cast more than ten votes. *Ibid.*, § 2.

5. On the application, in writing, of the proprietors of one fifth part of the capital stock, the cashier shall call a special meeting of the stockholders, by giving notice thereof in the same manner as the annual meetings are notified. R. S., c. 36, § 28.

6. One eighth of the stockholders in number or value may, whenever they consider it necessary, appoint a committee of their own number to investigate the affairs of the bank; and if the committee shall be of opin-

ion that the bank is insolvent, or that its further progress would be hazardous to the public or those having funds in its custody, or that it has exceeded its powers, or failed to comply with the rules and restrictions of the law, they shall report to a judge of the Supreme Court, who may issue an injunction in whole or in part against the bank's proceeding with its business until after a hearing. And after a full hearing, he may dissolve, or modify, or make perpetual the injunction, and issue all necessary orders and decrees according to the course of chancery proceedings; and may in his discretion appoint agents or receivers to take possession of the property of the corporation, subject to the orders of the Supreme Court. 1843, c. 93, § 9.

Individual Liability.

7. In case of any loss or deficiency of the capital stock of any bank, from the official mismanagement of the directors, the stockholders at the time of the mismanagement shall be liable to pay the same in their individual capacities, but no stockholder shall be liable for a sum exceeding the amount of the stock actually held by him at that time. R. S., c. 36, § 30.

8. The stockholders in any bank at the expiration of its charter, or at the time when it stops payment, shall be individually liable, in proportion to the stock they hold at such time, for the payment and redemption of all bills issued by the bank which remain unpaid. R. S., c. 36, § 31; 1849, c. 32, § 1.

9. Corporations owning bank stock shall be under the same liabilities and have the same rights as individuals, under the two preceding sections. R. S., c. 36, § 33.

10. Persons holding stock as guardians, trustees, executors, or administrators, shall not be personally liable, but the estates and funds in their hands. 1838, c. 98, § 1.

11. In every transfer of stock in any corporation as collateral security, the debt or duty which the transfer is intended to secure shall be substantially described in the instrument of transfer; and any certificate of stock issued to the pledgee or holder of the collateral security shall express on the face of it that it is so holden; and the name of the pledger shall be stated therein, and he alone shall be responsible as a stockholder. 1838, c. 98, § 3.

12. Any stockholder who has been obliged to pay a demand against a bank, from his individual property, may have a bill in equity in the Supreme Court to compel contribution from the other stockholders, and recover such damages and costs as the court shall decree. R. S., c. 36, § 32.

13. If any stockholder, having reasonable cause to believe that a bank is about to stop payment, transfer his shares or part of them to escape from the liability to redeem its unpaid bills, such transfer shall be deemed void, so far as respects such liability. 1849, c. 32, § 2.

14. If any stockholder, having reasonable cause to believe that a bank is insolvent, transfer his shares, or part of them, within six months before

the expiration of the charter of the bank, with intent to avoid the liability to redeem its unpaid bills, such transfer shall be deemed void, so far as respects such liability. 1849, c. 32, § 3.

15. The surrender of the charter of a bank by a vote of the stockholders does not exempt them from their liabilities. 1838, c. 108, § 1.

16. The Supreme Court is authorized to limit the period of liability of banks that have surrendered their charters, on application of any creditor or stockholder. 1848, c. 251. See *Surrender.*

VIII. Meetings.

1. All corporations may by their by-laws, where no other provision is specially made, determine the manner of calling and conducting all meetings. R. S., c. 44, § 2.

2. The first meeting of all corporations, unless otherwise provided for in the act of incorporation, is to be called by a notice signed by one or more of the persons named in the act of incorporation, setting forth the time, place, and purposes of the meeting, and the notice is to be delivered to each member, or published in some newspaper of the county where the corporation is established, or if there be no such newspaper, in one of some adjoining county, at least seven days before the meeting. R. S., c. 44, § 3.

3. In case there is no person authorized to call or preside at a legal meeting of a corporation, by reason of the death, absence, or other legal impediment of the officers, any justice of the peace for the county where the corporation is established may, on the written application of any three members, issue a warrant to either of them, to call a meeting of the corporation by giving the requisite legal notice. R. S., c. 44, § 4.

4. The justice may in the same warrant direct such person to preside at the meeting until a clerk be chosen and qualified, if there be no officer present legally authorized to preside. R. S., c. 44, § 4.

5. At such meeting officers may be elected to fill vacancies, and such other business acted upon as might be by law at regular meetings. R. S., c. 44, § 5.

6. The annual meeting for the choice of directors in the banks of this State may be held in any bank on any day in the month of October which may be appointed by the by-laws of said bank, at such time and place, within the town where the bank is established, as the directors may designate, and of which they shall give fourteen days' previous notice in some newspaper of the county, or if there be none, of the city of Boston. R. S., c. 36, § 22; 1838, c. 196, § 1.

7. But where more than one bank is established in the same town or city, such meeting shall be held on different days in the different banks, beginning on the first Monday in October, and continuing on successive days, taking the banks in the order in which they are arranged in the bank abstract published by the Secretary of the Commonwealth, in the year preceding the time of such meeting. 1843, c. 93, § 10.

8. If the name of any bank or banks shall be omitted in the bank ab-

stract, the meeting for the year following shall be held in the order of the dates of their charters, on the day or days succeeding that on which the meeting of the bank last named in the abstract shall have taken place. 1848, c. 121, § 1.

9. Special meetings may be called by the directors, as often as the interest of the bank requires. R. S., c. 36, § 25.

10. The cashier shall call special meetings, on the application, in writing, of the proprietors of one fifth part of the capital stock, by giving the same notice as of the annual meetings. R. S., c. 36, § 28.

IX. Taxes.

1. *Taxation of Banks by the State.*

1. All banks in this State are bound to pay to the Treasurer of the Commonwealth, within ten days after the first Monday of April and of October, in each year, a tax of one half of one per cent. on the capital actually paid in. R. S., c. 9, § 1; c. 36, § 45.

2. If any part of the capital has been paid in within six months next before either of said days, the tax on such part shall be proportioned to the time elapsed after such payment. R. S., c. 9, § 2.

3. In case of the neglect of any bank to make such payment, the Treasurer is forthwith to commence an action of debt, in the name of the Commonwealth, for the same and interest. R. S., c. 9, § 3.

4. Every bank incorporated since the passage of the Revised Statutes, or which had not at that time paid in the whole of its capital stock, must furnish the Treasurer of the State, on or before the first Monday in October and April after every payment of its capital, with an abstract of the amount of stock actually paid by the stockholders into their respective banks, together with the time when the several instalments were paid. R. S., c. 36, § 46.

5. Any bank which has availed itself of the provisions of the Act of 1838, c. 108, § 1, by a vote of the stockholders to surrender its charter, is exempted from the liability to pay the bank tax after a majority of the Bank Commissioners [or, since the Act of 1843, c. 93, § 1, the special Commissioner appointed under said act] shall certify to the Governor, that the bank may, with safety to the public, proceed to close its concerns under the provisions of the Revised Statutes, c. 44, § 7. 1838, c. 108, § 2.

2. *Taxation by Towns.*

1. The cashiers of banks are bound, in person, or by mail, annually, between the first and tenth day of May, to make returns to the assessors of every city or town in this State, in which any stockholder may reside, of the name of each owner residing in such town, with the number of shares belonging to each, on the first day of May of that year, and the par value of such shares. 1843, c. 98, § 1.

2. If any cashier refuses or neglects to make any such returns, or

falsifies any return which is required therein to be made, he shall forfeit, for every offence, not less than fifty dollars, nor more than five hundred dollars, to the use of the city or town in which any shareholder may reside, to be recovered as in the last section. 1848, c. 299, § 1.

3. Whenever the cashier resides out of the State, it is the duty of the directors to make, or cause to be made, the returns to the assessors of the several towns and cities, within the time, and in the same manner as the cashiers are by Act of 1843, c. 98 § 1, required to make such returns. 1844, c. 147, § 1.

4. If the directors neglect or refuse to make such return, the corporation shall forfeit for every such offence the sum of fifty dollars, to the use of the city or town in which such shareholder may reside, to be recovered by the treasurer of the city or town, in any court of competent jurisdiction. 1844, c. 147, § 2.

5. If any shareholder shall fraudulently transfer any share, for the purpose of avoiding taxation, he shall forfeit one half of the par value of the shares thus transferred, to be recovered as above, one half of the amount so recovered for the use of the town, and the other half for the use of the persons furnishing the necessary evidence in the case. 1843, c. 98, § 3.

X. Returns.

1. The cashier of each bank shall, in every year, make a return of the state of such bank, as it existed at two o'clock in the afternoon of the first Saturday in such preceding month as the Governor may direct, and he shall transmit the same as soon thereafter as may be, within fifteen days, to the Secretary of the Commonwealth. The return shall specify the amount due from the bank, and the resources of the bank, designating the several particulars included in each in distinct columns, substantially as follows: —

State of —— Bank, on the first Saturday of ——, 18 , 2 *o'clock, P. M.*

DUE FROM THE BANK.		RESOURCES OF THE BANK.	
Capital stock		Gold, silver, and other coined metals in its banking-house.	
Bills in circulation of the denomination of $5 and upwards.		Real estate.	
Bills in circulation of a less denomination than $5.		Bills of other banks incorporated in this State.	
Net profits on hand.		Bills of other banks incorporated elsewhere.	
Balances due to other banks.		Balances due from other banks.	
Cash deposited, including all sums whatsoever due from the bank, not bearing interest, its bills in circulation, profits, and balances due to other banks excepted.		Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks.	
Cash deposited bearing interest.		Total amount of the resources of the bank.	
Total amount due from the bank.		Rate and amount of dividends, with their dates, since the last annual return.	
		Amount of reserved profits at the time of declaring the last dividend.	
		Amount of debts due to the bank, secured by a pledge of its stock.	
		Amount of debts due and not paid, and considered doubtful.	

2. The banks must distinguish, in their annual returns, the bills in circulation of the denomination of five dollars and upwards, from those under that denomination, and place said classes of bills in separate columns. 1837, c. 65.

3. The returns must specify the rate and amount of dividends, with their dates, since the last annual return. 1842, c. 49.

4. The return shall be signed by the cashier of the bank, who shall swear to the truth of the same, according to his best knowledge and belief, before a justice of the peace; and a majority of the directors of each bank shall certify and make oath that the books indicate the state of facts so returned by the cashier, and that they have full confidence in the truth thereof. R. S., c. 36, § 65.

5. Banks neglecting to make returns as above provided, shall forfeit to the use of the State, to be recovered by the Treasurer thereof, one hundred dollars for each day's neglect. R. S., c. 36, § 66.

6. The Secretary of the Commonwealth shall furnish four printed copies of the form of the return required by law, to the cashier of every bank, in March or April, annually. R. S., c. 36, § 67. And shall, after receiving the returns, cause a true abstract to be printed and prepared from them, with each column added up, and transmit, by mail, one copy to the cashier of each bank, and submit the same to the Legislature at its next session. R. S., c. 36, § 68.

7. The directors of banks authorized to settle and close their concerns, and all agents or receivers appointed to take possession of the property and effects of any bank, shall, on the second Wednesday of January, in each year, make a report to the Legislature, stating, under specific heads, the liabilities, and the property of each corporation, and rendering full account of their receipts, payments, and doings, in the execution of their trusts. 1847, c. 32, § 1.

8. All such directors, agents, and receivers, who shall neglect to comply with the above provisions, shall severally forfeit to the use of the State, to be recovered by the Treasurer thereof, twenty dollars for each day's neglect. And no payment of such forfeiture, or expenses resulting therefrom, shall be allowed as a charge against the bank. 1847, c. 32, § 2.

XI. Expiration and Surrender of Charter, and Settlement of Concerns.

1. The charter of any incorporated bank within this Commonwealth will be annulled whenever the stockholders, at a legal meeting called for that purpose, may so determine, by a majority of votes to be computed [as at the annual meeting] according to the Revised Statutes, c. 36, § 23. 1838, c. 108, § 1.

As to exemption from the bank tax, of bank closing its concerns, see *State Taxes*, 5.

2. Any meeting called for the purpose of surrendering the charter of the bank must be notified by written or printed notifications from the

cashier, stating the time, place, and object of the meeting, to be sent to each stockholder at least thirty days before the meeting. And such notice must be also published, for three weeks before the time of the meeting, in one or more newspapers printed in the town, or if no newspaper is printed there, then in one or more newspapers printed in the county in which the bank is situated. 1841, c. 113, § 1.

3. To authorize such surrender of the charter, the number of votes at such meeting in favor thereof must be equal to a majority of the votes which would be cast if all the stockholders of the bank were present at the meeting. 1841, c. 113, § 2. This provision does not apply to the case of a bank of which the stockholders vote that their charter shall be annulled, in consequence of a recommendation of the Bank Commissioners, or a majority of them. 1841, c. 113, § 3.

4. The stockholders of a bank are not exempted from any liabilities imposed by the thirty-sixth and forty-fourth chapters of the Revised Statutes, by the surrender of the charter of the bank by a vote of the stockholders. 1838, c. 108, § 2.

5. Any stockholder or creditor of any bank in this State, that has surrendered its charter, may apply, by petition, to the Supreme Court, to limit the time beyond which its liabilities shall be barred; and the Supreme Court have full power to fix such limitation. 1848, c. 251.

6. Whenever the stockholders of a bank may desire to surrender their charter, and in every case in which a bank has been authorized to reduce its capital stock, the Governor, with advice of the Council, is to appoint a special Commissioner, who will exercise the powers and perform all the duties conferred upon and required of the Bank Commissioners, by the Acts of February 23d (repealed, but see Act of 1851, c. 127) and April 13th, 1838, so far as the same relate to the surrender of bank charters; and the bank for which the services are performed is to pay the Commissioner five dollars per day. 1843, c. 93, § 1.

7. All corporations whose charters expire, or are annulled by forfeiture or otherwise, continue, nevertheless, to be bodies corporate for three years after the time when they would have been so dissolved, for the purpose of prosecuting and defending suits, and of enabling them gradually to settle and close their concerns, dispose of their property, and divide their capital stock, but not for the purpose of continuing the business for which they were established. R. S., c. 44, § 7.

8. When the charter of a corporation expires or is annulled as above provided, the Supreme Court, on the application of any creditor, or stockholder, or member of the corporation, at any time within the three years, may appoint one or more persons to be receivers or trustees of the corporation, to take charge of its estate and effects, and collect the debts and property belonging to it, with power to prosecute and defend all suits necessary for the said purpose, to appoint agents under them, and to do all other acts necessary for the final settlement of the unfinished business of the corporation which it might have done if in being; and the power of the receivers may be continued beyond the three years, at the discretion of the court. R. S., c. 44, § 8.

9. The Supreme Court has jurisdiction in chancery of such application,

and of all questions arising in the proceedings thereon, and may make such orders, injunctions, and decrees, as justice and equity shall require. R. S., c. 44, § 9.

10. The receivers are to pay all debts due from the corporation, if the funds in their hands are sufficient; if not, they are to distribute them ratably among all the creditors, who shall prove their debts in the manner directed by the court, and if there be any balance after the payment of the debts, the receivers are to distribute the same among the stockholders of the corporation, or their representatives. R. S., c. 44, § 10.

XII. Of the Bank Commissioners.

1. Three Bank Commissioners are appointed by the Governor, with the advice of the Council, for the term of three years, and until their successors are appointed and qualified; one of them goes out of office each year, in the order of the appointments, but the Commissioner retiring may be reappointed. The Governor and Council may, at any time, remove from office any or all of the Commissioners, and may fill all vacancies. 1851, c. 127, § 1.

2. The Commissioners, or any two of them, are to visit every bank in the State, at least once in every two years, to visit every bank within the first year after it goes into operation, and all banks which receive an addition to their capital within the first year after the additional stock shall be paid in; and are to examine, every year, as nearly one half of the institutions under their charge as they may be able to do. 1851, c. 127, § 2.

3. If any five or more persons, who are officers, stockholders, or creditors of any bank, shall make or sign a certificate, under oath, setting forth their interest and the reasons for making such examination, directed to the Commissioners, and requesting them to examine any designated bank, the Commissioners shall forthwith make a full investigation of the affairs of such corporation. 1851, c. 127, § 4.

4. They shall have free access to the vaults, books, and papers; and either of them may summon, and examine under oath, all directors, officers, or agents of the banks, and such other witnesses as they may think proper, in relation to the affairs, transactions, and condition of such corporations. Any such director, officer, agent, or other person, refusing, without justifiable cause, to appear and testify when thereto required, or obstructing in any way the Commissioners, subjects himself to a fine, not exceeding one thousand dollars, or imprisonment for a term not exceeding one year. 1851, c. 127, §§ 2, 3.

5. The Commissioners are thoroughly to examine the affairs of each bank, and to make all such inquiries as may be necessary to ascertain its condition and ability to fulfil all its engagements, and whether it has complied with the provisions of law applicable to the transactions of banks. 1851, c. 127, § 2.

6. If, upon such examination of any bank, a majority of the Commissioners should be of opinion that the bank is insolvent, or that its further

progress would be injurious to the public, or those having funds in its custody, it is their duty to apply — and if they should be of opinion that the bank has exceeded its powers, or failed to comply with the rules, restrictions, and conditions of the law, they may apply — to one of the judges of the Supreme Court, to issue an injunction to restrain the corporation from proceeding with its business until after a hearing; the justice shall forthwith issue such process, and after a full hearing may dissolve or modify the injunction, or make it perpetual, and make such orders and decrees in relation thereto as may be needful, according to the rules of chancery proceedings, and may, at his discretion, appoint agents or receivers to take possession of the property of the bank, subject to the direction of the court. 1851, c. 127, § 5.

7. The Commissioners are to make a report to the Secretary of State annually, in December, of the general conduct and condition of the corporations visited by them, making such suggestions as they shall deem expedient. 1851, c. 127, § 6.

8. If any of such corporations shall be found, in the opinion of the Commissioners, to have at any time violated any law of the State, they are forthwith to make a special report on such subject to the Secretary of State, and he shall give notice thereof to the Attorney-General, who shall prosecute the same on behalf of the State; and the report is to be printed and laid before the next session of the Legislature. 1851, c. 127, § 6.

9. If the Commissioners find that the directors or cashier have violated any of the existing laws in relation to banks and banking, they are to report to the Secretary of State, who shall cause the law relative thereto to be forthwith executed. 1851, c. 127, § 10.

10. Before entering on their duties, they are severally to make oath before some judge of a court of record, or any two justices of the peace, a certified copy of which is to be returned within thirty days to the Secretary of State, faithfully and impartially to discharge and perform all the duties incumbent upon them in their said office, agreeably to the constitution and the laws of this Commonwealth, and according to the best of their abilities and understanding. 1851, c. 127, § 7.

11. They are to receive five dollars a day each for every day employed, and at the rate of one dollar for every twenty miles travelled, in the performance of their duties. 1851, c. 127, § 9.

12. The Commissioners shall preserve a full record of their proceedings, including a statement of the condition of each bank. 1851, c. 127, § 2.

13. They may appoint a clerk, prescribe his duties, and fix his compensation, whenever they deem it necessary for the public good. 1851, c. 127, § 5.

XIII. Of Attachment and Sale on Execution.

1. *Of the Property of the Bank.*

1. The lands of any bank may be taken on execution and sold at auction; and the conveyance of the officer levying such execution to the

purchaser shall be effectual to transfer all the estate of the bank therein. The officer levying such execution must give notice of the time and place of sale, at least fourteen days previous thereto, in two or more public places in the town where the lands lie; also in some newspaper of the county, if any, otherwise in some newspaper of the city of Boston. R. S., c. 36, § 50.

2. The officer may adjourn the sale from time to time, not exceeding seven days at any one time. R. S., c. 36, § 51.

3. The interest of a bank in lands mortgaged for security of a debt due or assigned to the bank, may be seized on execution and sold, in the same manner as the lands of banks, and the debt secured by the mortgage and due to the bank at the time of the sale passes by the deed of conveyance of the officer who levies the execution; and the purchaser may maintain any action in his own name to recover the debt or lands which the bank might have maintained in its name, and a copy of the mortgage deed certified by the register of deeds is evidence of such mortgage deed. R. S., c. 36, § 52.

4. The cashier or clerk of such bank, on reasonable request, must furnish the officer serving the execution, or the judgment creditor, with a certified copy of the note or obligation, and the indorsements thereon, secured by such mortgage, together with a statement of all payments thereon made by the debtor, and after the sale of the mortgage must deliver such note or obligation to the purchaser thereof. R. S., c. 36, § 53.

5. The officer levying the execution shall, at the request of the judgment creditor, file a notice thereof in the registry of deeds, and also give notice to the cashier or president, or leave the same at the bank; and no sale of such note, obligation, or mortgage, made by the bank after such notices, shall have any validity against the purchaser under the sale on execution. R. S., c. 36, § 54.

2. *Of the Shares of the Stockholders.*

1. The shares of any stockholder in any bank may be attached or taken on execution, by leaving an attested copy of the writ, and of the return of the attachment or of the execution, with the cashier. R. S., c. 90, § 36; c. 97, § 37.

2. If the shares are already attached in the same suit, the officer shall proceed in seizing and selling on execution in the same manner as in the case of other chattels. R. S., c. 97, § 38.

3. After such attachment, the shares and all after-accruing dividends shall be held as security to satisfy the final judgment in the suit; and when such shares are sold on execution, the purchaser shall be entitled to such dividends. R. S., c. 90, § 37; c. 97, § 41.

4. If the officer having a writ of attachment or an execution against any stockholder shall exhibit the writ or the execution to the officer of the corporation appointed to keep a record or account of the shares of the stockholders, and request a certificate of the number of shares held by the defendant in the suit, the officer of the company must give such certificate; and if he unreasonably refuses to give it, or wilfully gives a false

certificate, he will be liable for double the amount of damages occasioned thereby. R. S., c. 90, § 38; c. 97, § 39.

5. An attested copy of the execution, and of the return thereon, must be left with the officer of the company whose duty it is to record transfers of shares, within fourteen days after the sale; and the purchaser shall thereupon be entitled to certificates of the shares bought by him, upon paying the fees therefor, and for recording the transfer. R. S., c. 97, § 40.

XIV. Savings Banks.

Officers.

1. The officers of every savings bank shall consist of a president, treasurer, and such number of trustees or managers as the corporation shall agree upon, together with such other officers as may be found necessary for the ordinary management of its affairs. R. S., c. 36, § 72.

2. All the officers are to be sworn to the faithful discharge of their duties, and are to hold their offices until others are chosen and qualified in their stead; the treasurer must, moreover, give bond to the satisfaction of the managers or trustees. R. S., c. 36, § 73.

3. The treasurer is to be appointed by the managers or trustees, and hold his office during their pleasure. The other officers are to be chosen at the annual meeting of the corporation. R. S., c. 36, § 74.

4. If any office becomes vacant during the year, the trustees or managers may appoint a person to fill such office until it is filled at the next annual meeting. R. S., c. 36, § 74.

Meetings.

5. The annual meetings are to be held at such times as the by-laws of the corporation may direct. R. S., c. 36, § 74.

6. Special meetings may be held at any time, by order of the managers or trustees. R. S., c. 36, § 75.

7. The treasurer must notify a special meeting, on the written requisition of any ten members of the corporation. R. S., c. 36, § 75.

8. All meetings must be notified by public advertisement in some newspaper of the county where the corporation is established; if there be none such, then in Boston. R. S., c. 36, § 75.

Members.

9. Such corporations may at any meeting elect by ballot any citizen of this State to be a member thereof, and no person shall continue to be a member after removing out of the State. Any person may also cease to be a member, at any annual meeting, by filing with the treasurer of the corporation notice of his intention three months previously. R. S., c. 36, § 76.

Business.

10. Savings banks may receive on deposit, for the benefit of the depositors, all sums of money offered; they may not hold at one time

more than one thousand dollars of any one depositor, other than a religious or charitable corporation. R. S., c. 36, § 77.

11. Deposits may be invested in the stock of some bank incorporated by this State or the United States, or may be loaned on interest to such bank, or may be loaned on bonds and notes on interest, with collateral security of the stock of such banks, at not more than ninety per cent. of their par value; or may be invested in public funds of this State or of the United States, or loaned on a pledge thereof; or invested in loans to any county or town in this State, or in mortgages of real estate. But the whole amount of the stock of any one bank held by any savings institution, either as investment or as security for loans, must not exceed one half the capital of such bank, and not more than three fourths of the deposits of any institution for savings can be at one time invested in mortgages of real estate. R. S., c. 36, § 78.

12. Loans may be made on bonds or notes secured by pledge of the stock of any railroad company incorporated by this State, whose whole capital is actually paid in, whose road and franchise are not subject to any mortgage or pledge, and whose stock is at least at par in the market. Such loan must not exceed eighty-five per cent. of the par value of the stock; and no savings bank may loan more than fifty per cent. of its deposits in this manner. 1841, c. 44.

13. If they cannot be conveniently invested in the above modes, fifty per cent. of the moneys held by any savings bank may be loaned on bonds or other personal securities, with at least two sureties, the principal and sureties to be citizens of and residents in this State. R. S., c. 36, § 79.

14. No officer or committee charged with the duty of investing deposits can borrow or use the same, except for the expenses of the corporation. R. S., c. 36, § 80.

15. The income or profit of all deposits, after deducting all reasonable expenses, is to be divided among the depositors, or their representatives: the principal deposits may be withdrawn at such time and in such manner as the by-laws may direct. R. S., c. 36, § 81.

Returns.

16. The treasurer of every institution for savings and savings bank must annually, between the 1st and 10th of May, make returns, in person or by mail, to the assessors of every city and town in the State, in which he has reason to suppose such depositors may reside, of the names of all depositors having deposits amounting to five hundred dollars and upwards, with the amounts to their credits. 1851, c. 258.

17. Such treasurer must also, on the written request of any assessor of any city or town in the State, signed by him, inform such assessor of the amount, if any, exceeding one hundred dollars deposited in the savings bank of which he is treasurer to the credit of any person named in such request, who may be a resident of such city or town. 1852, c. 132, § 2.

18. Such treasurer must also, on the written and signed request of any overseer of the poor of any city or town of the State, inform such overseer of the amount, if any, to the credit of any person named in such re-

quest, who may be at the time a charge on the State, or upon any city or town therein, as a pauper. 1852, c. 132, § 1.

19. The penalty for giving wilfully false information, or for an unreasonable refusal to give the information required in the three preceding sections, is fifty dollars for each offence, to the use of the State in the case of a pauper who is a charge to the State, and to the use of the city or town to which the pauper is a charge, or of the city or town of such assessor, in other cases. 1852, c. 132, § 3; 1851, c. 258, § 2.

20. The treasurers of savings banks are bound to make returns as often as once a year, and within fifteen days after an order to that effect, to the Secretary of State, of the state of their banks at the close of business on the last Saturday of some preceding month designated by the Governor. The return must specify the place where located; name of corporation; number of depositors; amount of deposits; public funds, stating amount of each; loans on public funds, with amount on each; invested in bank stock, and amount in each; loans on bank stock, and amount on each; deposits in banks at interest, and amount in each; loans on railroad stock, with amount on each; invested in real estate; loans on mortgage of real estate; loans to county or town; loans on personal security; cash on hand; rate and amount of ordinary dividend for last year; average annual per cent. of dividends of last five years; annual expenses. Which is to be certified and sworn to by the treasurer; also by five or more of the trustees, that the same is correct according to their best knowledge and belief. 1846, c. 86, § 1.

21. The Secretary of State is to furnish blank forms for such returns, and prepare suitable yearly abstracts and lay them before the Legislature. 1846, c. 86, § 2.

22. The General Court may at any time make other or further regulations for the government of institutions for savings, or may take away their corporate powers, and all such institutions and their officers are subject to examination by a committee of the General Court, in like manner, and under the same penalties, as other banks. R. S., c. 36, § 84.

23. Whenever any institution for savings is summoned as trustee of a defendant in an action at law, and there arises upon the trustee's answer, in the opinion of the court, a doubt as to the identity of the principal defendant, the court may require the plaintiff to give bond, with one or more sureties to be approved by the court, to save harmless, before the savings bank shall be charged. 1850, c. 48.

XV. Act of 1851, Chap. 267, to authorize Banking. — Amended, 1852, Chap. 236.

1. Any persons not less than ten in number, and their successors, may become a corporation for carrying on the business of banking, entitled to all the privileges, powers, and remedies, and subject to the duties, liabilities, and restrictions, set forth in the public statutes of the State relating to banks and banking, so far as the same are not inconsistent with the provisions hereinafter set forth. § 1.

2. The capital stock of any such bank must not be less than one hundred thousand dollars, nor more than one million dollars; and the capital may be increased by a vote of three quarters of the stockholders. §§ 1, 4.

3. The stock is to be divided into shares of one hundred dollars each, transferable only at the banking-house and on the books of the bank; and is to be paid in gold or silver money, in such instalments as the stockholders direct. § 2.

4. No such bank can go into operation until one half the capital is thus paid in, and the whole capital must be paid in within one year after it goes into operation. § 2.

5. Before such bank goes into operation, the president and directors must make a certificate under their hands and seals, specifying the corporate name of the bank; the city or town where it is to be located; the amount of its capital stock, and number of shares; the names and residences of the stockholders, and number of shares held by each; and the time when the bank is to go into operation. § 3.

6. Such certificate is to be acknowledged before a justice of the peace, and recorded in the registry of deeds for the county where the bank is established, and a copy in the Secretary of State's office. § 3.

7. Such certificate to be also made when the capital is increased. § 4.

8. Attested copies of such certificate are to be admitted as sufficient evidence in all the courts of law, and on all occasions. § 3.

9. The Revised Statutes, c. 36, § 4, in regard to the examination by Commissioners of the gold and silver in the vaults of the bank before it goes into operation, are not applicable to banks established under this act. § 3.

10. No such bank can take the name of a bank organized or incorporated before the passage of the act. § 3.

11. Such bank may carry on, *at its banking-house*, the usual business of banking; may receive deposits, and loan and negotiate its moneys by discounting, upon banking principles, upon such securities as the stockholders deem expedient. Dividends of the profits may be declared by the directors every six months. If such bank, after receiving circulating notes, omit or neglect to carry on such usual banking business, it thereby forfeits its privilege. § 5.

12. The Auditor of Accounts is to cause to be engraved blank bank-notes of the denomination now issued by the banks of this State, and whenever they are issued to such banks they must be countersigned by the Auditor, and numbered and registered by him, and stamped on their face, "Secured by the pledge of public stocks." § 6.

13. The plates, dies, and materials procured for such notes are to be bought by the Auditor, and such portion of the expense as he thinks just paid by each bank. § 13.

14. Whenever any such bank transfers to the Auditor, at a rate not above its par nor its current market value, any of the public stock of any city or town in this State, or of either of the New England States, or of the State of New York, or of the United States, to the amount of not less than fifty thousand dollars, and not exceeding twenty-five per cent. above its capital, the bank is entitled to receive an equal amount of circulating

notes. The above-specified stocks must be, or be made to be, equa. to a stock of this State producing six per cent. § 7.

15. The provision of the Revised Statutes, c. 36, § 8, that banks shall not issue bills to an amount exceeding at any one time twenty-five per cent. of their capital, is not applicable to banks organized under this act. § 12.

16. Such banks are not to circulate bills exceeding their capital stock in amount. 1852, c. 236, § 2.

17. Such banks are not to be taxed on that part of their capital invested in stocks transferred in trust to the Auditor; but the proportion of the capital of any bank thus exempted shall not exceed three fourths of its capital. 1852, c. 236, § 2.

18. Such bank, after having executed and signed such notes as required by law to make them obligatory notes payable on demand at its banking-house, may loan and circulate them as money. No such bank can issue any other circulating notes, but it may pay out from its counter the bills of other banks within this State, as well as its own. 1851, c. 267, §§ 10, 12.

19. If any such bank refuses or delays payment in gold or silver money of any such notes issued by it, presented in the usual business hours, it is liable to the penalty prescribed in the Revised Statutes, for a failure to redeem bills on presentation, and the holder may have such notes protested, and file the protest with the Auditor, who is thereupon to give written notice to the bank that issued such notes; and if the bank refuses to redeem them for ten days thereafter, he is, unless satisfied that there is a good and legal defence against the payment of the notes, to give notice in two newspapers, that all the notes of such bank will be redeemed out of the trust funds in his hands for that purpose. And the Auditor is to apply the trust funds belonging to said bank to the payment *pro rata* of its notes, and adopt such measures as will most effectually prevent loss to the holders. § 11.

20. The Auditor may, in his discretion, upon the application of any such bank, transfer any part of the stocks deposited by it in trust, in exchange for others of the kinds specified, and surrender any part or the whole of the stocks so deposited by it, upon receiving from the bank and cancelling an equal amount of the notes delivered by him to the bank. § 8.

21. But the circulating notes held by such bank must always be secured in full by public stock, and must not be reduced below fifty thousand dollars. § 8.

22. The Auditor is to deliver to such bank powers of attorney to receive the interest and dividends on the stocks deposited by it; but he may revoke such powers whenever it seems to him necessary for the public safety. § 9.

23. All dividends and interest received by the Auditor are to be held in trust for the bank. § 9.

24. Any Auditor convicted of having wilfully countersigned circulating notes for any bank to an amount exceeding the public stock deposited by it, is to be adjudged guilty of a misdemeanor, and punished by a fine of

not less than five thousand dollars, or imprisonment for not less than five years, or by both fine and imprisonment. § 14.

25. When any such bank has redeemed and returned to the Auditor ninety per cent. of the notes received from him, and deposited an amount of money equal to its unredeemed notes, in the name of the Auditor, in a bank approved by him, the Auditor may receive the notes and give up all the securities deposited by the bank. § 18.

26. Such bank may thereupon publish a notice for six years, in any newspaper authorized to publish the laws of the State, and also in one paper of the county where the bank is located, that all the notes of such bank must be presented at the Auditor's office within six years from the date of the notice, or that they will not be redeemed. On proof of such notice, the Auditor may pay over to the bank any money in his hands, and the bank will not be held for the redemption of its bills. § 19.

27. The returns of banks established under this act, in addition to the returns now required, must specify and describe the stocks deposited with the Auditor. § 15.

28. A separate abstract of the returns of such banks is to be prepared by the Secretary of State. § 16.

29. The annual meeting of the stockholders for the choice of directors is to be held in conformity to such abstract, according to the provisions of the Act of 1843, c. 93, § 10. § 16.

30. The Bank Commissioners have the same power over the banks established under this act as over the other banks; they are, moreover, to examine the certificates of stock deposited with the Auditor, and if any stocks have depreciated in value, so as to be unsafe for the security deposited, they must require the banks to exchange such security, or give additional security; they are also to examine the amount of notes issued to any bank on account thereof. § 17.

31. Whenever any judge of the Supreme Court is satisfied, from the certificate of the Auditor or otherwise, that any such bank is insolvent, or in a condition hazardous to depositors or the public, or has exceeded its powers, or violated the law, the same proceedings shall be had as when the same facts are certified by the Commissioners in regard to other banks. § 20.

32. Whenever any such bank is placed in the hands of receivers by a judge of the Supreme Court, the Auditor is to pay to the receivers all stocks and moneys in his hands belonging to the bank, to be applied to the redemption of its bills. § 21.

DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF MASSACHUSETTS, ON THE SUBJECTS OF BANKS AND BANKING, BILLS OF EXCHANGE, AND PROMISSORY NOTES.

I. Banks and Banking.

1. *In General.*

1. The Stat. 1838, c. 14, providing for the appointment of Bank Commissioners, and defining their powers, is not unconstitutional on the ground of being an assumption by the Legislature of judicial power, in making it the duty of the judge, in a particular case, to perform a judicial act; for it is a general law, in regard to all banks, that, in a given state of facts, an injunction shall issue. Nor is it unconstitutional on the ground of being a usurpation of judicial power, in requiring the justice, in the first instance, on the complaint of the Bank Commissioners, without a hearing of evidence to satisfy his own mind, to issue an injunction; the effect of it is, to declare that the representation made by the Commissioners, upon such examination, of such facts, shall be *primâ facie* evidence that the

bank is acting unlawfully, and that its further operation will be hazardous to the community. *Commonwealth* v. *Farmers and Mechanics' Bank*, 21 Pick. 542.

2. Neither is it unconstitutional on the ground of its compelling the officers and agents of a bank to furnish evidence to criminate themselves; for (among other reasons) it imposes a penalty only on such as refuse to testify "*without justifiable cause.*" *Ibid.*

3. Nor is it unconstitutional on the ground that a suspension of the proceedings of a bank by the injunction diminishes the period for which the bank is by its charter empowered to act as a corporation; for, as the bank may violate its charter or the law, there must be some mode prescribed for a judicial inquiry into the fact, and for giving redress to parties who may have suffered, and the injunction is not an arbitrary suspension of the corporate powers of the bank, but a species of compulsory process entirely consonant to the course of the administration of justice in like cases. *Ibid.*

4. A reservation by the Legislature of the power to repeal an act of incorporation, for a violation of the charter or other default, is not unconstitutional on the ground of being a reservation of judicial powers; for an inquiry by the Legislature into the affairs or defaults of a corporation, with a view to discontinue it, is not a judicial act. *Crease* v. *Babcock*, 23 Pick. 334.

5. The Stat. 1819, c. 43, — providing that all corporations then existing, or thereafter to be established, whose charters would expire at a given time, should be continued in existence as bodies corporate for three years after the time limited by their charters, for the purpose of settling and closing their concerns, and dividing their capital stock, but not for continuing the business for which they were established, — is within the constitutional power of the Legislature, and does not impair the obligation of contracts. *Foster* v. *Essex Bank*, 16 Mass. 275.

6. The Act of 1809, c. 37, § 1, imposing a penalty of two per cent. per month on the amount of the bills of any bank, of which redemption is refused by such bank, does not militate against any principle of the Constitution of the United States, or of Massachusetts. *Brown* v. *Penobscot Bank*, 8 Mass. 445.

7. The provision of Stat. 1816, c. 91, that no bank shall issue any bill, &c., payable at any other place than the bank, &c., for any sum not exceeding one hundred dollars, is not unconstitutional as applied to banks incorporated before the passing of the statute. *Dedham Bank* v. *Chickering*, 4 Pick. 314.

2. *Of their Privileges, Powers, and Liabilities.*

1. The privilege commonly given to banks in their charters, to discount upon the amount of moneys deposited for safe keeping, applies to general deposits only. *Foster* v. *Essex Bank*, 17 Mass. 479.

2. A bank does not violate the provision in its charter prohibiting it from using its moneys in trade or commerce, by taking promissory notes payable in Boston money, and receiving on their renewal a pre-

mium equal to the difference between that and other money. *Portland Bank* v. *Storer*, 7 Mass. 433.

3. Under Stat. 1819, c. 43, providing that corporations shall be continued bodies corporate, for the term of three years after the expiration of their charters, for the purpose of settling their concerns, but not for the purpose of continuing the business for which they were established, a bank is authorized, immediately before the expiration of such term of three years, to indorse a note held by it to trustees appointed to wind up the affairs of the bank, and vested by it with all the powers of the corporation. *Folger* v. *Chase*, 18 Pick. 63. (See Rev. Stat., c. 44, § 7.)

4. The assignment of a promissory note, in discharge of a debt, by a banking company whose charter had expired, does not come within the provision of a law, which prohibited the issuing and circulating securities by such a company. *Hallowell and Augusta Bank* v. *Hamlin*, 14 Mass. 178.

5. A bank is bound to produce its books for the inspection of a depositor, upon proper occasions, and the officers having charge of the books are, so far, the agents of both parties. *Union Bank* v. *Knapp*, 3 Pick. 96.

6. The credits given to a depositor in his bank book, in the handwriting of one authorized by the bank, are as binding upon the bank as a formal receipt given for every sum deposited would be. *Ibid.*

7. Where the usage of a bank was, at the end of every month, to balance the bank book of a depositor and make the balance the first item in a new account, and to restore to the depositor the checks drawn by him during the month, it was *held*, that the bank could not go behind any such settlement, and that the statute of limitations begins to run, as to any such balance, from the time of so stating the account. *Ibid.*

8. Where special deposits are made in a bank, the corporation is the bailee, and not its officers. *Foster et al., Exrs.*, v. *Essex Bank*, 17 Mass. 479.

9. Where a cask of gold was deposited in a bank for safe keeping, and the gold was fraudulently taken out by the cashier of the bank, it was *held*, that the corporation was not liable to the depositor for the value of the gold so taken. *Ibid.*

10. In adjusting the claims of creditors of an insolvent bank, whose estate and effects are put into the hands of receivers, under Rev. Stat., c. 44, those creditors who have demanded payment of the bills of the bank, and been refused, are not to be allowed twenty-four per cent. interest, under Rev. Stat., c. 36, § 29; but they are to be allowed six per cent. interest from the time of such demand. *Atlas Bank* v. *Nahant Bank*, 3 Met. 581.

11. In such adjustment, the claims of creditors to money deposited by them in the bank, under an unlawful agreement that it should be paid at a future day certain, with interest, are to be allowed; also the claims of the holders of bills issued by the bank under an unlawful agreement that they should be kept from free circulation for a limited time, or not be returned to the bank for redemption within a limited time. *Ibid.* *White* v. *Franklin Bank*, 22 Pick. 181.

12. In adjusting the concerns of a bank by receivers of its assets

appointed pursuant to Stat. 1838, c. 14, the bank tax imposed by Rev. Stat. c. 9, § 1, and c. 36, § 45, and due from the bank, may be set off against money due from the Commonwealth to the bank on loan. So of money deposited in the bank by the agent of Charles River Bridge, in his capacity as such agent, under Stats. 1841, c. 88, and 1843, c. 30. *Aliter*, of money deposited in the bank by the warden of the State prison, in his capacity as warden. *Commonwealth* v. *Phœnix Bank*, 11 Met. 129.

13. An incorporated bank is not a person, within the meaning of the Act of Congress (Stat. 1797, c. 74, § 5) which requires priority of payment to be made to the United States, when any person indebted to them shall become insolvent, not having sufficient property to pay all his debts, or shall make a voluntary assignment of his property, or when his property shall be attached by process against an absconding, concealed, or absent debtor, or when a legal act of bankruptcy shall be committed by him. *Ibid.*

14. When the assets of a bank are put into the hands of receivers, pursuant to Stat. 1838, c. 14, to have its concerns adjusted according to the provisions of Rev. Stat. c. 44, the United States, if creditors of the bank, are not entitled to priority of payment, under the Act of Congress, 1797, c. 74, § 5; there not being, in that case, such an insolvency of their debtor as is contemplated by that act. *Ibid.*

15. Interest is recoverable on money wrongfully obtained, but is not necessarily recoverable on money obtained from a bank by an overdraft, because an overdraft is not necessarily wrongful. *Hubbard* v. *Charlestown Branch Railroad*, 11 Met. 124.

16. In a suit on a demand due from a bank, the plaintiff is entitled to recover interest thereon from the time of action brought, although the bank is afterwards restrained, by injunction, from proceeding in its business, and its property is put into the hands of receivers. *Watson* v. *Phœnix Bank*, 8 Met. 217.

17. Where different persons claim the dividends on bank stock, the ownership of which is in dispute, and the directors of the bank promise one of the persons to pay him interest on the dividends, upon their being left in the bank, and he afterwards brings an action against the bank for the dividends, and fails to recover them because the stock was proved to be the property of another person, he cannot recover the interest that was promised to him; such promise being without consideration. *Tobey* v. *Wareham Bank*, 13 Met. 440.

3. *Of Bank Bills.*

1. The receiver is not held to take the risk of the genuineness of bank bills; but if the bills paid are true and genuine, he does take the risk of the responsibility of the bank, unless (*semble*) the payer had reasonable cause to apprehend the failure of the bank, and concealed this knowledge. *Young* v. *Adams*, *in Error*, 6 Mass. 182.

2. He who receives a bill of a broken bank, not knowing it to be such, and on a representation made to him that it is worth its nominal amount, does not take it at his own risk. *Commonwealth* v. *Stone*, 4 Met. 43.

3. Where a banking company paid notes purporting to be the notes of the company, but on which the name of the president had been forged, and neglected, for fifteen days, to return them, it was *held*, that they had lost their remedy against the person from whom they had received the notes. *Gloucester Bank* v. *Salem Bank*, 17 Mass. 33.

4. If a creditor actually receives bank bills of his debtor, though he protests that he will not receive them unless the difference between their value and that of specie shall be allowed to him, and the debtor refuses to make, or to promise to make, such allowance, the creditor cannot maintain an action, to recover the amount of such difference. *Phillips, Judge*, v. *Blake, Admr.*, 1 Met. 156.

5. Where the maker of a promissory note sent bills of a certain bank to the payee, with instructions to the messenger to see that the amount was indorsed on the note, or to take a receipt, and the payee took the bills, and gave a receipt, by which he promised to indorse the amount or return the bills when called for, and the next day, and before the maker of the note had notice of this conditional receipt, the bank failed, it was *held*, that the taking of the bills was a payment *pro tanto*, the messenger being a special agent, and having exceeded his authority in taking the conditional receipt. *Snow* v. *Perry*, 9 Pick. 539.

6. Bank bills. Whether attachable, *quære*. *Knowlton* v. *Bartlett*, 1 Pick. 270.

7. A banking company incorporated by the same name with a former one, and having the same president and cashier, received and issued notes of the former corporation, and the officers of the new company declared that there was no difference between the notes of the old and new company; it was *held*, that no action could be maintained against the new company on the notes of the former one, without proof that the notes were issued by the new corporation as their own. *Quære*, whether even the proof of this would support the action. *Lyman* v. *Hallowell and Augusta Bank*, 14 Mass. 58.

8. Certain bank notes, made upon the peculiar paper of a banking company and filled up and signed by the cashier of the company, but not by the president, were stolen from the cashier's desk, and the president's signature forged. It was *held*, that the signature of the president was essential to their validity, and that it was incumbent on the holders of the bills to prove this signature. *Salem Bank* v. *Gloucester Bank*, 17 Mass. 1.

9. Upon presentation of the above notes, the officers of the banking company expressed an opinion that they were genuine, but declined redeeming them, and after five months gave notice to the holders that the notes were counterfeit, and it was *held*, that this did not amount to an adoption of the notes by the company. *Semble*, that an express promise by the cashier and directors to pay a note which proved to be forged, would not bind the company. *Ibid.*

10. Also *held*, that an action could not be maintained against the company for the negligence of its officers, in so keeping the incomplete notes that they were stolen, and the president's name subsequently forged. *Ibid.*

11. In an action upon a bank note issued by the defendants in the form

of a draft upon another bank, prior to the act of 1816, c. 91, it was *held*, that the subsequent enactment of that statute could not alter the legal effect of the contract, so as to dispense with the necessity of a demand on the drawee. *King* v. *Dedham Bank*, 15 Mass. 447.

12. A tender after action brought of the sum due on a bank note, with costs, and placing the money under the unconditional control of the creditor, though not a bar to the action, are sufficient to stop the running of interest at twenty-four per cent. per annum, the statute penalty for a refusal by a bank to redeem its notes upon presentment. *Suffolk Bank* v. *Worcester Bank*, 5 Pick. 105.

13. Debtors to a banking company cannot set off the bills of such company in an action by the company against them. *Hallowell and Augusta Bank* v. *Howard*, 13 Mass. 235.

14. *Quære*, whether, if the notes had come into the defendants' hands, *bonâ fide*, before the failure of the bank, they could have been set off. *Sargent* v. *Southgate*, 5 Pick. 320.

4. *Of Bank Checks.*

1. W., a purser in the navy on the Boston Station, deposited in the Phœnix Bank in Charlestown the funds furnished to him by the government, and which it was his duty to disburse according to law, and drew a check on that bank, on the 30th of September, 1842, in favor of T., a captain in the navy, payable to him, or order, for the amount of his pay for the month of September, which was payable on the 1st of October, and inclosed it in a letter directed to T., at Newport (R. I.), where T. resided, and where it arrived on the evening of Saturday, October 1st. He had previously sent to T. at Newport, in a letter, a blank receipt for his said pay, which T. had signed and returned to W., on the same 30th of September; and these transactions were according to a practice which the parties had adopted, every month, for more than a year next before, for the accommodation of T. On Monday, October 3d, the check was cashed for T., by a bank in Newport, and was given by said bank to its messenger on Tuesday, the next day, to be carried to a bank in Providence on Wednesday. According to the usual course of said bank in transmitting its funds and securities, the check was transmitted by the Providence bank on Thursday, October 6th, to a bank in Boston, and was on that day presented at the Phœnix Bank for payment, and payment thereof was refused; said bank having suspended payment, and being insolvent on the morning of October 3d. T. afterwards requested W. to give him back his receipt in exchange for the check, which W. declined to do, and forwarded T.'s receipt to the Treasury Department, with his, W.'s, account for the month of September, wherein he had credited himself with the payment to T. *Held*, that the check was not in itself payment, and was not made such by any laches of T., and that W. was personally liable to T. for the amount thereof. *Taylor* v. *Wilson*, 11 Met. 44.

2. Where a printed blank check upon the North Bank was altered by the substitution of the word "Market" for "North," and the insertion of the word "Memo.," and was then filled up in the usual form, it was

held, that it was a memorandum check, and that there was no necessity for presenting it at the Market Bank for payment, although it appeared that the drawer did business there, and that a common check for the same amount would have been paid if presented. *Franklin Bank* v. *Freeman*, 16 Pick. 535.

3. It is not necessary that a memorandum check should be presented for payment to the bank upon which it is drawn, nor that a demand of payment should be made of the drawer, before commencing an action against him. *Ibid.*

4. A promise by the drawer of a check to pay it, made after it had become due, and in ignorance of the fact that it had not been duly presented for payment at the bank, is not binding. *Ibid.*; *Garland* v. *Salem Bank*, 9 Mass. 408.

5. A *bonâ fide* holder, for a valuable consideration, of a check payable to bearer, but addressed to no particular bank or person, may recover in an action against the drawer for money had and received. *Ellis* v. *Wheeler*, 3 Pick. 18.

6. One possessed of an order for the payment of money to bearer, not purporting to be for value received, and addressed to no particular drawee, can maintain no action against the drawer without showing himself to be a *bonâ fide* holder for a valuable consideration. *Ball* v. *Allen*, 15 Mass. 433.

7. A check drawn in favor of one who had lent money to the drawer, on a bank where the drawer was known to have no funds, and which he did not intend should be presented to the bank, was held good evidence to support a count for money had and received. *Cushing* v. *Gore*, 15 Mass. 69.

5. *Of Bank Officers, their Duties and Liabilities.*

1. The board of directors of a bank is a body recognized by law, and to all purposes of dealing with others constitutes the corporation. *Burrill* v. *Nahant Bank*, 2 Met. 163.

2. A board of bank directors may delegate authority to a committee of its members to alienate or mortgage real estate; and such authority to convey real estate necessarily implies authority to execute proper instruments for that purpose, and to affix the corporate seal thereto. *Ibid.*

3. Where a board of bank directors authorized a committee of its members "to sell and transfer any estate owned by the bank," and the committee gave a mortgage of the real estate of the bank to a creditor who had recovered judgment against the bank on its bills, and took from him, at the same time, a bond conditioned that he would not put these bills in circulation; and the board of directors accepted said bond and acted on it, and the cashier paid the costs of the suit in which said judgment was recovered, according to the agreement made between said creditor and said committee; it was *held*, that, whether the committee had or had not authority to *mortgage* the estate, the mortgage had been ratified by the board of directors. *Ibid.*

4. The cashier of a bank may, *ex officio*, indorse a promissory note,

the property of the company, and authorize a demand on the maker, and notice to the indorser. *Hartford Bank* v. *Barry*, 17 Mass. 94.

5. The directors of an incorporated banking company have power to authorize the president, or any officer of the bank, to assign over the negotiable securities payable to the bank. *Northampton Bank* v. *Pepoon*, 11 Mass. 288.

6. A blank indorsement by such attorney is sufficient to transfer the property in the note. *Ibid.*

7. Where the directors of a banking company executed a letter of attorney, and some time afterwards, their term of office having expired, were reëlected, the execution of the power after their first term of office had expired was legal, even if the reëlection of the directors was void for irregularity. *Ibid.*

8. It seems that the mere declining of the president of a bank, which is one of the preferred creditors in an assignment, to execute the instrument, is not alone sufficient evidence of a refusal of the bank to accept the assignment. *New England Bank* v. *Lewis*, 8 Pick. 113.

9. The secretary of a banking company is not a certifying officer, and his copies must therefore be sworn to. *Hallowell and Augusta Bank* v. *Hamlin*, 14 Mass. 178.

10. Where one of the directors of a bank, who were authorized, when money was abundant, to solicit and procure notes for discount, obtained possession of a note under the pretence of getting it discounted for the maker, at a time when money was scarce, and pledged it to the bank for a loan made to himself, and the maker knew that such director was authorized by the bank to procure notes for discount only when money was abundant, it was *held*, that the director had exceeded his authority in such transaction, and the bank was not bound by his fraudulent conduct; and that, as he did not act in his capacity of director in procuring the discount, the bank was not affected by his knowledge of the circumstances under which he received the note, and might recover against the maker. *Washington Bank* v. *Lewis*, 22 Pick. 24.

11. It appearing that the note was pledged, not only as security for the money advanced, but also for a prior existing debt due from such director, and that the money was advanced, partly for the purpose of securing the prior debt, it was *held*, that the bank might recover of the maker the whole amount of the note, provided that it did not exceed the amount of the money advanced and the prior debt. *Ibid.*

12. A teller of a bank, as such, has no authority to certify that a check is "good," so as to bind the bank to pay the amount thereof to any person who may afterwards present it; and a usage for him so to certify a check, to enable the holder to use it at his pleasure, is bad. *Mussey* v. *Eagle Bank*, 9 Met. 306.

13. Evidence that the teller of a bank, during all the time of his holding office, whenever the convenience of the bank or of its customers required it, certified that checks were "good," which were drawn on the bank by its customers, when funds to the amount of such checks were to the credit of the drawers, and that his so doing was, in some instances, known to the bank, and was not forbidden, and that it was the usage of

the tellers of other banks to do the same thing, does not warrant a jury in inferring that the power of so doing was an original, inherent, implied power of the teller, as such. *Ibid.*

14. The usage of issuing certificates of deposits by a teller of the bank is not evidence to prove a usage of certifying checks. *Ibid.*

15. A stockholder in a bank cannot maintain an action against its directors for their negligence in so conducting its affairs that its whole capital is wasted and lost, and the shares therein rendered worthless; nor for the malfeasance of its directors in delegating the whole control of its affairs to the president and cashier, who waste and lose the whole capital. *Smith* v. *Hurd*, 12 Met. 371.

16. The provision in the Rev. Stat., c. 126, § 27, for the punishment of embezzlement committed by any cashier "or other officer" of a bank, includes embezzlement committed by the president and directors of a bank. *Commonwealth* v. *Wyman*, 8 Met. 247.

17. The officers of banks are not included in the Rev. Stat., c. 133, § 10, which provide that, in the prosecution of the offence of embezzling the money, &c. of any person, by his clerk, servant, or agent, it shall be sufficient to allege generally in the indictment, an embezzlement of money to a certain amount, and to give evidence, on the trial, of any such embezzlement, committed within six months next after the time stated in the indictment. *Ibid.*

18. An indictment against an officer of a bank, for embezzling property belonging to, or deposited in, the bank, must charge a specific act of fraud, and the defendant must be proved guilty of the specific offence charged; not more than one offence can be well alleged in one count of the indictment. *Ibid.*

19. In an action brought by the holder of the bills of a banking company, against the president and directors of the company, more than six years after the bank had become insolvent and broken up, seeking to charge the defendants by reason of their having exceeded their powers, the statute of limitations was held to apply, and bar the action. *Hinsdale* v. *Larned*, 16 Mass. 65.

20. The provision in the Rev. Stat., c. 36, § 30, that, "if any loss or deficiency of the capital stock of any bank shall arise from the official mismanagement of the directors, the stockholders at the time of such mismanagement shall, in their individual capacities, be liable to pay the same," does not enable the creditors of an insolvent bank to maintain a suit against the stockholders to recover payment of their demands against the bank; such suit would be barred by the statute of limitations in six years from the time of the loss or deficiency of the capital stock. *Baker* v. *Atlas Bank*, 9 Met. 182.

6. *Of the Officers' Bonds, and the Liabilities of Sureties therein.*

1. It is not necessary that there should be written evidence of the acceptance and approval of a cashier's bond, in order to render his sureties liable therein; and parol evidence is admissible, that his bond was laid before the board of directors, and that they expressed themselves satisfied with it. *Amherst Bank* v. *Root*, 2 Met. 522.

2. Where the charter of a bank required the cashier to give bond, with two sureties, to the satisfaction of the board of directors, for the faithful discharge of his duties, and the board by a vote approved of two persons as sureties in a bond to be given, and a bond was afterwards found in the possession of the president duly executed by the cashier and such securities, there was a sufficient acceptance of it by the corporation. *Dedham Bank* v. *Chickering*, 3 Pick. 335.

3. In 1831, while Stat. 1828, c. 96, was in force, — which provided that a cashier should retain his place until removed therefrom, or another should be appointed in his stead, — a cashier was appointed, and gave bond for the faithful discharge of the duties of his office. In 1832 he was reappointed, but gave no new bond. In 1836 and 1837 he was guilty of defaults, and his bond was afterwards put in suit. *Held*, that his sureties were liable on the bond, although it appeared from the records of the directors, that in 1831, and also in 1832, he was appointed "for the year ensuing," and that for several years previous to 1831 he had been annually chosen cashier. *Amherst Bank* v. *Root*, 2 Met. 522.

4. One became surety for the good conduct of the cashier of a banking company upon his reappointment to office. Before such reappointment he had defrauded the company; and afterwards, previous to an examination by the directors of the company into the state of their cash, he borrowed moneys (without any authority) as cashier, which he placed in the bank, and thus cancelled his defalcations. After the examination he took out said moneys, and repaid them to those of whom he had borrowed them. This last act was held to be a fraud within the condition of the bond. *Ingraham* v. *Maine Bank*, 13 Mass. 208.

5. A person was elected cashier of a bank in March, 1814, when it was first organized, and again in October, 1814, 1815, and 1817, by directors chosen annually, and he continued to act as cashier from his first election until 1823, when he committed a breach of duty. *Held*, that a bond executed by him, with two sureties, upon his first election, for the faithful performance of his duties "so long as he should continue in said office," extended to this breach of duty, it not appearing, either in the bond itself, or in the charter, records, or regulations of the bank, that the office of cashier was an annual office. *Dedham Bank* v. *Chickering*, 3 Pick. 335.

6. A clerk of a bank stole from the drawer of another clerk bills belonging to the bank, which he delivered over to the cashier, and which the cashier, in ignorance of their having been stolen, accepted in discharge of the balance due from the clerk to the bank. In an action against a surety on the clerk's bond, this was held to be no payment. *State Bank* v. *Welles*, 3 Pick. 394.

7. The surety in a cashier's bond is not responsible for money collected by the cashier as attorney at law for the bank, and not accounted for. *Dedham Bank* v. *Chickering*, 4 Pick. 314.

8. Where the cashier, having pledged his shares in the stock of a bank as security for his own note to the bank, afterwards, by means of blank certificates of shares signed by the president and deposited with the cashier, surreptitiously conveyed the shares to a third person, it was held that this was a mere personal fraud, not covered by the bond. *Ibid.*

9. But the bank had a right to apply towards the payment of such notes a balance standing on their books in favor of the cashier, instead of applying it in reduction of the damages for breach of the bond. *Ibid.*

10. Where, subsequent to the Stat. 1816, c. 91, new bills, of the description forbidden to be issued by that statute, were, by the consent of the directors of a bank, engraved and signed, but dated prior to the statute, which bills were not intended to make part of the ostensible funds of the bank, and were not entered on their books, and were never noticed in the semiannual returns to the Governor and Council, but were to be kept privately by the cashier, and issued surreptitiously, in direct violation of the statute, it was held, that the traffic in such bills was not within the duty of the cashier, and that his surety was not responsible for his embezzlement of such bills. *Ibid.*

11. Where the bills of a bank, made payable at a place in another State, had been paid at such place, and, subsequently to the Stat. 1816, c. 91, by which the issuing such bills was made unlawful, been transmitted to the cashier of the bank here, though the bills were not proved to have been issued after the statute, and the cashier put them again into circulation for his own use, it was *held* to be a breach of the bond given for the faithful performance of his duties, for which his surety was liable. And even if it had appeared that the bills were issued after the statute, as the bank was bound to redeem them, *it seems* that the surety would be liable. *Ibid.*

12. A cashier's bond is not void, as against the policy of the law, by reason of its being approved by a board of directors, some of whom had executed it as sureties. *Amherst Bank* v. *Root*, 2 Met. 522.

13. The sureties of a cashier are not exonerated from liability for his defaults, by reason of the neglect of the directors to examine, as required by the by-laws, into the state of the affairs of the bank. *Ibid.*

14. A bond faithfully to perform the duties of teller of a bank, binds the obligor to a responsibility for reasonable and competent skill, and due and ordinary diligence in the performance of his office, and an allegation, in an action upon such a bond, that the obligor has received moneys for which he has not accounted, is a sufficient assignment of a breach. *American Bank* v. *Adams*, 12 Pick. 303.

15. If, in an action upon a teller's bond, it is a sufficient answer to an allegation that he has received money for which he has not accounted, to say that he either lost the money by overpayments made by mistake at different times, or it was fraudulently stolen from him, without any fraud or want of fidelity on his part, such justification is not supported by evidence that the character of the teller was that of an honest, careful, and vigilant officer; that similar losses by tellers of banks, for which they cannot account, are frequent and almost inseparable from the nature of the office; that the president and directors of the bank in question had often expressed their conviction that the loss in question was occasioned by overpayments; and that after the loss they continued to employ the teller in offices of trust and confidence, and individually recommended him for such offices. *Ibid.*

16. If a subscribing witness to a cashier's bond be a stockholder in

the bank at the time of his attestation, and continue so until his death, evidence of his handwriting is not admissible to prove the execution of the bond. *Amherst Bank* v. *Root et al.*, 2 Met. 522.

17. In a joint action against a cashier and his sureties on his bond, the admissions and declarations of the cashier, as to his defaults, are evidence against the sureties. *Ibid.*

7. *Of the Liabilities of the Stockholders.*

1. The stockholders of a bank, after the expiration of their charter, made dividends of their capital stock amongst themselves, so that there were not corporate funds left sufficient to redeem their outstanding bills. It was held that a holder of these bills could not maintain an action as for a tort against a stockholder who had received his proportion of such dividends. *Vose* v. *Grant*, 15 Mass. 505.

2. Nor, upon the same state of facts, will the law imply a promise on the part of an individual stockholder, to pay the notes of the bank, so as to render him liable in an action on the case. *Spear* v. *Grant*, 16 Mass. 9.

3. By an act of New Hampshire, creating a banking company, it was provided, that, if the corporation should refuse to pay their bills on demand, the original stockholders, their successors, assigns, and the members of the said corporation in their private capacities, should be liable to the holder. It was *held*, that such only of the original stockholders, their successors, &c., as were members of the corporation at the time when payment was refused, were liable. *Bond* v. *Appleton*, 8 Mass. 472.

4. When the act incorporating a bank is repealed by the Legislature in pursuance of a power reserved, the charter has "expired" and is "dissolved" within the meaning of Rev. Stat., c. 36, § 31, so far as, from that time, to entitle the holders of bills then remaining unpaid to all the remedies provided by that chapter against the stockholders individually, notwithstanding the bank will have a qualified existence three years longer for the purpose of settling its concerns. *Crease* v. *Babcock*, 23 Pick. 334.

5. Under the Rev. Stat., c. 36, § 31, which provide that "the holders of stock in any bank, at the time when its charter shall expire, shall be liable, in their individual capacities, for the payment and redemption of all bills which may have been issued by said bank, and which shall remain unpaid, in proportion to the stock they may respectively hold at the dissolution of the charter," it was *held*, that the bill-holders cannot severally maintain a bill in equity against the stockholders, to compel payment and redemption of the unpaid bills held by them respectively, but that all of them must join in one bill, or one or more of them must file a bill for the benefit of all, against all the stockholders. *Crease* v. *Babcock*, 10 Met. 525; *Grew* v. *Breed*, 10 Met. 575.

6. *Held also*, that a holder of bank bills, purchased by him as trustee, is entitled to maintain a bill in equity in his own name, without joining the *cestui que trust*, against the stockholders, for himself, and for all other holders of unpaid bills. *Grew* v. *Breed*, 10 Met. 569.

7. An agreement by a bank, with a holder of its bills, to convey property to him in payment thereof, which agreement is not executed, by reason of an injunction on the bank and the placing of its assets in the hands of receivers, does not impair the holder's remedy against the stockholders. *Ibid.*

8. When part of the stock is owned by the bank itself, the individual stockholders are not, for that reason, liable to any further extent than they would have been if none of the stock had been so owned. *Crease* v. *Babcock*, 10 Met. 525.

9. Holders of stock are not jointly responsible for each other, but each is severally liable in such a sum, not exceeding the par value of his shares, as the amount of unpaid bills may require, and the liability of solvent holders cannot be extended by reason of the insolvency of other holders. *Ibid.*

10. Those who hold stock as collateral security, and those who hold it in trust, whether the trust does or does not appear on the books of the bank, are liable for the payment and redemption of unpaid bills; and administrators of deceased stockholders are so liable, in their representative capacity, as for other debts of their intestates. *Ibid.*; *Grew* v. *Breed*, 10 Met. 569.

11. The remedy against the individual stockholders is not confined to those who held the bills of the bank at the time when the charter expired, but extends to those who, after the charter expired, took the bills in the ordinary course of business, or otherwise acquired a good title to them. *Ibid.*

12. The terms, "bills which shall remain unpaid," in the Rev. Stat., c. 36, § 31, mean bills that shall be ultimately unpaid, after the application of the assets of the bank towards payment thereof, and the holders of unpaid bills are not entitled to a decree for payment, against the individual stockholders, until after the assets of the bank have been so applied. *Crease* v. *Babcock*, 10 Met. 525.

13. When the assets of the bank are placed in the hands of receivers, the holders of its bills, who do not present their claims to the receivers, cannot recover of the stockholders the full amount thereof, but only the balance which they would have been entitled to recover, if they had proved their claims before the receivers and obtained part payment. *Grew* v. *Breed*, 10 Met. 569.

14. Stockholders are not liable to pay post notes issued by the bank. *Crease* v. *Babcock*, 10 Met. 525.

15. Holders of stock are not liable to pay any interest on unpaid bank bills, either from the time when payment was demanded of the bank, or the time of filing a bill in equity to compel payment. *Ibid.*; *Grew* v. *Breed*, 10 Met. 569.

16. One who buys bank bills of a broker, at a discount, under an agreement to keep them from circulation for a certain time, is entitled to the statute remedy against the stockholders, for the full amount of the bills, unless he has notice, when he buys them, that they are improperly issued by the officers of the bank; but such a sale to him by a broker is not evidence of such notice. *Grew* v. *Breed*, 10 Met. 569.

17. An action at common law does not lie in favor of a creditor of a bank against a stockholder, to enforce the provision in Rev. Stat., c. 36, § 30, that, if any loss or deficiency of the capital stock in any bank shall arise from the official mismanagement of the directors, the stockholders shall, in their individual capacities, be liable to pay the same; but the remedy is by bill in equity. *Harris* v. *First Parish in Dorchester*, 23 Pick. 112.

18. The provision in the Rev. Stat., c. 36, § 30, that, "if any loss or deficiency of the capital stock in any bank shall arise from the official mismanagement of the directors, the stockholders at the time of such mismanagement shall, in their individual capacities, be liable to pay the same," does not enable the creditors of the bank to maintain a suit against the stockholders, to recover payment of their demands against the bank. *Baker* v. *Atlas Bank*, 9 Met. 182.

8. *Of the Duties of Banks as to Notes and Drafts left for Collection.*

1. As a general rule, if a bank receives a note for collection, it is bound to use reasonable skill and diligence in making the collection, — to make a reasonable demand on the maker, and in case of dishonor to give due notice to the indorser. *Fabens* v. *Mercantile Bank*, 23 Pick. 330.

2. A bank that receives from another bank, for collection, a note indorsed by the cashier of that bank, is bound to present the note to the maker for payment at maturity, and, if it is not paid, to give notice of non-payment to the bank from which the note was received; but it is not bound, unless by special agreement, to give such notice to other parties to the note. *Phipps* v. *Millbury Bank*, 8 Met. 79.

3. A bank, by which notes and bills, payable at a distant place, are received for collection, without specific instructions, is bound to transmit, or to cause the same to be transmitted, by suitable sub-agents, to some suitable bank, or other agent, at the place of payment, for that purpose; and where suitable sub-agents are thus employed, in good faith, the collecting bank is not liable for their neglect or default. *Dorchester and Milton Bank* v. *New England Bank*, 1 Cush. 177; *Fabens* v. *Mercantile Bank*, 23 Pick. 330.

4. The D. and M. Bank, at M., having discounted a number of drafts payable in W., transferred the same, by a general indorsement, and without any specific instructions, to the N. E. Bank, in Boston, their general agents, for collection; the latter, having no correspondent in W., transferred the drafts, by a like general indorsement, to the C. Bank in Boston, then and afterwards in good credit, for collection; the C. Bank transmitted the drafts to their correspondent, the Bank of the M., in W., for the same purpose; the C. Bank having subsequently failed, the N. E Bank demanded the drafts of the Bank of the M. before they became due; the latter refused to deliver the drafts, but collected them, and applied the proceeds to the payment of a balance due them from the C. Bank; whereupon the N. E. Bank commenced an action against the Bank of the M. to recover the amount; it was *held*, 1st. that the N. E.

Bank, having acted in good faith, and the C. Bank being a suitable agent, the N. E. Bank had authority to employ the latter to make the collection; 2d. that no proof of general usage was necessary to give the N. E. Bank such authority; and, 3d. that, as the drafts were transferred to the N. E. Bank by a general indorsement, that bank might transfer them in the same manner to the C. Bank, and were not bound to make a restricted indorsement. *Dorchester and Milton Bank* v. *New England Bank*, 1 Cush. 177.

5. Where the holder of a promissory note delivers it to a bank, with directions to appropriate the proceeds to a specific object, the bank may realize the proceeds, either by discounting it, or by collecting it of the maker at its maturity, if the holder does not make an election. *Drown* v. *Pawtucket Bank*, 15 Pick. 89.

6. On the day before the discount day of a bank, J. I., the holder of a promissory note for the sum of six hundred and twenty-five dollars, payable in about five months from that time, without interest, and indorsed in blank, brought it to the bank, and requested the cashier to take it and appropriate the sum of six hundred and twenty dollars eighty three cents towards the payment of certain notes held by the bank, some of which were already due, and the other would fall due in a few days. No express directions were given by J. I. as to the manner in which the proceeds should be realized. The bank, instead of discounting the note, collected it at its maturity. It was *held*, that this was not a violation of the trust upon which the note was delivered, and that J. I. was not entitled to reclaim the note, or its proceeds, from the bank. *Ibid.*

9. *Of a Bank's Lien on Notes, &c. deposited; and of its Lien on the Shares of Stockholders.*

1. The principle, that a bank has a general lien upon all notes, bills, and other securities deposited by a customer for the balance due on general account, does not apply to the case of a negotiable note indorsed to the bank by the payee, as collateral security for one only of several demands on which he is liable; and in a suit on such indorsed note by the bank against the maker, after the demand which it was pledged to secure has been paid, the maker, acting under the authority of the indorser, may successfully defend against the right of the bank to recover. *Neponset Bank* v. *Leland*, 5 Met. 259.

2. Whether a by-law of a bank, by which the stock of each member of the corporation is pledged for any money which he may at any time owe the bank, is valid as against other creditors of the stockholder, *quære*. *Plymouth Bank* v. *Bank of Norfolk*, 10 Pick. 454; *Nesmith* v. *Washington Bank*, 6 Pick. 324.

10. *Of the Transfer and Assignment of Shares.*

1. The charter of a bank provided that the capital stock should not be sold or transferred, but should be held by the original subscribers during one year from the date of the charter; and a by-law declared the stock

of each stockholder to be pledged for any sum which he should owe to the bank. Within the year a subscriber assigned his shares, and the assignee gave notice thereof to the bank, and paid the last instalment due on these shares. Afterwards, and within the year, the bank lent money to the subscriber. *Held*, that the assignment was valid in equity, and that, as the money was lent after notice of the assignment, the shares were not pledged for its repayment. *Nesmith* v. *Washington Bank*, 6 Pick. 324.

2. The plaintiffs, having gone with a sheriff to attach the shares of a stockholder in a bank, were informed by the cashier, that, by virtue of a by-law of the bank, the shares of the stockholder were pledged to the bank to their full value, as security for a loan made to the stockholder, and that this latter had already assigned the shares to another creditor, who had exhibited the certificate of stock, the assignment, and a power of attorney to transfer the same, and made a demand on the bank to have the shares transferred to him, which demand the bank had refused, claiming to hold the shares themselves: the plaintiffs nevertheless caused the shares to be attached and sold on execution against the stockholder, and bought the shares at the sale. In an action against the bank for refusing to make the transfer to the plaintiffs, it was *held*, that either the pledge to the bank or the assignment to the other creditor was valid, so that at the time of the attachment the stockholder had no interest in the shares, and the plaintiffs therefore had no cause of action against the bank. *Plymouth Bank* v. *Bank of Norfolk*, 10 Pick. 454.

3. A bank made a loan, and took a pledge of the borrower's shares in its stock, as collateral security, with a power of sale if payment should not be made according to the terms of the loan; after the borrower's decease, the bank sold the shares at auction, for non-payment, became the purchaser, gave credit for the amount of the sale, and claimed the balance of the borrower's administrator, who refused to sanction the proceeding. *Held*, that nothing passed to the bank by this form of sale, but that it still held the shares under its original title, as collateral security. *Middlesex Bank* v. *Minot*, *Admr.*, 4 Met. 325.

4. A stockholder in a bank transfers his shares to the corporation by a writing absolute in its form, and surrenders his certificate of stock; at the same time he leaves with the cashier an agreement, in which, after reciting that he had transferred the shares as collateral security for the payment of a certain note to the bank, he covenants that, if the note shall not be duly paid, the bank may sell the shares and apply the proceeds to the payment of the note and hold the surplus to his use; he pays interest from time to time upon the note after it has fallen due, and continues to receive the dividends upon the shares. *Held*, that he is still a member of the corporation, and that the transfer did not divest his interest in the shares. *Merchants' Bank* v. *Cook*, 4 Pick. 405.

5. A debtor to a banking company, besides a cash deposit retained by the bank, transferred to the cashier certain shares in the stock of the bank and of an insurance company without condition, but with an understanding between the debtor and the cashier that they should be held as collateral security for the debt, and the surplus be paid over to the debtor. *Held*, that the banking company must first apply the cash deposit,

and then resort to the stock pledged for the residue, and the cashier was holden as trustee of the debtor for the surplus. *N. E. Marine Ins. Co.* v. *Chandler*, 16 Mass. 275.

6. An original subscriber for ninety shares, of one hundred dollars each, in a bank, paid two thousand seven hundred and fifty dollars towards an instalment of eighty per cent., on the shares, with interest thereon, and drew a draft in favor of the bank for the balance, and transferred to the bank "all his right and title to and interest in ninety shares of the capital stock of said bank, excepting and reserving two thousand seven hundred and fifty dollars, in said stock, as collateral security for the payment of said draft." The drawer had no funds in the hands of the drawees, and the draft was never paid, and the bank never placed any stock to his credit, or gave him any certificate or scrip for shares, but transferred to his credit the two thousand seven hundred and fifty dollars as a part payment of money due the bank from him on other transactions. Thirty-four shares were sold on an execution against him, and the purchaser tendered a further instalment of twenty dollars per share, and demanded a certificate of ownership of the shares, which the bank refused, the original subscriber being then indebted to the bank in a greater amount than two thousand seven hundred and fifty dollars, independently of the amount due for the shares. *Held*, that the original subscriber was once the proprietor of ninety shares, and the effect of the reservation in his conveyance to the bank was, that an amount equal to thirty-four shares of the value of eighty dollars each remained his property, and was liable to attachment and sale on execution. *Hussey* v. *Manuf. and Mech. Bank*, 10 Pick. 415.

7. Where a subscriber to the stock of a bank paid a certain sum towards an instalment due on the shares, and gave a draft for the balance, which was never paid, and the bank never gave him any certificate or scrip for shares, but transferred the amount paid in by him to his credit, in part payment of a balance due from him to the bank on other transactions; it was *held*, that the subscriber, having appropriated the payment toward the instalment due on his shares, the appropriation of it by the bank to another debt was unauthorized, and did not affect his title to the shares. *Ibid.*

8. The fact that the instalments on the shares of a bank were not fully paid in, within the time limited in the act of incorporation, so that the government might have possibly enforced a forfeiture, does not affect the question of title to shares as between a subscriber to the stock and the bank. *Ibid.*

9. As it is a regulation common to all banks, or nearly all, to issue certificates of ownership of shares to stockholders, it will be presumed, where the contrary does not appear, that a person having a valid title to the shares has a good right to a certificate. *Ibid.*

10. A banking company incorporated with the privilege of creating stock not less than one sum, nor greater than another sum, commence business with the smaller capital, and afterwards vote to increase it to the larger. The holders of stock in the original capital have a right to subscribe for the new stock in proportion to their respective shares. If the

officers of the corporation refuse to allow a stockholder so to subscribe, he may have a special action on the case against the corporation, and the measure of damages will be the excess of the market value of the stock above its par value at the time of payment of the last instalment on the new stock, with interest on such excess. *Gray* v. *Portland Bank*, 3 Mass. 364.

11. Where bank shares are seized and sold by a collector of taxes, in the manner provided by the Act of 1846, c. 195, on a warrant from assessors having jurisdiction of the subject-matter, and *primâ facie* a lawful authority to issue such warrant, and there is nothing on the face of the proceedings to indicate any want of jurisdiction, or any error or defect therein; the cashier of the bank is authorized (if not required) to issue a new certificate of such shares to the purchaser, who will thereupon become entitled to accruing dividends, whether the tax for the payment of which the shares are sold be rightly assessed or not. *Smith* v. *Northampton Bank*, 4 Cush. 1.

12. Where one bequeathed to his wife the use of the residue of his estate during her life, which residue consisted of land, bank stocks, and promissory notes, it was *held*, that the executor of the wife was entitled to the rent of the land and the interest on the notes, up to the time of her decease, though payable subsequently, but to no part of a dividend declared, after her death, on the bank shares, inasmuch as it was incapable of being apportioned. *Foote* v. *Worthington*, 22 Pick. 299.

13. A testator owning stock in a bank, which by its charter was to expire in a few years, bequeathes the stock to his two daughters, and by a codicil to his will directs that it shall stand in the name of his executor until the expiration of the charter, the executor paying to the daughters the dividends on the stock. The charter was renewed. It was *held*, that, when the time arrived which had been fixed for the expiration of the original charter, the daughters were entitled to have the stock transferred to them. *Wright* v. *Barrett*, 13 Pick. 45.

14. A testator in New Hampshire, who owned shares in a Boston bank, bequeathed to his wife, whom he made executrix, "all the property, both real and personal, that I am possessed of, during her life, except my farm in W. No part of the bank stock is to be disposed of, unless her comfort should require it; but it is to be apportioned to my relations, according to her discretion, to be enjoyed by them after my decease." She caused the will to be proved in New Hampshire, and gave bond as executrix, but never caused the will to be allowed and recorded in this State, according to the provisions of Stat. 1785, c. 12, and Rev. Stat., c. 62. She also gave a power of attorney to a citizen of Boston, authorizing him to sell the shares in the bank there, which were accordingly sold by him, and a transfer thereof was made to the purchaser, in due form, on the books of the bank. After the death of the executrix, the will was duly allowed and recorded in this State, and administration with the will annexed was granted to H., who brought an action against the bank to recover the dividends on the shares from the time of said sale and transfer. *Held*, that the executrix, as such, had the legal power to convert the shares into money, without the aid of a probate court in this State, if she

could do it without legal process; that the bank was not bound to see to the application of the proceeds, nor to decide whether her comfort required the sale; that if she had no authority to appropriate the proceeds to her own use, or if she sold the shares when she ought to have retained them, she was guilty of a violation of official duty, for which her sureties were responsible upon the probate bond; and that the action could not be maintained. *Hutchins* v. *State Bank*, 12 Met. 421.

15. Where one sells bank shares with the accruing dividends, and gives the purchaser a year to transfer them, he is, until a transfer of the shares on the books of the bank, the agent in equity of the purchaser to receive the dividends for his use, and *semble* that an action would lie against the seller, in case of his refusal or neglect to receive them. *Cropper* v. *Adams*, 8 Pick. 40.

16. A. remitted to W., his agent in London, certificates of shares in the United States Bank, which stood in his name, and the usual blank powers of attorney to transfer them. W. sold the stock to C., in April, 1825, and at the bottom of the bill of parcels delivered C. signed an agreement, by which he acknowledged receipt of the purchase-money, guaranteed the regularity of the documents, and promised "to be accountable for such dividends as may become due and be received by me or my agent, from the first day of January, 1825, until transfer, provided such transfer be made within twelve months from this date." After this sale, W. wrote to A. in May, requesting him, if the stock was not transferred by July 1st, to receive the July dividend, adding, "which I must pay the purchaser." A. accordingly received the July dividend, and by the next packet remitted to W. a much larger amount than the dividend, for the payment of the dividend and other purposes, though without any specific appropriation of the funds. This remittance made W. indebted to A., and he continued to be so until he became bankrupt, in October, 1825, never having paid the dividend to C. In May, 1826, C. demanded the dividend of A., who had never before known who was the purchaser of the shares. In an action by C. against A. for the amount of the dividend, it was *held*, that A. was originally accountable to C. for the dividend; but that by the agreement W. became the agent of C. to receive the dividend, and consequently the remittance of A. to W. exonerated A. from any claim by C., and that it was not necessary for A. to specify the object of the remittance, as it brought W. into A.'s debt. *Ibid.*

17. Where the owner of stock in a bank assigns the same to two persons, and executes on the certificate a power of attorney to one of them only to make the transfer on the books of the bank, such power is sufficient; and it is immaterial whether the transfer thereby authorized is to be to the attorney alone, or to both of the assignees. *Plymouth Bank* v. *Bank of Norfolk*, 10 Pick. 454.

18. A woman, previous to her marriage, held certain shares in an incorporated banking company, the profits of which, subsequent to her marriage, her husband received, until the charter of the company expired; at this time the stockholders were entitled to subscribe a proportion of the amount of their shares to the stock of a new bank. The

husband subscribed the authorized amount in the name of his wife, and refused to receive the balance, saying it was not his, but his wife's. After his decease his executors received the said balance, and the dividends on the shares; also a sum payable on account of the reduction of the stock of the company. *Held*, that the widow was entitled to the shares, and all the sums so received by the executors, with interest. *Stanwood* v. *Stanwood*, 17 Mass. 57.

19. A husband subscribed for shares in the stock of a bank, and on paying the instalments he stated that the shares were his wife's, and that she would have something to live on, if he should spend all his property. He took receipts as for payments made by her, which payments were entered in the book of the bank, as made by the wife, and a certificate was issued to her as owner of the shares. The husband afterwards purchased shares in the same bank in his own name, and sometimes pledged the same to the bank as security for loans made to him, but never so pledged, nor proposed to pledge, the shares that stood in the name of his wife. He received dividends as long as he lived, and always requested the cashier to give him the money for the dividends on his own shares and those of his wife in two distinct and separate sums; and he sometimes asked for particular kinds of money for his wife, in payment of the dividends on the shares that stood in her name. *Held*, on the husband's death, that the wife was entitled, as against his heirs at law, to hold the shares that stood in her own name as her own property, there having been a gift thereof to her by her husband, valid as against all persons except his creditors, who might resort to the shares for payment of their debts, if he did not leave other property sufficient to pay them. *Adams* v. *Brackett*, 5 Met. 280; *Ames* v. *Chew*, 5 Met. 320.

11. *Of the Attachment and Sale on Execution of Shares.*

1. The Stat. 1804, c. 83, prescribing the mode of attaching on mesne process and selling on execution shares in incorporated companies, applies to shares in a bank, where no particular mode is prescribed by the act incorporating the bank. *Hussey* v. *Manufacturers and Mechanics' Bank*, 10 Pick. 415.

2. An officer, having an execution against a parish, levied it on bank shares belonging to an individual member of the parish, but omitted in his return to state that he left a copy of the execution and return with the cashier of the bank. An action having been brought by such individual against the bank, to recover a dividend on the shares taken in execution, the officer, upon producing satisfactory proof that he had in fact left such copy, was allowed to amend his return accordingly. *Chase* v. *Merrimack Bank*, 19 Pick. 564.

3. Where an officer who had levied an execution on bank shares, returned that he advertised the time and place of sale three weeks successively before the *time* (instead of the *day*) of sale, it was *held*, that the return showed a sufficient notice, under Stat. 1804, c. 83. *Ibid.*

12. *Of Actions against Banks, and the Pleadings therein.*

1. When a bank suspends payment and closes its doors against its creditors, a party who has deposited money therein may maintain an action to recover the amount of his deposit, without first making a demand of payment. *Watson* v. *Phœnix Bank*, 8 Met. 217.

2. And where one who had deposited money in a bank went to the bank to obtain possession of the money, but was excluded, by a person stationed by the president of the bank, in consequence of its having suspended payment, to prevent persons from entering, this was held to be a sufficient demand. *Ibid.*

3. Where a bank refuses to recognize a person as the owner of shares, and denies his title to them, an action on the case for damages is the legal and appropriate remedy; but it is otherwise where the complaint is that the bank refuses to deliver to the plaintiff certificates of shares acknowledged to be his property. *Hussey* v. *Manufacturers and Mechanics' Bank*, 10 Pick. 415; *Gray* v. *Portland Bank*, 3 Mass. 364.

4. In an action on the case against a bank for refusing to deliver a certificate of ownership to a purchaser of shares in the bank, the measure of damages is the value of the shares at the time of the refusal, with interest to the time of the judgment. *Hussey* v. *Manufacturers and Mechanics' Bank*, 10 Pick. 415.

5. Where, upon a deposit of money in a bank, the depositor received a book containing the cashier's certificate thereof, in which it was stated, that the money was to remain in deposit for a certain time, it was *held*, that such agreement was illegal and void, under Rev. Stat., c. 36, § 57, as being *a contract by the bank for the payment of money at a future day certain;* and that no action could be maintained by the depositor against the bank upon such express contract; but that he might recover back the money in an action commenced before the expiration of the time for which it was to remain in deposit, the parties not being *in pari delicto*, and the action being in disaffirmance of the illegal contract; and that such action might be maintained without a previous demand. *White* v. *Franklin Bank*, 22 Pick. 181.

6. A bill in equity was brought, pursuant to Rev. Stat., c. 44, by a creditor, against a bank which was insolvent and whose charter had expired, praying for an injunction to restrain the bank, its officers and agents, from interfering with the affairs of the bank, and for the appointment of receivers. Between the issuing of the injunction and the appointment of receivers, other creditors attached property, real and personal, of the bank, in suits at law. The receivers thereupon presented a petition, praying that the attachments might be dissolved, and that the respondents and all other creditors might be restrained from making further attachments. *Held*, that this petition, which was a distinct proceeding, unconnected with the original suit against the bank, was irregular and must be dismissed; but that the receivers were entitled to proceed in this summary mode, by a petition filed in the original suit, to obtain a decision upon the rights of the attaching creditors without a supplemental bill. *Held also*, that the attaching creditors did not acquire valid liens,

which they could set up to prevent the receivers from selling the property attached, and appropriating the proceeds, according to the statute, for the benefit of all the creditors. *Atlas Bank* v. *Nahant Bank*, 23 Pick. 480.

7. The sequestration intended to be made by force of the Rev. Stat., c. 44, § 7, for the benefit of all the creditors of the bank, takes effect, not merely from the appointment of the receivers, but from the filing of the bill, or at least from the issuing of the injunction. *Ibid.*

8. Whether it would defeat an attachment made before the filing of the bill, *quære*. *Ibid.*

9. The powers of the receivers, under this statute, extend to all the property of the bank, real as well as personal. *Ibid.*

10. A bill in equity, under this statute, against such a bank, brought by one creditor, is substantially a proceeding in behalf of all the creditors, and the suit being once instituted as a statute remedy for all, the plaintiff has no power to discontinue it. *Ibid.*

11. A party who brings an action against a bank that is afterwards restrained, by injunction, from further proceeding in its business, and whose property or effects are put into the hands of receivers, does not, by proving his claim before the receivers, but without receiving a certificate thereof, or taking a dividend, bar his right to proceed in the action. *Watson* v. *Phœnix Bank*, 8 Met. 217.

12. It is not necessary, in order to maintain an action by an incorporated bank, that such bank should show a regular organization, according to the directions of the Rev. Stat., c. 44. It is, in general, sufficient to give in evidence the act of incorporation, and the actual use of the powers and privileges thereby conferred. *Farmers and Mechanics' Bank* v. *Jenks*, 7 Met. 592.

13. In assumpsit on a bank bill, the declaration alleged, that the bank, by their note of hand, commonly called a bank bill, (not saying that it was signed by the president and cashier, as required by the statute,) for value received, promise to pay M. M., or bearer, on demand, one hundred dollars, and that on, &c., the plaintiff was the true and lawful bearer, and justly entitled to demand and receive payment of the bill, (but not alleging any liability to him as holder, and a promise to him in consideration thereof,) and that on, &c., he caused the bill to be presented at the usual place of business of said banking corporation, and within the usual hours of their doing business, and payment of said bill to be of them requested, (not saying that payment was demanded of any officer of the bank,) which payment the said president, directors, and company of the bank then and there refused to make, by means of all which, and of the statute, &c., the defendants became liable, and promised to pay the plaintiff the said sum and interest therefor, at the rate of two dollars for each hundred dollars, and for each month from the time of the refusal to pay (not saying for each calendar month, and the words of the statute being, "at the rate of twenty-four per cent. a year"). *Held*, that the declaration was sufficient. *Churchill* v. *Merchants' Bank*, 19 Pick. 532.

14. Where a bank has issued its notes by a wrong corporate name, and is sued on the notes by such name, the Court of Common Pleas

ought to allow the plaintiff to amend after demurrer without costs, and if they refuse it, the Supreme Court will grant the amendment on the appeal. *Bullard* v. *Nantucket Bank*, 5 Mass. 99.

15. An attachment of the property of a bank, made on a bill in equity (inserted in a writ) by the holders of unpaid bills against the individual stockholders, is wholly unavailing. *Crease* v. *Babcock*, 10 Met. 525.

16. An attachment of the property of a bank, made before the Bank Commissioners applied for an injunction, under Stat. 1838, c. 14, § 5, to restrain the bank from further proceeding with its business, was not dissolved by the subsequent appointment of receivers, pursuant to the provisions of that statute, to take possession of the property and effects of the bank. *Hubbard* v. *Hamilton Bank*, 17 Mass. 340.

17. In an action brought by a bank, the writ was served by a deputy sheriff, who was a member of the corporation. *Held*, that he was not a party to the writ within the meaning of Stat. 1783, c. 43, and so the service was valid. *Merchants' Bank* v. *Cook*, 4 Pick. 405.

13. *Of the Evidence in Actions against Banks.*

1. In an action by a bank against a depositor for having overdrawn, the books of the bank are evidence to show receipts and payments of money. *Union Bank* v. *Knapp*, 3 Pick. 96.

2. If the clerk who made the entries is dead or insane, the book is admissible upon proof of his handwriting. *Ibid.*

3. In a suit against a bank, to recover the amount of money deposited therein, the allowance of the plaintiff's claim by the receivers of the bank, appointed after the suit was commenced, furnishes sufficient proof of the plaintiff's demand. *It seems* that the leger of the bank, produced in court, at the plaintiff's request, by the president of the bank, and offered by the plaintiff, is admissible evidence of his claim, without producing the clerk who made the entries. *Watson* v. *Phœnix Bank*, 8 Met. 217.

4. In an action by a bank against a depositor who was supposed to have overdrawn in consequence of a mistake in the leger, the clerk who made the mistake said he did not know whether he was accountable or not, and that, if the money should be lost, he should remunerate the bank, if required. *Held*, that he was not liable to the bank, or at most only on a contingency, and that he was a competent witness on the part of the bank. *Union Bank* v. *Knapp*, 3 Pick. 96.

5. Where a loan was made by the cashier of a bank, and memorandum checks received as security, it was held, that the cashier was a competent witness for the bank in an action by it against the drawer of such checks, although the transaction was alleged to have been not conformable to banking principles, and the cashier might be liable to a suit upon his bond for misconduct in the transaction. *Franklin Bank* v. *Freeman*, 16 Pick. 535.

6. In a suit to recover back money obtained from a bank by an overdraft, without any agreement to pay interest thereon, if the plaintiff claim interest, the defendant may give evidence of facts tending to show that

he did not procure the money wrongfully, nor detain it unjustifiably. *Hubbard* v. *Charlestown Branch Railroad*, 11 Met. 124.

14. *Of Bank Taxes.*

1. The Stat. 1828, c. 96, § 21, and the Rev. Stat., c. 9, § 1, provide that every bank shall, within ten days after the first Mondays of April and October, in each year, pay a certain tax on the amount of its capital stock actually paid in, and that if any part of the capital stock shall have been paid in within six months previous to said days, the tax thereon shall be paid in proportion to the time that shall have elapsed after such payment. It was *held*, that the right to the tax accrues to the Commonwealth on the Monday specified, so as to constitute a debt from that time, and not ten days afterwards. *Commonwealth* v. *Commonwealth Bank*, 22 Pick. 176.

2. Where an act was passed on the first Monday of April, 1838, and took effect *from and after its passage*, repealing the charter of a bank, but providing that nothing therein contained should be so construed as to release the corporation from any liability created by its charter, it did not prevent the liability of the bank to the tax which accrued on that day from attaching. *Ibid.*

3. An action of debt may be brought under Rev. Stat., c. 9, § 3, to recover the tax on the capital stock of a bank created by Stat. 1828, c. 96, § 21, and Rev. Stat., c. 9, § 1, immediately after the expiration of the ten days after the first Monday of April or October on which the tax accrued, although the Stat. 1830, c. 58, renewing the charter of such bank, made it subject to Stat. 1828, c. 96, which provided, that, if any bank tax remained unpaid *for thirty days*, the Treasurer of the Commonwealth should issue his warrant of distress therefor; and that such action should be brought against the corporation, and not against the directors as being trustees for the parties in interest after the repeal of the charter. *Ibid.*

4. A judgment was recovered by the Commonwealth against a bank, for the semiannual tax payable in April, 1838; but before the execution issued thereon was levied, a resolve was passed by the Legislature, providing that the tax on such bank, "due to the Commonwealth from the 29th day of January, 1838, be remitted," upon the payment by the bank of the costs incurred for the recovery thereof. It was *held*, that the whole of such semiannual tax was not released by the resolve, but only such a part thereof as bore the same proportion to the whole, which the time between the 29th of January and the day when the tax was due bore to the period of six months. *Kilby Bank, Petitioners, &c.*, 23 Pick. 93.

5. The Stat. of 1812, c. 32, levying a tax upon the capital stock of a bank whose charter existed prior to that act, is within the constitutional authority of the Legislature to impose reasonable *duties* and *excises* upon any *commodities* being within the Commonwealth. *Portland Bank* v. *Apthorp*, 12 Mass. 252.

6. A bank cannot be legally taxed for railroad stock pledged to it as collateral security for a debt. *Waltham Bank* v. *Waltham*, 10 Met. 335.

7. The real estate of a bank, including its banking-house, is liable to taxation in the town where such estate lies. *Tremont Bank* v. *Boston*, 1 Cush. 142.

15. *Of Usury by Banks.*

1. An incorporated banking company lent a sum of money at a discount of six per cent., with an agreement, on the part of the borrower, to redeem with specie the bills of the bank received by him on the loan, if they should be returned to the bank during the continuance of the loan; the borrower further agreed to receive, from time to time, from the bank, a certain amount of other bank notes at par, which were at a discount in the market, when exchanged for specie, but were received generally at par for purchases. This was held a lawful agreement, and the note given for the loan not to be usurious. *Northampton Bank* v. *Allen*, 10 Mass. 284.

2. It is not usurious in a banking company to take promissory notes payable in Boston money, and on their renewal to take a premium equal to the difference between that and other money. *Portland Bank* v. *Storer*, 7 Mass. 433.

3. When the bills of the bank are sold by its officers, on a usurious contract, a subsequent *bonâ fide* purchaser of them is entitled to recover of the stockholders the full nominal value thereof, without any deduction on account of the usury in the sale by the officers of the bank. *Grew* v. *Breed*, 10 Met. 569.

II. Bills of Exchange and Promissory Notes.

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21. Miscellaneous.

1. *Nature, General Requisites, and Construction.*

1. A note in this form, viz.: "$ 300. For value received, I promise to pay F. & W. three hundred," — is a good note for three hundred dollars. *Sweetser* v. *French*, 13 Met. 262.

2. A promissory note in form, "I promise to pay," &c., and subscribed by two persons, is a joint and several note. *Hemmenway* v. *Stone*, 7 Mass. 58.

3. A promissory note payable to bearer is payable to, and may be sued by, any person having the legal interest under a delivery from the payee, and the production of the note is *primâ facie* evidence of ownership. *Sherwood* v. *Roys*, 14 Pick. 172.

4. A contract made and to be executed in a foreign state, and valid there, may be enforced in this State though not valid by our laws, unless the State or its citizens may be injured, or an immoral example exhibited by giving it effect. *Greenwood* v. *Curtis*, 6 Mass. 358.

5. A writing in these words: "Good for —— dollars on demand. A. and B.," — was *held*, in an action thereon, to import no promise to the holder, without evidence to show that it was actually given to him, or some subsisting connection shown from which that fact might be fairly inferred. *Brown* v. *Gilman*, 13 Mass. 158.

6. A promissory note, for the payment, "ten years after date, of seven hundred and fifty dollars, with interest semiannually, fifty dollars of the principal to be paid annually until the whole is paid," is a contract that the interest shall be paid semiannually, that fifty dollars of the principal shall be paid annually, and that the whole amount of the note, principal and interest, shall be paid in ten years after date. *Ewer* v. *Myrick*, 1 Cush. 16.

7. A promise by the defendant, for value received, to pay the plaintiff a sum of money, if and when the defendant shall collect his demands against a third person, implies that the defendant will use due diligence to collect such demands, and negligence in collecting them shows a breach of the contract. *White* v. *Snell*, 9 Pick. 16.

8. In such a promise, if the defendant has no demands against a third person, the promise becomes absolute. *Ibid.*

9. A promise was to pay money, provided a certain seaman did not render himself on board a privateer, proceed to sea, and perform his duty as a seaman on board: the seaman rendered himself on board and pro-

ceeded to sea, but left the vessel in a foreign port. *Held*, that the money was due. *Bagley* v. *Frances*, 14 Mass. 453.

10. A promise was to pay a certain sum on condition that the promise should be void if a certain quantity of oil should arrive at certain ports within two fixed days, both inclusive; in an action upon this promise, it was *held*, that the burden of proof was on the defendants to prove the arrival of the oil; and that, to constitute an arrival, the vessel must be moored within the time stipulated. *Gray* v. *Gardner*, 17 Mass. 188.

11. L. made a note for three thousand dollars, dated February 6th, 1839, payable to B. on the 1st of April following; and B. signed the following writing at the bottom of the note: "In the event that L. does not get the appointment of postmaster at A., I agree to submit to such deduction from this note as C. and D. shall say." L. was not appointed postmaster at A. until the 25th of May, 1841, and was afterwards sued by B. on the note. *Held*, that the contingency on which B. was to submit to such deduction as D. and C. should say, occurred on the 1st of April, when the note was due, and that L. was entitled to such deduction, though he afterwards was appointed postmaster. 12 Met. 475.

12. In the absence of evidence to the contrary, it is reasonable to conclude that all words or memoranda on the face of the note are the words of the promisor, written before it was delivered to the promisee; and it is immaterial whether they were part of the original contract or an explanatory memorandum subsequently added, the promisee having taken the note with the words on it. *Jones* v. *Fales*, 4 Mass. 245.

13. After a promissory note, discounted at a bank, had become due, the bank, upon the application of the promisor for a renewal, indorsed on the wrapper of the note the words, "Renewed for three months," and the promisor paid the interest for that period in advance, but the note was retained and no new note given. *Held*, that this indorsement did not become a part of the note; and that the bank was not thereby disabled from commencing an action upon the note before the expiration of the three months. *Central Bank* v. *Willard*, 17 Pick. 150; *Dow* v. *Tuttle*, 4 Mass. 414; *Oxford Bank* v. *Lewis*, 8 Pick. 458.

14. At the bottom of a promissory note on demand, was written a memorandum, "One half payable in twelve months, the balance in twenty-four months." *Held*, that this was similar to a promise to pay on demand after a certain time, and that there was not a fatal repugnance between the body of the note and the memorandum. *Heywood* v. *Perrin*, 10 Pick. 228.

15. A delivered to B two hundred dollars, and took B's promissory note, promising to pay yearly, to A or order, the lawful interest on two hundred dollars, with a proviso that B might, at any time, pay the two hundred dollars, with the interest accrued and unpaid; at the foot of the note was a memorandum, that the note was secured by a mortgage, held by C in trust for the benefit of the holder of said note, of all B's interest in a certain building. *Held*, that the memorandum was a part of the contract between the parties, and was a condition or stipulation that the note was secured by the mortgage mentioned; and that A, on discovering that the note was not thus secured, might recover back the two hun-

dred dollars, in an action for money had and received, without demanding payment, or returning the note, before commencing the action. *Shaw* v. *Methodist Episcopal Society*, 8 Met. 223.

16. R. delivered to B., master of a whaling vessel, a quantity of slops, for sale to the crew on joint account of R. and B., the profits to be divided between them. B. sold the slops to the crew, and charged to each the amount that each purchased, and rendered to the owners of the vessel, at the end of the voyage, an account of the slop bills against the crew, amounting to six hundred and fifty-three dollars and ten cents, which sum was credited to him, in an account of the voyage, settled between him and the owners, on which settlement there was found due to B., after deducting what he owed them, the sum of eight hundred and sixty-four dollars and sixty-two cents. Before this account was settled, B. drew an order on the owners as follows: "Pay to M. the whole sum due me for balance of my voyage." R. gave notice to the owners, that he claimed one half of the money in their hands, derived from the sale of the slops, and requested them not to pay it to any other person. M. afterwards sued the owners, in the name of B., for the balance due B. on his voyage; and on giving them an indemnity against R.'s claims, they paid to M. said sum of eight hundred and sixty-four dollars and sixty-two cents. R. then brought an action against the owners to recover one half of said sum of six hundred and fifty-three dollars and ten cents. *Held*, that B.'s order assigned to M. only B.'s separate and private balance due from the owners to him, and not R.'s interest in the lays of the crew, for the slops furnished to them. *Held also*, that the owners, by their proceedings, had assented to a severance of the interest of R. and B. in the proceeds of the slops, and were liable therefor to R. in an action brought by him alone. *Richmond* v. *Parker*, 12 Met. 48.

17. The owner of certain property, real and personal, being insolvent, assigned the same to four individuals, who, in consideration thereof, gave him their joint negotiable notes for a large amount, but less than the value of the property as estimated in a list exhibited at the time. The notes contained a proviso, that, if it should thereafter appear that any encumbrance was then existing upon any portion of the property assigned, the amount of the encumbrance should be indorsed on the notes. *Held*, that this proviso was intended to apply to encumbrances not openly appearing, and which might reasonably be understood to be not then known, recollected, and taken into consideration; notwithstanding that by some legal principle the assignees might be deemed to have had constructive notice. That, in computing the amount of an encumbrance arising from an attachment, the assignees had a right to include interest and costs accruing upon the debt. That a failure of the assignor's title to any part of the property was to be deemed an encumbrance, and that the amount of such encumbrance was to be computed according to the amount at which the parcel was valued in the list of property exhibited at the time of the assignment. That, a part of the consideration for the assignee's notes being the assignor's own note with a mortgage, as collateral security therefor, of his interest in a manufactory, consisting of real and personal estate, and it afterwards appearing that he had joined with the other proprietors

of the manufactory in conveying it to trustees to sell it, and out of the proceeds to pay the debts of the company and account for the surplus, if any, and that there was no surplus, there was an entire failure of the assignor's title, and the assignees had a right to have the whole amount of the assignor's note deducted from, and indorsed on, their notes; but if there had been no such previous conveyance of the legal estate, it seems they would not have been entitled to any deduction on account of the manufactory's proving to be of no value by reason of the company's debts. That the liability of the assignees on their notes was not limited to their receipts from the sales of the property assigned, but that they were bound to pay the full amount of their notes, making the stipulated deductions for encumbrances. *Bryant* v. *Russell*, 23 Pick. 508.

18. The plaintiff gave a bond to convey to the defendant a parcel of land which the defendant had agreed to purchase, and the defendant gave a promissory note, on demand, not negotiable, for the amount of the agreed consideration, but taking from the plaintiff a receipt, stating, that, if the bargain should be rescinded, the note should be given up, upon the defendant's giving up the bond. The bond, note, and receipt bore the same date. *Held*, that these papers constituted one contract; and that an action would not lie on the note, without a previous tender of a deed of the land. *Hunt* v. *Livermore*, 5 Pick. 395.

19. A gave B a negotiable note for two hundred dollars, payable on demand, and B at the same time gave A the following instrument: "This may certify, that I have this day sold a horse and carriage to A, and it is understood that I am under obligation to depend on him for horse and carriage, &c., whenever I can be accommodated as well as I can elsewhere, on reasonable terms; and he is under obligations to accommodate me at the price he makes for his best customers, and I am not to call on him for the note, so long as he keeps the horse and carriage in good order for my accommodation." *Held*, that the note and other instrument were distinct and independent contracts, and that B might declare on the note, as an unconditional promise of A, or might give it in evidence on the money counts. *Pitkin* v. *Frink*, 8 Met. 12.

20. A bill of exchange drawn by a person residing in one of the United States, upon a person residing in another, is a foreign bill. *Phœnix Bank* v. *Hussey*, 12 Pick. 483.

21. An English merchant, living in Manchester, drew his bill, payable to his own order in London, upon an American house having their domicile in Boston. One of the house being in Manchester, accepted the bill there. *Held*, that this was a foreign bill. *Grimshaw* v. *Bender*, 6 Mass. 157.

22. A contract for the sale of promissory notes is within the statute of frauds (Rev. Stat., c. 74, § 4), and must be proved by some memorandum or note in writing, unless the purchaser has done one of the other acts required by the statute. *Baldwin* v. *Williams*, 3 Met. 365.

(*Continued in April No., p.* 769.)

THE SILVER COINAGE.

The House of Representatives, on Tuesday, February 15th, passed the bill which passed the Senate at the last session, amendatory of the existing laws regulating the coinage of the half dollar, quarter dollar, dime, and half dime, and providing for the coinage of three-dollar gold pieces. The bill received no amendment in the House. As the subject possesses general interest, we insert the provisions of the bill at length, as follows:

SEC. 1. That from and after the first day of June, eighteen hundred and fifty-three, the weight of the half dollar or piece of fifty cents, shall be one hundred and ninety-two grains; and the quarter dollar, dime, and half dime shall be respectively, one half, one fifth, and one tenth of the weight of said half dollar.

SEC. 2. That the silver coins issued in conformity with the above section shall be legal tenders in payment of debts for all sums not exceeding five dollars.

SEC. 3. That, in order to procure bullion for the requisite coinage of the subdivisions of the dollar authorized by this act, the Treasurer of the Mint shall, with the approval of the director, purchase such bullion with the bullion fund of the mint. He shall charge himself with the gain arising from the coinage of such bullion into coins of a nominal value exceeding the intrinsic value thereof, and shall be credited with the difference between such intrinsic value and the price paid for said bullion, and with the expense of distributing said coins as hereinafter provided. The balances to his credit, or the profit of said coinage, shall be, from time to time, on a warrant of the Director of the Mint, transferred to the account of the Treasury of the United States.

SEC. 4. That such coins shall be paid out at the mint, in exchange for gold coins at par, in sums not less than one hundred dollars; and it shall be lawful, also, to transmit parcels of the same 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: *Provided, however*, That the amount coined into quarter dollars, dimes and half dimes, shall be regulated by the Secretary of the Treasury.

SEC. 5. That no deposits for coinage into the half dollar, quarter dollar, dime, and half dime, shall hereafter be received, other than those made by the Treasurer of the Mint, as herein authorized, and upon account of the United States.

SEC. 6. That, at the option of the depositor, gold or silver may be cast into bars or ingots of either pure metal or of standard fineness, as the owner may prefer, with a stamp upon the same designating its weight and fineness; but no piece, of either gold or silver, shall be cast into bars or ingots of a less weight than ten ounces, except pieces of one ounce, of two ounces, of three ounces, and of five ounces; all of which pieces of less weight than ten ounces shall be of the standard fineness, with their weight and fineness stamped upon them; but in cases when the gold and silver deposited be coined, or cast into bars or ingots, there shall be a charge to the depositor, in addition to the charge now made for refining or parting the metals, of one half of one per cent. The money arising from this charge of one half per cent. shall be charged to the Treasurer of the Mint, and from time to time, on a warrant of the Director of the Mint, shall be transferred into the Treasury of the United States: *Provided, however*, That nothing contained in this section shall be considered as applying to the half dollar, the quarter dollar, the dime, and half dime.

SEC. 7. That from time to time there shall be struck and coined at the Mint of the United States, and the branches thereof, conformably in all respects to law, and conformably in all respects to the standard of gold coins now established by law, a coin of gold of the value of three dollars, or units, and all the provisions of an act entitled "An act to authorize the coinage of gold dollars and double eagles," approved March third, eighteen hundred and forty-nine, shall be applied to the coin herein authorized, so far as the same may be applicable; but the devices and shape of the three-dollar piece shall be fixed by the Secretary of the Treasury.

SEC. 8. That this act shall be in force from and after the first day of June next.

Approved February 21st, 1853.

We annex the weights of the new half dollar and smaller pieces according to the new law and that until now in force:—

Silver.	Act of Jan. 18, 1837.	Act of Feb., 1853.
Dollar,	412½ grains.	No change.
Half Dollar,	206¼ "	192 grains.
Quarter Dollar,	103⅛ "	96 "
Dime,	41¼ "	38.40 "
Half Dime,	20⅝ "	19.20 "

By the former act, the silver coins "shall be legal tenders of payment, according to their nominal value, for *all sums whatever.*"

By the new act, the *new* silver coins shall be legal tenders in payment of debts *for all sums not exceeding five dollars.*

The tax upon the depositor, as authorized by the new law, will prove rather too heavy for many of them. The coinage at Philadelphia, during the year 1852, amounted to $52,404,669, viz.:—

Gold,	$51,505,668 50
Silver,	867,410 00
Copper,	51,630 94

A seignorage of one half per cent. on this gold coinage would amount to over $250,000, which is more than double the annual expenses of the mint. No distinction is made between gold and silver, as to the per centage for coinage, whereas it appears that the actual cost of gold coinage to the Government is not over 25 cents per hundred dollars, while on silver it is fully equal to 1½ per cent. on the larger coins, and from 3 to 4 per cent. on the smaller ones.

There is, in the new law, no provision made to the effect that the depositor shall receive gold coin for gold bullion, and silver coin for silver bullion, contained in his deposit of gold, and the present practice of the mint is thus sustained, whereby the depositor is deprived of those portions of silver which are extracted from the gold deposits, and receives his return in gold only.

That the value of silver in such deposits is no trifling matter, may be seen from the following official report of the deposits and coinage at the Branch Mint, New Orleans, during the month of January, 1853:—

	DEPOSITS.	
California Gold,		$297,998 25
Foreign Gold,		11,264 50
Silver extracted from California Gold,		1,730 69
Silver from other sources,		3,766 97
Total value of deposits,		$314,760 41
	COINAGE.	
Gold Double Eagles,	18,500 pieces.	$270,000 00
Gold Dollars,	100,000 "	100,000 00
	118,500 pieces.	$370,000 00

No delivery of Silver.

Assuming this as a criterion of "the silver extracted from California gold" generally, it would appear that the fifty millions of California gold deposited at the mint in one year, would yield *partings* of silver to the extent of more than three hundred thousand dollars. To this silver the

depositor is clearly entitled; but he is paid that sum *in gold*, thereby losing the existing premium on the former article—or, in round numbers, the sum of *twelve thousand dollars*.

In other respects, the law is satisfactory, because it will enable the mint to produce, at an early day, as many small silver coins as are wanted by the people; and will serve to check the further free export of silver from the United States.

The new Coinage Bill, it is thought, will reduce largely the coinage at Philadelphia. It appears that the Senate have virtually repealed the seignorage feature of the bill, by adopting a clause in what is termed the Deficiency Bill, to the effect that no further charge shall be made for casting bars or ingots than the actual expense that shall be incurred at the Mint. This new provision is as follows:

SEC. 7. *And be it further enacted*, That when the gold or silver shall be cast or formed into bars or ingots, or disks, no pieces as aforesaid shall be cast or formed of a less weight than five ounces, unless they be of standard fineness; and the charge of casting or forming, or refining said bars, ingots or disks, shall not exceed the expense of executing; the operation to be regulated from time to time by the Secretary of the Treasury. And the Secretary of the Treasury is hereby authorized to regulate the size and devices of the new silver coins authorized by an act entitled "An act amendatory of existing laws relative to the half dollar, quarter dollar, dime and half dime."

INDIANA AND ILLINOIS CURRENCY

IN NEW YORK.

It was announced recently in the *New York Herald*, that the American Exchange Bank of New York will receive the notes of the following Banks on deposit, at ¼ per cent. discount, viz.:—

Indiana.—Bank of North America, Newport; Public Stock Bank, do.; State Stock Security Bank, do.; Government Stock Bank, Lafayette; Gramercy Bank, do.; Merchants' Bank, do.; Southern Bank, Terre Haute; State Stock Bank, Logansport; Plymouth Bank, Plymouth; Drovers' Bank, Rome.

Illinois.—Bank of America, Chicago; Chicago Bank, do.; City Bank, do.; Commercial Bank, do.; Marine Bank, do.; Mechanics and Merchants' Bank, do.; Union Bank, do.; Clark's Exchange Bank, Springfield; Stock Security Bank, Danville.

We consider this a retrograde movement in banking—one that reflects no credit upon parties who endeavor to bolster up such issues; and one that, sooner or later, will bring loss upon our own citizens, if the plan be pursued. It is a somewhat curious coincidence, that on the very day in which this arrangement is announced, our exchange papers inform us that a large portion of the so-called *circulation* of the above institutions has been *rejected* by the responsible private bankers of St. Louis, as *unfit for use in that city*.

And it is further announced, that several of the parties who have recently established banking concerns in Illinois, have been indicted by the public authorities of the State for malpractices, swindling, &c.

In Indiana, the character of the new banking concerns is not much better, and it is an admitted fact, that the new currency of both States is

issued by, or in behalf of, parties at remote points, who avail themselves of the law to fasten an illegitimate circulation upon the community. Finding that the new currency of these States is not well received at home, it is now attempted to engraft these issues upon New-York and its people, under color of law.

So obnoxious, indeed, has become the free-banking law of Illinois, in consequence of the abuse and perversions of which it is capable, that the Legislature has now under consideration, at the instance of large numbers of the people, a repeal of the bank law. That law was made for the benefit of the people of Illinois, and with a view of inducing capitalists there and in other States, to establish in Illinois *bona fide* banking concerns. These latter have in some few instances been established, but the larger part of the others are confessedly not entitled to public confidence.

Independently of the unfitness, on the score of safety, of this western currency to form a part of our own circulation, there is a still stronger objection—it is a fraud upon our own banking institutions. The regularly chartered banks of New York city cannot keep up the amount of circulation which they are by law authorized to do. The influx of New Jersey, Michigan, and other bank paper has been such of late, that it displaces the true and reliable circulation which we should otherwise have. Every dollar of this western trash actually displaces and keeps out of circulation one dollar of the reliable paper of our own banks.

If it were intended by the arrangement now alluded to, to receive the Western paper in any regular and business way, and send it home (?) for redemption, even then its reception here would be objectionable; but we have reason to believe that, so far from accomplishing that end, which should be the true and only one, it is intended to fasten it upon the community—in other words, that it shall not go home to the points where it is professedly issued, but shall be again put in circulation here, *at a profit to the banker and a loss to the receiver*. It is not intended to receive this paper on deposit *at par*, but at a discount of three quarters per cent. So that, in reality, the same paper may be issued six times per week, or once every day, and each time a loss to that extent be sustained by the mechanic or working man, whose necessities drive him to take the *second best*, when he cannot get the *very best* currency.

Our own sound banks are bound in self-defence, and in defence of the true and legitimate principles of banking, to discountenance any attempt of the kind now suggested, for the reception of paper issued, (or purporting to be issued,) a thousand miles off: especially when that paper is known to be unsound, discredited at home, and not entitled to public confidence; and when the community have no guarantee that ere long, when the city and State are thoroughly flooded with it, that it will not be suddenly pronounced by the present recipients as *no longer good*.

Of such instances we have taken note lately: when our own country bank paper, after being issued by New York city parties, and after being well received, was suddenly cried down, and the people assured that it was really worth only sixty-three cents per dollar.

BANK STATISTICS.

Massachusetts Banks, *September* 4, 1852.

Liabilities.	32 *Banks in Boston.*	105 *Banks, Country.*	*Total,* 137 *Banks.*
Capital paid in,	$24,660,000	$18,610,500	$43,270,500
Circulation, $5 and upwards,	7,182,952	10,200,250	17,383,502
Circulation, under $5,	1,122,280	2,667,580	3,789,860
Net profits on hand,	3,262,398	1,965,075	5,268,473
Due other banks,	8,270,294	337,944	8,608,238
Deposits, individual,	10,293,087	4,774,117	15,067,204
Deposits bearing interest,	256,063	218,019	474,052
Total liabilities,	$55,167,403	$38,693,434	$93,860,837
Resources.	32 *Banks.*	105 *Banks.*	137 *Banks.*
Coin on hand,	$2,784,792	$778,990	$3,563,782
Real estate,	681,241	459,222	1,090,463
Bills of other banks,	4,292,125	484,483	4,876,608
Bills of banks in other States,	405,402	64,152	469,554
Due from other banks,	2,844,479	3,821,933	6,666,412
Loans,	44,109,364	33,064,654	77,194,018
Total resources,	$ 55,167,403	$ 38,693,434	$93,860,837

☞ *For further particulars, see pp.* 690–1.

Average Dividends.	*October*, 1851.	*April*, 1852.
32 Banks in Boston,	3.71 per cent.	3.89 per cent.
105 Banks in the country,	3.94 "	3.76 "
137 Banks, total,	3.80 "	3.84 "
32 Banks in Boston, amount of dividend,	$906,275	$953,500
105 Banks in country, " "	691,636	694,362

Condensed Statement of the Capital, Circulation, Deposits, Profits, Coin and Loans of all the Banks in Boston, and of all in the Interior, for the years 1847–52.

Liabilities.	*Sept.*, 1847.	*Sept.*, 1848.	*Sept.*, 1849.	*Sept.*, 1850.	*Sept.*, 1852.
Capital,	$32,113,150	$32,985,000	$34,680,011	$36,925,050	$43,270,500
Circulation,	14,719,422	10,807,198	13,014,194	13,984 958	17,383,502
do. under $5,	2,476,940	2,388,837	2,686,741	3,020,878	3,789,860
Profits on hand,	3,499,588	3,787,434	3,011,996	4,627,660	5,268,473
Due other banks,	7,263,282	4,068,650	4,720,816	6,549,980	8,608,238
Deposits,	10,265,555	8,094,970	9,875,817	11,176,827	15,067,204
do. on interest,	764,715	470,016	746,415	442,085	474,052
Total liabilities,	$71,102,647	$62,567,100	$68,685,490	$76,727,378	$93,860,837
Resources.	*Sept.*, 1847.	*Sept.*, 1848.	*Sept.*, 1849.	*Sept.*, 1850.	*Sept.*, 1852.
Gold and Silver,	$3,943,954	$2,578,090	$2,749,917	$2,993,178	$3,563,782
Real Estate,	1,062,950	1,073,116	1,126,162	988,236	1,090,463
Notes of other banks,	3,080,865	2,180,578	3,416,074	3,715,848	4,876,608
do. out of the State,	232,698	206,240	321,077	332,673	469,554
Due from banks,	5,571,240	3,469,084	4,472,950	5,385,008	6,666,412
Total Loans,	57,260,940	53,110,102	56,599,319	63,330,024	77,194,018
Dorchester & M. B. loss,				32,416	
Total resources,	$71,102,647	$62,567,100	$68,685,490	$76,727,378	$93,860,837

North Carolina.

Liabilities and Resources of the Bank of the State of North Carolina and Branches, 1849–52.

Liabilities.	*Nov.* 1, 1849.	*Nov.* 1, 1850.	*Nov.* 1, 1851.	*Nov.* 1, 1852.
Capital,	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Notes in circulation,	1,595,780	1,687,019	1,614,718	1,642,590
Individual deposits,	284,002	261,580	251,735	220,090
Public Treasury, N. C.,	89,735	84,058	89,733	81,196
Due other banks,	12,376	25,157	11,709	70,605
Pension Agent, U. S.,	3,279	21,025	1,236	8,562
Dividends unpaid,	1,373	3,123	2,695	913
General profit and loss, and contingent fund,	295,734	305,043	314,307	323,876
Bills and Checks *in transitu*,		4,325		
Total liabilities,	$3,702,228	$3,941,330	$3,816,128	$3,947,782

Resources.	*Nov.* 1, 1849.	*Nov.* 1, 1850.	*Nov.* 1, 1851.	*Nov.* 1, 1852.
Discounted debt and other securities,	$2,305,405	$2,290,750	$2,296,378	$2,417,807
Bills of Exchange,	499,567	418,406	593,111	704,597
Real estate,	45,064	41,116	41,115	41,115
Due from other banks,	169,606	347,292	107,260	46,948
Notes of other banks,	77,001	110,712	101,235	73,516
Specie,	664,337	733,474	804,049	655,774
Miscellaneous,	11,281	98	13,110	8,780
Total resources,	$3,702,228	$3,941,330	$3,816,128	$3,947,782

Virginia.

Merchants and Mechanics' Bank of Wheeling, 1846, 1850 *and* 1853.

Liabilities.	*Oct.* 1, 1846.	*Nov.* 14, 1850.	*Jan.* 10, 1853.
Capital owned by individuals,	$500,000	$500,000	$500,000
" " " the commonwealth,	40,000	40,000	40,000
Contingent fund,	14,182	77,573	124,160
Circulation,	750,306	942,596	1,416,715
Individual deposits,	119,686	168,876	281,792
Balances due other banks,	15,646	48,343	38,098
Total liabilities,	$1,439,822	$1,767,388	$2,400,765

Resources.	*Oct.* 1, 1846.	*Nov.* 14, 1850.	*Jan.* 10, 1853.
Morgantown Branch, for capital,		$100,000	
Bills of exchange and notes,	$891,730	984,690	$1,469,808
Stocks,	25,758	55,217	69,163
Real and personal estate,	215,580	187,208	178,373
Bonds and mortgages,	28,470	26,054	22,665
Bank balances, Eastern cities,	91,666	102,835	225,235
" " Western cities,		55,222	43,013
Notes and checks of other banks,	22,334	89,236	63,400
Gold and silver coin,	143,404	202,758	318,460
Expense account, bonus, &c.,	20,985	14,078	5,654
Total resources,	$1,439,822	$1,767,388	$2,400,765

Dividend declared January, 1853, five per cent.

Bank of the Old Dominion, Alexandria.

Liabilities.	*Jan.*, 1852.	*Dec.*, 1852.
Capital,	$219,700	$318,900
Circulation,	97,880	255,650
Individual deposits,	61,000	88,260
Bank balances,	12,898	48,180
Profit and loss,	7,965	22,256
Total liabilities,	$398,698	$728,246

Resources.	*Jan.*, 1852.	*Dec.*, 1852.
Bills of exchange and notes,	$147,697	$298,664
State bonds, &c., deposited for circulation,	208,800	274,180
Specie on hand,	20,047	52,445
Due from other banks,	3,886	48,123
Notes of other banks,	16,618	27,414
Miscellaneous,	7,900	27,420
Total resources,	$398,698	$728,246

Banks of New Orleans.

29th January, 1853.

	Cash Liabilities.		Cash Assets.	
Specie paying,	*Circulation.*	*Total.*	*Specie.*	*Total.*
Bank of Louisiana,	$1,661,409	$7,266,818	$2,940,980	$9,473,577
Canal Bank,	2,377,792	5,769,014	1,743,625	7,520,735
Louisiana State Bank,	1,961,935	7,672,935	2,984,194	8,402,335
Mechanics' and Traders' Bank,	836,240	3,485,535	1,227,530	4,702,502
Union Bank,	25,520	253,506	262,242	327,165
Non-specie paying.				
Citizens' Bank,	5,988	10,978	70,506	254,691
Consolidated Bank,	10,422	12,464	24,298	24,293
	$6,778,606	$24,470,750	$9,242,387	$30,710,463

TOTAL MOVEMENT AND DEAD WEIGHT.

Specie paying.	Liabilities. *Exclusive of Capital.*	Assets.
Bank of Louisiana,	$7,266,818 31	$12,148,266 08
Canal and Banking Company,	5,769,013 88	10,000,199 86
Louisiana State Bank,	7,672,935 08	9,988,015 08
Mechanics and Traders Bank,	3,485,582 90	5,618,911 22
Union Bank,	253,506 15	1,282,287 07
Non-specie paying.		
Citizens Bank,	6,246,511 70	5,929,001 60
Consolidated Association,	1,511,065 23	1,200,091 96
	$32,204,905 19	$46,211,362 37

CHA. GAYARRE, *Secretary of State.*

GEO. C. McWHORTER, *State Treasurer.*

FOREIGN MISCELLANEOUS ITEMS.

DEPRECIATION OF GOLD.—The following remarks are made by Mr. Thomson Hankey, Jr., Governor of the Bank of England, in a short preface which he has written to the English translation of M. Leon Faucher's work on the *Production of Precious Metals*:—

"I can hardly agree that there is no little ground for alarm as to a depreciation in the value of gold, in consequence of the late discoveries. The effects of the production in Australia can hardly be felt at present, considering that the export of English gold coin has been, up to this date, I think, equal to the amount of gold we have received thence; but when the sovereigns lately shipped are found to be in excess of the wants of the community in Australia, and are reshipped to this country, together with the produce of the gold-workings, between this and next summer, I cannot but believe that the supply in the market of the world will be found in excess of the demand, and that ultimately a considerable and general alteration in prices will ensue."

GOLD.—Gold tokens are now coined at Adelaide, of the value of 5*s*., 20*s*. and £5 sterling each. These tokens, which are already in circulation, being a legal tender, are coined out of standard gold of 22 carats, valued at £3 11*s*. per ounce. The mechanical appliances for their coinage are merely temporary, and quite rude. More effective machinery has been ordered by the government for the assay office.

BANK OF ENGLAND NOTES IN AUSTRALIA.—Mr. William Howitt has written a letter to a contemporary, cautioning emigrants to Australia against taking out Bank of England notes, and this letter is dated Port Phillip, Sept. 20th. In it he says, Bank of England notes "are utterly refused here, even by the bankers, except at a discount of 20 per cent. Numbers of persons are coming out daily. There are a thousand arriving at this port per diem, and not ten out of each thousand are aware of this fact. In the ship in which I came—the Kent—there were numbers struck with consternation at the news. Some lost from £40 to £100 by their Bank of England notes; almost every one something, more or less. Whoever brings Bank of England paper will assuredly and inevitably be mulcted of one fifth of his money. I speak from actual experience."—*London paper.*

INTEREST.—The London and Westminster Bank has until lately allowed only one per cent. per annum on their deposits. They have now issued a notice that the rate of allowance to their customers on deposit receipts, is to be increased from one to one and a half per cent., to take effect from the first of January, 1853. The London Joint Stock Bank has given a notice of a similar increase. At the departure of the last Liverpool steamer, the shares in the newly-organized Gold Mining Companies were not in favor. Money could not be borrowed on them on short periods, except at very high rates of interest.

PORTUGAL.—Several of the London journals denounce the recent fiscal conversion by the government of Portugal, as an act of "unqualified infamy." The 5 and 4 per cent. loans, now reduced to 3, which were contracted in England, constitute nearly the whole portion of its foreign debts: they had already been diminished by several compromises. They enabled the Queen to gain her throne, and Marshal Saldanha to return to his country and make himself master of affairs. The home-debt is dealt with in the same way. Such are the London cries. Conversion has succeeded perfectly in Holland and Belgium, as it did in France. It was more equitably and less arbitrarily managed. In Portugal, no option nor compensation would seem to be allowed.

AMERICAN LOANS IN LONDON.—The following significant paragraph from the London *Times*, is, no doubt, founded on accurate information:—

"For the past three years, it has been seen that the home demand for American Securities has been beyond precedent, and that although new rail-roads and other undertakings have been brought out in that country day by day, so as to lead casual observers, unacquainted with the causes in operation, to put forth incessant predic-

tions of a crisis—they have been steadily absorbed, the New-York market remaining as easy at this moment as at any period within recollection. *Henceforth a similar result, but apparently in a much more extended degree, must be expected here. The enormous amounts now in process of accumulation must seek investment somewhere, and the question is, in what ways the requisite outlet will be found.*"

Bank of England.—In reference to the advance in the rate of discounts by the Bank of England, the *Daily News* says:—

"The apprehensions that were entertained of a movement on the part of the Bank of England proved to-day well-founded. At a meeting of the board this morning it was quickly decided to raise the *minimum* rate of discount from 2 to 2½ per cent. This movement of the Bank is generally believed to result chiefly from the continued unfavorable state of the exchanges, after an uninterrupted efflux of bullion to the extent of £1,200,000. Coupled with this, the demand for accommodation may be fairly said to have increased of late; further supplies of the precious metals are known to be on the eve of dispatch to Russia; and there is a prospect of a large importation of grain during the spring. In these circumstances, we have probably a full explanation of the motives that have actuated the Bank directors."

At the meeting of the Bank of England directors, on Thursday, 20th January, the minimum rate of discount was further advanced to three per cent., producing an immediate decline in the price of Consols. These closed on Monday, 24th, at 99¼ *a* 99¾. These were also the closing prices on the 11th of February. The directors of the Bank closed their weekly meeting on Thursday, 10th February, without making a further advance in the rate of interest; but it is generally believed that the rate will be soon fixed at 3½ or 4 per cent., unless a favorable turn take place in the foreign exchanges.

Post-office Orders in England.—"The Government has established a very convenient system of forwarding remittances, which is worth describing. It is connected with the post-office, and has its branches in every town, and nearly every village in the country. The plan is simple and reliable. The person remitting goes to the money-order office, as the head-quarters are called, and obtains a draft for the amount required, payable at a given place. The order is forwarded by mail by the person who bought it; and at the same time information is transmitted by the Government agent to the office on which the draft is made, stating the sum and the name of the person sending. The person who receives it presents the order, and after signing his name to a receipt on its face, is asked who the order is from. If the answer be satisfactory, the amount is paid at once; but if not, it is withheld until it is shown conclusively that he is the proper recipient. Sixpence is charged on sums of £5 or less, and when the advantages are taken into consideration, it is very reasonable. Fraud seldom or never results from the system, and losses are rare. Some persons pretend to think the Government has no right to act the part of a small exchange broker; but the majority think otherwise, and as the system prevents sharpers from taking advantage of the necessities of those who want to make small remittances, it is popular among the masses, and both useful and safe."—*Wanderings in Europe, by J. Moran.*

Currency in England.—"The circulating medium of England is gold, silver and copper; a currency far superior to flimsy paper, and one with which there is not the slightest difficulty. The American is impressed with its utility and excellence at once and lastingly. There is no trouble about change, and as the currency is the same throughout the three kingdoms, a man is never at a loss in a strange place to know whether his money is current or not. The lowest note is £5, or about $25; and, go where you will, that *always* commands its full value in gold or silver. I often thought, when rambling about the kingdom, how much superior is the currency of monarchial England, compared with the trashy paper of our Republic. I had not occasion to pay an exorbitant discount on flimsy, soiled and mutilated bills in every town I entered, as one must do in the United States, nor did I run the risk of having a counterfeit note palmed on me when I received change. The sovereigns and shillings were always at par, no matter where I went, and never refused; and that is more than can be said honestly of one half of the notes of many banks now circulating in our land."—*Ibid.*

MISCELLANEOUS.

FORGED CHECK.—On the 1st February, a forged check for $1,400 was presented at the counter of the Mechanics' Bank, Baltimore, and certified to be good. The check was afterwards deposited in the Fell's Point Savings Institution, by a man who gave his name as Morgan, (who had a small account there a short time ago.) In the course of the morning, he drew out the amount from the bank in two checks, each for $700, one of which was presented by himself, and the other by some unknown person. The money has not been recovered, nor either of the men heard from.

FORGED CHECKS.—At a meeting of the Chamber of Commerce, Cincinnati, the report of a committee in regard to the protection against forged checks was read. The chamber adopted the following recommendations, as proposed in the report:

1st. That there be only one person connected with a firm who shall draw checks, and that each house use its own blanks, which are recommended to have some distinguished peculiarity.

2d. That these blanks be kept as carefully as bank bills, and that each one be numbered.

3d. That no check shall be drawn for a less amount than ten dollars.

The numerous regulations which the bankers and brokers offered were not opposed, although not adopted, and will probably be acted upon at the next meeting.

SUPPRESSION OF COUNTERFEITING.—A convention of delegates, representing most of the banks in New-England, was held at the Tremont Bank Building, Boston, a few days since. Its object was to organize a Banker's Association, for the better suppression of counterfeiting. The organization was effected by the choice of fifteen managers, whose duty it will be to execute the various plans of the association.

Any bank in Massachusetts may become a participant in the association by paying an assessment of five dollars for every hundred thousand dollars capital. In this association is merged the old Boston Association for the suppression of counterfeiting, and the new society will receive the appropriation of the State, which was granted at the last session.

BILLS OF EXCHANGE.—A case of some importance to moneyed institutions came up before the Supreme of New York, at the Oneida Circuit, a few weeks since, involving the rights and liabilities of parties to bills of exchange. The Clayville Mill Co. drew a bill of exchange upon "E. C. Hamilton, New York," at fifty days after date, for five thousand dollars. Upon presentation for acceptance, the drawee wrote across its face "*accepted, payable at American Exchange Bank, Clayville Mills*, by E. C. HAMILTON, *Treasurer*." The holders treated this as an acceptance in due form, but it was an acceptance by him in his official capacity, when in fact the bill was drawn upon him individually; and upon his failure to accept individually, the endorsers were entitled to a notice of non-acceptance. The court held:

1. A holder of a bill of exchange, payable at a day certain, may present it for acceptance at any time before maturity, and upon refusal of the drawer to accept, may give notice of such refusal to the prior parties and have an action against them at once.

2. If the holder omit to give notice to the drawer and endorsers, of the refusal of the drawee to accept upon presentment, they will be discharged, unless the bill subsequently comes to the hands of a *bona fide* holder for value, who again presents the bill, and duly charges the prior parties.

3. To constitute a valid undertaking as an acceptance, the undertaking must, in New York, be in writing, and signed by the acceptor; the writing must indicate that the party sought to be charged as acceptor, intended to take upon himself the obligations, and assume the liabilities, of an acceptor.

4. A bill drawn by a manufacturing corporation in the country, upon an individual in New York city, who is the treasurer and financial agent of the company, and presented for acceptance to the drawee, who writes across the face of the bill, "accepted, payable at American Exchange Bank," and signs it "Clayville Mills, by E. C. Hamilton, Treasurer," (Clayville Mills being the drawers,) is not accepted by the drawee.

5. The acceptance is that of a corporation, and the endorsers are entitled to notice of non-acceptance by the drawee, *and for want of notice are discharged from liability to the holder of the bill.*

We find this case reported in full, with the points of counsel, in the American *Law Register* for February, 1853, edited by ASA J. FISH and HENRY WHARTON. This No. contains also a short memoir of the late JOHN SERGEANT; a summary of recent decisions in Circuit Court, U. S., Supreme Court of Maine, New-York and Pennsylvania.

DISCHARGE OF W. W. WILSON.—In the Municipal Court, at Boston, the grand jury having reported that they found no indictment against William W. Wilson, who was recently bound over by the police court, on several charges of making counterfeit bank plates and dies, and having counterfeit bills in his possession, the said defendant was fully discharged by proclamation of the court.

A suggestion was made that certain implements, seized at the time of arrest, were dangerous to the public interest, and should be destroyed, but no order was passed in the case. Mr. Wilson, however, filed an agreement that all such articles as might be connected with counterfeiting or forging may be destroyed by the sheriff, except such tools, &c., as are useful in his lawful business.

BANK ITEMS.

MASSACHUSETTS.—John K. Fuller, Esq., has been elected Cashier of the Merchants' Bank, Boston, in place of John J. May, Esq., resigned.

Boston.—Albert Fearing, Esq., has been elected President of the Shawmut Bank, in place of John Gardner, Esq., resigned.

Bank Shares are more in request, and quotations rule higher generally. A report made in the Legislature recently against the expediency of repealing the general or free banking law, by the Chairman of the Committee on Banks and Banking, has been considered by many as decisive against granting special charters; but it appears that two of the members of that committee do not take this view of the subject, and in each branch of the Legislature have considered it necessary to explain that they do not regard the general law as interfering with the granting of new charters. The various applications reach an amount exceeding *fourteen millions of dollars*, and may be considered a tolerably strong expression of the *popular will* on the subject.

RHODE ISLAND.—James H. Read, Esq., was, on the 3d of February, elected President of the Mechanics and Manufacturers' Bank of Providence, in place of Silvanus G. Martin, Esq., resigned.

CONNECTICUT.—E. W. Pratt, Esq., has been elected Cashier of the Saybrook Bank, in place of J. E. Redfield, Esq., resigned.

Hartford.—George P. Bissell, Esq., Cashier of the Western Bank, at Springfield, has been elected Cashier of the Farmers' and Mechanics' Bank, at Hartford, in place of William T. Hooker, Esq., who has removed to New York.

[The article in the early portion of this number will demonstrate that Mr. B., in addition to the arduous duties of cashier, can find time occasionally to give attention to other matters than the merely official routine of the office.—*Ed. B. M.*]

INDIANA.—E. Dumont, Esq., has been, by the Legislature, elected President of the State Bank of Indiana: an office filled for many years, with credit to himself and advantage to the institution, by James Morrison, Esq.

WISCONSIN.—The Bank of Racine has commenced business under the general banking law of Wisconsin. *President*, Augustus L. M'Crea; *Cashier*, Henry J. Ullman, Esq. Capital $50,000.

NEW YORK.—E. J. Blake, Esq., has been elected Cashier of the Mercantile Bank, in place of R. S. Oakley, Esq., appointed Cashier of the St. Nicholas Bank, New York.

NEW BANKS IN THE CITY OF NEW-YORK.

The following compose the new Banks, and their locations:—

Location.	*Name.*	*President.*	*Cashier.*	*Capital.*
67 Pearl-st.	Corn Exchange Bank,	E. W. Dunham,	F. A. Platt,	$500,000
12 Wall-st.	Continental Bank,	George Curtis,	William T. Hooker,	1,500,000
6 Wall-st.	St. Nicholas Bank,	Edward J. Mallett,	R. S. Oakley,	500,000
Corner William and John-sts.	Shoe and Leather Bank,	Loring Andrews,	William A. Kissam,	600,000
88 Chambers-st.	Central Bank of the City of New-York,	Jos. R. Taylor,	Walter Oakley,	300,000

Commenced Business.	*Bank.*	*Discount Days.*	*Capital Paid.*	*Capital Limited.*
Feb. 1, 1853.	Corn Exchange Bank,	Wed. and Sat.,	$500,000	$1,000,000
Feb. 7, "	Continental Bank,	Wed. and Sat.,	1,500,000	1,500,000
Feb. 8, "	St. Nicholas Bank,	Mon. and Thurs.,	500,000	2,000,000
Jan. 6, "	Shoe and Leather Bank,	Tuesdays and Fridays,	600,000	2,000,000
Mar. 1, "	Central Bank,	Wednesdays and Sat.,	300,000	3,000,000

The *Corn Exchange Bank* is at present located at No. 67 Pearl-street. The directors have purchased the property Nos. 11 and 13 William-street, corner of Beaver-street, opposite Delmonico's, where an appropriate building will soon be erected, for the accommodation of this institution, and also furnish accommodations for the new association entitled the Corn Exchange.

The *Continental Bank* have taken the new building No. 12 Wall-street. The capital, $1,500,000, will all be paid in before 1st April next.

The *St. Nicholas' Bank* have purchased the property at the corner of Wall and New-streets, where a suitable bank building will be erected in the course of the present year. The directors have agreed to place the new building a few feet in the rear of the present line, provided the owners of other property between New-street and Broadway will do the same; thus giving an additional width of ten or twelve feet to the upper part of Wall-street.

The *Shoe and Leather Bank* have taken a commodious room at the corner of William and John-streets, where its business is now carried on.

The *Central Bank of the City of New York* have taken rooms temporarily at No. 88 Chambers-street, where they will commence business on or about the 1st day of March. They will remove to the corner of Broadway and Chambers-street, for a permanent location in the course of a few months. Joseph R. Taylor, Esq., the president, has been for some years well known as the financial Comptroller of the City of New York.

Albany.—Mr. Noah Lee has resigned the cashiership of the Albany Exchange Bank, preparatory to assuming the presidency of the new Bank of the Capitol, of that city. The Albany Evening Journal, in noticing the change, says:—

"The financial career of Cashier Lee has been singularly successful. During the past ten years it has been his province to decide upon a large proportion of the paper offered to the bank for discount, between the sessions of the board, and the amount thus discounted has been nearly twenty millions of dollars, of which not a dollar has been lost, nor has the bank sustained a single loss by any mistake, inadvertence or negligence on his part since its organization in 1839.

"We are happy to know that the Exchange Bank is in a prosperous condition, although it has labored under difficulties calculated to depreciate the value of its stock for a long time. A large portion of its securities for the redemption of its circulating notes consist of Arkansas stocks, on which the interest has not been paid for *twelve* years. These, we are glad to learn, are looking up, and are now selling at 98 to 100 in New York. In the meanwhile the bank has paid its stockholders regular semi-annual dividends of three and a half per cent., and accumulated a handsome surplus besides.

"The Legislature of Arkansas, now in session, are, we believe, arranging for the redemption and resumption of their indebtedness, in which case all arrearages of interest will be paid, and the stock of the Albany Exchange Bank will take its place in the market on a par with that of the most favored of its contemporaries."

Albany.—Horatio Gates Gilbert, Esq., for some years cashier of the Black River Bank, at Watertown, has been appointed cashier of the new Bank of the Capitol, at Albany, of which institution Noah Lee, Esq., is the president.

Geneva.—The Bank of Geneva has commenced business under the General Banking law of New York with a capital of $205,000. Charles A. Cook, Esq., who has been connected with the bank since January, 1822, remains president of the new institution. William T. Scott, Esq., who has been for several years teller of the old bank has, been appointed cashier, in place of William E. Sill, Esq., resigned.

Norwich.—Walter M. Conkey, Esq., for twenty years cashier of the Chenango Bank, Norwich, was, on the 16th of December last, chosen president of the bank, in place of Ira Willcox, Esq., deceased. At the same time, William B. Pellet, Esq., teller, was elected cashier of the same institution.

Albany.—The Trustees of the Mechanics and Farmers' Bank of Albany, the charter of which expired on the 1st day of January last, have refunded to the stockholders the par value of their shares, adding a surplus dividend of profits of fifty per cent.

Banks in Maine.—The Report of the Bank Commissioners for 1852, is before us. It contains some judicious recommendations and remarks; but we have at present room for only a short extract. The commissioners say:—

"Since our last annual report, five new banks, with an aggregate capital of $300,000, have gone into operation; and the sixth, the City Bank at Bangor, with a capital of $50,000, was to commence discounting in a few days, when we made our examination at that place. The old banks have added to their capital, in the same period, $219,350, making the increase for the year, $569,350, and the sum total of the banking capital of the State, (including a small amount not yet paid in by the new banks, which have commenced business,) $4,470,000.

"The circulation has increased within the year $1,078,488, and is now $1,772,431 larger than at the time of its highest inflation in 1835, and $2,656,005 larger than at its lowest depression in 1843. There has been an increase of $270,147 63 in the specie, which now, exclusive of permanent deposits in the Suffolk Bank, amounts to $836,504 89, a sum greater by $650,455 20 than in the Maine Banks in 1835. * *

"The Commissioners would be recreant to their trust, should they withhold their deep conviction that no more banks are at present required. Including the People's Bank at Damariscotta, thirteen new banks have gone into operation within the last two years. In the same time the capital stock has been increased $1,222,000; the circulation in the same time has been increased $1,507,473, or nearly sixty per cent. of the whole circulation of 1850; and the present loans exceed $8,000,000.

"If any thing can be learned from the experience of the past, the time is not far distant when a heavy per cent. of this circulation must be sent home to the banks from which it issued, and the present large loans diminished at the very moment when the customers of the banks stand most in need of their accommodation. To multiply bank charters, thereby increasing to a greater extent the indebtedness of the business community, can only tend to increase the embarrassments and disasters in business, which no contingency can prevent, when the bubble is fully blown.

"It may be found that, at some very few points in the State, the people are so remote from all bank facilities, that an additional bank or two may add to their business and convenience; but they will be required, so few in number, and small in capital, as not materially to vary the total amount of bank capital in the State."

Pennsylvania Relief Notes.—A bill is now before the Legislature, the object of which is to provide for withdrawing from circulation the State relief notes. In his late message, Governor Bigler urged, with much force, the propriety of some legislation upon the subject; and it is to be hoped that an act will be passed which may, as speedily as is consistent with prudence, effect the proposed object.

As no other than an extraordinary emergency could have justified the original issue of the paper, and as the purpose of the measure has been fully answered, it is, of course, obviously right that an evil, resorted to temporarily to avert a greater, should promptly be corrected. At the time these relief notes were authorized, the financial condition of the commonwealth required them. The exigency has now happily ceased—the treasury is entirely adequate to meet the public necessities, without the aid of an unusual and highly exceptionable species of currency; and, as its longer use is positively injurious, in retarding a return to that which is legitimate, as well as in defeating the effectual operation of a law made to exclude from circulation, within Pennsylvania, the small bills of the banks of other States, there is every inducement for the Legislature to act promptly in the matter.—*Philad. U. S. Gaz., Feb.* 12.

Missouri.—After a good deal of backing and filling yesterday, the bankers of this city came to an understanding which promises to be satisfactory to the public. The various issues of the three houses of Lucas & Simonds, Page & Bacon, and E. W. Clarke & Bros., no matter how, or upon what points drawn, are made redeemable at their respective counters in this city, *in specie;* and *this further assurance is given*, that *such paper, so redeemed, will not be again paid out, nor will issues of new notes be made.* This process of redemption will soon rid the country of this description of illegal issues, and we hope never to see them again constituting a part of our currency. But there is yet another preventive which rests with the Legislatures of Illinois and Missouri. They can pass such laws as will be effectual in putting a stop to these, and all other illegal issues, and the people will look to them to do it.

It will be seen by an advertisement in this paper, that Messrs. Lucas & Simonds invite the early presentation of all their checks at their counter, for redemption. This is praiseworthy.—*St. Louis Republican, Feb.* 4.

New Jersey.—The Attorney-General has instituted proceedings against the Merchants' Bank, Bridgton, and American Exchange Bank, Cape May C. H., which are before the Chancellor.

The commissioners suggest the following amendments to the banking law:

1. That no banks should have notes from the Treasurer till a certificate was filed that their capital was actually paid in specie or current notes.
2. No banks to organize till at least $20,000 shall be placed with the Treasurer.
3. No bank to be allowed notes without the certificate of the Bank Commissioners that they have a *bona fide* banking-house for carrying on a regular business.
4. Every banking association under the general law to have a director where the bank is located, who shall be a stockholder in his own right.
5. The annual statements to be made to the Bank Commissioners, and through them, with their report, to the Legislature.

Georgia.—Judge Lumpkin, of the Supreme Court of Georgia, has furnished the following abstract of the case against the Bank of St. Mary's:

The Bank of St. Mary's *vs.* the State of Georgia, on the information of P. A. Clayton, appellee. In the Supreme Court of the State of Georgia, at Columbus, January Term, 1853.

By the Acts of the Legislature of 1832 and 1835, a penalty of $500 was imposed on banks for issuing or distributing change bills; the issuing or circulating each bill to constitute a separate and distinct offence; to be recovered in an action at the instance of any informer, in the name of the State—one half, *when recovered*, to go to the State, the other share to the informer. Under these statutes, a suit was brought in the Superior Court of Muscogee County, in the name of the State, on the information of P. A. Clayton, and a recovery had at the last term for $47 50. Before the judgment was rendered, the Legislature repealed the acts under which the case was brought, and remitted all the penalties imposed by the same. Held by the court, Judge Lumpkin delivering the opinion, that the repeal of the law creating the offence before trial, and the remission of the penalty incurred by the defendant was, at law, a bar to the case, and no judgment could be awarded against the party.

"This puts and end to all of Clayton's suits *vs.* John G. Winter and the Bank, and is the final end of this vexatious lawsuit."

INDIANA.—Public sentiment at the seats of government of Indiana and Illinois, and at Chicago and St. Louis, appears to be thoroughly roused against the shinplaster currency which has of late flooded the North-Western States, and measures have been taken to be rid of all individual change-notes, checks, certificates of deposit, and other counterfeit presentments of legal and secured bank notes. Most of the private bankers of St. Louis have called in their own issues, and have combined to put down the circulation of every species of bogus money. The grand jury of the county have also taken the subject in hand, some of the partners of the wealthy firm of bankers, who have been violating the law, have been held to bail on process for illegal practices. Among other developments at Chicago, it turns out that in one case, a boy of 14 years of age was employed to sign the checks, made to resemble regular bank notes, on the City Bank of Chicago.

Notes on the Money Market.

NEW YORK, FEBRUARY 24, 1853.

Exchange on London, sixty days' sight, 10 @ 10¼ *premium.*

THE rates for money have fluctuated but little since the publication of our last number. Few loans are negotiated in this market under 6½ per cent.; while prime paper is passed in many instances at 7 *a* 7½ per cent. The New York city banks have full demand for all the facilities that they can grant, and the legal rate of interest, seven per cent. on all paper beyond sixty days, is readily paid by their customers.

The steady increase of bank capital in our city and around us, is ample evidence of the growing business throughout the community, and of the profit arising from this species of investment. There are fifty banks now in active operation within the limits of this city, doing a more active business than ever known before, and three additional ones will commence business within the next month. These latter are, the Bank of the Commonwealth, with a capital of $1,000,000; the Central Bank of the City of New York, capital $300,000; and the Marine Bank of the City of New York.

The aggregate investments of the forty-four banks which recently reported to the Legislature, were nearly two hundred per cent. beyond their capital stock, and the aggregate liabilities, in several cases, are four or five times their capital. With an aggregate capital of $38,000,000, it will be seen that their deposits are $55,000,000, circulation $9,000,000; their indebtedness to other banks $20,000,000, and an undivided surplus of $6,000,000, or sixteen per cent. of their capital.

We have examined the tables of market values of 42 of the city banks, and find the average premium on these is twenty-five per cent., while in some cases the market value is much greater, viz.: Chemical Bank, 200 *a* 300 per cent.; Tradesmen's Bank, 150 *a* 160; Mechanics and Traders' Bank, 150 *a* 175. The Union Bank lately re-organized under the General Banking Law, and divided all its surplus profits, recommencing with a capital at its par value. This stock is now, in less than sixty days after the re-organization of the bank, quoted at 20 per cent. advance. This advance is based solely upon the prospective business of the institution, as within this short period no profits could have been realized to warrant the premium now demanded.

The Bank of England, early in January, advanced the rate of discount from 2 to 2½ per cent., in order to check the spirit of speculation in England and on the Continent, and to remedy in part the unfavorable condition of the foreign exchanges. On the 20th ult., the bank advanced the rate another half per cent., making it 3 per cent.; and it is believed that the rate will be further advanced to 3½ or 4 per cent. before April next. It has been found that the extraordinary cheapness of money throughout Great Britain during the past year has been the means of inducing speculation to a great extent, and also of bringing forward numerous undertakings of an expensive character, in the way of rail-roads, mining operations, &c., all requiring a heavy outlay of capital. In Paris, the fever of speculation has risen to a greater pitch than has been known since the memorable times of the South Sea scheme. The French securities had advanced largely, fostered by the new policy of the Bank of France, in loaning on rail-road shares and other public stocks.

The business between England and Australia has likewise drawn largely upon the former for capital and coin, not less than £8,000,000 sterling having been shipped to the ports of the latter country during the past year. These combined causes, added to large importations from Russia, have caused an unfavorable condition of the exchanges with England, and large shipments of coin

to the Continent. The advance in the rate of interest by the bank is therefore found to be not only a measure of self-defence, but demanded by the commercial interests of the country.

Among the leading Stock operations of the past month in New York, have been the following:

I. A sale of $500,000 York and Cumberland Rail-Road Bonds, bearing six per cent. interest, the principal redeemable in the year 1877. The loan is guaranteed, principal and interest, by the City of Baltimore. Messrs. Greenway & Co., bankers of that city, took the whole loan at 3.53 per cent. premium.

II. A loan of $3,000,000 was negotiated early in the month for the Erie Rail-Road Company, the proceeds of which will be applied to the construction of a second track for that road. The terms of the sale have not transpired.

III. Seven per cent. bonds of the Catawissa, Williamsport and Erie Rail-Road Company, $300,000, interest payable semi-annually in New York: net proceeds, 92.10⅛ per cent.

IV. A sale of $1,200,000 of the bonds of the Baltimore and Ohio Rail-Road Company, bearing six per cent. interest: net price, 91.17 *a* 95.20 per cent. Bids were received to the amount of $4,000,000.

A sale of $2,500,000 of the bonds of the Parkersburgh Rail-Road Company will take place next week. These bonds bear interest at the rate of six per cent., payable semi-annually in Baltimore, and the principal redeemable in the year 1873: $1,500,000 of the bonds are guaranteed by the City of Baltimore, and the remainder are guaranteed by the Baltimore and Ohio Rail-Road Company.

Among the new features of the New York money market, we find that books of subscription are opened for the stock of the Australian Steam Ship Company. The capital is fixed at $300,000, in shares of $100 each. Books of subscription are also opened to the stock of the "New York and California Steam Ship Company." The capital is fixed at $1,500,000, in shares of $1,000 each.

Several new Coal Companies have been recently formed, whose stocks are now introduced at the New York Stock Board. Pennsylvania now finds her wealth consisting largely in her extensive coal and iron mines, and the condition of the money market essentially aids that State in the development of these valuable resources. The late rise abroad in the price of iron has given an impulse to the manufacture of this article throughout the commonwealth.

The Comptroller of the State of New York invites proposals for a State loan of $467,000, in transferrable certificates of stock, bearing four per cent. interest, the principal redeemable in May, 1868. The proceeds of this loan will be applied to the extinguishment of a portion of the six per cent. debt of the State. Sealed proposals for the new loan will be received until April 9th.

We learn from Indianapolis, that a Committee of the Senate of Indiana, to which the subject of free banks was referred, have made a report, with a bill. The bill, they say, is designed to give a sound currency to the people, a fair profit to the banker, and an undoubted security to the bill-holder. It limits the State stocks to be received to the stock now created by the States of Indiana, Ohio, Michigan, New York, Massachusetts, Tennessee and Kentucky, or such of them as continue to pay interest semi-annually or oftener. The banker, to obtain circulation, transfers the stock to the State Auditor, and can only receive $100 of circulating notes for every $112 of stock transferred. There is a provision limiting the banks to loan and circulate their notes within the State of Indiana. Banks already established are required to comply with the new law in sixty days, or forfeit their charters.

One of the new banks of that State is already under protest for non-payment of its circulation. We learn from an official report of the State Auditor of Indiana, that at least four of their new banks are owned *in the city of New York*.

A general banking bill has been introduced into the Legislature of Louisiana, which provides for the reception of United States Stocks and the Stocks of all States, "on which the interest shall have been regularly paid," as a basis for bank circulation.

In the Massachusetts House of Representatives, the Committee on Banks and Banking have reported against the repeal of the general banking law of that State. The majority of the committee do not regard this conclusion as any obstacle to the granting of new charters under the general code which has prevailed for fifteen years, and under which all the banks in that commonwealth are regulated.

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AND

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HISTORICAL SKETCHES OF BANKING IN THE CITY OF NEW YORK.

No. IV. — *The Bank of America.*

THE charter of several of the oldest banks of the city of New York, the Bank of America, the Union Bank, the Bank of New York, and the Butchers and Drovers' Bank, having expired within the past year, the circumstances attending their establishment assume more than ordinary interest, and it becomes worth our while to refer to them. The banking system now practised in most of the Northern States, renders the creation of moneyed institutions so easy an undertaking, that future historians, in remarking on the finance of the present day, will not have their attention directed to any one bank or set of banks, but will be forced to content themselves with recording the systems by which they were brought into being. In the early part of this century, however, the case was widely different. The establishment of a new bank was a work of difficulty and of great moment. This was especially true of projected institutions in the city of New York. Political economists are agreed that finance and party considerations should be kept as far apart as possible. But at the time of which we speak, finance and politics were more thoroughly mingled together than at any period before or since in our history. The question of giving a charter to a bank in the city of New York became at once a direct matter of issue between the great political parties of the State; and its passage, if effected, was attended with the same arts which cluster about every measure of state which the people are satisfied to leave entirely in the hands of politicians.

Politics, indeed, did not begin to interfere with banking till about the year 1798. Previous to that time, institutions, such as the Bank of New York, the Bank of Albany, the Bank of Columbia, had been chartered, with very little opposition except from that portion of the community who had not yet lost that fear of paper money induced by the disasters of the Continental system. The incorporation of the Manhattan Company of New York, in 1789, was, however, very clearly a partisan triumph, and banks and parties became inseparable from that date, until the question of constructing the Erie Canal diverted the attention of politicians to another field of political strife.

In the year 1811, it became evident that the refusal of Congress to recharter the Bank of the United States was unalterable; and a large amount of uninvested cash capital was thus thrown back into the hands of the former stockholders. At this time, too, the question of superiority between New York and Philadelphia as regards adaptability to commerce and banking became decided in favor of the former city, and New York was therefore judged to be the most suitable place for the establishment of a bank of large capital. The plan was well received by enterprising citizens and capitalists, and the amount of capital to be managed by the new institution was fixed at six millions of dollars. The great majority of the projectors of the bank were of the then Federal party, and the steps taken by them to secure the success of their scheme were planned in full view of the opposition which they must necessarily receive from the Republican party.

As it was evident that they could confidently rely on the votes of the Federal members of the Legislature, they turned their attention to securing as much support from the Republican members as could possibly be gained. David Thomas, whose name had been known since the year 1798 as that of a zealous Republican and a capable financier, appeared to them to be a fit man to secure Republican influence in their favor, and he was accordingly induced to undertake the commission. Thomas, during the summer of 1811, made a tour through the southwestern portion of the State, mingling freely with the Republican members elect, and using the means which his reputation afforded him in discouraging opposition toward new banks in general. Solomon Southwick, at that time editor of a Republican paper at Albany, performed the same office for the new bank projectors in the central portions of the State, which had been intrusted to Thomas in the southwest.

On the assembling of the Legislature in January, Governor Tompkins took occasion in his message to deprecate in the strongest terms the establishment of new banks, or the increase of banking capital; evidently with a view to prepare the minds of the members to resist the application for a charter of the Bank of America. "It is questionable," said he, "whether banks have not already been multiplied to an alarming extent." Language like this sounds strangely to us now, especially when we compare the number of banks now existing in the State of New York with the number doing business in 1811; but we must remember that the resources of the State were at that time very imperfectly developed, and that the West had barely begun to open a field for the diffusion of Eastern currency.

Early in the session, David Thomas having been appointed treasurer, in place of Mr. Lansing, the former incumbent of the office, the applicants for the six million bank introduced their petition into the Assembly. They offered the large bonus to the State of six hundred thousand dollars, to be applied as follows: —

$ 400,000 in specie to the common school fund.

$ 100,000 in specie to be paid into the treasury of the State at the expiration of ten years, should there not be any additional banking capital in the city of New York during that period.

$ 100,000 in specie to be paid into the treasury of the State at the expiration of twenty years, should there not be any additional banking capital in the city of New York during that period.

The sum of one million of dollars was also to be loaned to the State, at five per cent. interest, to be laid out in constructing a canal to connect the waters of Lake Erie with the Hudson River. And a further sum of one million dollars was to be loaned the State at six per cent. for the purpose of being re-loaned to the farmers and other citizens of the State on landed security.

The chief opponents of the bank were Judge Spencer, Judge Taylor, Governor Tompkins, and their personal adherents. The two former individuals were, however, known to be largely interested in existing banks, Judge Taylor being President of the State Bank, and Judge Spencer being supposed to own stock in that institution, as well as in the Manhattan Company in the city of New York. Their opposition seemed, therefore, to proceed rather from personal motives than from a disinterested zeal for the public good.

De Witt Clinton, at that time just commencing his aspirations for the Presidency, announced his opposition to the bank, but declined asserting its incorporation to be anti-Republican, nor would he admit that to oppose it was a test of Republican orthodoxy. He frankly told Judge Spencer, that, although he should give his vote, if required, against the chartering of the new bank, he should on no account be drawn into a quarrel with its supporters. By this assertion, Mr. Clinton somewhat alienated himself from the more zealous of the Republicans, while, at the same time, he became a greater favorite with the adherents of Thomas and Southwick, who did not hesitate to advocate his claims to the next Presidency with great freedom. The language of Southwick and his friends, in relation to the proposed bank, was "He who supports or opposes a bank upon the grounds of Federalism or Republicanism is either a deceiver or deceived, and will not be listened to by any man of sense or experience." This would hardly have passed for Republican doctrine half a dozen years previous, when the incorporation of the Merchants' Bank was in question before the Legislature; but its influence, with other declarations of Republican members, was so great, as to secure the passage of the bill for chartering the Bank of America by a vote of fifty-two to forty-six in the Assembly. The bill was then sent to the Senate.

A motion was made, when the Senate was in committee of the whole, to reject the bill, but it failed of success, the vote being fifteen to thirteen. It being certain that the bill would pass the Senate, the Governor,

on the 27th of March, issued a message to the two houses, proroguing the Legislature until the 21st of May.

This message caused much confusion, especially in the Assembly. By the constitution of 1777, the Governor had indeed been vested with the power of prorogation, but it was universally regarded as a remnant of royal prerogative, and not in accordance with American institutions, nor had it in time of peace ever been exercised. In justification of this unlooked for action, it was urged that "the bank advocates in the Legislature had systematically prevented any action on nearly all the important business before them. Holding a majority, they seemed determined that nothing of consequence should be done until their favorite measure should be adopted. The more pressing the necessity of legislation on any given subject, the more carefully did they watch, and strenuously oppose, final action on it. Of two hundred and forty-two bills ultimately passed during that session, the greater part of which were then on their table, they had passed but thirty-nine when they were prorogued."*

During the time of prorogation, no measures were left untried by the advocates of the bank to secure the grant of a charter on the reassembling of the Legislature. We have already stated that Thomas and Southwick and their friends, had openly announced their preference for De Witt Clinton as the next Republican candidate for President. They advocated his nomination by a legislative Republican caucus, but refused to go into caucus on the subject till the question of the chartering of the bank should be finally disposed of. This delay, besides being from its very nature annoying to Mr. Clinton, was also extremely unsatisfactory to him for another reason. The Congressional caucus was on the eve of a nomination, and Mr. Clinton was anxious that the State of New York should lead in his favor. The friends of the bank, although ardent in their expressions of preference for Mr. Clinton, would not move a step in his favor till the charter should be gained.

On the part of the opponents of the bill to incorporate the Bank of America, a singular project was formed and strongly pushed forward. On the question of approving the bill in the Council of Revision, it was thought that that body would approve it by a vote of four to three. If, therefore, two members opposed to the bill could be added to the Council, it could not become a law unless passed by two thirds of both houses, of which there was no expectation on the part of its friends, or apprehension on the part of its enemies.

A petition was therefore drawn and circulated during the recess, addressed to the Council of Appointment, praying for the appointment of two additional judges of the Supreme Court. The petitioners stated as follows: — "We owe it to candor to say, that a powerful motive which urges us to request the *immediate* appointment of two judges is, that they would arrest and prevent the passage of a bill before the Legislature, entitled 'An Act to incorporate the Bank of America,' without waiting for the sanction of the Legislature, who can scarcely be supposed to approve a measure to defeat a bill passed by themselves." The petition

* Hammond's Political History of New York.

was accompanied by a printed circular, signed by Stephen Phelps, Eli Hill, and John C. Spencer, in which it was stated that it was "not intended for general circulation, but was to be presented to influential Republicans only." It is doubtful if the petition was ever presented to the Council.

The Legislature having met on the 21st of May, 1812, after the April elections, proceeded at once to the consideration of the bill to incorporate the stockholders of the Bank of America. The opposition was of long duration, but it finally passed, the vote in the Senate being seventeen affirmative to thirteen negative. All the Federal Senators, and the Federal Assemblymen with one exception, voted for the charter.

By a subsequent act of the Legislature, the bank was authorized to reduce its capital stock to two millions of dollars, and the bonus to the State was at the same time reduced to one hundred thousand dollars.

In the month following the charter of the Bank of America, war was declared against Great Britain, and in its train came a long series of commercial disasters, financial troubles, and a general interruption of our foreign trade. The drain of specie continued from New York towards Boston and to foreign ports, and finally led, in September, 1814, to a suspension of specie payments by the banks of New York, Philadelphia, Baltimore, and other places.

We have before* alluded to the fact, that the condition of the several banks in Boston was at that period much stronger than was shown by the banks of other cities. The old "Massachusetts Bank" had increased its specie from $238,000 in June, 1810, to $2,114,000 in January, 1814; the "Boston Bank" had also increased its specie funds from $238,000 to $1,182,000 in the same time; so that Boston was enabled to maintain specie payments throughout the war of 1812–15; although that city had become so obnoxious from its *Federal* character, and "so flagrant have been their proceedings, that thousands of men are ready to come under an engagement never to purchase or use any thing that reaches them by the way of Boston,"† and it was asserted that the British war and Eastern smuggling contributed largely to the ability with which Boston maintained their cash payments.

In common with the banks of New York, Boston, Philadelphia, and other cities, the Bank of America suspended specie payments in the month of May, 1837. In August of that year, a convention of the New York city banks was held, to consider the proposition for the resumption of specie payment; and, on the 27th of November following, a convention of the banks of nineteen States was also held in the city of New York, to mature measures for resumption. This meeting adjourned until the 16th of April following, at which time the convention reassembled, and then finally determined upon the 10th of May following (1838) for the resumption of specie payments by the banks.

In this movement for a restoration of credit, Mr. Newbold (President of the Bank of America) was one of the most urgent, and it was mainly through his influence and that of Mr. Gallatin, and a few other

* July No., 1852, pp. 5, 6.

† Niles's Register, Sept., 1814.

prominent gentlemen in Wall Street, that the banks of the Atlantic cities did resume at the time appointed.

The following are the names of the first directors of the Bank of America, of whom only two members are now living: —

First Board of Directors, 1812.

Oliver Wolcott,	Theodorus Bailey,	Stephen Whitney,
William Bayard,	John T. Lawrence,	Archibald Gracie,
Arthur Smith,	John T. Champlin,	Patrick G. Hildreth,
George Griswold,	John De Peyster,	Elisha Leavenworth,
Thomas Buckley,	Philip Hone,	Josiah Ogden Hoffman,
Abraham Barker,	Preserved Fish,	Henry Post, Jr.

Oliver Wolcott, President. Jonathan Burrall, Cashier.

William Bayard, President,	1814	George Newbold, President,	1832
Jonathan Burrall, Vice-President,	1815	James Taylor, Cashier,	1832
George Newbold, Cashier,	1815	David Thompson, Cashier,	1834
Thomas Buckley, President,	1816	James Punnett, Cashier,	1846

Board of Directors at the Expiration of the Charter, January 1, 1853.

George Newbold,	Benjamin L. Swan,	Frederick Sheldon,
William H. Aspinwall,	Augustin Averill,	Thomas H. Faile,
David Thompson,	William Whitlock, Jr.,	John Cryder,
Herculus M. Hayes,	Henry A. Stone,	Stewart Brown,
Robert C. Goodhue,	Joseph Battell,	Frederick G. Foster.
John W. Whitlock,		

George Newbold, President. James Punnett, Cashier.

GOLD AND TRADE.

Remarks on the Effects of the Increased Supply of Gold throughout the World. — Views of M. Chevalier, M. Leon Faucher, Mr. D. Forbes Campbell, Mr. W. Jacob, Mr. Thomson Hankey, Jr. of the Bank of England, and others.

[*From the Circular to Bankers.*]

We recently noticed the work of M. Leon Faucher, on the Californian and Australian discoveries. We have now before us a small book, written by his distinguished countryman, M. Michel Chevalier, on the same subject; and as these eminent French economists arrive at opposite conclusions, it is our duty to call attention to the arguments of the latter writer. There is great difficulty in pronouncing any positive decision on the statistics of coins, so as to contrast present with remote dates, for no very authoritative register has been preserved of the relative amounts of gold and silver which have passed through the mints of the world, though the late Mr. Jacob collected a large body of valuable facts, deemed sufficiently authentic to establish an approximate estimate. We shall better understand the controversy now pending, by carrying our thoughts backwards, as this process will enable us to judge what amount of increase must be realized before a marked and permanent effect on prices can be anticipated. This is indeed the very point in dispute between M. Faucher and M. Chevalier, and we will therefore take M. Jacob as a guide. The following was his summary: —

He estimated the stock of coins in existence in Europe, including Asiatic Russia and America, at the end of the year 1809, to have been £ 380,000,000; and the additions made to it between that period and the end of 1829, at the rate of £ 5,186,800 annually, would make £ 103,736,000.

From the £ 380,000,000 of coin left in 1809, he deducted for loss by abrasion, at the rate of one part in 420 in each year, which, in the twenty years, would amount to £ 18,005,220.

Thus leaving in 1829		£ 361,994,780
Add supply from the mine		103,736,000
Thus showing		465,640,780
Deduct for conversion into utensils and ornaments	£ 5,612,611	
And transport to Asia	2,000,000	
Annually	7,612,611	
Or in the twenty years		152,252,220
Amount at the end of 1829		£ 313,388,560
Or less than at the end of 1809, by		£ 66,611,440

To this statement it has been objected, that the allowance for gold and silver consumed in the arts and in manufactures is too low. It was computed by Adam Smith, in his time, at six millions, and now is much more considerable. Mr. Huskisson stated in his speech on the 18th of March, 1830, that the quantity of wrought silver plate annually stamped in England, had increased more than twenty-fold between 1804 and 1828. On these grounds many highly intelligent investigators have concluded that the estimate of Mr. Jacobs should be raised from six to ten millions, and the real deficiency in the supply and stock of the precious metals in 1830, as compared with 1810, be taken at 100, instead of at 66 millions. From 1830 to 1850, the deficiency was increased relatively to the demand arising from the growth of population and the augmentation of commodities, and competent judges have asserted that in 1850, as compared with 1810, the deficiency was little less than 200 millions. They who take this view of the subject, consistently argue that the yield from California and Australia must be immense, if not exhausting, before ever the balance of 1810 can be restored.

Humboldt was the first writer who computed the quantity of gold and silver extracted from the mines, and he brought down his estimates to the beginning of the present century. M. Chevalier has continued them to 1848, the year in which the mines of California were discovered. These are his conclusions: —

"The result of my computations in the New World has yielded from Christopher Columbus's days till 1848, in all 122,050,724 kilogrammes of silver (I mean fine silver, that is, without alloy), or equal to 27,122 million francs (1,085 millions sterling). Of gold, the mines of America have yielded 2,910,977 kilogrammes, which, according to the regulations of the French Mint, are equal to 10,026 million francs (401 millions sterling). Between the two metals we get an aggregate of 37,148 million francs (1,486 millions sterling). We must not pass over in silence the mines of other countries. They have no doubt been less productive

than those of America; still, if out of the total quantities produced, we only take note of that portion of them which has found its way into civilized countries, the item amounts to about six and a half milliards (260 millions sterling); namely, 2,330,000 francs of silver, and about 100,000,000 francs of gold."

These estimates of course do not refer to countries from which Europeans are excluded, as Japan, or of which they have an uncertain knowledge, as the interior of China, in which there are mines both of gold and silver. The aggregate, then, yielded by the gold and silver mines of countries enjoying Western and Christian civilization is computed at 43½ millions, or 1,740 millions sterling. This amount appears, at first sight, prodigious, nay, overwhelming; but if we consider the progress of industry from the time of Columbus, and the increase of population, the yield of the precious metals is really insignificant. M. Chevalier justly remarks, that the united industry of Great Britain would take but a very few years to produce a mass of gold equivalent in value to all the gold and silver which America has produced in three hundred years.

It is indeed the slowness of increase in the precious metals compared with the rapid increase of all other commodities of which gold and silver are the conventional measures, that gives them their mercantile or exchangeable value; and at all times they are utterly inadequate to express or represent the legitimate transactions of commerce. Hence men have had recourse to promissory notes and bills of exchange; hence governments have adopted exchequer bills; hence originated the clearing-house of the London bankers. The true meaning of a "Panic" is the absence of the measure of value, and the periods of adversity and prosperity which have been experienced since 1819 are all referable to this principle. All other commodities may be abundant, but if gold be scarce, all the marts of commerce are deranged and convulsed. Thus, from 1819 to 1823, we had a contracted currency and distress. From 1823 to 1825, we had an abundant currency and prosperity. From 1826 to 1833, we had a contracted currency and distress. From 1834 to 1837, we had money plentiful, and the people employed and prosperous. From 1837 to 1843, we had the circulation restricted, and all the productive classes in a state of suffering. In 1844, 1845, and 1846, the currency was again abundant, and prosperity again returned. In 1847, there was not money enough to carry on internal trades, without speaking of foreign trade, as proved by the evidence given in the Lords' Report, and the sacrifices of property were gigantic. During this period on three occasions, in 1825, in 1839, and 1847, the Bank itself was in a position of the greatest difficulty and danger; in the first case, it was relieved by a sudden issue of one-pound notes; in the second, by borrowing from the Bank of France; in the third, by an Order in Council suspending the law which had caused all the mischief. In truth, we have been living under the delusion of convertibility, for the power of obtaining payment for Bank of England notes on demand only exists so long as payment is not generally demanded. Whether the supplies of gold from California and Australia will convert this sham convertibility into a reality, is the interesting problem which time alone will solve.

Our monetary system has been justly compared to an inverted pyramid, a narrow base supporting a heavy superstructure. The slightest contraction of the base, of course, makes a large portion of the superstructure topple over, and so we have found that a few millions of gold being abstracted from the Bank of England creates a sacrifice of many millions of property. The base has been widened and strengthened of late by the discovery of new mines, and to that circumstance, and to that alone, we are indebted for an accidental prosperity. However, with all this good luck, we are being drained of the metal, and in the single month of January, fifty per cent. has been added to the value of money, as tested by the rise in the rate of interest.

M. Chevalier, being convinced that a monetary "revolution is in full career," considers that the depreciation of gold is imminent, "whereas that of silver can only occur at some distant date, which it is now impossible to fix with any degree of precision," and he then proceeds to state the result both in England and France; and first of England:—

"The depreciation of gold must, in England, where it is the sole standard of value, injuriously affect the recipients of annuities, and of all fixed or deferred payments, and benefit *pro tanto* those who have undertaken to provide for them. Let us suppose, for the sake of illustration, that gold should fall to half its present value, in consequence of the influx of the Californian and Australian supplies. It is a supposition which may be realized ere many years. In that case, the interest of the national debt, which amounts to about twenty-eight millions sterling per annum, would not then press more upon the tax-paying public than half the amount, or fourteen millions, do at present. The difference of fourteen millions is nearly equal to the entire annual expenditure of Great Britain for her land and sea forces. Such an alleviation of the burdens of taxation would be an immense boon to the community at large, at the expense, however, of the fundholder. Yet the latter could not with justice complain that the laws of equity were violated by such treatment of him. The public creditor would merely be incurring the clear and simple application of the law, such as it was passed after grave and conscientious deliberation."

There is a very loose morality implied in these sentiments, and this defence of the act of 1819 will not purge it from injustice. The deliberations may have been conscientious, for we do not wish to impugn motives, but that it was based on ignorance is very certain. "The two contracting parties," continues M. Chevalier, "it is plain, ran converse risks; the state, that of an enhancement of the value of gold, the fundholders that of its depreciation." According to his doctrine, a government may enter into a gambling transaction with a portion of its subjects, and speculate on future contingencies, which is a most pernicious dogma. The truth is, that when the law of 1819 was passed, which really doubled the national debt, estimated in commodities, the discovery of new mines never entered the thoughts of the legislature; it was a one-sided bargain all in favor of the moneyed classes, and the relief we may now expect is a pure casualty. In 1819 we robbed the debtor: Australia may enable us to rob the creditors. No man of principle can reconcile

us to such manœuvres. We pass to the case of France as described by M. Chevalier : —

"When the depreciation of gold shall be sensibly felt, there may in sooth be temptation to a Minister of Finance, amid the embarrassments of the treasury and the murmurs of the tax-payers, to exclaim, 'Here is a good opportunity for alleviating the burdens of the people; let us henceforth pay the *rentiers* their dividends in gold; let us tender to them as 20 francs, the coins which bear that superscription in terms of the law of the year XI., although the quantity of gold which they contain, viz. 5 grammes and 806 milligrammes, is only worth (and can be bought in the market for) 15 francs, or 672 grammes of silver; and let us continue to pay in that gold coin, even if it should fall to 10 francs. But such a proceeding would be grossly immoral and unjust. It would be an unfair and forced interpretation of a phrase casually introduced into our legislation; the concession of a flaw into a permanent and sweeping provision. Why did the legislature of the year XI. decree the coinage of gold pieces to pass as 20 francs, and to contain 5 grammes, 806 milligrammes of metal? Because that quantity of fine gold was then worth in the market exactly 20 francs; or, I should rather say, 90 grammes of fine silver. Had that quantity of gold been worth only 15 francs, would it have been issued for 20 francs? Evidently not."

M. Chevalier has the good sense to perceive what is the true standard of value, if we wish a standard to preserve the property of steadiness for long periods of time; and here he displays far more judgment than many of our bullionists. "It would at present," he says, "be practicable, legal, and wise, for any landed proprietor about to grant a lease for several lives, to stipulate that the rent shall be payable in a certain quantity of wheat, instead of pounds sterling. In like manner, a person desirous of securing a certain annual income to his children, or to endow a college or charitable institution, would display prudence (on the hypothesis we have adopted) in stipulating for their enjoyment of a certain number of quarters of wheat, instead of corn." There is nothing new in this advice, as it was acted upon in 1576, after the discovery of the silver mines of America, and applied partially to the Universities of Oxford and Cambridge, and some other institutions, when one third of the old rents was reserved in corn of the best quality.

M. Faucher and M. Chevalier, both industrious collectors of facts, and both endowed with various knowledge and high discriminating faculties, have arrived at opposite conclusions, after laborious and careful inquiry and meditation. Perhaps both judgments are marked by precipitation. If the former is too sceptical of the future, the latter may be too sanguine. Possibly we are justified in deciding that the quality of Californian and Australian gold will not deteriorate in districts as yet unexplored; but it would be rash to offer any positive opinion as to the quantity of gold that may be collected within the next ten or twenty years. At present there seems no probability of early exhaustion, but we are not permitted thence to argue that the supply is illimitable. The dispersion of gold also now spreads over a far wider range than did the dispersion of silver in the sixteenth century. In the former period the

channels of commerce were few and narrow; now they are numerous and wider. We must also remember that gold locked in banks is as dormant as gold locked up in mines. It is the collision between the money and goods that strikes out price; there is no commercial vitality till they come into contact, for the one is the organ of demand, the other the organ of supply. A large portion of the gold as yet received has not entered our home trade; it has been rather transmitted to the mint than the bank, and what has arrived as dust has departed as coin.

In our present number we purpose to make some further remarks on M. Chevalier's production. We will, however, first notice the letter of the translator addressed to Mr. Thomson Hankey, Jr., the Governor of the Bank of England, in the introductory part of the publication, because in that letter the translator expresses some opinions that require attention. The great point of interest in any such work as the one before us, is to know what are the opinions of the author as to the probable results of the discoveries of gold upon the present state of society, whether the incomes are derived from perpetual or permanent sources, the exchanges of commerce, or the wages of labor. Both M. Chevalier and Mr. Campbell have arrived at the same conclusion as to the effect which will ultimately be produced upon prices; viz. "that the supplies of gold now pouring into Europe must, at an early period, occasion an immense rise in the price of all commodities"; although he admits that "the enhancement of prices hitherto produced, has not kept pace with the increasing abundance of gold. But," he adds, "let its depreciation once become perceptible in the rise of the prices of the necessaries of life, of wages, and of rents, and we may expect to see the public suddenly push the advance in prices as much above the point warranted by the augmented supplies of gold, as these prices are now, in my opinion, below that point."

We have always written with great caution upon this matter, in all our remarks upon the abundance of gold, because we feel certain that, if we take gold as a commodity simply, and look to that alone as the exponent of a rise or fall in prices, we shall fall into a very serious error. The direct effect of gold upon prices cannot assume a general form under all circumstances. It must depend upon the condition, and the principal demands, of the people. The holders of gold also, in a great measure, regulate its influence in this respect. If we assume ten millions' worth of gold to be in the hands of Australian diggers, and the same amount to be in the coffers of the Bank of England, the result upon the prices of commodities would be widely different. The ten millions in the hands of the diggers would in all probability be brought into *immediate* contact with the prime necessaries and the luxuries of life; whereas the ten millions in the coffers of the Bank, for various reasons, might not be disposed of in any way connected with the interests of commerce and production. We are not advancing these positions for the purpose of undervaluing the advantages to be derived from the dis-

coveries of gold; but to show that prices do not advance in any corresponding ratio to the increase of gold, because price is not determined until an absolute exchange is effected.

Mr. Campbell's remarks in his letter to Mr. Hankey, respecting the effect that will be produced upon annuitants, bankers, and mortgagees, appear to us contradictory. He tells us at page 7, that, "In considering the effects which the anticipated depreciation of gold will have upon bankers, proprietors of bank stock, the annuitant class, *and all individuals whose capital is in the shape of money*, the position of those persons will closely resemble that of any dealer who keeps on hand a stock of some commodity which is constantly deteriorating. To compensate themselves for this disadvantage, will not bankers, and *especially the lenders of money on mortgage*, find it necessary to *exact* a higher rate of interest?" In the very same page Mr. Campbell tells Mr. Hankey, that "to landed proprietors, now heavily burdened with mortgage debts and family settlements, the depreciation of gold will afford relief." But we are at a loss to know how this can be the case, if Mr. Campbell's theory of "exacting a higher rate of interest" can coexist with a depreciation of gold. And we fear he has not studied very closely the principles that govern the rise and fall in the rate of interest for money, if he imagines that "bankers" or "lenders of money" possess any power of regulating it, especially in the face of an unlimited supply of gold. We do not affirm that the rate of interest demanded for money will not advance under the existing state of things; but it can only do so by an increasing demand for commercial and other purposes. If, however, we take the question of gold alone, as indicated by the great quantities accumulated in the leading banks of the world, we do not see that the rate of interest can rise, except in new countries, where the profits of industry are not burdened by a heavy weight of taxation.

Mr. Campbell thinks that the "first practical inconvenience that we shall experience from the depreciation of gold will be in our silver standard, which will rise above the mint coinage of 66*s.* per lb. troy." This event has been long anticipated by several writers on the gold question; but still there has been very little advance in the price of silver, though we have had great demands for the markets in India. So that unless a very extraordinary demand should arise for this metal, it is doubtful whether its price will rise so high as Mr. Campbell anticipates. The present price of bar silver is 61$\frac{5}{8}$ *d.* per ounce, or 4$\frac{3}{8}$ *d.* below the mint rate of coinage. Mr. Campbell thinks that the price of silver will at no very distant date rise above that rate; and that we shall be obliged to coin the troy pound weight of silver into 80*s.* instead of 66*s.* to keep our silver coins out of the melting-pot. Let us suppose that such an event should take place, is it not one of the strongest arguments for adopting but *one* legal standard measure of value as the money of the country, and that the most rational is that of silver? If it were not for the absurd attempt made by governments at various periods to *fix* the relative value of gold and silver at a certain ratio, there would be no need of alarm at the anticipated "disturbance" of the present standards. It is true, that in this country we have not, as in the United States of

America, a double standard that may be used at pleasure; but we have made a law that 1,614.545 grains of fine silver (the quantity contained in 20*s.* sterling silver) and 113.001 grains of fine gold (the quantity of fine gold in a sovereign) shall be equivalents. The abundance of gold will, perhaps, ultimately lead men who have to legislate in future upon this subject, to some more rational conclusion. We have not felt the effects of this law so much in this country, from the fact that our silver currency bears a high seigneurage, amounting to 4*s.* out of every troy pound of standard silver coined. The government of the United States have been quite alarmed at the manner in which the silver coinage of that country has been exported, though at a very high premium, and a very foolish bill was introduced last year into the legislature to reduce the standard dollar nearly 7 per cent. in its intrinsic value, to compensate for the depreciation in the value of gold. A more clumsy and unphilosophical expedient could not have been proposed. For upon such a principle, who could tell how soon the American silver dollar might not require a further depreciation. The state of the American coinage was brought about solely by the great abundance of gold that was produced from the mines of California. And, since it is impossible at present to tell to what extent gold may become depreciated in its relative value to silver, there is no security for the maintenance of a correct standard, while there is an attempt to *fix* it in the relative value of two metals. And it is only by circumstances, such as surround this question at the present moment, that nations are driven to acknowledge a principle founded upon the immutable laws of science and truth.

If America had adopted such a course with regard to her coinage, she would have suspended her law that made gold a legal tender, except at the market price in silver, preserving her monetary unit, the silver dollar, in its original purity and weight; her gold would then have been sent abroad, instead of silver. We are aware that this theory is not admitted here by persons who recognize Peel's Act of 1819 as a fixed contract. But as America has no such contract to recognize, there is nothing to prevent her from fixing her legal standard currency in one metal, allowing the other to rise or fall in its relative value. And, however legislators may hesitate to adopt this course, it is the only theory that has for its support a permanent foundation.

The East Indian mail has brought us a strong testimony of the views which are entertained on this subject by the East India Company. And it is rather singular that Mr. Campbell has referred, in his letter to Mr. Hankey, to the system of currency adopted in the East Indian territories. We may here state that, in 1835, the Indian government passed a law by which the moneys of British India should be uniform, and the gold mohur and the silver rupee should be both of the same weight and fineness, viz. 180 grains weight, and $\frac{1}{12}$ths fine. The gold mohur was received in exchange for 15 silver rupees, but it was not to be a legal tender. This brought the silver currency of British India to a simple and rational basis, and which no alteration in the relative value of the metals could disturb. This was established long before any Californias or Australias were dreamed of, and consequently must have been the

deliberate act of the Indian government. It has now been notified that gold mohurs will not be received into the treasuries in payment of taxes, in consequence of the great quantities of gold which have reached India from the new gold countries, thereby depreciating the value of these coins. The *Times*, in its city article of Tuesday, complains that this step will greatly disturb the relative value of silver and gold. But the inconvenience of this cannot be weighed against the loss and inconvenience that would arise from a country like India losing its silver coin. A great many persons who discuss this question appear to lose sight altogether of the functions which the coinage of a country has to perform. But we might as well get rid of our weights and measures, as to have a system of coinage that does not meet the wants of the exchanges of the country. We believe that there never was a greater need of silver coinage in England than at the present moment. And whoever will take the trouble to look at the extent of our silver coinage through a series of years, will find that the greatest irregularities prevail. During the high prices of 1847, there were only £125,730 of silver coinage passed through the mint. In the early part of that year, the price of food was so high, that double the usual amount of coin was required to purchase bread. And, though this scarcity of silver coin acted with great force upon the gold coinage and the Bank of Circulation, silver could not be disposed of, either at the Bank or elsewhere. We may here again remark, that the public are kept in total ignorance on the subject of our coinage. To whose charge we are to lay this suppression of important information, we cannot tell; but we find it one which causes a universal complaint amongst mercantile and commercial men.

A great part of M. Chevalier's work relates more especially to the history of the precious metals, and to the changes in their value produced by the discovery of mines in South America. But we have already expressed our opinions upon this part of the subject; and we doubt very much whether the circumstances of the two periods bear any resemblance to each other. M. Chevalier refers to the price of wheat to defend his views. Adam Smith did the same. We cannot conveniently refer to the prices of wheat in France at that period; but Adam Smith has given the English prices from 1595 to 1764; yet we believe that no correct conclusion can be drawn from those figures; for he divides the first period into 26 years, the second into 16, the third into 60, and the fourth into 64 years, to arrive at his averages. In the first period, wheat was 69*s.* 6*d.* a quarter in 1597, and in 1602 it fell to 29*s.* 4*d.* per quarter. In the second period, it was 28*s.* in 1628, and in 1631 it was 68*s.* a quarter. In the third period, the price was 85*s.* per quarter in 1648, and in 1654 it was only 26*s.* per quarter, and in 1687 it fell as low as 25*s.* per quarter. In the next period chosen by Adam Smith the same fluctuations are to be found. Now it is impossible to conclude from such statements as these, that the increase of gold and silver was the cause of high prices at that period, inasmuch as wheat was at one time at an enormous price, and then again it was very low, which certainly is no indication of the operation of gold upon the price of wheat. There was doubtless then, as now, a number of contingencies that were con-

stantly operating upon the price of wheat, quite independently of the influx of silver from America. Bishop Fleetwood, in his *Chronicon Preciosum*, says that wheat, before harvest in 1557, was 53*s.* 4*d.* a quarter, but after harvest, in the same year, it fell to 5*s.* a quarter in the London market, and in the country to 4*s.* per quarter! These facts we consider are sufficient to show that we ought to receive them with great caution when they are introduced to prove the effect of the precious metals upon prices in the sixteenth century. At the same time we are willing to admit that an abundance of the precious metals is certain to give a great impetus to trade and commerce, from the universal esteem in which they are held by all the nations of the world. There can be no doubt that the depreciation in the value of silver has been much greater than that of gold since those discoveries, owing to the more scientific mode of working the mines, and the application of quicksilver, the price of which has a powerful effect upon the cost of producing silver. The price of this article, which at one time was monopolized by the great house of Rothschild, was 160 dollars the quintal; it is now about 50 to 60 dollars.

It is not necessary that we should here enter into speculative opinions as to the production of gold in Australia and California. This has already become a great fact; and its influence is spreading throughout the whole civilized world. What the results will be, according to the opinions and arguments advanced by M. Chevalier, we shall take another opportunity of reviewing; for it is every week becoming more obvious that this subject is increasing in importance, more especially in those countries that are burdened with heavy debts, contracted under a state of things wholly different from that which exists at the present moment.

GOLD.

From the French of M. Leon Faucher, translated by Thomson Hankey, Jr., Esq., of the Bank of England.

THE general conclusions which M. Faucher appears to derive from an examination of this question are, that the production of such vast quantities of gold will only be of a temporary nature; and that the stock of gold already in circulation is so small in comparison with the population, that civilized nations are capable of absorbing almost an unlimited amount, without any very appreciable change in its value being felt. But we scarcely think his reasoning upon this point is correct, when he says that "the combined washings of the Altai, California, and Australia, during a quarter of a century, would be required to produce a sum equal to the annual revenue of England alone." We may here remark, that it is by no means necessary that the revenue of a country and the circulating medium should bear an equivalent value; because the revenue of a country is produced by the *number of exchanges* which all the parts of the circulating medium perform, and not by its simple amount.

M. Faucher is of opinion, that the increase of gold will create very little disturbance with regard to commercial and monetary arrangements. And he looks upon it as a providential means of restoring the credit of the Continent, which had almost disappeared during the revolution of 1848. And he states that the excess of money imported over the amount exported, which, previous to 1848, was only 80 million francs, amounted in 1848 and 1849 to 300 million francs.

M. Faucher concludes his essay with the opinion, that the abundance of gold is not likely to lower the rate of interest, because he remarks that "the rate of interest is determined by the state of confidence." We must, however, think that the facts of the case on this point are not in accordance with the opinions of M. Faucher. — *London Economist.*

DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF MASSACHUSETTS, ON BANKS AND BANKING, &c.

(*Continued from page* 736.)

I. Banks and Banking.

II. Bills of Exchange and Promissory Notes.

2. *Negotiability.*

1. The words "for renewal" written at the bottom of a note do not destroy its negotiability. *Pierce* v. *Butler*, 14 Mass. 303.

2. The negotiability of a promissory note is not affected or impaired by the note's being secured by mortgage. *Crane* v. *Marsh*, 4 Pick. 130.

3. A promissory note made payable in foreign bills is not a cash note, and therefore is not negotiable. *Jones* v. *Fales*, 4 Mass. 245.

4. A promissory note payable in goods is not a negotiable security within the twelfth section of Act Feb. 28, 1795, regulating foreign attachments. *Clark* v. *King*, 2 Mass. 524.

5. A note payable in specific articles is not negotiable, although the word "bearer" is inserted. *Hill* v. *Rewee*, 11 Met. 268.

6. A promissory note or bill of exchange, unquestionably made for the payment of money, if restricted by any contingency, or to a particular fund, or mode of payment liable to uncertainty in the amount or value to be paid, is not negotiable. *Young* v. *Adams*, 6 Mass. 182.

7. A written promise to pay "the bearer" a certain sum in six months, "provided the ship —— arrives at her port of discharge free from capture and condemnation by the British," is not a negotiable note, and the assignee cannot maintain an action in his own name on it, without proof of a promise to himself. *Coolidge* v. *Ruggles*, 15 Mass. 387.

8. A promissory note payable to B., or order, "by the 20th of May, or when he completes the building according to contract," was held to be payable on a day certain, and negotiable. *Stevens* v. *Blunt*, 7 Mass. 240.

9. This instrument was held to be a negotiable note: "March 13th, 1840. For value received I promise to pay J. P. or bearer $ 570.50, it being for property I purchased of him in value at this date, as being payable as soon as can be realized of the above amount for the said property I have this day purchased of said P., which is to be paid in the course of the season now coming." *Cota* v. *Buck*, 7 Met. 588.

10. Where a bill of exchange was remitted to the drawee by the holder, with directions to pass it to the credit of the holder, which was done, and the holder notified that it was accepted and would meet due honor, it is *functus officio* as a bill, and cannot be negotiated. *Savage* v. *Merle*, 5 Pick. 83.

11. When a negotiable note has been taken up by the last indorser, it still retains its negotiable quality, and an action may be maintained upon it by the indorsee of such last indorser against any prior party liable. *Guild* v. *Eager*, 17 Mass. 615.

12. A promissory note or bill of exchange, having been once paid, ceases to be negotiable. *Blake* v. *Sewell*, 3 Mass. 556. Overruled by *Guild* v. *Eager*, 17 Mass. 615.

13. Where a note has been paid by the last indorser, it ceases to be negotiable; but his assignee may maintain an action upon it against the prior parties to the note in the name of his assignor, and the court will prevent the assignor's interference to defeat the action. *Boylston* v. *Greene*, 8 Mass. 465. Overruled by *Guild* v. *Eager*, 17 Mass. 615.

13. A negotiable note was indorsed by the payee to one bound as his surety, by way of indemnification; the surety, having demanded payment of the maker, without effect, indorsed it in blank and returned it to his indorser, receiving other securities in its place. The payee afterwards passed the note thus indorsed to another person, who brought his action against the maker as indorsee of the second indorser. *Held*, that the returning of the note to the payee in exchange for other securities was not a payment, and did not affect its negotiability, and that the action well lay. *Emerson* v. *Cutts*, 12 Mass. 78.

3. *Transfer and Indorsement.*

1. Every indorsement of a bill may be considered as a new bill drawn by the indorser on the acceptor in favor of the indorsee. *Van Staphorst* v. *Pearce*, 4 Mass. 258.

2. An indorsement of a note, written on a slip of paper attached to the back of a note by a wafer, for the purpose of writing thereon receipts of partial payments, as there was not room on the back of the note, was held to be sufficient, there having been several such receipts written on the paper previous to the indorsement. *Folger* v. *Chase*, 18 Pick. 63.

3. A special indorsement of a note by the promisee to A. B., for value received, at his own risk, transfers the note, with its negotiable quality unimpaired, to the indorsee. *Rice* v. *Stearns*, 3 Mass. 225.

4. A security negotiable in its creation must, during its negotiation, preserve its negotiability. *Ibid.*

5. An indorsement "without recourse" transfers the whole interest therein, and merely rebuts the indorser's liability to the indorsee and subsequent holders. But such indorsement, with other circumstances, may tend to show that the note was not indorsed for value, so as to prevent the promisor from making the same defence, in an action by the indorsee, which he might make in an action by the promisee. *Richardson* v. *Lincoln*, 5 Met. 201.

6. Where a negotiable security is indorsed, "Pay the contents to my use," or "to the use of a third person," or, "Carry this bill to the credit of a third person," such an indorsement is not an assignment of the security, but only an authority to pay agreeably to such direction. *Rice* v. *Stearns*, 3 Mass. 227.

7. Where the payee of a promissory note payable to order indorsed thereon, "I guarantee the payment of the within note in eighteen months, if it cannot be collected before that," this was a conditional, and not a negotiable promise, and the holder, to recover against the indorser, must prove his title to the note. *Taylor* v. *Binney*, 7 Mass. 479.

8. A promissory note purporting to be payable to a real person who has in fact no interest in it, and to whom it was not intended to be transferred, and indorsed in a forged handwriting, resembling and intended to pass for his, cannot be considered as a note payable to a fictitious payee, and so negotiable without being indorsed. *Dana* v. *Underwood*, 19 Pick. 99.

9. If the indorsement of a note payable on time contains no date, and

there is no evidence to show when it was made, the presumption is, that the transfer of the note was made at, or soon after, the date. *Onion* v. *Balch*, 4 Cush. 559.

10. Where a note is indorsed in blank by the payee, the legal presumption, in an action on the note by the holder, is that the plaintiff purchased it immediately of the payee. *Peaslee* v. *Robbins*, 3 Met. 164.

11. When the promisor of a note, in the hands of an indorsee, by an indorsement without date, gave the indorsee a mortgage to secure the payment of all sums of money then due to him from the mortgagor, and it did not appear that any other sum was due than the said note, it was *held*, that the presumption was, that the transfer of the note took place before the making of the mortgage. *Onion* v. *Balch*, 4 Cush. 559.

12. Where the payee of a promissory note, which is in the hands of his attorney, indorses it *bonâ fide* to a third person, and leaves it in the attorney's hands for the use of the indorsee, the attorney thereby consents to hold it for the indorsee, and becomes his agent; and if the attorney bring an action on the note in the indorsee's name, which he sanctions, this is proof of actual transfer and constructive delivery of the note, though the indorsee never sees it. *Richardson* v. *Lincoln*, 5 Met. 201.

13. Where an order, not negotiable, drawn by a debtor, without consideration, in favor of his minor daughter, for money to become payable to him from a third party, and accepted by the latter, is afterwards indorsed by the daughter, at the father's request, and for good consideration received by him, but without the knowledge of the third party, to another person, these facts constitute no such assignment as will enable the indorsee to hold the money against other creditors of the debtor. *Brown* v. *Foster*, 4 Cush. 214.

14. After dissolution of a partnership, J. P., one of the firm, assigned his interest in the concerns thereof to J. H. P., and among the funds of the firm was a note from a debtor of the firm, payable to said J. H. P., or order. Arbitrators selected by the partners to adjust their differences, by their award assigned said note to C., one of the firm, and C. gave notice thereof to the maker of the note, and forbade his paying it to any other person. The note never came into C.'s possession, but J. P. took it and indorsed it as attorney of J. H. P. to a third person, who called on the maker and received payment thereof from him, after C. had given him said notice. C. afterwards procured a decree for specific performance of said award, and filed a bill in equity against J. P. and the maker of the note, to compel a delivery of the note to him, on the ground that it had been taken, detained, or secreted from him, so that it could not be replevied. The bill as against J. P. was taken *pro confesso*. *Held*, that the award and decree for specific performance thereof did not transfer to C. the legal interest in the note, and that he could not maintain the bill against the maker. *Clapp* v. *Shephard*, 2 Met. 127.

15. A commission merchant sold the goods of different consignors, mixed indiscriminately in the same parcels to the same persons, and in some cases took a negotiable note in his own name for the price, and in others charged the purchaser in account with the amount of his purchase. Afterwards, by an indenture of assignment, he transferred all

his effects in trust for the benefit of his creditors who should execute the indenture, which contained a release from all debts due from him. A consignor, who had signed the indenture, and whose demand was included among the debts therein enumerated, brought an action against the assignees for the proceeds of his goods, and upon distinguishing by evidence his proportion of the accounts and notes collected by them, he was allowed to recover the same; the assignment being considered as not passing property thus held by the assignor in trust, although it was the custom of commission merchants to negotiate notes thus taken for their own benefit, and, in case of failure of the purchaser, not to notify the consignor, but charge him with the amount as a bad debt. *Chesterfield Man. Co.* v. *Dehon*, 5 Pick. 7.

16. Where the trustees of an academy incorporated for the promotion of morality, piety, and religion, and for the instruction of youth in the learned languages and academical studies, procured subscriptions and took notes to form a fund for the foundation of an institution, to be incorporated with the academy, for the classical and academical education of indigent young men with a sole view to the Christian ministry, an assignment by the trustees of such notes to a college incorporated distinct from the academy, but by its charter authorized to receive and required to appropriate the fund according to the will of the donor, was a valid transfer of the notes. *Amherst Academy* v. *Cowls*, 6 Pick. 427.

17. Where a promissory note, payable in machine cards at cash price, was made to a person who was afterwards put under guardianship, and the guardian assigned to the plaintiff "the balance which may be due on the note after deducting what may be due to H., not exceeding five hundred dollars," the note being then in the hands of F. as a pledge to secure the payment of the debt to H., and the guardian guaranteed to the plaintiff "the payment of the note according to its tenor, after deducting the claim of H., which shall not exceed five hundred dollars," and the plaintiff agreed to account for any surplus he might receive on the note above the debt due himself; it was *held*, that the assignment and guaranty did not include a sum previously paid and indorsed on the note, there having been no fraudulent concealment of the indorsement. *Carew* v. *Denny*, 8 Pick. 363.

18. *Held*, that H.'s demand to the amount of five hundred dollars was to be paid in money, so that, although cards of the value of more than five hundred dollars at the appraised cash price were sold to produce that sum, only the balance of cards remaining due on the note after deducting those thus sold at their appraised cash value was assigned and guaranteed. *Ibid.*

19. *Held also*, that, if H. had forfeited his lien on the note, the assignment and guaranty was not thereby augmented. *Ibid.*

20. A note, payable in work to a person named therein, or to bearer, on demand, after a specified time, is assignable immediately, and before the expiration of the time. *Haskell* v. *Blair*, 3 Cush. 534.

21. The donor's own promissory note, payable to the donee, cannot be the subject of a *donatio mortis causa*. *Parish* v. *Stone*, 14 Pick. 198.

22. The promissory note of a third person, or a security for money,

may be the subject of a *donatio mortis causa*. *Sessions* v. *Mosely*, 4 Cush. 87.

23. A valid gift may be made, *inter vivos*, of a promissory note, payable to the order of the donor, without indorsement by him or other writing. *Grover* v. *Grover*, 24 Pick. 261.

24. If the donee, in such case, after receiving the note from the donor, hand it back to him, and request him to keep it until he, the donee, should call for it, or to collect it for him, the gift is not thereby annulled. *Ibid.*

25. Promissory notes and other securities for the payment of money will pass by a bequest of money, where such is manifestly the intention of the testator. *Morton* v. *Perry*, 1 Met. 446.

26. Promissory notes were held not to pass by a bequest of "in-door movables." *Penniman* v. *French*, 17 Pick. 404.

27. A testator, after reciting that he had disposed of all his real estate, and paid to his heirs, in cash, the largest part of their portions, and that he was making his will, "dividing the residue," gave legacies to his wife and two of his heirs, in full of their portions. He then bequeathed to three other heirs all the money which should be left at his decease; at the date of his will, almost all of his property consisted of promissory notes and money on hand. The amount of money then on hand could not be ascertained; but he commonly had not more than twenty or thirty dollars. At his decease he had notes to the amount of two thousand three hundred dollars, and only thirty-one dollars in money. *Held*, that the money due on his notes, at his decease, passed by the bequest of money left. *Morton* v. *Perry*, 1 Met. 446.

28. A testator, having devised certain land, and bequeathed certain chattels to a minor, whom he also made one of his residuary legatees, afterwards sold and conveyed said land and chattels to a third person, and took his promissory notes in payment. After his decease, his executor delivered these notes to said minor's guardian, who gave his receipt therefor "in full of the legacy bequeathed" to said minor, and collected the money due thereon. The executor was afterwards removed from his trust, and an administrator *de bonis non*, with the will annexed, was appointed. *Held*, that the administrator was entitled to recover back from the guardian the money which he had received at the time when the demand was made on him, with interest afterwards. *Stevens* v. *Goodell*, 3 Met. 34.

29. The directors of an incorporated banking company have power to authorize the president or any officer of the bank to assign over the negotiable securities payable to the bank; and a blank indorsement by such attorney is sufficient to transfer the property in the note. *Northampton Bank* v. *Pepoon*, 11 Mass. 288.

30. An indorsement by the president of a bank, in pursuance of a vote of the directors, of a note payable to the president, directors, and company of the bank, or their order, is sufficient to transfer the property in the note. *Spear* v. *Ladd*, 11 Mass. 94.

31. Where a note was indorsed to a bank, and was again indorsed by the cashier of the bank as follows: "P. H. F., Cashier," — it was *held*,

that such second indorsement was sufficient. And *it seems*, that, in an action upon such note by the second indorsee against the payee, if the second indorsement is not sufficiently certain, the plaintiffs may make it so, at the trial, by prefixing the name of the bank of which the indorser was cashier. *Folger* v. *Chase*, 18 Pick. 63.

32. It is competent for joint payees of a promissory note to assign the same to one of the payees, and the assignment will have the same effect as if made to a stranger. *Russell* v. *Swan*, 16 Mass. 314.

33. A negotiable note, made payable to three payees, was transferred by the indorsement of two of the payees to the third payee and a stranger; it was *held*, that this was a good and legal transfer, and if this were doubtful, a subsequent indorsement by the third payee to the stranger would clearly transfer the whole property in the note to such indorser. *Goddard* v. *Lyman*, 14 Pick. 268.

34. One of two executors cannot transfer a negotiable promissory note made to them as executors. *Smith* v. *Whiting*, 9 Mass. 334.

35. A minor, having received a negotiable note in payment of his labors for the maker of the note, indorsed it for a valuable consideration to one who knew him to be under age; afterwards the father of the minor received the amount of the note and gave the maker a discharge, both of them knowing of the indorsement: the indorsee still recovered judgment against the maker. *Nightingale* v. *Withington*, 15 Mass. 272.

4. *Of Taking Bills or Notes free from, or subject to, the Equities between other Parties.*

1. If an indorsee of a promissory note take it under circumstances which might reasonably excite suspicions as to its being good, — as if he receive it after payment has been refused, or some time after it is due, or (if it be payable on demand) with a stipulation that the indorser was to be in no way liable, — or if it were received in trust for the indorser, the indorsee takes it subject to any legal defence which could be made against a recovery by the indorser. *Ayer* v. *Hutchins*, 4 Mass. 372.

2. A note on demand, negotiated eight months and a few days after its date, was *held* to have been negotiated after it was overdue. *American Bank* v. *Jenness*, 2 Met. 288; *Ayer* v. *Hutchins*, 4 Mass. 372.

3. Where a promissory note on demand, with interest under the legal rate, payable semiannually, made by C. and H., copartners, in the name of the firm, payable to C. or his order, was indorsed to the plaintiff, as collateral security for money borrowed by C. six months after its date, it was *held*, in an action against H., the surviving partner, that, under the circumstances, the indorsee took the note subject to all equities existing against it in the hands of C., the payee. *Thompson* v. *Hale*, 6 Pick. 258.

4. Where a negotiable note, payable on demand, was transferred and delivered by the payee to a third person, for a valuable consideration, within a month after its date, but was not indorsed by the payee until two years afterwards; it was *held*, in an action by the indorsee against the makers, that they could not set off against said note a demand which was

due them from the payee at the time of the making of the note, and of the transfer thereof by delivery. *Ranger* v. *Cary*, 1 Met. 369.

5. Where a note, payable on demand, was indorsed nearly six years after its date, it was *held* to be entirely discredited, and that the indorsee took it subject to any defence which the promisor might make against the promisee. *Stockbridge* v. *Damon*, 5 Pick. 223.

6. So of a note on demand, indorsed a year and nine months after date. *Sargent* v. *Southgate*, 5 Pick. 312.

7. A mortgaged goods to B, but remained in possession, and sold them to C, agreeing to give C a bill of sale thereof, signed by B; C gave A a note for the goods, payable to him or bearer, on demand, which note A delivered to B two days after its date; whereupon B signed a bill of sale of the goods, as sold to C, and allowed A the amount thereof in account. A, pretending that he had possession of the note, applied to C for payment thereof, and C, not knowing that it had been delivered to B, sent the amount thereof to A in three different sums, on different days. *Held*, in a suit on the note brought by B against C, that B could not recover; the case being within the statute of 1839, c. 121, § 1. *Brooks* v. *Twitchell*, 6 Met. 513.

8. The statute of 1839, c. 121, — which provides that, "in any action brought upon a promissory note payable on demand, by an indorsee against the promisor, any matter shall be deemed a legal defence, which would be a legal defence to a suit on the same note if brought by the promisee," — does not apply to an action brought by the indorsee of a note given by a firm, payable to one of the members thereof or his order, where the only objection to the maintenance of the action is, that the promisee could not have maintained an action against the promisors. *Thayer* v. *Buffum*, 11 Met. 398.

9. In an action by the indorsee against the maker of a note negotiated after it was due, the maker may go into any evidence he would have been entitled to, had the action been brought by the original promisee. *Gold* v. *Eddy*, 1 Mass. 1.

10. The maker and indorser of a note made payable to his own order is entitled to the same defence against a holder who receives it after it is overdue, that he would be allowed to make, if the note had been payable to a third person, or his order. *Potter* v. *Tyler*, 2 Met. 58.

11. In an action by the holder against the maker of a negotiable note, founded on a consideration which failed, the defendant is not obliged to prove that the plaintiff purchased with full and certain knowledge of the want or failure of consideration; if the circumstances attending the transfer were sufficient to put him upon his guard, and he made no inquiry into the consideration, he purchased at his peril. *Cone* v. *Baldwin*, 12 Pick. 545.

12. Knowledge on the part of the indorsee of a negotiable note, given for the consideration of a conveyance of land, that the title to the land is questioned, and that the grantee intends to resist payment of the note in case he shall be evicted, is sufficient notice, without a knowledge of any particular fact invalidating the title, to put him on his guard, and let the grantee in to make such defence as he could if the action had been brought by the grantor. *Knapp* v. *Lee*, 3 Pick. 452.

13. Where a note appeared, upon its face, to have been given in consideration of the transfer of a patent right, and was indorsed by the payee "at the risk and cost" of the indorsee, this would not authorize a jury to infer that the indorsee had any knowledge or reason to suspect that the patent right was of no value. *Goddard* v. *Lyman*, 14 Pick. 268.

14. The circumstance that the indorser of a note was a director in the bank where it was discounted, will not be deemed constructive notice to the bank that the note was made for his accommodation. *Commercial Bank* v. *Cunningham*, 24 Pick. 270.

15. An accommodation note, which was made as collateral security for a debt due from a third person to the payee, was negotiated by the payee after it was due, and after the debt had been paid. The holder offered it to A, one of his creditors, on certain terms, and gave him liberty to take it, for the purpose of inquiry, before he should accept or reject the offer. A presented the note to the maker, telling him he had taken it as money, and asked him if he would pay it. The maker, not knowing that the said debt was paid, and the note negotiated after it was due, concealed no fact of which he was aware from A, but told him that it was an accommodation note which he did not expect to pay; that he should be obliged to pay it, and would pay it if three months were given him, otherwise he should contest it. A then informed the holder that he should not take the note on the terms offered, but proposed to take it on certain other terms, to which the holder assented; after the expiration of three months, A sued the maker on the note. *Held*, that the defendant's promise to A was without legal consideration, and that he was not estopped thereby from making the same defence against A which he might have made against the payee. *Mackay* v. *Holland*, 4 Met. 69.

16. In an action against the maker of a note indorsed before it was due, by the payee to the plaintiff, it is competent for the defendant to show that the payee's name was given merely as security, and that this was known to the plaintiff at the time, and so be let in to all the equities subsisting between himself and the plaintiff as immediate parties to the note. *Grew* v. *Burditt*, 9 Pick. 265.

17. The indorsee of a note, who receives it for value from the second indorser, after it has been dishonored by the maker, can recover thereon against the maker, although he knew when he received it, that, as between the maker and the first indorser, it was an accommodation note. *Thompson* v. *Shepherd*, 12 Met. 311.

18. When the first indorsee of a note negotiates it after it is dishonored, and the second indorsee brings an action thereon against the maker, or first indorser, the defendant cannot set off any claim which he has against the first indorsee, except such as existed at the time of the transfer of the note to the plaintiff, although he had no notice of such transfer when he acquired his claim against the first indorsee. *Baxter* v. *Little*, 6 Met. 7.

19. In an action by the indorsee against the maker of a promissory note, negotiated after it was overdue, it is no defence that the promisee is indebted to the maker in a larger sum than the amount of the note, unless such demand be filed in set-off according to the statute. *Clark* v. *Leach*, 10 Mass. 51.

20. A bill of exchange was indorsed thus: "Pay T. W., or order, for our use, value received in account." In an action by the indorsee, evidence of an agreement between the drawer and indorser, that, in case of the dishonor of the bill, it was to be exchanged for an obligation of the indorser's, was *held* to be rightly admitted. *Wilson* v. *Holmes*, 5 Mass. 543.

21. When the holder of a note, that is made payable to himself or bearer, puts it into the hands of an agent for collection, and the maker, when called on by the agent for payment, asks for time, and promises to pay it, and at the same time states that he has demands against the principal which ought to be applied on the note, he is liable to an action on the note brought by the agent in his own name, during the lifetime of the principal. But the maker is entitled to the same right of set-off, in such action, as if the action had been brought in the name of the principal. *Royce* v. *Barnes*, 11 Met. 276.

22. The indorsee of a negotiable promissory note, to whom the same is transferred by the maker in payment of, or as collateral security for, a preëxisting debt, is entitled to enforce payment of the same against the indorser, irrespective of the equities between the original parties. *Blanchard* v. *Stevens*, 3 Cush. 162.

23. In an action on a promissory note payable to E. D. (but not to his order), brought in the name of the promisee, but for the benefit of an assignee for a valuable consideration, and without notice of a fact which would invalidate the note, the promisor may make the same defence as if the note had not been assigned. *Dyer* v. *Homer*, 22 Pick. 253.

24. The maker of a promissory note, which has been transferred by indorsement before it became due, with a notice to the indorsee that the maker intended to refuse payment, on the ground that the note was obtained from him by the fraud of the payee, may prove such fraud in defence of an action against him by the indorsee, and for this purpose may give evidence of the admissions of the payee, whilst he was the holder of the note, and before the indorsement. *Fisher* v. *Leland*, 4 Cush. 456.

5. *Rights and Liabilities of the Different Parties.*

1. The maker of a note has not a right to insist upon its delivery as a condition precedent to payment. *Barker* v. *Wheaton*, 5 Mass. 509.

2. Where the holder of a note, having received part payment thereof, does not indorse it on the note, — but recovers judgment for the face of the note, — although the judgment has not been satisfied, the maker can have his action for the money paid. *Howe* v. *Smith*, 16 Mass. 306.

3. The promisor of a note for a much larger sum than thirty dollars, having made a payment of thirty dollars towards the same which was not indorsed thereon, was afterwards sued on the note, and filed a specification of defence thereto, in which he stated, among other things, a payment of thirty dollars; and being subsequently defaulted in the action, the plaintiff took judgment against him for the whole amount of the note, without deducting the payment. It was *held*, that the promisor could not main-

tain an action to recover back the amount of such payment. *Jordan* v. *Phelps*, 3 Cush. 545.

4. If the assignee of a note for labor, payable to the payee therein named, or to bearer, cause payment thereof to be demanded for him by an agent, and the promisor does not object to the authority of the person by whom the demand is made, nor to the time and place of doing the work demanded, nor to the person for whom he is requested to perform it, he cannot object to the assignment, as a compulsory transfer of his services. *Haskell* v. *Blair*, 3 Cush. 534.

5. A promise was to pay a sum in painting and stock on demand, the promisee to give twenty days' notice when to begin the work. Some time after, the party entitled gave the promisor notice, that within twenty days he should want the work done on a house then nearly finished. Before the twenty days expired the promisor offered to do the work, but the house was not ready, and the person entitled under the contract told him he would let him know when he should be ready (to which the promisor made no reply); and in about ten days after the expiration of the twenty required the work to be immediately done. It was *held*, that the promisor was not entitled to a second notice of twenty days after the first notice, not having tendered the work at the expiration of the first notice, and insisted on his rights; but the jury might infer, from his silence, his assent to do the work when the house should be ready. *Baker* v. *Mair*, 12 Mass. 121.

6. Where a bill of exchange, drawn in a foreign country, is indorsed there by one having his residence there, the indorser is answerable only according to the laws of that country. *Powers* v. *Lynch*, 3 Mass. 77.

7. The indorsee of a note made and indorsed in another State must do all that is required by the law of that State to charge the indorser, before he can maintain an action against him in this State. *Williams* v. *Wade*, 1 Met. 82.

8. Where the promisee indorses the note thus: "For value received, I order the contents of this note to be paid to A. B., at his own risk," — the indorser is not liable, upon default of the maker to pay the note. *Rice* v. *Stearns*, 3 Mass. 225.

9. Where one makes or indorses a note for the purpose of its being used in a particular way, he takes the risk of its being used in a different way, and cannot refuse to pay it to a *bonâ fide* holder, into whose hands it may come. *Sweetser* v. *French*, 2 Cush. 310.

10. A bank is entitled to recover against the second indorser of a note discounted by the bank, although the indorsement of the name of the payee is a forgery, and although the note was offered for discount by the maker, and not by the second indorser. *State Bank* v. *Fearing*, 16 Pick. 533.

11. Where the holder of a bill of exchange, having given due notice of its non-acceptance, takes collateral security from the drawer, but without giving him further time, and afterwards gives up the security, in the belief that the drawee would pay a large part, if not the whole, of the bill, and upon the bill's being protested for non-payment gives due notice to drawer and indorser, the indorser is still liable. *Hurd* v. *Little*, 12 Mass. 502.

12. Where the holder of a note with several indorsers in blank sues the maker, and writes over the name of the first indorser an order to pay it to himself, the holder, but without striking out the names of the subsequent indorsers, he does not thereby discharge them; and therefore one of them who pays the amount of the note to the holder may sue any of the prior parties. *Cole* v. *Cushing*, 8 Pick. 48.

13. The relative rights and duties of parties who indorse successively a promissory note for the accommodation of the maker, are the same as in the case of a business note; so that, due notice of the dishonor of such accommodation note having been given, a subsequent indorser who pays it may recover of a prior indorser the whole amount paid, and not merely a contribution, as in the case of sureties. *Church* v. *Barlow*, 9 Pick. 547.

14. Where a note is given by one partner in the name of the firm for his private debt, the person taking such note cannot recover against one who indorses it without any consideration for the accommodation of the firm, thinking it to have been made by the firm. *Chazournes* v. *Edwards*, 3 Pick. 5.

15. A bill of exchange was drawn in Boston, by J. R. B., on H. & Co. of Richmond, who accepted it for the accommodation of the drawer, and on his engagement to place funds in New York, where the bill was payable, to meet it at maturity. The bill was indorsed by the plaintiff, also for the accommodation of the drawer, with a knowledge of all the circumstances, and this mode of raising money was advised by the plaintiff. The drawer having failed and assigned his property for the benefit of creditors, before the bill became due, it was dishonored and returned to Boston, where it had been discounted, and was taken up by the plaintiff. The assignment provided for indemnifying the plaintiff against all indorsements made by him on account of the drawer, and there were funds in the hands of the assignees to which he could resort. *Held*, that the plaintiff must resort to the funds in the hands of the assignees, for payment of the bill, and could not maintain this action against the acceptors; and that the recovery by the acceptors in a process of foreign attachment, commenced to secure themselves, of a sum of money due the drawer, but which was subject, in their hands, to the control of a court of equity in Virginia, did not affect the case. *Bradford* v. *Hubbard*, 8 Pick. 155.

16. At the request of the defendant, a negotiable note was made by A, payable to the plaintiff, and by him indorsed for the purpose of being discounted at a bank for the benefit of the defendant, who promised to indemnify the plaintiff; and upon the note's being discounted, the defendant received the money from the bank. The plaintiff afterwards took up the note by giving a new negotiable note signed by himself and indorsed by B. *Held*, that the plaintiff had no claim against A, but only against the defendant. That the giving of the new note was equivalent to payment of the first, and so would support an action for money had and received. That after verdict it was too late to object that the plaintiff had made the payment without having been duly notified as indorser. That in case the indorser of the new note should be compelled to pay it, he would have no right of action against the defendant, unless he indorsed it at the defendant's request. *Cornwall* v. *Gould*, 4 Pick. 444.

17. The indorser of a note who pays the amount of the note, and takes it up, may maintain an action upon it as indorsee against a prior indorser, without proving that notice of its dishonor was given to himself, or that he paid the amount under legal liability. *Ellsworth* v. *Brewer*, 11 Pick. 316.

18. The acceptor of a bill of exchange for the honor of the drawer cannot maintain an action thereon against him, without proof of its presentment to the drawee, and non-acceptance or non-payment by him, and notice thereof to the drawer. *Baring* v. *Clark*, 19 Pick. 220.

19. If the holder of a bill of exchange, transferred to him as collateral security for his indorsement of another bill, pays this last bill without due notice of its dishonor, such payment is gratuitous, and he cannot recover upon the bill pledged to him as collateral security. *Bachellor* v. *Priest*, 12 Pick. 399; *Ellsworth* v. *Brewer*, 11 Pick. 316.

20. Where the plaintiff drew a bill of exchange on account of the defendants, who were indebted to him, and no notice of the dishonor of the bill was given him, but he paid the amount of the bill to one who, by mistake, took it up for the honor of a person not a party to the bill, it was *held*, that the waiver of notice by the plaintiff could not be allowed to prejudice the defendants. *Grosvenor* v. *Stone*, 8 Pick. 79.

21. The agent of the H. M. Co. at Ware, being authorized for the purpose, by a vote of the corporation, made drafts on D. B. & Co. of New York, payable to the order of G. S., treasurer of the company, and one of the firm of G. S. & Co., the agents of the company in Boston, which drafts were there accepted by D., one of the drawees, who was also a member of the firm of G. S. & Co. and were then indorsed by G. S., treasurer, and by G. S. & Co., and negotiated and disposed of by them for their own benefit, under an agreement with the H. M. Co. that they would pay them at maturity: G. S. & Co. having failed before the drafts became due, and being unable to take them up at maturity, the drafts, when due, were proved and allowed as claims against the H. M. Co., who had also failed in the mean time, and dividends were paid thereon by the assignees of the latter: it was *held*, that the assignees of the H. M. Co. were entitled to charge the amount of such drafts against G. S. & Co. in account, notwithstanding that some of them were paid by one of the indorsers subsequent to G. S. & Co., without previous demand of the acceptor, and notice to such indorser. *Shaw* v. *Stone*, 1 Cush. 228.

22. The plaintiff purchased a ship for a contemplated voyage, and sold one half of it to the defendant; and it was agreed that they should furnish and be interested, each one moiety, in the cargo and voyage. The ship was fitted out under the agency of B., and in order to raise the necessary funds, the plaintiff drew, and the defendant indorsed, a bill of exchange on the master at the foreign port of destination. The plaintiff took the bill, giving the defendant a receipt, in which he agreed to negotiate the bill and deposit the proceeds, on their joint account, in the hands of B., which he accordingly did. The bill was afterwards protested, but the defendant was not duly notified of its dishonor. *Held*, that although the defendant was not liable on the bill itself, yet that between him and

the plaintiff it was a mere instrument to raise funds for both, and that, if the plaintiff should pay the bill, he would be entitled to recover of the defendant half of the amount raised by the discount of the bill; but that until the plaintiff should pay the bill he could recover nothing. *Gardner* v. *Cleveland*, 9 Pick. 334.

23. A and B, partners at New Orleans, give notice in September, that the partnership will determine on the 31st of December, and A and C give notice that after that day the business will be continued by them as copartners. In November, C draws a bill at Boston upon A and B in favor of the plaintiff at sixty days' sight, which the plaintiff transmits to New Orleans in a letter addressed to A and C, directing them to do the needful with it, and place it to his credit, and to remit the proceeds in consignment or bills of exchange. This letter is received by A and B on the 15th of December, who on the 21st answer that it is accepted and shall meet due honor. It is credited to the plaintiff by A and B upon its receipt, but is never protested. C arrives at New Orleans on the same day with the letter, and makes use of A and B's counting-house as his place of business, and probably has access to their books. On the 4th of January, C writes to the plaintiff that the intended partnership is deferred, to enable A and B to settle their concerns, and that the same attention will be paid to business as would have been done by the intended firm. In the beginning of March the plaintiff writes to A and B to make remittances, and in the middle of the month they stop payment, having made no remittances. *Held*, that C was not liable as drawer of the bill, no steps having been taken to make him accountable, and that he was not plaintiff's agent, and so not liable for negligence. *Savage* v. *Merle*, 5 Pick. 84.

24. The plaintiff, a merchant in the U. S., consigns his ship to his correspondent in Ireland, directs him to procure insurance, and draws a bill of exchange on him, payable in London; the bill is accepted by the correspondent in the usual course of his business; before it arrives at maturity, he purchases and remits exchange to reimburse the house in London for their payment of the bill; the bills remitted do not fall due in season for the acceptance, and before their maturity the parties to them become insolvent. It was *held*, that the plaintiff was not liable for the loss thus incurred. *Forbes* v. *Eldridge*, 9 Mass. 497.

25. The acceptor, unless by special agreement between the parties, is not to be considered as acting as agent for the drawer. *Ibid.*

26. H. & Co., being about to engage in a voyage, obtained of the plaintiff a letter of credit for account of themselves and P., who was supercargo and interested in the voyage. P. drew two bills on the plaintiff, one of which they accepted for the joint account of H. & Co. and P., and the other they afterwards accepted and paid *supra protest*, for the honor of P., the drawer, H. & Co. having suspended payment. It was *held*, that C., who was interested in the voyage, and therefore liable as a partner towards third persons on contracts made in the prosecution of the voyage, was liable to the plaintiffs as well for the amount of the draft accepted by them for the honor of the drawer as for the other. *Barings* v. *Crafts*, 9 Met. 380.

27. Where a party takes a bill transferable by delivery, not overdue nor otherwise apparently dishonored, for valuable consideration, in the usual course of business, and without notice, actual or constructive, that the holder came by it unlawfully, or without title, and has no just right to collect and receive it, the party taking it shall hold it as a valid security, notwithstanding that it has been lost by the true owner, or stolen from him, or taken by the holder as a mere agent, without any authority to collect or transfer it; otherwise he shall not be deemed to have a good title to hold and enforce payment of it, or withhold the bill or its proceeds from the party justly entitled. *Wheeler* v. *Guild*, 20 Pick. 545.

28. A made a note payable to B or bearer, in three years, at P. S.'s dwelling-house, in M., "said note to be kept in the hands of P. S." The note came into the possession of P. S.'s administrators, who demanded payment thereof, after it became payable, at said dwelling-house, and brought an action thereon against A, alleging that P. S. became the bearer thereof. *Held*, that the legal presumption of title, which arises from possession of a note payable to bearer, must prevail in this case, and that the plaintiffs were entitled to recover. *Truesdell* v. *Thompson*, 12 Met. 565.

29. The indorsee for value of an unnegotiable note may write over the name of the indorser a promise to pay the contents of the note to the indorsee, who may maintain an action upon such promise. *Josselyn* v. *Ames*, 3 Mass. 274.

30. M. & D. made a note to F. & Co., not negotiable, and F. & Co. at the same time wrote their names in blank on the back of the note, and M. & D. transferred it to A. *Held*, that A. had legal authority to write over the names of F. & Co. a promise to pay the contents of the note to him, and that he might recover of them the amount of the note, in an action of indebitatus assumpsit on the money counts. *Sweetser* v. *French*, 13 Met. 262.

31. Where the payee of a bill of exchange indorsed his name under a special agreement to pay twenty per cent. damages to the holder in case the bill should not be accepted, it was *held*, that a *bonâ fide* holder might insert above this stipulation a direction to pay the contents to his order, for value received, as if the indorsement had been in blank. *Blakely* v. *Grant*, 6 Mass. 386.

32. Where one holds a negotiable promissory note indorsed in blank, fairly, and without fraud, he can give a good and legal discharge from the note, and maintain an action on it in his own name, though he does not prove a legal transfer to himself. *Little* v. *Oliver*, 9 Mass. 423.

33. The plaintiff, being the holder of a negotiable note indorsed in blank, delivered it, without putting his name upon it, to an agent, to procure it to be discounted. The agent indorsed it in his own name, and sent it to a bank, and his messenger represented that the money was wanted for the accommodation of the agent. The bank discounted the note and passed the proceeds to the credit of the agent, and the proceeds were then attached as the agent's property in the possession of the bank by a trustee process. The plaintiff forthwith informed the bank that the note belonged to him, and demanded payment of the proceeds. *Held*,

that the bank was responsible to him therefor. *Merrill* v. *Bank of Norfolk*, 19 Pick. 32.

34. A negotiable note is assigned by the payee by delivery only, and without any writing, for a valuable consideration; and the assignee may recover judgment in the name of the payee, notwithstanding a payment by the maker to the payee, and a discharge given by the payee after notice of the assignment. *Jones* v. *Witter*, 13 Mass. 304.

35. A sheriff received of a judgment debtor a negotiable note, payable to and indorsed by the debtor, as security for an execution, and afterwards sold it at auction to himself as the highest bidder, and made a return of this fact on the execution. *Held*, that he might maintain an action as indorsee, but must account to the indorser for the proceeds, as of a pledge. *Bowman* v. *Wood*, 15 Mass. 534.

36. Where a note is made by several persons, payable to one of their own number, though payment cannot be enforced at law, as between the original parties, yet if it be indorsed to a third person, he may maintain an action on it. *Pitcher* v. *Barrows*, 17 Pick. 361.

37. Where the payee of a negotiable note has indorsed the same, the indorsee cannot maintain an action on it in the payee's name without his consent. *Mosher* v. *Allen*, 16 Mass. 451.

38. Where the payee of a promissory note delivers it to another, as a gift, but without indorsing it, the donee may, upon the death of the donor, maintain an action against the maker of such note, in the name of the donor's administrator, without his consent. *Grover* v. *Grover*, 24 Pick. 261.

39. Where the holder of a draft, indorsed in blank, writes over the indorser's name a direction to pay the proceeds to the president of a bank in which he places it for collection merely, and the bank, upon non-payment of the draft at maturity, redelivers it to the holder without cancelling such direction, no authority is thereby given to the holder to institute a suit on the draft in the name of the bank. *Watson* v. *New England Bank*, 4 Met. 343.

40. A, being indebted to B, agrees to give him a note to be discounted at a bank, and accordingly gives one signed by himself as principal and C as surety, payable to the bank. The bank refuses to discount it, or to authorize a suit in the name of the bank; whereupon B sues both promisors in his own name. *Held*, that C, being by the terms of the contract liable only to the bank or their assignees, and there being no evidence of priority between him and B, the action would not lie. *Allen* v. *Ayres*, 3 Pick. 298.

41. A joint and several promissory note of J. and S., who had been partners, made payable to a bank, for the purpose of being discounted in order to pay partnership debts, was delivered by J. to one of his separate creditors, J. stating that the bank had declined discounting it, but would discount it when in funds, which was also confirmed by a director of the bank. The bank, however, refused to discount it, to indorse it without recourse, or to give permission to the creditor to commence an action in the name of the bank upon the note. A bond of indemnity against the costs of such an action was sent to the bank, and filed away therein, but

without any action on the subject by the directors. It was *held*, that no action could be maintained on the note in the name of the bank, without its assent, expressed or implied; that such assent could not be implied under the circumstances; that, even had the bank consented thereto, the action could not be maintained, as the bank had refused to discount the note, and there was, consequently, no valid contract between the bank and the makers of the note; and that no action could be maintained by the creditor, in any form, against S., it being fraudulent in J. to appropriate the note for the payment of his private debts. *Adams Bank* v. *Jones*, 16 Pick. 574.

42. An action was brought by the holder of a negotiable promissory note, which was not, however, indorsed by the payee, against one who sold the note to the holder and had indorsed his name in blank thereon. *Held*, that the action would not lie. *Birchard* v. *Bartlett*, 14 Mass. 279.

43. Where one made a note payable to T. C., and then forged the indorsement of T. C. and procured the note to be sold by a broker, the holder could not claim as indorsee of the note, and could only recover the amount under the money counts. *Boardman* v. *Gore*, 15 Mass. 331.

44. The law will protect the equitable interest of the assignee of an unnegotiable note, but it must appear by the pleadings that the assignment was for an adequate consideration. *Perkins* v. *Parker*, 1 Mass. 117.

45. A promissory note, while it was in the hands of a person with whom it had been deposited, was assigned by a deed with a power to sue, &c., and the assignor afterwards demanded the note, but the depositary refused to deliver it. *Held*, that the assignee might maintain trover in the name of the assignor. *Day* v. *Whitney*, 1 Pick. 503.

46. The payee of an order not negotiable, payable out of a particular fund, and not expressed to be for value received, which has never been presented for acceptance or payment, cannot maintain an action thereon against the drawer, upon proof that the latter, after the commencement of the action, admitted the amount to be due to him from the payee. *Wheeler* v. *Souther*, 4 Cush. 606.

47. Where a person, entitled to quarterly payments from a trustee, drew an order on the trustee to pay his creditor, "as the drawer's income should become due," a certain sum which did not correspond in amount with one or any number of the sums payable to the drawer, and the drawee refused to accept the order, it was *held*, that the order was not an equitable assignment, and that the payee could not maintain an action against the drawee in the name of the drawer. *Gibson* v. *Cook*, 20 Pick. 15.

48. A bill of exchange having been indorsed to the order of A and B, who had no interest in it but as agents for the drawer, they, after acceptance, erased the words "to A and B, or their order" in the indorsement to themselves, and sold it to C. Payment being refused, C brought his action against the acceptor, but failed to recover on account of the erasure. A and B having afterwards paid C the amount of the bill, were permitted to restore the erased words, and recovered in an action against the acceptor. *Morris* v. *Degrand*, 15 Mass. 437.

49. A promissory note was given on a compromise of a claim on the maker for rent, and was delivered to the payee's agent, to be valid if the payee would accept it in full satisfaction of his claims, and would discharge the maker therefrom. The note was accepted by the payee, and a discharge given by him, which the agent took for the maker, but which was destroyed by fire while in his possession. The agent gave no notice to the maker that the payee had accepted it, and had given a discharge; nor did the maker inquire of the agent respecting it. *Held*, that a suit might be maintained on the note, without previous demand of payment, or notice to the maker that it had been accepted in discharge of the payee's claim for rent. *Cobb* v. *Arnold*, 8 Met. 403.

50. F. had lent the sum of $ 100 to B., and upon F.'s demanding payment, B. produced a note for $ 150, executed by himself as principal, and by the defendant as surety jointly and severally, and payable to the Blackstone Bank, and requested F. to get the note discounted and pay himself out of the proceeds. F. agreed to do this if he could, and in consequence forbore to sue B., though he did not promise so to do. B. shortly afterwards absconded, and the defendant immediately sent notice to the cashier of the bank not to discount the note, but F. had it discounted before the regular meeting of the bank directors, though after this notice to the cashier. It was *held*, that the note was given to F. on a good consideration, and that he being in possession of the note coupled with an interest therein and an authority to get it discounted, the defendant could not revoke this authority; that the bank had a right to discount the note to the extent of F.'s interest notwithstanding the defendant's notice; and that there was therefore no fraud in F.'s concealing B.'s failure from the directors. *Wheeler* v. *Slocumb*, 16 Pick. 52.

51. The defendant, having been summoned as trustee of C. in an action brought by M. against C., made a note for the amount of his debt to C., and, being desirous of having the note set off against a debt due to himself from M., deposited it, with C.'s consent, in the hands of a third person, to hold until they should be able to make a settlement with M., when they would direct the depositary to give it to one of the three. No such settlement was ever made with M., who afterwards obtained judgment and took out an execution, which was satisfied in part only by C.; but no demand was ever made upon the defendant, nor did it appear that judgment was rendered against him upon his answers as trustee. C. died, and his estate was represented insolvent; and some years after the issuing of M.'s execution, the depositary delivered the note to C.'s administrator upon demand made. *Held*, that the administrator had a right to the note, and an action brought by him against the defendant on the note was sustained. *Plympton* v. *Cutler*, 10 Pick. 263.

52. An auctioneer sold to one purchaser goods of several consignors, and took in his own name a negotiable note, which he afterwards transferred to assignees for the benefit of his creditors, and the assignees received the money. One of the consignors sued the assignees, and the parties having, in a case stated, distinguished his proportion of the proceeds of the note, he was allowed to recover the same. *Denston* v. *Perkins*, 2 Pick. 86.

53. Where one had indorsed certain notes for the accommodation of the makers, and before they were payable, apprehending the failure of the makers, had taken their note payable immediately, for a greater sum than that of the notes he had indorsed, which he, in consideration thereof, undertook to pay at maturity, and he commenced an action, and attached property on said note at once, he was *held* entitled to recover on said note the amount of the notes indorsed by him, although *bonâ fide* creditors whose debts were due before the indorsed notes matured had afterwards attached the same property. *Cushing* v. *Gore*, 15 Mass. 69.

54. A daughter indorsed and delivered to her father, at his request, promissory notes owned by her, on his declaring to her that this was necessary in order to secure the property for her, and upon no other consideration. The father made a will, by which, after several bequests, he gave the residue of his property to his executor, and ordered the said notes to be delivered to him in trust, to invest said property and notes in stock, and to receive and pay over the income thereof to his daughter during her life, and to pay the principal, at her decease, to such person as she might by her last will direct, and in default of such will and direction, to pay the same to her heir or heirs at law, to have and to hold the same for ever; and by a codicil he gave several bequests to be paid after the decease of his daughter. He died insolvent, and the money due on said notes was claimed by his creditors. *Held*, on a bill in equity, brought by the daughter against the father's executor, that the notes were held by the father in trust for her use and benefit; that his creditors had no claim upon them; and that the daughter had a right to terminate the trust, if she so elected, and to have the trust property restored to her by the executor. *Hunnewell* v. *Lane*, 11 Met. 163.

55. By an ante-nuptial contract between A and B, made in June, 1845, B, the intended wife, was to hold her property to her sole and separate use, and was to advance to A, the intended husband, certain promissory notes owned by her, with the proceeds of which A was to redeem his mortgaged farm, convey one half thereof to B, and have the use of said half so long as he should be a faithful husband to B. A had no legal right to redeem said farm, the right to redeem it having wholly gone from him. A and B were married on the 15th of July, 1845, and A soon after took said notes from B without her consent, and put them into the hands of his attorneys, to be collected for him; B petitioned the court to appoint a trustee to hold her separate property in trust for her, and the court appointed C as such trustee, and B conveyed to C all her separate property, in trust, according to the provisions of Stat. 1845, c. 208, § 8. C brought a bill in equity against A and his attorneys, praying that they might be required, by decree, to deliver said notes to him, and might be restrained from prosecuting actions against the makers of the notes, and from receiving any money due thereon. *Held*, that C was entitled to a decree against A, declaring C's title to the notes and the proceeds thereof, and also to a decree against A's attorneys, requiring them to account for and deliver to C the notes or the proceeds thereof, on payment of their legal costs and expenses for services and disbursements. *Tinker* v. *Beach*, 11 Met. 349.

56. A part of the real estate of an intestate being required to pay his debts, his widow and children (some of them, who were minors, by their guardian) agreed that the whole should be sold together, and that the interest of one third should be secured to the widow for life. Upon petition of A, as guardian of one of the minors, and of the widow as guardian of the others, A was licensed to sell the shares of the minors, which he accordingly did, the other heirs joining in the conveyance, and the widow releasing her dower. A afterwards executed a note with surety, which was subsequently secured by mortgage, for the amount of one third of the proceeds of the sale, payable to the heirs, with interest payable to the widow during her life, and delivered the same to the widow, who deposited it with B for the benefit of all concerned. Afterwards, without the knowledge of the heirs, the note was exchanged for two notes by other promisors, amounting to the same sum, one payable to the widow or order, the other to B or order. It was *held*, that a bill in equity in favor of the heirs, either to enjoin these promisors from paying the principal to the promisees, or to compel the promisees to give security, would not lie under Stat. 1817, c. 87, for there was here no trust arising in the settlement of an estate, nor under Stat. 1823, c. 140, for the parties were not here partners or tenants in common of the securities. *Holland* v. *Dickinson*, 10 Pick. 4.

57. Where four notes, made by the same person and indorsed by the defendant, were in the hands of the same holder, and the defendant, before any of them became due, gave the holder an order for the payment of the notes out of property conveyed by the maker to assignees, by an indenture to which the indorser was a party, for the payment of the notes in full or proportionably, which property proved to be insufficient, and the assignees, in pursuance of the order, made a payment after all the notes had fallen due, and the holder applied the money to all the notes *pro ratâ*, instead of applying it wholly to those which had first fallen due, it was *held*, that he had a right to make such application, the defendant not having made any particular appropriation of the payment. *Washington Bank* v. *Prescott*, 20 Pick. 339.

58. The estate of a testator being supposed to be solvent, the executor called upon the defendant to pay two notes due from him to the estate, suggesting that, if he would procure a certain note made by the testator, it should be allowed in part payment of the notes due from the defendant; whereupon the defendant, for a full consideration, procured the note, without any indorsement by the payee, and it was received by the executor according to his engagement. The estate proved to be insolvent, and the note was allowed by the commissioners for the benefit of the executor. It was *held*, that the executor could not recover of the defendant the difference between the amount of the note and of the dividend decreed upon it. *Austin* v. *Henshaw*, 7 Pick. 46.

59. Where a negotiable promissory note was indorsed to a lessor as collateral security for his rent, and he in his own name sued the maker, and caused execution to be levied on the maker's land, it was *held*, that he was answerable to the lessee for the balance of what was recovered on the execution above the rent due. *Randall* v. *Rich*, 11 Mass. 494.

60. Where an action is brought in the Circuit Court of the United States, in the name of the indorsee or holder of a promissory note payable to order, or of the bearer of a note transferable by delivery, and judgment is rendered therein by default, it is competent for one, not a party or privy to such judgment, against whom it is sought to be enforced, to impeach the same, by showing that the note was not actually negotiated to the nominal plaintiff before the commencement of the action. *Vose* v. *Morton*, 4 Cush. 27.

61. Where a negotiable note, secured by mortgage, is transferred without an assignment of the mortgage, the equity of redemption is liable to be attached and sold on execution in a suit by the indorsee against the promisor. *Crane* v. *March*, 4 Pick. 130.

62. The selling of a promissory note by one who has caused it to be indorsed by a minor, without erasing the indorsement, or otherwise making it appear on the note that the indorsement is not to be relied on, is, if unexplained, a representation to all subsequent holders, that the indorsement constitutes a valid contract; and though the seller gives notice to the first purchaser that the indorsement is worthless, yet if such purchaser sells the note without disclosing the infirmity of the indorsement, his vendee, if he suffer therefrom, may maintain an action against the first seller for indemnity. *Lobdell* v. *Baker*, 3 Met. 469.

63. The holder of a note who fraudulently procures it to be indorsed by a minor, and afterwards sells it to a person who relies on the validity of such indorsement, is liable to an action by such person, though at the time of the sale he had no fraudulent intent. Selling the note without erasing such indorsement, or disclosing the minority of the indorser, is tantamount to a direct affirmation by the seller, that the indorsement constitutes a valid contract. *Lobdell* v. *Baker*, 1 Met. 193.

64. Where the holder of a promissory note proves his demand under a commission of bankruptcy against the first indorser, and afterwards receives payment of the note from the second indorser, and then receives a dividend under the commission, he must account to the second indorser for the amount of such dividend, and not to the creditors of the bankrupt. *Selfridge* v. *Gill*, 4 Mass. 95.

65. Where A signs a note with B, as his surety, and B afterwards executes a mortgage to the payee for securing payment of the note, and A becomes insolvent, the payee cannot prove his whole debt against A under Stat. 1838, c. 163, but must deduct the value of the mortgage, and be admitted as a creditor for the residue of the debt, in the manner prescribed by § 3 of that statute, for creditors who have a mortgage or pledge of the property of "the debtor." *Lanckton* v. *Wolcott*, 6 Met. 305.

66. A partnership note having been indorsed by the payee to a third person, and by him indorsed to and discounted at a bank of which he was president, and one of the promisors having afterwards become insolvent, the bank proved the note as a claim against his estate. The solvent promisor afterwards, at the urgent request of the second indorser, and for the purpose of securing him and the bank, but without the knowledge of the bank, gave him security applicable to the note in question, and also to another note held by the bank, such indorser promising to ac-

count to the promisor for the surplus of the security, if any. It was *held*, that the security was not given to the bank, but was a personal one to the second indorser, and to indemnify him as such; and that a subsequent order of the commissioner, on the motion of the assignee, directing the note to be struck out of the list of claims proved, and disallowing the same, on the ground that the bank held collateral security therefor, which had not been surrendered or applied, was erroneous. *Agawam Bank* v. *Morris*, 4 Cush. 99.

67. Where the payee of a negotiable promissory note, for the purpose of indemnifying one who had become his surety for the payment of the fees and expenses attending the institution of proceedings in insolvency, negotiated and transferred the note to the surety before the commencement of such proceedings, it was *held*, that, in the absence of fraud, the maker of the note could not set up in defence the title of the payee's assignee, and that it was immaterial whether the note was indorsed by the payee before or after his insolvency. *Fogg* v. *Willcutt*, 1 Cush. 300.

68. A, holding promissory notes of B, and having given B his own note, not negotiable, for a smaller amount, payable by instalments, to secure a surety, indorses on B's notes which were not then payable, and without B's assent, the sums due from him to B, as the instalments fell due. *Held*, that the indorsements were fraudulent as against the surety. *Greenough* v. *Walker*, 5 Mass. 214.

6. *Acceptance of Bills of Exchange.*

1. A promise to accept is the same as an acceptance, where made to the payee of a bill, or made to the drawer and communicated to the payee. *Stow* v. *Logan*, 9 Mass. 58.

2. The drawee of a bill of exchange, after protest for non-payment, and after the bill had been returned, called on the indorsee, who had presented it, and promised him, if he would obtain the bill, that he, the drawee, would pay it; and the promise was held binding. *Grant* v. *Shaw*, 16 Mass. 341.

3. Where a consignee is advised of a provisional consignment, and at the same time of a bill of exchange drawn expressly upon credit of the consignment, and when the bill of lading and draft are tendered together the consignee refuses to accept the draft, but afterwards obtains possession of the goods consigned, *quære*, whether the receiving of the goods does not constitute, *ipso facto*, an acceptance of the draft. *Allen* v. *Williams*, 12 Pick. 297.

4. The agent of the holder of a sight bill presented it for acceptance and payment, but the drawee said he did not think he had funds, and upon being urged to pay the bill refused to pay then, but said he would answer it in about sixty days, whereupon the agent said he should return it to the holder, who would send it back to the drawer; the bill, however, was not sent back, and in about four months the agent again presented it for payment, which the drawee refused. *Held*, that there was no acceptance, and that it was immaterial whether the drawee had funds or not. *Peck* v. *Cochran*, 7 Pick. 34.

5. A and B having an open account, an adjustment takes place between A and the agent of B, and the balance found due is paid over to the agent. B being dissatisfied, A writes to him, "Reperuse the accounts, make out a statement according to your own wishes, and draw on me for the balance, which shall be punctually honored." Two years afterwards, B, being pressed by a creditor, drew a bill on A, in favor of the creditor. *Held*, that A was not bound to accept or pay the bill. *Wilson* v. *Clements*, 3 Mass. 1.

6. M. & Co., in Boston, wrote letters to B, in New Orleans, as follows: — 1. "You may have opportunities to make advances on cotton shipped to this port, and we should be willing to accept against shipments to us, the necessary papers accompanying the bills, for such sums as in your judgment may be safely advanced." 2. "We do not want cotton under limits. Your advances ought not to exceed three quarters the value. Under these restrictions, you may go on, and your bills shall be duly honored, accompanied by bills of lading and orders for insurance." B showed these letters to C, and sold to him bills drawn on M. & Co. in favor of C's principals, and paid, with the money received from C, for cotton, which he shipped to M. & Co. in his own name. No bills of lading or orders for insurance accompanied these bills, and M. & Co. refused to accept or pay them. *Held*, in suits by the payees against M. & Co., as acceptors of the bills, and on their promise to accept and pay them, that they were not liable; that B's authority was limited and special, and that he had exceeded it by drawing the bills without accompanying them with bills of lading and orders for insurance; and that C, the payee's agent, knowing the contents of M. & Co.'s letters to B, took the bills on his personal confidence in B, and not on the obligation of M. & Co. to honor them. *Murdock & Coolidge* v. *Mills*, 11 Met. 5.

7. By the law of New York, an acceptance of a bill of exchange, "written on a paper other than the bill, shall not bind the acceptor, except in favor of a person to whom such acceptance shall have been shown, and who, on the faith thereof, shall have received the bill for a valuable consideration." A drew a bill on B, in New York, and procured it to be discounted at a bank; B afterwards wrote a letter to A accepting the bill, and A exhibited the letter to the officers of the bank. *Held*, that the bank could not maintain an action against B on his acceptance. *Worcester Bank* v. *Wells*, 8 Met. 107.

8. A promise to accept a bill of exchange is a chose in action, on which no one besides the immediate promisee can maintain a suit in his own name. *Ibid.*

9. O., the agent in Boston of the defendants, bankers in London, gave J. B. of Boston this letter, addressed to the defendants: "Mr. J. B. having requested that a credit may be opened with you for his account, in favor of C. & Co. of Gottenburg, for £3,000, I have assured him that the same will be accorded by you on the usual terms and conditions." J. B. transmitted this letter to C. & Co. at Gottenburg, to whom he was indebted, and requested them to value therefor, at ninety days' sight, (the usual time of drawing upon London from Gottenburg,) and pass the same to his credit. C. & Co. drew a bill on the defendants ac-

cordingly, which the defendants refused to accept or pay. *Held*, that the contract of the defendants was governed by the law of this Commonwealth, and that by this law C. & Co. might maintain an action in their own names against the defendants, for breach of the contract. *Held*, also, that the above facts would not support a count on a bill accepted by the defendants. *Carnegie* v. *Morrison*, 2 Met. 381.

10. A draft dated April 3d, 1834, was drawn in New York on the defendant, who resided in this State, and sent here to be collected; and the defendant being then in New York, the payee produced to him a discharge from the draft, and requested him to pay it; but the defendant replied that "he would rather pay it in the regular way, when presented"; "that he would meet it at the C. Bank," and "that he would pay to any person who should present it." The draft was afterwards sent back to New York, and the payee inclosed it, with his name indorsed, in a letter dated April 15th, 1834, to the defendant in Boston, requesting him to send the amount thereof in money by the mail; but the defendant, though repeatedly written to on the subject, made no reply. On May 26th, 1834, the defendant wrote to a third person in New York, acknowledging the receipt of the draft, and stating that it would be disposed of in some way or other when he should be there. It was *held*, that a jury would be warranted in finding that the defendant had waived the condition originally made in regard to a personal presentment, and had, by implication, bound himself as an absolute acceptor of the draft. *Hough* v. *Loring*, 24 Pick. 254.

11. An insolvent, entitled to a distributive share of the estate of a deceased person, drew an order, for value received, on the defendant, who was employed by the heirs of the deceased to collect demands due the estate, requesting the defendant to pay to the plaintiff whatever balance might come to his hands, for account of the drawer, out of the estate of the deceased, and the defendant "accepted to pay the balance when received." The drawer represented to the defendant that the purpose of the order was to pay the plaintiff a debt due him, and enable the plaintiff to apply the balance to other debts of the drawer. Several payments on account of the order had been made by the defendant, and the plaintiff had paid some debts of the drawer and bound himself to pay others. After accepting the order, and on the same day, the defendant discovered a claim which he had against the drawer, and he sought to retain a part of the money received, in discharge of this claim, beyond the expenses of collecting the money. *Held*, that the rights of the parties were fixed by the acceptance, and that the defendant could not retain any part of the money received in discharge of his claim, and that it was immaterial whether the plaintiff received, or did not receive, notice of the claim given by the defendant upon the discovery. *Taft* v. *Aylwin*, 14 Pick. 336.

12. An acceptance of an order to pay two hundred dollars out of the first money of the drawer received by the drawee on account of a newspaper establishment, binds the acceptor to pay from time to time, on reasonable request, as the money is received by him; and a judgment recovered against him for a part of the sum, upon his refusing to pay it on request, is not a bar to a subsequent action for a further sum received by

him after the commencement of the first action. *Perry* v. *Harrington*, 2 Met. 368.

13. The acceptance of an order for the payment of money out of the amount to be advanced to the drawer, when the houses he was then erecting on the drawee's land should be so far completed as to have the plastering done according to the contract between the parties, is not absolute, but conditional; and the acceptor's liability thereon is dependent on the contingency of the work being completed to a certain stage, according to the contract; nor will such acceptance become absolute, and the acceptor liable thereon as such, by a subsequent cancellation of the contract by the drawee and the assignee of the drawer. *Newhall* v. *Clark*, 3 Cush. 376.

14. If the acceptor of a conditional order, dependent on the contingency of certain work being completed for the acceptor by the drawer, according to a contract between them, prohibit the drawer from proceeding to complete the work, or collude with the drawer to put an end to the contract, so as to prevent the acceptor from being liable on his acceptance, the remedy of the holder of the order, *if entitled to any*, is by a special action on the case for damages against the acceptor. In such case, the burden of proof would be on the plaintiff, to show that the prevention of the completion of the contract had been caused by the defendant; and any evidence on the part of the acceptor, that the drawer had failed, or been unable to perform his contract, by reason of death, sickness, insolvency, or other inability, would be competent to rebut the charge. *Ibid.*

15. Where the drawee of a bill of exchange, who resides in New York, writes a letter thence to the drawer, who resides in this State, accepting the bill, which was drawn in this State, the contract of acceptance is made in New York, and is governed by the law of that State, and the bill must be presented there to the acceptor for payment. *Worcester Bank* v. *Wells*, 8 Met. 107.

7. *Presentment, Demand, Notice, and Protest.*

1. When Necessary.
2. What will excuse the Want of Presentment, &c.
3. Of the Time when the Presentment and Demand must be made.
4. Of the Time when Notice must be given.
5. Of the Form of the Demand, and of the Notice.
6. By whom made or given.
7. To whom Notice should be sent.
8. Where Notice should be sent.
9. How Notice should be sent.
10. Demand, where made and on whom.
11. Of Usage as varying the Rights of Parties to Presentment and Notice.
12. Of the Waiver of the Right to Presentment and Notice.

1. *When Necessary.*

1. Generally, to charge an indorser, it is necessary that a demand on the maker of the bill or note should be made, and notice of non-payment

or non-acceptance given to the indorser in due season. *Hussey* v. *Freeman*, 10 Mass. 86.

2. An indorser of a bill of exchange is entitled to notice of its being dishonored, notwithstanding the drawer may have become insolvent and absconded. *May* v. *Coffin*, 4 Mass. 341.

3. An indorser of a bill of exchange is entitled to reasonable notice of a protest for non-acceptance, although he indorsed only for the accommodation of the drawer, and the latter had no effects in the hands of the drawee. *Warder* v. *Tucker*, 7 Mass. 449.

4. The fact of the indorser's being at the time, and having been for several months previous, at sea, did not affect his right to a reasonable demand on the maker and notice. *Freeman* v. *Boynton*, 7 Mass. 483.

5. Where a note was indorsed after it had been some time due, it was *held*, that the indorser was not liable unless payment be demanded of the maker, and notice of the non-payment given to the indorser. *Colt* v. *Barnard*, 18 Pick. 260.

6. To charge an indorser of a note payable on demand, the indorsee must give him notice of non-payment upon the first demand on the maker, although such demand was made at an earlier day than was necessary in order to render the indorser liable on his indorsement, and although the indorsee gives the indorser notice of non-payment upon a second demand on the maker, which would have been in season to charge the indorser, if no previous demand had been made. *Rice* v. *Wesson*, 11 Met. 400.

7. Where a bill of exchange is protested for non-acceptance, and afterwards taken up and paid for the honor of a party to the bill, the holder is still bound to the same duties, as to protests and notice, as if the bill had not been paid. *Lenox* v. *Leverett*, 10 Mass. 1.

8. A made a note payable to B or order; C put his name, in blank, on the back of the note, and B put his name, in blank, under C's name; A presented the note, in this condition, to a bank, which discounted it for him; on failure of A to pay the note, the bank gave notice to B and C of the non-payment, but did not present the note to C for payment. *Held*, in a suit by the bank against B, as indorser, that it was to be presumed that C put his name on the note at the time when A signed it; that he was therefore an original promisor; and that B was discharged by the omission of the bank to present the note to C for payment. *Union Bank of Weymouth* v. *Willis*, 8 Met. 504.

9. Where the holder of an indorsed bill of exchange, which is not accepted by the drawee, merely informs the drawee that he (the holder) has the bill, but does not actually present it to him for acceptance, and the drawee thereupon tells him that the bill will not be accepted nor paid, the indorser is not thereby discharged, though no notice is given to him of the drawee's declarations. *Fall River Union Bank* v. *Willard*, 5 Met. 216.

10. No protest is necessary upon the dishonor of a promissory note (where the parties were all residents of the same town), and notarial fees cannot be recovered of the indorser. *City Bank* v. *Cutter*, 3 Pick. 414.

2. What will excuse the Want of Presentment, &c.

1. Going with a promissory note, to demand payment, to the maker's place of business in business hours, and finding it shut, is using due diligence. *Shedd* v. *Brett*, 1 Pick. 413.

2. A note payable to P. or order, and indorsed by P. & R., was lodged in a bank in the city of B., where the maker and the indorsers had a domicile when the note fell due. The note was presented by a notary public to the maker for payment, which was refused; whereupon the notary made out a notice for P., directed to him at B., and put it into the post-office at B. In a suit against P., as indorser, by the holder of the note, the notary testified that he was not able to find P. or any body who could tell him where he was; that he inquired of the cashier of the bank, and others, for P.'s residence, but was unable to learn from any one where he then resided. He did not, however, make any inquiry of the maker or second indorser respecting P.'s residence. *Held*, that the notary had not used that reasonable diligence to ascertain P.'s residence which would excuse the want of legal notice to him of the dishonor of the note. *Pierce* v. *Pendar*, 5 Met. 352.

3. The holder of the promissory note of a firm presented it for payment at their last place of business in Boston, which was then occupied by strangers, and was there told, that the firm had failed, and the partners had gone out of town without leaving any funds; no further inquiry in relation to the partners was made at any other place by the holder, though one of them in fact lived in Boston, and his name and place of residence were in the city directory. It was *held*, in an action against the indorser, that this was not a sufficient demand of payment. *Granite Bank* v. *Ayers*, 16 Pick. 392.

4. On the last day of grace of a note dated at New York, where the maker resided when the note was made, a notary public took the note to the office of F., the third indorser (and defendant), to inquire for the maker and other indorsers, and was told that F. was out, but that one H., whose office was near that of F., might give him information, whereupon the notary went to H.'s office, but the person in charge thereof knew nothing of the maker or first two indorsers. The notary then protested the note, without making any further inquiry for the maker. *Held*, in a suit by the holder against the third indorser, that due diligence had not been used to find the maker's last place of business or residence in New York, and that the indorser was discharged. *Wheeler* v. *Field*, 6 Met. 290.

5. Two notes dated in October, and falling due in January and February following, were indorsed by the defendant, who was an Englishman, a master mariner, and unmarried, having no home in this country, and residing in Liverpool when in England; — but of this fact the plaintiff had no knowledge. On the 12th of December the defendant wrote from Boston to the plaintiff, the holder of the notes, at Providence, that he should leave Boston in a day or two for Liverpool; but he in fact remained in Boston until March, though the plaintiff was ignorant of his remaining there after December 12th. The plaintiff sent no notice to

the defendant of the dishonor of the notes, and it did not appear that the plaintiff had made any inquiries for his residence. *Held*, that due diligence had not been used to give notice to the indorser. *Hodges* v. *Galt*, 8 Pick. 251.

6. Where an indorsed note, left in a bank for collection, is not paid by the maker at maturity, the cashier of the bank, not knowing the place of the indorser's residence, does not use due diligence to ascertain it, by merely inquiring therefor of a person having temporary charge of the post-office in the town where the bank is established, and therefore, if due notice of non-payment is not given to the indorser, he is discharged. *Phipps* v. *Chase*, 6 Met. 491.

7. Where there is no dispute as to the facts, the court is to determine what is due diligence in seeking for the last place of business or residence of the maker of a note. *Wheeler* v. *Field*, 6 Met. 290.

8. A waiver of a right to notice by the indorser does not excuse the indorsee from demanding payment of the maker at the maturity of the note. *Berkshire Bank* v. *Jones*, 6 Mass. 525.

9. It is a sufficient demand and refusal to constitute a dishonor of a note, if the maker, on the day it is due, calls on the holder at his place of business, where the note is, and declares that he is unable to pay it, and shall not pay it, and desires the holder to give notice to the indorser. *Gilbert* v. *Dennis*, 3 Met. 495.

10. Where a note made payable at a bank, is not at the bank when it falls due, and no demand is then made on the maker, the indorsee cannot charge the indorser by giving him seasonable notice of non-payment, although the maker had previously told the indorsee that it would be useless to send the note to the bank, because he could not pay it. *Lee Bank* v. *Spencer*, 6 Met. 308.

11. Where a promissory note was to deliver certain articles of merchandise on demand, and before demand was made the maker became bankrupt, the proof of the debt before the commissioners was held to be equivalent to a demand. *Chandler* v. *Winship*, 6 Mass. 310.

12. In an action by the indorsee against the indorser, the indorsee will not be held to prove a demand on the promisor, where it appears that he had absconded before the maturity of the note. *Putnam* v. *Sullivan*, 4 Mass. 45.

13. Where the maker of a note was out of the country on the last day of grace, the plaintiff was excused from demanding payment of him. *Widgery* v. *Munroe*, 6 Mass. 449.

14. Where the maker of a note dies, and an administrator is appointed before the note falls due, a demand on the administrator is not necessary to charge the indorser. Notice to the indorser of the death, and that he will be looked to for payment is sufficient; unless the maturity of the note happens more than a year after the administrator's appointment. *Hale* v. *Burr*, 12 Mass. 86.

15. In an action against the indorser of a note payable on demand, which was signed by one as attorney for another, who had died before the making of the note, but whose death was not then known to the par-

ties, it was *held*, that, as there was no person on whom to make a demand, a demand was needless. *Burrill* v. *Smith*, 7 Pick. 291.

16. Where the maker of a note lived twenty miles from the place where the holder lived, a very hard rain on the day the note fell due is no excuse for an omission to demand payment on that day. *Semble* that it would be otherwise in case the storm had rendered the roads impassable. *Barker* v. *Parker*, 6 Pick. 80.

17. Where the drawer of a bill of exchange had effects in the hands of the drawees, but after the bill was drawn, and before it was presented for acceptance, the effects were attached in the hands of the drawee, it was *held* that the drawer was still entitled to notice of non-acceptance. *Stanton* v. *Blossom*, 14 Mass. 116.

18. A demand by the holder of a promissory note upon the maker, and notice to the indorser, are not to be dispensed with where the promisor becomes insolvent *after the assignment*, and continues so until the note is due. *Crossen* v. *Hutchinson*, 9 Mass. 205.

19. The insolvency of the maker of a note, though known to the indorser, does not excuse the holder from a demand on the maker and notice to the indorser. *Sandford* v. *Dillaway*, 10 Mass. 52; *Farnum* v. *Fowle*, 12 Mass. 92.

20. The drawer of a bill of exchange, having no effects in the hands of the acceptor from the time when the bill was drawn to the time when it became due, was held liable, without proof of demand and notice of non-payment. *Kinsley* v. *Robinson*, 21 Pick. 327.

21. The drawer of a bill on one who has not funds of the drawer in his hands at the time of the drawing of the bill, but expects to, and does, receive funds before it falls due, and authorizes the draft, is entitled to notice of the dishonor of the bill. *Grosvenor* v. *Stone*, 8 Pick. 79.

22. Where the indorsee of a promissory note failed to recover in an action against the maker because the original contract was usurious, his immediate indorser, who was the original payee, was *held* liable, without notice, for the amount of the note and interest, but not for the costs of the suit against the promisor. *Copp* v. *McDugall*, 9 Mass. 1.

3. *Of the Time when the Presentment and Demand must be made.*

1. Where a bill of exchange dated April 23d, and payable in four months from date, was presented for acceptance on the 13th of July, it was held to have been presented in due season. *Quære*, whether it would have been in due season if presented for acceptance at any time before it was payable. *Bachellor* v. *Priest*, 12 Pick. 399.

2. The indorser of a bill of exchange, for the accommodation of the drawer, payable in six months from date, is liable as indorser upon non-payment and notice, although the bill is not presented for acceptance, and protested for non-acceptance, and notice thereof given to the indorser, until five months after its date. *Oxford Bank* v. *Davis*, 4 Cush. 188.

3. Where one indorsed a bill of exchange, for the accommodation of the drawer, who negotiated it on an agreement, not assented to nor

known by the indorser, that it should not be presented to the drawee for acceptance until maturity, and it was accordingly first presented to the drawee at maturity, and then dishonored, it was *held*, that the indorser was not discharged. *Fall River Union Bank* v. *Willard*, 5 Met. 216.

4. If payment of a note payable with grace be demanded of the maker before the last day of grace, and not on it, the indorser is not holden. *Jones* v. *Fales*, 4 Mass. 245; *Henry* v. *Jones*, 8 Mass. 453.

5. Payment of a promissory note, whose days of grace expire on Sunday, must be demanded of the maker on Saturday, and notice to the indorser given accordingly. *Farnum* v. *Fowle*, 12 Mass. 89.

6. In order to charge the indorser of a negotiable promissory note, payable on demand, a demand must be made within a reasonable time, and notice of non-payment immediately given to the indorser. *Field* v. *Nickerson*, 13 Mass. 131.

7. Where all the parties live in the same town, a demand eight months after date and indorsement is not made within a reasonable time. *Ibid.*

8. A note when overdue is payable on demand, and when indorsed after it is overdue, the demand on the maker must be made within a reasonable time, and immediate notice of non-payment given to the indorser. *Colt* v. *Barnard*, 18 Pick. 260.

9. Where a promissory note was payable on the 4th, a demand made on the 10th was held to be within a reasonable time to charge the indorser, the promisor living two hundred miles from the place where the note was dated and the holder lived. *Freeman* v. *Boynton*, 7 Mass. 483.

10. A demand on the 3d of the succeeding month was not within a reasonable time. *Ibid.*

11. *Quære*, whether, where the holder of a promissory note, payable, without grace, on Sunday, lived twenty miles from the holder, a demand on Monday would be in season to charge the indorser. *Parker* v. *Parker*, 6 Pick. 80; *Freeman* v. *Boynton*, 7 Mass. 483.

12. A demand on the maker of a note payable on demand, made on the seventh day from the date, was held to have been made within a reasonable time, to charge the indorser. *Seaver* v. *Lincoln*, 21 Pick. 267.

13. The provision in Stat. 1839, c. 121, § 2, that, "on any promissory note payable on demand, a demand made at or before the expiration of sixty days from the date thereof shall be deemed to be made within a reasonable time, and shall authorize the holder of such note to give notice of the dishonor thereof to the indorser," does not apply to such note when it is indorsed after sixty days from its date have elapsed; and *it seems*, that, in such case, a demand on the maker is within a reasonable time, if made not later than at the expiration of sixty days from the time of the indorsement of the notes. *Rice* v. *Wesson*, 11 Met. 400.

4. Of the Time when Notice must be given.

1. After the refusal of the promisor to pay on demand, made on the day when the note falls due, the note is dishonored, and notice may be immediately given to the indorser. *Shed* v. *Brett*, 1 Pick. 401; *Widgery* v. *Munroe*, 6 Mass. 449.

2. Where the indorser of a note, although the parties lived within four miles of each other, neglected for eight days to give notice to the indorser of the maker's failure to pay it upon demand at maturity, the indorser was *held* to be discharged. *Hussey* v. *Freeman*, 10 Mass. 84.

3. If notice of non-payment of a note be given by a bank to the indorser on the day next after the last day of grace, it is sufficient, although it be the usual course of business at the bank to give such notice on the last day of grace, after banking hours. *Grand Bank* v. *Blanchard*, 23 Pick. 305.

4. Notice to the drawer is sufficient if given within a reasonable time, although the holder of the bill brings an action against the drawer on the non-acceptance before forwarding notice. *Stanton* v. *Blossom*, 14 Mass. 16.

5 If the holder use due care and diligence in forwarding notice, he is not affected by the fact that the notice was never received. *Ibid.*

6. Notice to the indorser of a promissory note, of non-payment by the maker, is sufficient, if put into the post-office at any time during the day succeeding that on which the note was payable. *Whitwell* v. *Johnson*, 17 Mass. 449.

7. If there are two mails on that day, it is not necessary that the notice should go by the first. *Ibid.*

8. A bill of exchange, payable in Boston, was indorsed by C. of New Orleans, and held by T. of New York. The bill was dishonored by non-acceptance, August 11th, and H., who was T.'s agent in Boston, wrote to T. by the mail of that day, informing him of the dishonor of the bill. T., by an answer dated August 13th, requested H. to give the notices, and H. had the notices mailed at Boston on the 19th. *Held*, that the notice was not seasonable, even if T. was justified (which *it seems* he was not) in sending to H. instead of sending notice himself directly from New York to New Orleans. *Talbot* v. *Clark*, 8 Pick. 51.

9. A notary makes a demand on the maker of a promissory note at New York, on Friday, and on the same day gives to his clerk a notice to the indorser, directed to the holder at New Haven, to be put into the post-office. On Monday morning the holder sends it to Hartford by a messenger to inquire where the indorser lives, and there the messenger puts it into the post-office directed to the indorser at Springfield. *Held*, that, as the notice arrived at New Haven, it was not necessary to prove that it was put into the post-office at New York; that whether it reached New Haven on Saturday or on Sunday was immaterial, as Sunday was not to be counted; that neither the notary nor the holder was bound to know where the indorser resided, and that both had used due diligence to give him notice. *Eagle Bank* v. *Chapin*, 3 Pick. 180.

10. During the Christmas holidays vessels are not allowed to clear out

at the Havana; it seems, therefore, that during the continuance of the holidays it is not necessary to write a notice of the dishonor of a bill, to be sent to a foreign port. *Martin* v. *Ingersoll*, 8 Pick. 1.

5. *Of the Form of the Demand, and of the Notice.*

1. If the demand made on the maker of a note be such as he is bound by, the indorser cannot object that it was not made according to legal forms. *Whitwell* v. *Johnson*, 17 Mass. 449.

2. As a general rule, especially applicable to negotiable securities, the party making a demand of payment should have with him the evidence of the debt. *Freeman* v. *Boynton*, 7 Mass. 495.

3. Where a negotiable note is payable at a particular place, and on a day certain, the holder should be at the place on the day, with the note, ready to receive the money and deliver up the note; and if the maker of the note is not there, notice of this to the indorser will be sufficient, without a personal demand by the maker. *Woodbridge* v. *Brigham*, 13 Mass. 556; *Berkshire Bank* v. *Jones*, 6 Mass. 524.

4. A notice to the indorser of a promissory note, which merely states that the note remains unpaid, and that the holder looks to him for payment, is not sufficient to charge the indorser, although such notice is given by a notary public. *Pinkham* v. *Marcy*, 9 Met. 174.

5. A notice given to the indorser of a note by the holder, in the forenoon of the day on which it becomes due, merely stating that the person giving the notice holds the note, and that it is due and unpaid, and demanding payment, is not sufficient to charge the indorser. *Gilbert* v. *Dennis*, 3 Met. 495.

6. The following notice, seasonably given, was held sufficient to bind the indorser of a note, which was made payable at a bank: — "April 20, 1846. S. L. Wilmarth: Please to take notice that a note, signed by George L. Wilmarth, for three thousand dollars, indorsed by you, is due this day, and by me protested for non-payment. You are requested to pay the same to the holder. E. F., Notary Public." *Wheaton* v. *Wilmarth*, 13 Met. 422.

7. A. made a note payable to E. at a certain bank, and E. indorsed it in blank to C., who also indorsed it, and put it into the bank; but whether it was discounted by the bank, or was received for collection merely, did not appear. After bank hours, on the last day of grace, the bank gave notice to C. that the note was not paid, and C, on the same day, put into the post-office a notice, directed to E. at his place of residence, in these words: "The note of A., which you indorsed, fell due this day and remains unpaid. Please let me hear from you in regard to it." *Held*, that this notice was sufficient to charge E. as indorser. *Clark* v. *Eldridge*, 13 Met. 96.

8. A notice to the indorser was held sufficient, although it did not state at whose request it was given, nor who was the owner of the note. *Shed* v. *Brett*, 1 Pick. 401.

9. Notice given to the indorser of a promissory note, payable at a bank, was held sufficient, being given on the proper day, although it stated

the note to have fallen due three days before it was actually due, and although there was a mistake in the name of the maker of the note, it being in evidence that the indorser was liable on no other note payable at that bank. *Smith* v. *Whiting*, 12 Mass. 6.

10. Where the promisor had left the State before the maturity of the note, and the holder left a demand at the promisor's house on the day the note fell due, and on the same day gave notice to the indorser that the note was unpaid and requested payment, the indorser was held liable, though the notice did not state the fact of the promisor's absence. *Sanger* v. *Stimpson*, 8 Mass. 260.

11. Where a note is payable on a day certain, with grace, and on the last day of grace, the maker being out of the country, notice is given to the indorser of its non-payment by the maker, the notice is sufficient. *Widgery* v. *Munroe*, 6 Mass. 449; *Woodbridge* v. *Brigham*, 13 Mass. 556.

6. *By whom made or given.*

1. Where a bill of exchange, indorsed in blank by the payees, but made payable to a particular person by the last indorsement, was presented for acceptance, not by such last indorsee, but by his indorser, who was, however, in *bonâ fide* possession of the bill, the presentment was held sufficient to charge the preceding indorsers. *Bachellor* v. *Priest*, 12 Pick. 399.

2. A personal demand on one of the makers of a promissory note, by an agent having the note with him, is sufficient, without any written instrument constituting him an agent for that purpose. *Shed* v. *Brett*, 1 Pick. 401.

3. Where the payee of a promissory note, which is made by one citizen of this State to another citizen thereof, indorses it specially to a citizen of another State, who dies, and whose will is admitted to probate in that State before the note falls due, and his executor, without taking administration in this State, sends the note to a notary public in this State, with directions to demand payment of the maker at maturity, and the notary demands payment accordingly, which the maker refuses generally, without objecting to the notary's authority, and the notary thereupon gives due notice of non-payment to the indorser's executors, such demand and notice are sufficient to charge such executors; and an administrator of the estate of the indorsee within this State, who is afterwards duly appointed here, according to the provisions of the Rev. Stat. c. 62, is thereupon entitled to maintain an action against them on the note. *Rand* v. *Hubbard*, 4 Met. 253.

4. Notice must come from the holder of the bill, or from one authorized by him, or from one liable as indorser. Notice by the drawee who has refused acceptance is not sufficient. *Stanton* v. *Blossom*, 14 Mass. 116.

7. *To whom Notice should be sent.*

1. Where there are several successive indorsers of a bill of exchange or promissory note, whether the indorsements be upon actual negotiation

for value, or for the purpose of collection only, the holder may send notice of its dishonor to his immediate indorser, and if each indorser, after receiving himself seasonable notice, give seasonable notice to his immediate indorser, the indorsers are severally liable, although notice does not reach the earlier indorsers quite so soon as if it were transmitted to each of them at once by the holder at the time of its dishonor. *Eagle Bank* v. *Conway*, 5 Met. 212.

2. A bill of exchange was drawn in Providence, on a drawee residing in Philadelphia, payable to A or order, who resided in Providence, and he indorsed it, for a valuable consideration, after acceptance, to a bank in Providence. This bank indorsed and transmitted the bill to a bank in New York, for collection, which bank also indorsed and transmitted it, for collection, to a bank in Philadelphia. The latter caused the bill to be presented to the acceptor for payment, at maturity, and on payment being refused, caused written notices to be made out for all the parties to the bill, and seasonably sent these notices to the bank in New York; which bank seasonably transmitted the notices to the bank in Providence, and the Providence Bank immediately placed the notice to A in the post-office in that city. *Held*, that the notice to A was seasonable and sufficient, and that he was liable to that bank on his indorsement. *Ibid.*

3. Where no notice of the dishonor of a bill was ever given to the drawer, such omission is not excused by a notice from the payee to the parties on whose behalf the bill was drawn. *Grosvenor* v. *Stone*, 8 Pick. 79.

4. A citizen of the United States, being in the East Indies, indorses to a merchant living in Madras a bill of exchange payable in London; the indorsee forwards it to his agent in London, by whom it is presented and protested for non-acceptance and non-payment, and immediately returned to his principals in the East Indies, and they, within a reasonable time, give notice to their indorser, then in the United States. *Held*, that this notice was sufficient, and the agent in London was not bound to notify directly the indorser in the United States. *Colt* v. *Noble*, 5 Mass. 167.

5. A note indorsed by the defendant and subsequently by the plaintiffs, and discounted at a bank in Connecticut, was indorsed by the cashier to the cashier of a bank in New York, where the maker lived, and there a notary public demanded payment of the maker, which being refused, the notary sent a notice of non-payment to the cashier of the Connecticut bank, who immediately sent notice to the defendant by mail. The plaintiffs paid the note at that bank. *Held*, that these facts showed that the Connecticut bank, and not the New York bank, were the holders of the note at the time of its dishonor, and that so the notary was the agent of the Connecticut bank, and the notice to the defendant was sufficient, though it was not so early as notice direct from New York would have been. *Church* v. *Barlow*, 9 Pick. 547.

6. An inhabitant of Boston indorsed a promissory note that was made payable at a bank in the city of New York, and which the maker failed to pay at maturity. When the note fell due, the indorser was at Washington, attending to his duties, at a session of Congress, as a Senator from

Massachusetts, and he had, at all times, an agent in Boston, who had charge of his business in his absence; but the holder of the note had no notice that the indorser had such agent, nor did the indorser request that notice should be sent to him at Boston. Notice of non-payment by the maker was seasonably put into the post-office at New York, directed to the indorser at Washington, where letters addressed by mail to members of the Senate, during the session of Congress, are taken from the post-office, by officers of the Senate charged with that duty, and delivered to the members in their places, when the Senate is actually in session, and on other days are delivered, by those officers, at the members' lodgings. *Held*, that the notice was sufficient to charge the indorser. *Chouteau* v. *Webster*, 6 Met. 1.

7. Where the administrator of the indorser of a bill of exchange had been appointed to that office before the maturity of the note, and had given due notice of his appointment, it was *held*, that he was entitled to the same notice of the non-payment of the note, as is required by law to be given to an indorser. *Oriental Bank* v. *Blake*, 22 Pick. 206.

8. *Where Notice should be sent.*

1. Where the maker of a promissory note appointed a place at which notices of notes falling due should be left, a notice duly left at such place was held sufficient to charge the indorser. *State Bank* v. *Hurd*, 12 Mass. 172.

2. A notice of the non-payment of a note was brought by a notary to the shop of a stranger, who informed the notary that the indorser's place of business was not there, but in a yard back of the shop, and that the indorser had gone out of town, and that he would give the notice to the indorser as soon as he should see him. The notary thereupon left the notice on the counter of the shop, and on the next day, or the day after, the indorser took the notice away. *It seems* that this was not a sufficient notice to the indorser. *Granite Bank* v. *Ayers*, 16 Pick. 392.

3. A note was made to C., dated at Buffalo, payable at a bank in Cleveland, Ohio, and was indorsed by C. Payment of the note was demanded at said bank, at maturity, by a notary public, who, upon being informed that C. resided in Buffalo, seasonably put into the post-office a notice of non-payment, directed to him at that place. *Held*, that the notice was sufficient to charge C. on his indorsement without proof that he resided in Buffalo. *Wood* v. *Corl*, 4 Met. 203.

4. P. went with his family to Bangor in the autumn of 1835, and lived at board, with his family, in different houses in that place, until the autumn of 1836. During this time P. was often absent on business, and once took his family for some weeks to another place; when in Bangor he "did his writing" in the counting-room of W. & R., and when absent left his papers in the care of W., and had no other place of business in Bangor, and he did not take away his papers until the autumn of 1836. P. had a box in the post-office in Bangor in 1836, but had no fixed residence. On the 26th of July, 1836, a note indorsed by P. fell due, and was dishonored at Bangor, and it did not appear whether P. was or was

not in Bangor on that day. *Held*, that P., on said 26th of July, had a domicile and place of business in Bangor, at one of which, if he was then absent, notice of the dishonor of the note should have been left. *Pierce* v. *Pendar*, 5 Met. 352.

9. *How Notice should be sent.*

1. The putting a letter into the post-office, directed to the indorser of a bill of exchange, and containing notice of its being protested for non-payment, was *held* to be sufficient when he lived in another town, although it did not appear that the letter was ever received. *Mann* v. *Baldwin*, 6 Mass. 316; *Lincoln and Kennebec Bank* v. *Hammett*, 9 Mass. 159; *Shed* v. *Brett*, 1 Pick. 401.

2. If the indorser does not live in a post-town, sending the notice to the post-town nearest his residence is perhaps sufficient. *Shed* v. *Brett*, 1 Pick. 401.

3. When the indorser and holder of a note reside in the same place where the note is dishonored, notice of the dishonor must be given to the indorser personally, or at his domicile or place of business, and not through the post-office. *Pierce* v. *Pendar*, 5 Met. 352.

10. *Demand, where made and on whom.*

1. Where a promissory note is payable at a particular place, an actual or virtual demand must be made at that place, and notice of non-payment there must be given to the indorser, in order to charge him; and therefore the holder must have the note at the place himself, or deposit it there with some one authorized to receive payment, notwithstanding the maker is insolvent and has left the State. *Shaw* v. *Reed*, 12 Pick. 132.

2. Where a note is made payable on a day certain, at a particular place, and the indorser was there with the note on the day, no further demand is necessary. *Berkshire Bank* v. *Jones*, 6 Mass. 524.

3. Where a note is payable at a specific bank, no demand need be made at any other place; and in an action against an indorser, it will be presumed, in the absence of evidence to the contrary, that the note was at the bank, with some officer of the bank in attendance to receive payment. *Folger* v. *Chase*, 18 Pick. 63.

4. In an action against the maker of a note, or acceptor of a bill of exchange, payable at a time and place certain, it is not necessary to allege and prove a demand at the time and place. *Aliter*, to charge an indorser. *Carly* v. *Vance*, 17 Mass. 389.

5. Where the maker of a promissory note abandons his business and residence, and removes into another State, before the maturity of the note, the holder, if it be not proved that he received the note after the maker's removal, is not bound, in order to charge the indorser, to demand payment of the maker in the State to which he has removed, but he is bound to demand payment at the maker's last residence or place of business within the State where he made the note, if he can find it by the use of due diligence. *Wheeler* v. *Field*, 6 Met. 290.

6. If a note is made payable "at either of the banks in Boston," where there is a large number of banks, it is not to be deemed payable at a place certain, and *it seems*, therefore, that the holder is, in such case, bound to give the promisor notice at what bank it is to be found. *North Bank* v. *Abbott*, 13 Pick. 465.

7. Where a promissory note is made payable "at either of the banks in Boston," and the holder places it in one of those banks, either by a discount, or for the purpose of collection, the promisor becomes liable to pay at such bank, and the holder is not bound to present the note at any other place. *Ibid.*

8. In an action upon a note so made, the jury were instructed, that upon the note in question it was not necessary for the plaintiffs to prove a demand upon the maker. *Held*, that no valid exception could be taken to this instruction, as it must have been given in reference to the circumstances of the case, and be understood to mean that no other demand was necessary than that of leaving the note at the bank, ready to deliver up the note on payment, of which the maker has previous notice. *Ibid.*

9. Where there are several makers of a promissory note, who are not partners, an indorsee cannot recover of an indorser, without first presenting the note for payment to all the makers, and giving notice to the indorser of their failure to pay. *Union Bank of Weymouth* v. *Chapin*, 8 Met. 504.

11. *Of Usage as varying the Rights of Parties to Presentment and Notice.*

1. Where a bank is the holder of a note made payable at its banking-house, the indorser is bound by a demand of payment on the maker, and notice of non-payment made and given conformably to the established usage of the bank, though not conformably to the general law. *Chicopee Bank* v. *Eger*, 9 Met. 583; *City Bank* v. *Cutter*, 3 Pick. 414; *North Bank* v. *Abbott*, 13 Pick. 465.

2. Where a bank has established by-laws and usages respecting demands on makers of promissory notes and notices to indorsers, the dealings and contracts of those doing business at such bank are to be understood and enforced according to such usages and by-laws. *Lincoln and Kennebec Bank* v. *Page*, 9 Mass. 155; *Blanchard* v. *Hillard*, 11 Mass. 85.

3. It is not sufficient to charge the indorser of a note, that the demand was made on the maker and notice given to the indorser according to the usage of a particular bank, without proof that the indorser was acquainted with such usage. *Pierce* v. *Butler*, 14 Mass. 303.

4. *Quære*, whether the custom of the banks of Massachusetts, of sending a notice to the maker of a note to come to the bank and pay it, and treating his neglect to do so during banking hours, on the last day of grace, as a dishonor, and all parties acquiescing in and consenting to such neglect as a dishonor, has not become so universal, and continued so long, that it ought now to be treated as one of those customs of merchants of which the law will take notice, and presume, at least until the contrary

is shown, every man who indorses a note to be acquainted with. *Grand Bank* v. *Blanchard*, 23 Pick. 305.

5. In order to charge the indorser of a note held by a bank, the presentment and notice must be conformable to the general law, or the substitutes for them must conform strictly to the usage of the bank. *Boston Bank* v. *Hodges*, 9 Pick. 420.

6. It is the usage of the Boston banks to send notice to the makers of notes on the last day, exclusive of the days of grace, and to send notice to the makers and indorsers of notes not paid after banking hours on the last day of grace. A bank, holding a note, had sent the first notice to the maker in the usual manner, and on the last day of grace, before banking hours had commenced, notified the indorser of the dishonor of the note. Both the maker and indorser had failed before that day. *Held*, that the indorser was not liable, there having been no presentment to the maker according to the general law, and the substituted notice to the maker and indorser not conforming to the usage of the bank. *Ibid.*

7. Where the custom of a bank was to give notice to indorsers of notes discounted at the bank by letters, mailed at the place where the bank was established, and directed to the indorsers at their places of residence, it is sufficient to prove that such a letter was mailed, without proof of its actual receipt, and the fact of the indorser's being absent from his residence at the time is not material. *Lincoln and Kennebec Bank* v. *Hammatt*, 9 Mass. 159.

8. In an action against the indorsee of a note, a runner of a bank testified, that, by the custom of that bank, notices to the directors were left on the cashier's desk; that notices to promisors were left on the day notes were due, and to indorsers on the third day of grace; that the maker and indorser of this note were directors of that bank; that on the day this note was due, he left a formal notice to the maker on the cashier's desk, of a note payable and indorsed as was the note in question, and for the same amount, said minutes being taken from a book in the bank, but he never saw the note in question; there was no evidence of any other note answering this description, and it was *held*, that it was rightly left to the jury to infer from this evidence a legal demand and notice of the note in question. *Weld* v. *Gorham*, 10 Mass. 366.

9. The day of Commencement at Harvard College is not a holiday, but a usage of any bank, in respect to notes falling due on that day, to make a demand on the maker, and give notice to the indorser, on the day preceding, will be binding on the indorser of a note negotiated for him at the bank, who is conusant of the usage. *City Bank* v. *Cutter*, 3 Pick. 414.

10. It is immaterial whether the note is made payable at the bank or not. *Ibid.*

12. *Of the Waiver of the Right to Presentment and Notice.*

1. Notice is a privilege which the indorsers may waive, or may agree that it should be given in a particular way. *Widgery* v. *Munroe*, 6 Mass. 449.

2. Where the indorser of a bill has waived his right to notice of its dishonor, an attempt on the part of the holder of the bill to give such notice does not affect the rights of the parties. *Boyd* v. *Cleveland*, 4 Pick. 525.

3. The indorser of a note, who had not received due notice of its non-payment, upon being asked what would be done about the note, replied, that "the note will be paid." It was *held*, that this did not amount to a waiver of notice, or to a promise to see the note paid. *Creamer* v. *Perry*, 17 Pick. 332.

4. Where the indorser of a note applied to a bank to have it discounted, and promised to attend to its renewal, and to take care of it, and directed that notice to the maker should be sent to his care, and notice was sent accordingly, it was *held*, that this was a waiver of a regular demand and notice, or that at least a jury might legally infer a waiver from it. *Taunton Bank* v. *Richardson*, 5 Pick. 435.

5. A promissory note was made payable "at either bank at Boston," in four months from December 27th, 1841, and was indorsed by the payee. On the 27th of April, 1842, the holder sent a messenger, with the note and a written notice to the indorser requesting payment, to the house in which the maker and indorser resided. The maker was absent, but the indorser read the notice, and told the messenger that the maker would see the holder in a short time, and wished him not to sue the note until the maker should see him. No demand was afterwards made on the maker, nor notice given to the indorser. *Held*, that the indorser had waived a legal demand and notice, and was answerable to the holder. *Gore* v. *Vining*, 7 Met. 212.

6. The plaintiff, indorsee of a promissory note, and resident in New York, when he received it, observed to his indorser, the defendant, who lived elsewhere, that he had no confidence in the other parties to the note and did not know them, and should look wholly to the defendant. The defendant replied, that he should be in New York when the note became due, and would take it up, if it were not paid by any other party to it. *Held*, that this was a waiver of a right to notice of the dishonor of the note. *Boyd* v. *Cleveland*, 4 Pick. 525.

7. A promissory note was indorsed first by the payee, and then, for the accommodation of the promisor, by the defendant, and over the payee's name were written the words, "waiving right to notice." The note was then discounted at a bank, at which the defendant was accustomed to do business, and by the by-laws of which the indorsers of notes discounted were required to waive the right of notice on the back of the paper. *Held*, that the waiver on the back of the note in question was the sole act of the first indorser, and that the defendant was entitled to notice. *Central Bank* v. *Davis*, 19 Pick. 373.

8. The holder of a promissory note falling due on Sunday asked the indorser, on Saturday, if it would not be best to call on the two makers, who lived about twenty miles from the holder, and who were wholly insolvent; the indorser replied, that it would be of no use. On Monday it rained very hard. On Tuesday the holder made a demand on one of the makers, and took a letter, dated Monday, from the indorser to the other

maker, stating that the indorser had been called upon to pay the note, and requesting this other maker to attend to it as soon as possible; but this maker had absconded, having, before the note fell due, given a mortgage to the indorser, which, however, proved of no value. It was *held*, that if a demand on Monday would have been seasonable, the rain furnished no excuse for not making one on that day; but it was *held*, that the jury would be warranted in inferring that the indorser had waived a demand. *Barker* v. *Parker*, 6 Pick. 80.

9. Where the indorser is discharged by the neglect of the holder of the note to give him due notice of its dishonor, a great anxiety afterwards manifested by the indorser to procure payment of the note by the maker is not a waiver of the holder's laches. *Hussey* v. *Freeman*, 10 Mass. 84.

10. Where the indorser of a note has received from the maker, for his security against his indorsements, an assignment of all the maker's property, he is considered as having waived a demand on the maker and notice to himself by an indorsee, though the property assigned be not sufficient to meet his indorsements. *Bond* v. *Farnham*, 5 Mass. 171; *Tower* v. *Durell*, 9 Mass. 334.

11. Where an indorser of a note takes security of the maker, before it is due, to indemnify him against his liability as indorser, and after it is due receives back from the maker the property for which the note was given, and thereupon promises to deliver up the note to him, without further compensation, he thereby waives demand on the maker and notice of non-payment by him, although the property so received back is not worth the sum due on the note. *Andrews* v. *Bond*, 3 Met. 434.

12. After a promissory note was made, but several months before it came due, the promisor's making an assignment to trustees, upon trust, among other things, to secure the indorser against all his liabilities for the promisor, does not dispense with the necessity of a demand upon the maker, and notice to the indorser. *Creamer* v. *Perry*, 17 Pick. 332.

13. Where an indorser, believing himself to be chargeable by reason of a supposed regular demand on the maker, and due notice to himself, takes an assignment from the maker for his own indemnity, this will not excuse the holder from proving a regular demand and notice. *Tower* v. *Durell*, 9 Mass. 334; *Bond* v. *Farnham*, 5 Mass. 171.

14. Where an indorser, under a mistake of law, acknowledges himself under an obligation which the law does not impose upon him, he shall not be bound thereby. *Warder* v. *Tucker*, 7 Mass. 449; *Freeman* v. *Boynton*, 7 Mass. 487.

15. If an indorser of a promissory note, with the knowledge that no demand has been made on the maker, promises to pay the note notwithstanding, he is liable; such knowledge may be inferred from the facts in evidence by the jury. *Hopkins* v. *Liswell*, 12 Mass. 52.

16. Where J., an indorser of a protested bill of exchange, after having had sufficient opportunity to ascertain the circumstances of the presentment, protest, and notice, promised M., a subsequent indorser, who had taken up the bill, to repay him; and afterwards received the bill from M., proved it in his own name against the estate of the drawees, who had failed, and received a dividend upon it, and retained the bill; it was

held, that J. was liable on this promise to repay M., unless he could prove that his promise was made under a mistake of the facts. *Martin* v. *Ingersoll*, 8 Pick. 1.

17. Where the indorser of a promissory note, ignorant that a proper demand had not been made on the maker, or due notice given to himself, paid the amount of the note to a banking company with whom it had been left for collection, and the amount was passed to the account of the holder, but in three days, and before it was paid over, the indorser discovered his mistake, claimed the money, and forbade the bank to pay it over. It was *held*, that the indorser might recover the money from the bank, although they had afterwards paid it over. *Garland* v. *Salem Bank*, 9 Mass. 408.

8. *Of the Consideration generally, and of Defences from Want or Failure of Consideration.*

1. In General.
2. Of Illegal Considerations.
3. Of the Failure of the Consideration.

1. *In General.*

1. If a promissory note be given without any consideration, it is *nudum pactum*, and void as between the original parties. *Fowler* v. *Shearer*, 7 Mass. 14.

2. Although it purports to be given for value received. *Hill* v. *Buckminster*, 5 Pick. 391. Contra, *Bowers* v. *Hurd*, 10 Mass. 427.

3. A note given in renewal of one voidable for want of consideration, is likewise without consideration. *Hill* v. *Buckminster*, 5 Pick. 391.

4. A promissory note given for the payment of interest upon interest which had previously become due, is valid. *Wilcox* v. *Howland*, 23 Pick. 167.

5. A memorandum written on a note, by the maker, in these words: "For value received, I hereby acknowledge this note to be due, and promise to pay the same on demand," — and signed in the presence of an attesting witness, — is itself a promissory note; but if the original note was without consideration, or the consideration thereof had failed, and there was no new consideration for such memorandum (or new note), the payee cannot recover thereon. *Commonwealth Ins. Co.* v. *Whitney*, 1 Met. 21.

6. A damage to the promisee is a sufficient consideration to support a promise, as well as a benefit to the promisor. *Forster* v. *Fuller*, 6 Mass. 58.

7. A promise to forbear, for six months, to sue a third person, on a just cause of action, is a valid and sufficient consideration for a promissory note. *Jennison* v. *Stafford*, 1 Cush. 168.

8. The compromise of a doubtful claim is a sufficient consideration for a promise. *Barlow* v. *Ocean Ins. Co.*, 4 Met. 270.

9. A note given by the maker in exchange for a note given to him by the payee, is on a valid consideration. *Higginson* v. *Grey*, 6 Met. 212.

10. Where two persons exchanged their negotiable notes of the same date for the same sum, and payable at the same time, for the purpose of raising money, each note was a good consideration for the other. *Eaton* v. *Carey*, 10 Pick. 210.

11. An outstanding liability as surety or indorser for another, together with a promise, express or implied, by such surety or indorser to the principal, that he will make the debt his own, and pay it, and so indemnify the principal, is a good consideration for a promissory note from the principal to the surety, for an equal amount on demand. *Little* v. *Little*, 13 Pick. 426.

12. A note given by a judgment debtor to the assignee of the judgment, in part payment thereof, is on a sufficient consideration. *McClees* v. *Burt*, 5 Met. 198.

13. A promissory note given to a bank for stock therein, if received as equivalent to cash, entitles the promisor to the privileges of a stockholder, and is therefore not void for want of consideration. *Farmers and Mechanics' Bank* v. *Jenks*, 7 Met. 592.

14. A note given for a premium of insurance cannot be recovered, if the vessel insured was unseaworthy at the time when the risk would have commenced. *Commonwealth Ins. Co.* v. *Whitney*, 1 Met. 21.

15. A policy of insurance, which provided that a loss should be payable to the assured or his assignees, was assigned, and the assignee guaranteed the premium note, the insurers having refused to assent to the assignment without this guaranty. *Held*, that the assignment was a sufficient consideration for the guaranty. *N. E. M. Ins. Co.* v. *De Wolf*, 8 Pick. 56.

16. A promissory note, founded on the payee's agreement to convey to the promisor land belonging to a third person, is not invalid on the ground of want of consideration. *Trask* v. *Vinson*, 20 Pick. 105.

17. A promissory note, made upon no other consideration than that of equalizing the distribution of the promisor's estate after his decease, is merely gratuitous, given upon no sufficient legal consideration, and cannot support an action, or found a legal claim. *Parish* v. *Stone*, 14 Pick. 198; *Loring* v. *Sumner*, 23 Pick. 98.

18. A note deposited by the maker, with funds for its payment, in the hands of a friend, to be delivered as a legacy, after the maker's death, to the payee, who had been attentive and friendly to the maker in sickness, cannot be avoided for want of consideration by the administrator of the maker, the intestate estate being solvent. *Bowers* v. *Hurd*, 10 Mass. 427.

19. Where a promissory note for the sum of one thousand dollars, payable out of the estate of the promisor in one year after his death, was given by the promisor to his son, solely in consideration of his releasing his interest in the promisor's estate, it was *held*, that such note was invalid, as not being founded on a sufficient legal consideration. *Loring* v. *Sumner*, 23 Pick. 98.

20. But where the promisor, in such case, subsequently executed his will, containing the following clauses: "I have given to my son (the promisee) $ 1,000 by note, for his full part of my estate"; "I also or-

der my executor to pay all the legacies above named in one year after my death"; "and being of sound mind and disposing memory, I see fit to dispose of my estate as mentioned in the above will"; — it was *held*, that the clause relating to the son constituted a valid legacy to him of the sum mentioned therein, although the note itself was invalid. *Ibid.*

21. Where a subscription had been made to form a fund for the support of a minister of a parish, and one gave his promissory note for the amount of his subscription, it was held void for want of consideration (not because of the objects and purposes of the fund for which the note was made, but because there was no legal body to whom the promise was made). *Boutell* v. *Cowdin*, 9 Mass. 254; *Trustees, &c. in Hanson* v. *Stetson*, 5 Pick. 508; *Amherst Academy* v. *Cowls*, 6 Pick. 434.

22. Where a subscription to a charitable fund was made after the incorporation of the body who were its trustees, and afterwards a promissory note was given, purporting to be for value received, payable to the same party, and referring expressly to the subscription and its purposes as the consideration of the note, and those purposes were in the process of execution, the note was held to be founded on a sufficient consideration, and to be binding on the promisor. *Amherst Academy* v. *Cowls*, 6 Pick. 427.

23. Where members of a religious society, which had a ministerial fund in the hands of an incorporated board of trustees, voluntarily subscribed to increase the fund, and afterwards gave their promissory notes to the trustees for the amount of their respective subscriptions, it was *held*, that the notes were founded upon a sufficient consideration. *Trustees, &c. in Hanson* v. *Stetson*, 5 Pick. 506.

24. The inhabitants of a parish signed a subscription paper, binding themselves to pay the sums affixed to their names to the parish treasurer, to constitute a fund for the support of a minister, and by the terms of the agreement the subscribers were entitled to the loan of the sums by them subscribed, upon giving their notes therefor to the treasurer, and paying the interest annually. The parish voted to accept the donations. The defendant, pursuant to the terms of the subscription, gave his promissory note, in which he acknowledged that he had borrowed and received the sum subscribed by him, of the parish treasurer, and promised to repay the same to such treasurer or his successor, according to the conditions of the donation, with interest annually, and for several years did pay the interest. *Held*, that a sufficient consideration was stated in the note, which the defendant could not contradict, and that the parish might maintain an action on such note in the name of the treasurer for the time being. *Fisher* v. *Ellis*, 3 Pick. 321.

25. An incorporated agricultural society passed a by-law, that every man who should pay five dollars to its treasurer should thereby become a member of the corporation during his life, and be entitled to all the privileges and benefits as such, without any further assessment. A gave his note for five dollars, payable to the corporation, with interest annually, on its being represented to him that he would thereby become a member of the corporation, and that the note would constitute part of a capital stock of three thousand dollars, which the corporation wished to

raise in order to entitle it, under Stat. 1818, c. 114, to draw from the State treasury two hundred dollars for each one thousand dollars thus raised. The corporation obtained one thousand seven hundred and seventy dollars in similar notes of five dollars each, and a like sum in other funds and stocks, and drew from the State treasury six hundred dollars yearly, for fifteen years or more after A's note was given. In a suit by the corporation against A, on said note, it was *held*, that it was not given on a misrepresentation, but on a good and sufficient consideration, which had not failed. *Society of Middlesex Husbandmen* v. *Davis*, 3 Met. 133.

26. Where a note was given to the plaintiff by the maker, as a bonus for a lease and fixtures of a store, after the lease had been in fact executed, and the maker had entered into possession, but in pursuance of a previous agreement, it was *held*, that the promise of the defendant, who put his name on the back of the note before it was delivered to the payee, was not invalid, as being founded on a past consideration. *Austin* v. *Boyd*, 24 Pick. 64.

27. Where a note was given to the county treasurer, for a tax laid by the sessions for making a road, and an agreement was made at the time, that, if the proceedings of the sessions had been irregular, the note should be void for want of consideration; the court, in an action on the note, would not adjudge upon the proceedings of the sessions, although expressly referred to them, while they remained on record as those of a tribunal having jurisdiction of the subject-matter, so far as to hold them null and void as a consideration for the note. *Loring* v. *Bridge*, 9 Mass. 124.

28. After a suit against an administrator, who was also one of the heirs of his intestate, who died solvent, was barred by the statute of limitations (Rev. Stat. c. 66, § 3), the administrator, by consent and agreement of the intestate's widow, made a note, payable to her or order, for a debt due from the estate to W., and she indorsed it to W. *Held*, in a suit by W. against the widow on this note, that it was given on a good and sufficient consideration. *Wheaton* v. *Wilmarth*, 13 Met. 422.

29. Where a note, given by a partner for his individual debt in the name of the firm, was delivered by the payee to the defendant, the other partner, to secure it by an attachment in the name of the payee, upon the defendant's guaranteeing the payment, it was *held*, that such delivery of the note was a sufficient consideration for the guaranty, and that, as the defendant, at the time of signing the guaranty, knew for what consideration the note was given, he could not avoid the guaranty, on the ground that he erroneously supposed himself liable on the note. *Flagg* v. *Upham*, 10 Pick. 147.

30. A., holding the promissory note of C., who had consigned goods to W. for sale, indorsed the notes to W., and took W.'s note for the amount thereof, and also an accountable receipt from W., by which he undertook to pay his said note, if the assets of C. in his hands should be sufficient, after deducting the amount of prior acceptances made by him. A. afterwards gave up said note and receipt to W., and took from him another note, for the sum due to A. from C., payable absolutely and on demand. The assets of C. in W.'s hands proved to be insufficient to meet

said prior acceptances. *Held*, that there was no want or failure of consideration for the last note. *Adams* v. *Wilson*, 12 Met. 138.

31. Where a promissory note given by a third person to the plaintiff was subsequently indorsed by the defendant in blank, and it was testified that the defendant said, that, after he had indorsed the note, the maker had secured him by putting real estate into his hands, which he was willing to transfer to the plaintiff, and that either the plaintiff or the defendant said, that the plaintiff, in consequence of the indorsement, had forborne to sue the maker, it was *held*, that there was not sufficient evidence of a consideration for the indorsement. *Tenny* v. *Prince*, 7 Pick. 242.

32. The defendant signed the following agreement: "Whereas, the plaintiff has this day indorsed for T. T. C. the following notes (describing them), and I have, for good reasons and considerations, agreed to become security for one fourth part of the whole of the foregoing sums, I do hereby agree and bind myself to sustain one fourth part of all the loss which shall happen to the plaintiff by reason of his indorsement of said notes; that is to say, if the said T. T. C. should fail to pay said notes, or parts thereof, and the plaintiff should be compelled to pay the same, or any part thereof, I do hereby agree to pay one fourth part of said notes, if he should have the whole to pay, or such parts thereof as said T. T. C. shall fail to pay, and the same proportion to be paid and sustained by me, as said notes shall become due and remain unpaid by said T. T. C." It was *held*, that the responsibility taken upon himself by the plaintiff as indorser must be taken to have been assumed in consequence of this agreement of the defendant, and therefore that the defendant's agreement was founded upon a legal consideration. *Kempton* v. *Coffin*, 12 Pick. 129.

33. In an action by the promisee against the maker of a promissory note which had been given by the defendant for a debt of his son, who was of full age at the time of the giving of the note, the jury were instructed, that the note was without consideration, unless it was given with the knowledge or at the request of the son, or unless, when it was given, the plaintiff did in fact discharge the debt due to him from the son: it was *held*, that these instructions were too narrow, as they precluded the jury from considering all evidence of any other consideration for the note; and that the slightest consideration would be sufficient. *Sweetser* v. *French*, 2 Cush. 310.

34. J., holding a note against W., who died solvent, and of whose estate his son G. was administrator, demanded payment of the note from G., and threatened to put it in suit if it were not paid. A sale of W.'s real estate was necessary in order to pay his debts, and a sale thereof, when this demand was made, would have been at a sacrifice. S., the widow of W., for the sake of preventing such sacrifice, guaranteed payment of the note, and received from G. a deed of his share of W.'s real estate, and J. forbore to sue on the note, but did not give S. notice that G. had not paid it. After a suit against G. as administrator was barred by the statute of limitations (Rev. Stat. c. 66, § 3), J. sued S. on her guaranty. *Held*, that the guaranty was on a sufficient consideration, and that the omission to give S. notice of non-payment by G. furnished

no defence to the suit, as she was not prejudiced by such omission. *Johnson* v. *Wilmarth*, 13 Met. 416.

35. P. studied law in this State, in the office of S., who had been admitted to practise as an attorney and counsellor in the highest court of New Hampshire, and who afterwards removed into this State, and practised in our courts as attorney and counsellor, but was never admitted to the bar here. S. gave the certificate required by the rules of the court, that P. had studied in his office, &c., and P. was thereupon admitted to the bar. Said certificate was procured and presented to the court by a member of the bar, and not by P. P. afterwards gave S. a note for tuition as a student in his office, not knowing whether said certificate was correct and true, or not. *Held*, in a suit against P. on the note, that it was given on a good consideration, and that there was no failure of consideration. *Knowles* v. *Parker*, 7 Met. 30.

36. Where a promissory note is given in consideration of an agreement by the payee to convey to the promisor land belonging to a third person, and the owner of the land conveys it to the promisor in execution of the payee's agreement, and the promisor accepts the title, he cannot object, in an action on the note, that the payee did not, at the time when the note was given, disclose his want of title to the land. *Trask* v. *Vinson*, 20 Pick. 105.

37. One of two partners having died, the survivor, to close the partnership concerns, purchased of the executor of the deceased partner, at a fair valuation, the stock remaining unsold, and gave the executor three promissory notes for the amount. Two of these notes were paid at maturity, the third was taken up and renewed by the note in suit. In an action on this note by the executor against the maker, it was *held*, that there was no want of consideration for the note, although, from mistakes in the partnership accounts, the surviving partner had already paid the executor more than was due the estate of the deceased partner. *Grew* v. *Burditt*, 9 Pick. 265.

38. In a suit on a promissory note, fairly and intelligently given, by way of compromise of a claim on the maker for rent of land occupied by him, he cannot defend by giving evidence that he was in peaceable and adverse possession of the land more then twenty years next before the giving of the note. *Cobb* v. *Arnold*, 8 Met. 403.

39. The mortgagee of a vessel, and the general owner, who was master, each procured insurance of his interest therein; and on the loss of the vessel, each brought an action on his policy, in different courts. The action brought by the general owner was tried, and was defended by the insurers, on the ground that he had fraudulently caused the loss; but he obtained a verdict: the defendants took exceptions to the proceedings at the trial, for the purpose of bringing a writ of error. Afterwards a compromise was made by all the parties to the insurance, without any misrepresentation or concealment by the mortgagee, and the underwriters agreed to pay the amount of the verdict obtained against them by the general owner, and to pay a part of the mortgagee's loss, which he agreed to accept in full of his claim. The underwriters thereupon gave their note to the mortgagee for the amount thus agreed on, and he with-

drew his action against them. *Held*, in an action on this note, that the underwriters could not defend, by introducing evidence discovered after the compromise and note were made, tending to prove the fraud of the general owner in the loss of the vessel. *Barlow* v. *Ocean Ins. Co.*, 4 Met. 270.

40. The grantee of an equity of redemption conveyed the same to a stranger, but still continued in possession, and the mortgagee brought a writ of entry against him, not declaring upon the mortgage, and recovered judgment at common law, and entered upon the tenant by virtue thereof, and the tenant, denying his liability for mesne profits, nevertheless gave his promissory note therefor, with the understanding that the note should be given up if certain persons to whom he was to apply should say he was not liable, but he never made such application. It was *held*, that he was not estopped, in a suit on the note, from denying his liability, and so showing that the note was without consideration and void. *Boston Bank* v. *Reed*, 8 Pick. 459.

41. The plaintiff having attached land, on the ground that a previous conveyance of the land by his debtor to the defendant was fraudulent, the plaintiff and defendant agreed to submit the difference between the plaintiff and his debtor to arbitration, and made similar promissory notes to each other, which were deposited in the hands of the arbiters, to be delivered up against the party who should fail to perform his agreement; and upon this the plaintiff relinquished his attachment and discontinued his suit against his debtor, who had absconded. The defendant having failed to perform his agreement, the notes were delivered to the plaintiff. *Held*, that the relinquishment by the plaintiff of the attachment was a sufficient consideration for the defendant's note. *Kellogg* v. *Curtis*, 9 Pick. 534.

2. *Of Illegal Considerations.*

1. At common law, the maker of a note cannot give in evidence, in an action by an innocent indorsee, any illegality in the consideration, or fraud in obtaining it. *Ayer* v. *Hutchins*, 4 Mass. 372.

2. A note given by a candidate for an elective office, in payment of services in promoting his election, but which were not rendered at his request, is void for want of consideration. *Dearborn* v. *Bowman*, 3 Met. 155.

3. No action will lie on a promissory note, the consideration whereof was a sale of shingles, not of the size prescribed by statute. *Wheeler* v. *Russell*, 17 Mass. 258.

4. A license, which is to protect a ship from capture and condemnation by an enemy, is a sufficient legal consideration for a promissory note, the voyage being lawful, and there being no proof of illegal intercourse with the enemy in procuring the license. *Coolidge* v. *Inglee*, 13 Mass. 26.

5. To render a bill of exchange void, on the ground that the consideration thereof was the stifling of a criminal prosecution, it is necessary that the promise should be made for gain, and not merely from motives of kindness and compassion. *Ward* v. *Allen*, 2 Met. 53.

6. A promissory note given for compounding a public prosecution for a misdemeanor, is founded upon an illegal consideration. *Jones* v. *Rice*, 18 Pick. 440.

7. A promissory note, the consideration for which is the discharge of the principal in a criminal recognizance from an arrest by his surety, after a forfeiture of the recognizance by default, is void. *Commonwealth* v. *Johnson*, 3 Cush. 454.

8. Where a complaint under the bastardy act (Stat. 1785, c. 66) was made against the defendant by a married woman, without joining her husband, whether such complaint was void or only voidable by a plea in abatement, a note given by the defendant to procure the withdrawal of such complaint was without consideration. *Wilbur* v. *Crane*, 13 Pick. 284.

9. A receipt and discharge from liability given to the person accused is a void act, and constitutes no valid consideration for his promissory note. *Ibid.*

10. A promissory note given to a magistrate, for the amount of fines and costs imposed by him upon the maker of the note on a criminal charge, is void for want of consideration moving from the payee personally, and also because the transaction is a violation of a public duty. *Kingsbury* v. *Ellis*, 4 Cush. 578.

11. A justice of the peace sentenced a prisoner, whom he had convicted of larceny, to pay a fine and costs, and on his failure to pay them delivered a mittimus to an officer, who, while conducting the prisoner to jail, took the promissory note of a third person for the amount of the fine and costs, and his own fees, payable to the justice, and discharged the prisoner. *Held*, in a suit by the justice on the note, that it was void for illegality of consideration. *Bills* v. *Comstock*, 12 Met. 468.

12. An officer attached the same goods, first on a writ of B., and then on a writ of P., and sold them on B.'s execution, and by his direction, upon a credit of six months, retaining the goods as security. The purchaser failed, and the officer afterwards, by the direction of P., sold the goods for cash on P.'s execution. *Held*, that the first sale was invalid, and that a note given by the officer to B. for the proceeds was without consideration. *Bayley* v. *French*, 2 Pick. 586.

13. Where a debtor made a general assignment of his property, to be ratably divided among such of his creditors as should execute the assignment, and thereby discharge their demands, a promissory note given by the debtor to a creditor, in order to induce him to become a party to the assignment, is fraudulent and void. *Case* v. *Gerrish*, 15 Pick. 49.

14. Where a promissory note, secured by a mortgage, was given to indemnify the payee against any loss which he might suffer by reason of his subsequently indorsing for the accommodation of the promisor, and the payee did accordingly indorse for the promisor, it was *held*, that such note was not void as against creditors of the promisor whose liabilities accrued after such indorsements were made. *Gardner* v. *Webber*, 17 Pick. 407.

15. In an action against the maker of a promissory note, given in consideration of the assignment of a mortgage, which mortgage was duly recorded, the defendant cannot give in evidence the fact that the mortgage was fraudulent and void as against creditors and subsequent purchasers, since if he was a *bonâ fide* assignee, without notice of the fraud, his title under the assignment is valid; and if he knew of the fraud, he must be considered as having waived any objection on account of the defect in the assignor's title. *Payson* v. *Whitcomb*, 15 Pick. 212.

16. Where it is ascertained by partners, who are about closing their partnership concerns, that a balance will be due to one of them on a final settlement, although the exact amount of such balance cannot be ascertained, yet if the debtor partner gives the creditor partner a promissory note for a sum not exceeding the amount of the balance which will be due on a final settlement, such note is given on a good and sufficient consideration, and payment therefor may be enforced by action at law, though the balance is not struck between the parties, and the note is given to enable the creditor partner to secure his debt by attachment of his partner's property. *Rockwell* v. *Wilder*, 4 Met. 556.

17. Where a bill of sale of chattels was given for the purpose of preventing them from being attached by the creditors of the vendor, but the chattels were not delivered, it being agreed that they should remain in the possession and control of the vendor, and the vendee gave therefor his promissory note, payable to the vendor, but not to his order, upon the understanding that it should not be used, but the promisee assigned it to a third person for a valuable consideration, it was *held*, that although the sale was invalid as against the creditors of the vendor, yet it was binding and constituted a valid consideration for the note as between the vendor and vendee, and consequently an action on the note in the name of the promisee for the benefit of the assignee might be maintained. *Dyer* v. *Homer*, 22 Pick. 253.

18. Where a promissory note, payable to the payee or bearer, in nine months, was within three or four days from its date, and for a full and adequate consideration, transferred by the payee to the plaintiffs, by delivery only, the payee telling them that they must take it at their own risk, and that he would not be responsible for it, it was *held*, that these circumstances would not justify the jury in finding that the note had been obtained by the payee without any valid consideration and by fraud. *Cone* v. *Baldwin*, 12 Pick. 545.

(*Continued in May No., p.* 865.)

PORTUGUESE CONFISCATION.

WHENEVER the term "Repudiation" has been applied to states which refuse to acknowledge the debts they have legally contracted, the capitalist almost invariably directs his thoughts to those of the western part of the world, as if the term "repudiation" had no specific application but in that quarter. But we ought not to be too harsh in the epithets we apply to our kinsmen across the Atlantic. We pointed out in a few brief remarks last week, that several of the American States which had once committed a breach of national faith have since become repentants; and are appropriating the growing resources of their wealth to the discharge of liabilities they once refused to acknowledge. It is true that there still remain upon the list of those "repudiators," some who adhere to their original determination. But we may, however, hope that the good example set by the majority will, at some future time, be acted upon by the minority, that American credit may stand upon that solid foundation which constitutes the greatness of the empire from which America has sprung. Without the least vindication of the course which led these repudiating States into difficulties, we may assert that their credit has not sunk into a hopeless condition, but that it has rather improved, and we trust will ultimately be redeemed.

The event that has taken place within the last few days affords an example of an entirely different character. We have not now to cast our eyes upon the American continent to measure the extent of financial "repudiation," or, as we have designated it, "confiscation," but to Europe, whence the rays of civilization have gone forth to enlighten the world. The decree which has been issued by the Government of Portugal for the conversion of its internal and external debt, is one of the most daring specimens of financial legerdemain that has ever been promulgated; and admits of no parallel in the annals of finance. This document we printed in our last number of the *Circular*, but a pressure of matter prevented us from making any comments upon the details of the scheme. But we should not be performing a public duty by allowing such a document to be issued without recording our protest against the principles involved in it.

Before we enter into the particulars of this decree, it may be as well to give a brief sketch of the Portuguese debt, although the particulars are well known to many capitalists in the city of London. The original circumstances under which these loans were contracted, are known to have been the cause of liberty in Portugal, and the security of the throne of Donna Maria. The contracts were entered into under the most solemn pledges of faithfulness by "Her Most Faithful Majesty," and no circumstances connected with the internal legislation of the kingdom were to interfere with these pledges. But how have they been kept by the Queen and the Government of Portugal? They have been evaded and shifted about from one form to another, until, by the present decree, the last vestige of national honor has been sacrificed to the will and the audacity of the Portuguese Government. About £4,000,000 sterling of

these loans were contracted with Messrs. Ricardo at 48 per cent. in 1831, 1832, and 1833, under the denomination of Regency Loans. In 1835, Messrs. Rothschild contracted for £ 6,000,000 3 per cents at 70; which was subsequently reduced by conversion and a loss of 40 per cent. to about £ 3,500,000. In 1836 and 1837 Messrs. Goldsmid entered into a contract for further sums amounting to nearly two millions; and of this, £ 1,000,000 was secured upon the revenues derived from tobacco. The total amount borrowed up to this period was nearly £ 9,000,000, which were converted in 1841 by virtue of a decree issued by the Portuguese Government, dated Nov. 2d, 1840. There were then in arrear 3¼ years' interest, which made the entire foreign debt to be in round numbers about £ 10,000,000 sterling. It is reported that of this sum nearly £ 8,000,000 is held by persons in this country.

This conversion to all appearances was a most plausible offer to the shareholders, as the interest was to be payable by an increased rate per cent. in periods of four years, commencing at 2½ and ending at 6 per cent., until the whole arrears of interest were liquidated. But it signifies but little what rate of interest is offered where there is no intention of discharging either that or the principal, which appears to be pretty much the case with regard to the Portuguese debts. The following were the several rates of interest guaranteed in that decree, with the dates: —

2½	per cent.	for 4	years	from July 1, 1841.
3	"	4	"	1845.
4	"	4	"	1849.
5	"	4	"	1853.

At the termination of these rates, the rate to be 6 per cent. until arrears of interest were paid.

This scheme, however, had not been long adopted before another movement was made; and in 1845 another loan was proposed for converting all this debt into a perpetual 4 per cent. stock; and this was accepted to the amount of 6½ millions sterling; so that there remained about £ 3,500,000 of this stock in the hands of parties who did not agree to the conversion. It, however, will neither add to or diminish aught from this decree, whether the stockholders consent or not, seeing that by Art. 9 it is said: —

"To the holders of the internal and external debt *who do not agree to this conversion*, interest will only be paid after the 1st of January, 1853, at the rate of 3 per cent. per annum, and it *will be reckoned as if they had agreed to that conversion without further compensation or advantage.*"

Surely it would be impossible to match this piece of legislation, if it can be called by that name, for its unscrupulous audacity and dishonesty. More than ten years have elapsed since the date of the first conversion, since which the dividends on a great portion of the debt have accumulated, and remain unpaid; and though within six months from the present time the Portuguese Government had bound itself to raise the rate of interest to 6 per cent., it issues a decree to reduce that rate 50 per cent. We may use soft words, and endeavor to refine our expressions upon transactions of this nature; but it is, in plain English, nothing less than

a gigantic national swindle. And we very much doubt whether France or America, if placed in a similar condition to that of England with regard to this debt, would not demand satisfaction by sending a squadron into the Tagus.

There is a show of pretensions made to secure the payment of the dividends upon this new stock. But we cannot see what confidence can be placed in a government that borrows money, reduces the principal, and by a system of financial trickery evades the payment of the interest. There would be some little consolation left to the bondholders, if they could realize any portion of their due in the shape of hard cash: but no! the Portuguese mode of payment is to settle both principal and interest by way of "capitalization."

Some idea may be formed of the extent of the sacrifice that must be made by the stockholders under this decree, by reference to the amount of the external debt, which may be stated as follows: —

5 per cent. stock,	1841,	£ 3,572,171
4 " "	1845,	6,110,000
3 " "	1848,	167,296
		£ 9,849,467

The internal debt of Portugal is somewhat nearly the following amount in round numbers: —

6 per cent.		£ 88,600
5 "		4,898,500
4 "		2,874,600
3 "		120,300
	Total,	£ 7,982,000

It may, perhaps, be stated, that the holders of 3 and 4 per cent. stock will lose nothing by this new scheme; but the proportion is so small which the former hold of the entire debt, that it is only an insignificant amount; while to the holders of the 5 per cent. stock, the loss must be very great. By the 5th article, it seems that the holders of the internal and external consolidated debts are to be "indemnified" for the 25 per cent. deduction made in the second half-year of 1848, and the subsequent dividends; but they are coolly informed that this boon is to commence on the 1st of January, 1863!

The feelings which this decree has produced may be pretty clearly understood from the following Manifesto, which has been issued by the Bank of Portugal: —

"Whereas the Portuguese Government, by a late decree, dated the 22d instant, has resolved to convert into bonds, bearing three per cent. interest, the five per cent. inscriptions and policies, which originally, and by virtue of a solemn contract entered into by the said Government and the Bank of Portugal, on the 19th of November, 1846, confirmed by the Legislative Chambers in two different sessions, and then converted into the law of the land by the royal assent being given to the enactments of the 19th August, 1848, and of the 16th April, 1850, had been assigned to the endowment of the Special Sinking Fund, for the redeeming of certain stipulated debts, principal and interest, due by the Government to the said Bank and to other general creditors; and whereas the said Government persists in its determined intention of dispossessing the

Bank of a security, which, though solid, had imposed upon the honor and trust of that establishment liabilities and obligations which it most scrupulously discharged towards the parties concerned; and as the Government in thus acting pleads the alleged and illusory pretext of raising capital for the construction of railroads, an end which, as the said Government itself admits in the preamble of the said decree, was found utterly unattainable, notwithstanding the former act of iniquitous spoliation committed against the Bank and the other creditors, in spite of the most binding contracts and stipulations sanctioned by the Legislature in special laws, and of which flagitious breach of good faith, nay, of common honesty, the Board of Directors of the Bank of Portugal, pursuant to a resolution passed at a meeting of shareholders, did, by their protest of the 28th of September last, give notice to the English public; the said Board of Directors do now make known, that,

"Should the new bonds be tendered for negotiation in the English money market they ought not to be considered a new stock, insomuch as they actually originate in the policies and inscriptions previously assigned to the Special Sinking Fund, and alluded to in the said former protest of the Board of Directors published in England.

"That the object the Portuguese Government has in view, obviously, is to make a new attempt at raising money by tendering a security, which, in reality, is unalienably mortgaged and adjudged to previous liabilities; and the said Board of Directors of the Bank of Portugal do, therefore, caution the unwary against suffering themselves to be entrapped by so unfair, nay, so dishonest, a device.

"Finally, the Board of Directors do now renew and most entirely ratify their former protest, and do also declare their firm and unflinching resolve of lawfully but strenuously resisting and opposing to the utmost of their power all measures and proceedings detrimental to the acknowledged rights of the Bank of Portugal and of other creditors.

"The said Board do further declare, that, in pursuance of the previous resolution agreed to at the meeting of shareholders, they will never recognize any transaction whatsoever that the said Government or its agents may have realized, or may yet realize on the security of such property as had been awarded to the Bank by the law of the 19th November, 1846; and do, moreover, caution any individuals, companies, and capitalists in general, against entering into any loan, monetary transaction, or contract whatsoever; for the Board of Directors are most decidedly determined on prosecuting such companies, capitalists, and individuals in general, until the Bank of Portugal shall have recovered the property of which it has been so unjustly spoliated.

JOAQUIM PEREIRA DA COSTA, President.

JOSE LOURENCO DU LUX,
JOSE MANUEL LEITATO,
AUGUSTO XAVIER DA SILVA,
FRANCISCO DE ASSIS BASTO,
HENRIQUE NUNES CARDOSO,
JOAQUIM JOSE FERNANDES,
ANTONIO JOSE PEREIRA SERZEDELLO,
JOSE IGNACIO DE ANDRADE,
} Directors.

"*Lisbon, December* 27, 1852."

A stronger proof could not be adduced of the sensation which this decree has produced throughout the monetary world. And surely it is high time that England should no longer sit quietly down, and submit to the degradation of being thus coolly robbed of the money which has been advanced to protect the throne of a sovereign, whose signature has been given to repudiate the obligation.

WHAT IS "FINE GOLD"?

To many persons it would appear superfluous to attempt to give an answer to the above question in this golden age. But we very much doubt whether the correct meaning of the term is generally understood by those who imagine that it is easily answered. In short, the term "fine gold," as it is now used by those who deal in articles made up of the precious metal, may approximate very closely to brass, or the baser metals, or it may be equal in quality to the coin of the realm, which is more correctly known by the term "standard gold." The laws which were enacted to prevent the debasement of the precious metals in articles of plate and jewelry, are of very ancient date in this country, and which may be traced back to the year 1300, in the reign of Edward the First. Many of the acts which have been subsequently passed, regulating the standard of gold and silver, form a very curious code. Modern art and skill have rendered many of them entirely obsolete, and quite inapplicable to the present state of trade, and the requirements of the age. Several complaints have recently been made of the fraudulent practice of selling spurious articles, and passing them off as genuine; and these complaints have been made known through the press, the best channel, probably, through which an effectual remedy can be applied. Now the practice of selling spurious for genuine articles in gold and silver has been pursued in all times; and the difficulty of detecting the fraud by the public was so great, that the legislature stepped in to afford protection. But the times are now so changed, that we do not expect the legislature to do every thing for every body. We could say much upon the practice of stamping gold and silver articles with the Hall Mark, but we shall for the present confine ourselves to a few general remarks that may be of service to those who wish to avoid being deceived by the use of terms which have no specific meaning. It should be known that what is termed pure gold without alloy is not used at all in the manufacture of jewelry, on account of the softness of the metal. That which is called "standard gold," being of the fineness of the coin of the realm, is 22 parts out of 24 of pure gold, and 2 parts alloy, and is commonly called 22 carats fine. All articles which are represented to be of gold, may vary from this standard downwards until they are of very trifling value; thus we see that the term "fine gold" is not only very delusive, but of itself has no definite meaning; and it is solely by the use of this, that the public are induced to believe that all articles exposed for sale under this designation are of a superior quality. But we advise those who entertain such notions to abandon them at once, and learn to call things by their correct names. We believe, from instances that have come within our own knowledge, that never were the frauds so extensively practised in this trade, as at the present moment; but they are perhaps in a great measure promoted by the very general demand there is for a display of finery; and what cannot be made up of the genuine article is supplied by imitation.

Now, standard gold is worth, at all times, £3 17*s.* 10½*d.* an ounce,

exclusive of any workmanship, yet it is no uncommon thing to see gold chains displayed for sale of equal weight for sovereigns; but it is well known that they are frequently not more than 7 carats fine, which is worth £1 4*s.* exclusive of workmanship, so that one of these sold for four sovereigns will realize an enormous profit, and the wearer perhaps prides himself in his "fine gold" chain.

It is also important to know, that articles of fine workmanship cannot be stamped with the Goldsmith's Hall Mark; and in such cases the purchaser should only go to manufacturers of reputation. But the remedy against deception must in a great degree rest with the purchaser, who must not ask if the article is of "fine," or "solid" gold; but what is the standard of fineness, 22 carats, 18, 16, or any other number? and the lower it descends from the standard coin, the more inferior it is in value. The following figures may serve as a guide; one ounce of gold of the following standards: —

	£	*s.*	*d.*
22 carats fine, is worth, exclusive of workmanship,	3	17	10½
18 " " " "	3	3	8
16 " " " "	2	16	7
14 " " " "	2	9	6
11 " " " "	1	18	11
8 " " " "	1	8	3
4 " " " "	0	14	1

Now it is quite possible to sell all below the standard of 22 carats as "fine" or "solid" gold. The remedy against fraud, therefore, remains almost entirely in the hands of the purchaser, by having a written statement of fineness.

COUNTERFEITING OF BANK PLATES.

Extracts from the Annual Report of the Bank Commissioners of Massachusetts for 1852.

It is worthy of examination, whether the use of what is called a "general plate," prepared in a manner to be used by any bank, merely by substituting one name for another, does not materially increase the evils of counterfeiting. A successful counterfeit, of a general plate, may easily be applied to a great number of banks. An intelligent cashier, in a communication to the Commissioners, remarks, that "a large part of the counterfeit bills which have been of late making so much mischief, are of bank notes printed from general plates."

The use of movable vignettes, dies, &c. is regarded as an evil. The haste of banks in procuring new notes, the convenience of artists in manufacturing them, and economical considerations, have much influence in producing a description of notes which are open to the attacks of the skilful counterfeiter, in various ways. It has been confidently asserted, that, under our present system of engraving, counterfeit bank plates can be manufactured which shall have upon them the genuine work of the best artists without their knowledge or consent.

It is not our purpose, nor within our power, to describe the various forms in which the business of counterfeiting and of altering bank notes has been facilitated. The evil is one of increasing magnitude. Various modes of prevention have been proposed. Some of the more obvious ones are, for each bank to own its plates, whose execution should be of a high order of art, — the use of the ineffacable "red-letter stamp" on the notes, — and of the geometrical lathe-work. All these matters should engage the attention of the Legislature and the banks; and the best skill of the artist should be put in requisition to protect the community from imposition.

The extent of the evil caused by counterfeiting has led to renewed efforts for its detection. At the last session of the General Court, the following Resolve was passed: —

"Resolved, That a sum not exceeding two thousand five hundred dollars be granted and paid annually, for the period of five years after the passage of this Resolve, out of the Treasury of this Commonwealth, to any association of officers of banks in this Commonwealth, for the purpose of the prevention and the detection of the crimes of making or tendering in payment as true, counterfeit bank bills, or counterfeit gold and silver coins; and that the Governor be authorized to draw his warrant accordingly, from time to time, for such sums, not exceeding two thousand five hundred dollars, in each year, as shall be equal to half the sum which such association shall certify and prove to the Governor to have been raised and expended by such association for the purposes above specified."

We learn that the New England Association for the detection of counterfeiters, under the management of intelligent and energetic officers, avails itself of the aid of the State, as provided by the above resolve, and that measures have recently been adopted, with the view to give to the association greater efficiency and success in its efforts. The Suffolk Bank, by the vigilance and skill of its officers, exerts a constant check against the circulation of counterfeit and altered notes, and thus renders very valuable service to the community.

In this connection, the importance of destroying the bank note plates of banks which have ceased to exist, and also those of existing banks which they have ceased to use, has been thought by the Commissioners to be a subject worthy of consideration and inquiry, with a view to legislative action.

The accumulation of defaced bills has become so great in some banks, as to attract the attention of the Board. They are an obvious and offensive hindrance in the way of examination; they expose the banks to greater danger of loss, in case of robbery of their vaults; they are an entirely useless encumbrance in the cash; — evils easily removed by their timely destruction.

The increased attention which has been given by banks generally, to the security of their vaults, has been observed by the Commissioners as matter for commendation.

We have adverted to the importance of examinations of banks by their directors. If made occasionally by them without notice to the

officers, they tend to promote constant vigilance on the part of the latter, and may prevent, by timely discoveries, serious defalcations. Such examinations are now made in many banks, while others entirely neglect them. Stockholders, as has often been remarked, omit to attend the annual meetings for the choice of officers, and the transaction of other important business, and frequently intrust their proxies to the hands of persons who solicit them, without a full disclosure of their object in obtaining them.

SAVINGS BANKS.

From the Annual Report of the Bank Commissioners of Massachusetts for 1852.

In our last Report we gave a sketch of the origin, history, and objects of Institutions for Savings, in Europe, and in our own Commonwealth. The number of the latter reported to be in operation December 15, 1851, was forty-nine. We have received information that five others have been put in operation during the past year: —

Savings Banks reported in 1852, *as having commenced Operations.*

Name of Bank.	*County.*	*Town or City.*	*When Chartered.*
Blackstone,	Worcester,	Blackstone,	1849, April 20.
Milford,	"	Milford,	1851, April 24.
Clinton,	"	Clinton,	1851, May 15
Lee,	Berkshire,	Lee,	1852, March 5.
Hampden,	Hampden,	Springfield,	1852, April 13.

There are now, therefore, in operation, three Savings Banks in Boston, and fifty-one out of Boston.

We subjoin a tabular statement, showing the number of depositors in the savings banks of Massachusetts, and the aggregate of the deposits in each year since 1834, in which year returns were first required by law: —

Year.	*Number of Depositors.*	*Amount of Deposits.*	*Year.*	*Number of Depositors.*	*Amount of Deposits.*
1834	24,256	$ 3,407,773.90	1844	49,699	$ 8,261,345.13
1835	27,282	3,921,370.88	1845	58,178	9,813,287.56
1836	29,786	4,374,578.71	1846	62,898	10,680,962.10
1837	32,564	4,781,426.29	1847	68,312	11,780,812.74
1838	33,063	4,869,392.59	1848	69,894	11,970,447.64
1839	36,686	5,608,158.75	1849	71,629	12,111,553.64
1840	37,470	5,819,553.60	1850	78,828	13,660,024.84
1841	41,423	6,714,181.94	1851	86,537	15,554,088.58
1842	42,587	6,900,451.70	1852	97,353	18,401,307.86
1843	43,217	6,986,547.07			

The savings banks are institutions of great and rapidly increasing importance. Their "condition" is safe for depositors, and in their "general conduct" they have manifested intelligence and discretion. There have, however, been found many deviations from the requirements of the

statutes for their regulation, as regards investments, and in some other particulars. In our last Report, we spoke of investments which we regarded as unauthorized by statute, somewhat in detail, in connection with the provisions of the several acts to incorporate savings banks. We have found many similar investments during the past year, and, in fact, there are but very few institutions by which all the statute regulations are carefully observed. It is in our power to state, however, that from all those savings banks which have been visited by us during the past year, and in which we have found some want of compliance with the general laws, we have received the most satisfactory assurances, that not only will the statutes hereafter be most carefully regarded, but that all existing irregularities will be corrected as soon as circumstances will permit.

A very important question was presented to the Commissioners, in our earlier examinations, relating to the obligation of certain savings banks to make their investments within the limits prescribed in the general laws. We refer to those institutions which were incorporated prior to March 11, 1831, and whose charters do not contain express words subjecting them to the control of the Legislature. Upon mature deliberation, we expressed an opinion adverse to the views entertained by the highly intelligent managers of the institution to which we made particular reference. They claimed to be exempted from legislative control. We entertained and expressed a different opinion, and also that the true policy of all savings banks was best consulted by submitting to the regulation of the general laws. We felt some solicitude that a question of such grave importance should be settled in a manner which should remove all doubt upon the subject.

In May last, the Senate of Massachusetts submitted to the Justices of the Supreme Judicial Court the following question, viz.: —

"Is the corporation known as 'The Provident Institution for Savings in the Town of Boston,' chartered in the year 1816, subject to the general laws of the Commonwealth relating to savings banks and institutions for savings, passed since the granting of the charter aforesaid?"

By an order of the Senate, the President of that body, in case he should receive, during the recess of the Legislature, the opinion of the Supreme Judicial Court in relation to the Provident Institution for Savings, was requested to cause the same to be published in the official newspaper. In September last, the opinion of the Justices was communicated to the President of the Senate, and by him published, as requested. The opinion thus given settles the question. It concludes as follows: — "In the present case, there appears to be nothing in the charter of the Provident Institution for Savings in Boston, to exempt it from the provisions of the general laws, passed since the date of the charter, relating to savings banks, prescribing the modes of investments; and the undersigned are therefore of opinion, that that Institution is subject to those provisions of those general laws."

The opinion bears the signatures of all the Justices, and is sustained by a course of reasoning so full of information and so valuable to all concerned in governing or legislating for savings banks, and at the same time so important to be considered in connection with and as illustrative

of the duties of the Commissioners, that we have appended a copy of it to this Report.

In relation to the nature of investments, we remark that they are much more limited in other countries than in our own. In Great Britain and Ireland, all moneys paid in to any savings bank established according to the Act of 9 Geo. IV. c. 92, and the 7 and 8 Vict. c. 83, are to be paid into the banks and then vested in bank annuities or exchequer bills. The interest paid to depositors is not to exceed £ 3 0*s.* 10*d.* per cent. per annum.

The Commissioners, being desirous of learning the condition of the savings banks of Great Britain and Ireland, addressed a letter in September last to Hon. Abbott Lawrence, Minister at London, requesting the favor of his aid in procuring such documents as had been printed by order of the British government in relation to savings banks. In the same month, he forwarded to us several valuable documents, which had been printed by order of the House of Commons, comprising the latest returns from each savings bank in the United Kingdom.

From the returns of their condition November 20, 1851, we obtained the following interesting facts:—

Population of the United Kingdom in 1851,			27,104,394
Number of savings banks,			574
Number of officers unpaid,			613
Number of officers paid,			1,168
	£	*s.*	*d.*
Amount of security given by the unpaid officers,	353,000	0	0
Amount of security given by the paid officers,	339,705	0	0
Salaries and allowances of the paid officers,	76,099	8	7
Annual expenses of management, inclusive of all salaries,	103,254	10	11
Average rate of interest paid to depositors per annum,	2	17	10
Total amount owing to depositors,	30,184,604	11	2

Of which £ 30,173,347 1*s.* 11*d.* had been invested with the Commissioners for the reduction of the national debt. The average rate per annum on the capital of the banks for the expenses of management was 7*s.* 9*d.* on £ 100.

In the three largest savings banks in the city of New York, whose deposits at the commencement of the present year amounted to upwards of fifteen millions of dollars, the investments are less varied than the law permits in this State. We find in them no loans on personal security whatever. A peculiar feature in those institutions is, that a less amount of interest is allowed on deposits exceeding $ 500, than on those under that amount.

An Act of the Legislature of New York, passed May 6, 1839, authorizes the accumulation and investment by savings banks of a surplus fund, not exceeding ten per cent. on the deposits, to make good any losses by reason of a reduction in the value of their securities.

We find also in some of the New York charters a provision authorizing

savings banks to pay to minors sums not exceeding a certain amount of deposits, and making the receipts of minors valid, provided such deposits were made personally by the minors.

The regulation by law of the amount of surplus funds which may be retained by savings banks, and of payments of deposits to minors under certain circumstances, appear to us to be subjects worthy of consideration by our Legislature.

By an Act of our General Court passed May 24, 1851, "The treasurer of each and every institution for savings and of each and every savings bank in this Commonwealth, and of each and every institution for savings, and savings bank, which hereafter may be incorporated, is hereby required, annually, between the 1st and 10th of May, to make returns, in person or by mail, to the assessors of every city and town in this Commonwealth, in which they have reason to suppose such depositors reside, of the names of all depositors having deposits of five hundred dollars and upwards, with the respective amounts standing to the credit of each."

This Act went into practical operation in May last. Prior to the first day of that month, deposits in some institutions were reduced below the sum of $ 500, under such circumstances, and by an amount so small, as to induce the belief that the object of the reduction was to avoid taxation. Instances were disclosed to the Commissioners, too numerous not to arrest their attention, and which could not, with any show of reason, be ascribed to any other cause than a determination to accomplish the object which we have stated.

In several of our best-managed institutions, the semiannual dividends have been raised from two to two and a half and three per cent. This approximation to a division of the profits of the deposits in "just proportion," has not only been justified by the prosperous condition of the institutions themselves, but also seems to us to have been precisely what the statutes contemplated. Such a division gives to savings banks the highest degree of usefulness to the greatest number of depositors. The expediency of retaining a large surplus of profits for an extra dividend is very questionable; for, while it may induce some to allow their deposits to remain untouched, others are deprived of an equitable share of the earnings which are essential to the relief of their immediate necessities.

We have thus passed in review the condition of such of the banks of discount and circulation, and of the savings banks, as we have visited during the past year. We have given such facts and statements, with such commentaries as they naturally suggested. Both banks and savings institutions have shared in the general prosperity of the community. Their imperative duty and highest interests are both consulted and promoted when they conform in their operations to the requirements of law. Fidelity and intelligence in their management command public confidence, from which they derive their life and support. Banks when thus managed, with constant reference to the just claims of all the citizens, do, in turn, aid materially in promoting important public interests, and, at the same time, afford liberal dividends to their stockholders.

IMPORTANT BANK CASES.

Two important cases have been recently decided in the Court of Appeals of Maryland, in reference to the rights and liabilities of banking institutions and other corporations in the transfer of stock by executors. The plaintiffs were E. J. Albert and Wife *v.* The City of Baltimore and the Savings Bank of Baltimore.

Talbot Jones, of the city of Baltimore, directed his executors by his will to purchase $ 6,300 of six per cent. stock of that city, which he ordered to be set apart and held by Samuel Jones, Jr. and Andrew D. Jones (his sons) as trustees, in trust for his married daughter, Emily J. Albert. This stock was accordingly purchased by the executors, and transferred to themselves as trustees, by the proper officers of the city, on the 10th of December, 1841, and at the same time, by power of attorney, they directed the interest to be paid to said E. J. A. until the power should be withdrawn. On the 16th of October, 1845, the trustees transferred this stock to the Savings Bank of Baltimore, and thereupon the bank loaned money to Samuel Jones, Jr. in his individual name, who subsequently became insolvent, the other trustee having died.

The Court (December Term, 1852) *held*, that from this state of facts there did not arise such knowledge, on the part of the city of Baltimore, of the designs of S. J., Jr., or such neglect on the part of its officer, as to render the city liable for the trustees' misapplication of their *cestui qui trusts'* property. 2d. When, by the terms of the charter, a corporation is prohibited from loaning any part of its funds to a director, such loan, if made, cannot be recovered, and any security taken for it is void. Nor can the provision in the charter be evaded, by borrowing in the name of a stranger, when the director is really, and is known to be, the person borrowing the money. But this doctrine does not extend to any other corporation borrowing, whereof a director chances to be a stockholder. 3d. It is no answer, on the part of the Savings Bank, that the loan of the money, and the hypothecation of the stock by A. D. J., is an executed contract. A. D. J. might be estopped from denying its legality, but it is otherwise with his *cestui qui trust.*

This was an appeal from the Court of Chancery. The Court of Appeals maintained: — "The next question is as to the responsibility of the Savings Bank. Independently of the provisions of its charter, we are clear in the opinion, that the circumstances under which it obtained the stock would have given it a perfect title. As is very justly remarked by the Court, in the case of Lowry *v.* The Commercial Bank, 'A transfer of stock cannot be likened to an ordinary conveyance of real or personal property. The instrument transferring the title is not delivered to the party. . . . . The party to whom it is transferred rarely, if ever, sees the entry, and relies altogether upon the certificate of the proper officer, stating that he is entitled to so many shares.' In the case before the Court, the bank denies explicitly all knowledge of the trust, and there was nothing in the manner of the transfer different from the usual course of proceeding in such transactions, which are of hourly occurrence in a

large commercial city like Baltimore, where stocks are the subjects of sale and of hypothecation.

"But the real difficulty in the case of the bank grows out of its charter. The second section of the act of 1818, ch. 93, provides that the corporation shall not be authorized to make any bills or notes in the nature or description of bank-notes, or to loan any part of the funds deposited to any director of said corporation.

"At the time of the loans to Samuel Jones by the bank, and the hypothecation, by him, of the city stock, he was a director of the bank; and the question arises, whether the transactions had with him, touching the stock in question, vested in the corporation, under its charter, any title to the stock.

"We concur with the Chancellor in opinion, in so far as his decree has reference to (and in favor of) the city of Baltimore, but dissent from that portion of it which exempts the Savings Bank from liability to complainants for the amount of the stock sold (and hypothecated to the defendants). We will sign a decree in conformity with these views.

"Bill dismissed as to the city of Baltimore, and decree reversed as far as the Savings Bank is concerned."

The decision in the case above referred to, of "Lowry *v.* Commercial and Farmers' Bank of Baltimore," will be found in the third volume of this work, October, 1849, with the opinion in full of Judge Taney, then and now Chief Justice of the United States. This case is, to banking institutions, *one of the most important cases on record*, and will serve to put them on their guard in dealing with executors and administrators.

MISSISSIPPI UNION BANK BONDS.

We have received a copy of the opinion of the Hon. Charles Scott, Chancellor of the State of Mississippi, given in the recent case of H. A. Johnson *v.* The State of Mississippi, before the Superior Court of Chancery, December term, 1852. This case involves the constitutionality of the charter of the Union Bank (of Mississippi), and the issue of State bonds to that institution. The following is a brief history of the case: —

"In May last, Messrs. Adams & Dixon, attorneys at law of Jackson, filed a bill in the Superior Court of Chancery, on behalf of a Mr. Johnson, of New York, a holder of a bond issued by the State, on account of the Mississippi Union Bank, for the purpose of finally settling the question whether the State was legally liable for the payment of the bonds. D. C. Glenn, Esq., Attorney-General, appeared on the part of the State and answered the bill, and the cause was submitted to the Court for decision on the 20th ultimo."

The bonds were issued in strict conformity with the law, and were afterwards negotiated through the agency of the United States Bank of Pennsylvania, or its President, Mr. Biddle. The bond now sued on is ac-

cording to the form prescribed in the 5th section of the original charter of the Union Bank.

The Judge (Scott), in his opinion, says:—

"The State does not raise any question touching the validity of the *sale* of the bond sued on. The facts would not admit of any such question. The position assumed in argument by the Attorney-General, for the State, is, that the bonds were issued in violation of the fundamental law, and that the faith of the State has never been constitutionally pledged for their payment: therefore there can be no legal or equitable liability on the part of the State to pay them."

But the Court have decided that the original act was constitutional, and had not the Legislature passed the Supplemental Act, we would have been spared the investigation of the delicate and vexed question; "and further,—

"The State became a subscriber for stock in the Bank, and it will not be doubted at this day, that a State may divest herself of the robes of sovereignty, and assume the character of a single individual.

"Therefore this Court is of opinion, that the complainant in this case, who is an innocent and *bonâ fide* holder or assignee of the bond sued on and exhibited, is entitled to have his decree against the State, in accordance with the prayer in his bill."

The Jackson (Miss.) *Flag* says:—

"It will be seen that the Chancellor decides that the State is legally and constitutionally bound for the redemption and payment of these bonds, and so decrees in this case accordingly.

"The Attorney-General appeals, we understand, to the High Court, where the cause will undergo another argument, and no doubt an elaborate and able examination on the part of the Court,—which, from its composition, it is so fully competent to make.

"As law-abiding citizens, we, in common with thousands of others, shall be governed by the decision of the constituted tribunals of the land; and the holders of the bonds have, in submitting this question to tribunals erected by ourselves, shown that they want nothing but what is right, and that they have an abiding confidence in an able, pure, and independent judiciary."

And the New Orleans *Commercial Bulletin* says:—

"That the decision of the Supreme Court will sustain the Chancellor, we have no earthly doubt, knowing, as we do, that the majority of the Court is decidedly in favor of paying the bonds. Nearly ten years ago Chief Justice Smith published a masterly and unanswerable argument to the people in favor of payment, and showed conclusively the legal and moral nature of the liability resting upon the State. Mr. Justice Yerger has ever been a decided bond-payer, and has denounced repudiation all over the State. We do not know the views of the other judge (three compose the Court) on this subject. We think he, too, is a bond-payer.

"Hence, it is evident the decision will sustain the Chancellor. This will place the people of Mississippi in a very awkward predicament,—*they* voting that they will not pay certain obligations, and the high tribunals of their own creation, specially authorized to pronounce upon such subjects, declaring that they are legally and constitutionally bound for their redemption and payment!

"Our neighbors had better extricate themselves from this dilemma by concluding to pay the bonds. They will make money in the end by so doing. They could not enter into as good a speculation as the restoration of their credit would be, speaking in a pecuniary sense solely. It would be a money-making operation for them, in every light in which it can be viewed, besides doing away with those bitter taunts which are continually hurled at the State, from every quarter of the compass."

THE POST-OFFICE.

Extract from the Annual Report of the Post-Office Department, Dec. 4, 1852.

In discharge of a duty devolving on me, I have the honor to report that the whole number of post-offices in the United States, at the close of the fiscal year ended June 30, 1852, was 20,901. The number of postmasters appointed during that year was 6,255. Of these, 3,726 were appointed to fill vacancies occasioned by resignations; 255 to fill vacancies occasioned by death; 246 on changing the sites of offices; 309 on the removal of prior incumbents; and 1,719 on the establishment of new offices. There were 1,719 post-offices established, and 614 discontinued during the year.

From the end of the fiscal year to November 1, 1852, 526 post-offices have been established, and 236 discontinued; so that the whole number in operation, at the latter date, was 21,191. At the close, there were in operation in the United States 6,711 mail routes—their aggregate length being 214,284 miles, and employing 5,206 contractors. The annual transportation of the mails on these routes was 58,985,728, at an annual cost of $3,939,971, being about $6\frac{7}{10}$ cents per mile. Of these 58,985,728 miles of annual transportation, 11,082,768 miles were required to be performed upon railroads, at a cost of $1,275,520, being about $11\frac{1}{2}$ cents per mile; 6,353,409 miles in steamboats, at a cost of $505,815, being about 8 cents per mile; 20,698,930 miles in coaches, at a cost of $1,128,986, being about $5\frac{1}{2}$ cents per mile; and 20,850,621 miles in modes not specified, at a cost of $1,029,650, being about $4\frac{9}{10}$ cents per mile.

The inland service, when compared with such service at the close of the preceding year, as stated in the last annual report from this department, shows an increase of 17,994 miles in the length of mail routes, of 5,713,476 in the miles of annual transportation, and of $518,217 in the annual cost of transportation. Of such increase of transportation, the railroad service amounts to 2,514,061 miles, at an increased cost of $290,501, being an increase of about 29 per cent. both in the service and in its aggregate cost; the steamboat service to 898,427 miles, at an increased cost of $50,923, being an increase of about $16\frac{1}{2}$ per cent. in service, and 11 per cent. in cost; the coach service to 972,342 miles, at an increased cost of $81,827, being an increase of about 5 per cent. in service, and 8 per cent. in the aggregate cost; and in modes of service not specified to 1,328,646 miles, at an increased cost of $94,967, being an increase of about 7 per cent. in service, and 10 per cent. in cost.

The receipts from postages, American and foreign, for the last fiscal year, were less, by $1,388,334 43, than for the preceding fiscal year, being a decrease of about 22 per cent. If the estimated balances accruing to the British post-office for each year are excluded, for the purpose of showing the decrease of our own postages, that decrease will amount to $1,431,696 54, or about $22\frac{1}{2}$ per cent. This diminution in our postages is attributable to the reduction in the rates of postage made by the act of March 3, 1851, which reduction took effect at the commencement of

the fiscal year. This diminution of revenue is somewhat greater than was anticipated in this department at the time the act went into effect, and much greater than was expected by the sanguine advocates of cheap postage, many of whom sought the establishment of still lower rates.

The gross receipts of the department, for the year ended June 30th, 1852, were $6,925,971 28, derived from the following sources, viz.:

Letter postage, including foreign postage and stamps sold,	$4,296,792 90
Postage on newspapers, periodicals, &c.,	789,246 36
Fines, other than those imposed on contractors,	27 50
Receipts on account of excess of emoluments of postmasters,	38,478 24
Damages collected from failing contractors,	5,218 30
Receipts on account of dead letters,	5,265 12
Receipts from letter carriers,	104,355 92
Stamps in hands of postmasters 30th June, 1851, being such as remained of the old issue, and which were charged to them on that day,	8,849 51
Miscellaneous receipts,	3,297 89
From appropriation authorized by twelfth section of act of 3d March, 1847, viz.:—From 3d March, 1847, to 30th June, 1852,	1,065,555 55
From appropriation authorized by eighth section of act of March, 1851,	663,888 89
From appropriation for "census mails," authorized by the 17th section of act of 23d May, 1850,	12,000 00
Total,	$6,925,971 28
From this amount must be deducted the amount payable to the British post-office, under the postal convention of December, 1848, as now estimated from statement of the auditor,	101,988 59

The expenditures of the department, during the last fiscal year, were as follows:

For the transportation of the mails,	$4,236,311 28
Ship, steamboat, and way letters,	24,567 94
Compensation to postmasters,	1,296,765 50
Extra compensation to do under act of March 3, 1851,	456,594 84
Wrapping paper,	41,046 12
Office furniture,	7,890 77
Advertising,	68,157 12
Mail bags,	41,946 50
Blanks,	58,861 83
Mail locks, keys, and stamps,	11,984 64
New mail locks and keys,	18,756 97
Mail depredations and special agents,	35,197 82
Clerks for offices (offices of postmasters),	548,916 71
Publishing post-office laws and regulations,	2,900 00
Repayment of money found in dead letters,	89 61
Postage stamps,	9,930 06
Postage stamps redeemed,	3,809 35
Stamps of old issue returned to the department,	8,229 20
Official letters received by postmasters,	582 89
Payments to letter carriers,	104,355 92
Miscellaneous payments,	152,561 00
Total,	$7,108,459 04

The extent and cost of steamboat and of railroad service were not separately given in those statements, nor have they been so contained in any published report from the department prior to 1848. Since that time, however, in the annual exhibit from the contract office of the mail service in operation at the close of each fiscal year, the two kinds of service have been separated.

THE GOLD REGIONS OF AUSTRALIA.

Australia: being a brief Compendium of its geographical position, topography, characteristic features, description of the principal rivers, headlands, productions, climate, sailing directions, &c.; the whole forming a complete hand-book or guide to the gold regions; intended for the use of merchants, shipmasters, emigrants and others. With a valuable collection of tables, compiled from authentic sources, showing the rate of harbor dues, customs' tariff, pilot and tonnage dues, public officers' fees, licenses, tolls, regulations for the gold regions, &c. By BENTHAM FABIAN. *New-York: 8vo. pp.* 100. *Price 75 cents.*

THE publication of this pamphlet is quite opportune for many of our fellow-citizens who are about emigrating to the new gold regions of the Southern hemisphere. There are now no less than seven first-class ships loading at Boston for Australia. From our own port there are not less than sixteen large vessels loading for the same destination, and five have taken their departure within the last two weeks for ports in that region.

There are four distinct settlements in Australia or New-Holland, each claiming more or less attention from the Americans and the English, viz.:—I. New South Wales, on the eastern side, (so named from a slight resemblance to South Wales, in Great Britain.) This colony was founded in 1787, as a penal settlement. II. Western Australia, or Swan River, founded in the years 1829–30. III. South Australia, or Port Adelaide, founded in 1835–36. IV. Port Philip, or Victoria, lying to the south-eastern point of the island, founded in 1836.

The gold regions lie in the first and fourth settlements above-named, viz., New South Wales and Port Philip. These are adjoining each other, and are in the southeast portions of the island, between the latitude 30° and 38° 45′ south, and the meridians 112° 20′ and 153° east of Greenwich. The area of the whole island is estimated at 2,690,810 square miles, and the coast line at nearly 8,000 nautical miles—equivalent to more than three-fourths the extent of Europe.

The climate of the whole territory is remarkably salubrious, as is shown by the general health of the many Europeans employed with the exploring expeditions within the tropics, who are exposed to the scorching sun, and provided with scanty shelter at night, and miserable food. Numerous facts indicate the excessive dryness of the central portions of the island, where the fleece of the sheep taken by the explorers ceased to grow.

In New South Wales, January is the middle of summer, and July is in the midst of winter. The summer extends from December to March, when the thermometer ranges from 68° to 78°. The average temperature of spring is 65°, summer 72°, autumn 66°, winter 55°. The winter is of a bracing coolness, with occasional frosts at Sidney and snow in the interior. As instances of the remarkable healthiness of that region, it is stated that not more than five or six sick persons will be generally found in a community of twelve hundred, and at some military stations seven years have elapsed without the loss of a man.

Rain at times falls in heavy and continuous torrents. At one period

of twenty-four hours in Port Jackson, the fall was twenty-five inches; and ten or fifteen feet above the ordinary level of a river is not an unusual height during the rainy season.

In New South Wales, the whole line of coast presents in general an aspect of bold or perpendicular cliffs of sandstone, lying in horizontal strata. In addition to the vast treasures of gold existing in both settlements of New South Wales and Port Philip, copper and iron have been found, with extensive mines of coal. The seams of coal are distinctly visible in the abrupt face of the cliffs near the harbor of New-Castle, and can be distinctly traced for a distance of nine miles. According to Mr. Pattison, who has published some notices of the country, a mine has been opened where *steel* "is dug from the earth with little boring and of endless extent."

The first discovery of gold in the new regions of Australia has been attributed to a shepherd boy, who, after selling his gold at the city, returned to seek for more; but was followed by others, and is supposed to have been murdered. Dr. Clutterbuck saw as early as 1849 native gold in the workshop of a watchmaker at Melbourne. Sir Roderick J. Murchison had given his opinion that gold existed extensively in Australia; but it was not fully developed or made known until February, 1851, when it was found in abundance in Brisbane County, lying about 100 miles northwest of Sydney, the chief town of New South Wales. At this period three blocks of quartz were discovered, weighing about 224 lbs., the product of which in pure gold was 106 lbs., and was sold in Bathurst for £4,240 sterling. In September following, gold was extensively found also in the colony of Victoria or Port Philip. In this district was found the largest lump yet discovered, and called "the King of the Nuggets," from Forest Creek, Mount Alexander, and weighed 27 lbs. 6 oz. 15 dwts. This was a massive lump of pure gold, of a fine color, and measured eleven inches in length and five in breadth.

The pamphlet of Mr. Fabian will be found to contain many valuable details, important to the emigrant and the merchant, and interesting to the general reader.

We have intelligence of a later date than that furnished in the pamphlet. According to the letters in the London *Times*:—

"There are about 8,000 miners at work on all these various gold fields; but the *Sydney Empire* is of opinion that not less than 200,000 persons would find profitable employment on the large tracts of auriferous country, hitherto unworked, which the colony is known to possess. The New South Wales miners, though all of them are 'doing well'—and we know by this time what these words mean at the antipodes—use the rudest and most unsatisfactory implements. A pick and shovel and cradle, with perhaps a crowbar and a pump, constitute a miner's outfit. Considering the brilliant results obtained by such seemingly inadequate means, the people of Sydney are eagerly looking forward to that 'more effectual development of the wealth of the gold fields by operations conducted on an extensive scale, directed by scientific skill and aided by all the available appliances of modern art and industry.' 'About half a dozen of such companies,' says the *Sydney Empire*, 'have not only been formed, but have actually commenced operations. The Great Nugget Vein Company are setting up extensive machinery on the banks of Louisa, for crushing the auriferous quartz of their claim in that locality. The British Australian and the Australian Mutual Gold Mining Companies, l. ve combined operations for the purpose of work-

ing the alluvial claims on the Turon. They have secured valuable ground at Lucky Point, and are preparing to work an island in the bed of the Turon, near Erskine Point. Certain Sydney merchants, the Messrs. Samuel, are draining the water-hole at Ophir, and the Turon Golden Ridge Quartz Crushing Company are about to work an auriferous quartz vein on the lower Turon, which "promises the most splendid results." Besides the very natural desire to vie with the golden glories of the neighboring province of Victoria, the colonists of New South Wales are animated by the hope that science and machinery, directed to the pursuit of gold, will save much manual labor, and that the companies, once established, will put an end to the amateur digging of raw immigrants, of whom it is generally said that they would do themselves and others good if they turned their attention and energies to agriculture and trade."

THE UNITED STATES MINT.

The United States Mint, situated on the corner of Chestnut and Juniper streets, Philadelphia, is a place of great resort for strangers in our city. In pleasant weather, visitors enter in crowds sometimes, and no wonder. Although the philosopher's stone remains undiscovered, and no pretensions are made there of transmuting the baser metals into gold, so various and interesting are the changes undergone by the *gold dust* before it leaves in the shape of coin, that no one can fail to be interested in observing them. It is little if any exaggeration to say, it is transmuted several times. Silver deposits are now rare. Gold deposits are chiefly made in the form of "dust" or grains from California. The appearance of the grains, as an index to value, is deceptive. Indeed, it is well known, that some of the depositors have innocently imagined the Mint to be possessed of a stone, so unlike the philosopher's, that instead of turning lead or copper into gold, it changed gold into a valueless material. Each deposit is carefully melted by itself and cast into bars of a convenient shape for handling. All the bars cast from one melt are homogeneous throughout. On this quality depends the practicability and utility of assaying. One or two small samples are cut off of each melt and numbered to correspond. The assayer ascertains the proportion of gold and silver in those samples, which he reports to the treasurer, who calculates the value of the deposits from these reports, and pays them. The assaying requires great care and accuracy, and some of the manipulations are exceedingly delicate. When that process is completed, the bullion is turned over to the melter and refiner. His first operation is to melt it, adding to it two or three times its weight of silver. When thoroughly mixed, the melted metal is poured in a peculiar way into cold water, where it is congealed in many small pieces, of various and irregular shapes, but all presenting one or more flattened surfaces of sufficient thinness to allow the acid used in the separating process to reach all the silver with ease, and there being no part of it so thick or solid as seriously to hinder the thorough dissolution of the silver. This is called *granulating.*

This granulated compound, (three parts of silver to one of gold,) is then taken into the separating room, where it is placed in stone jars and

nitric acid poured on it. The jars are arranged in stacks to suit the chimneys for carrying off the nitrous acid gas, generated in the process, which is very offensive. They are heated by steam from the boiler. The same silver is used again and again in the process, it being necessary at every repetition to reduce it to the metallic form, from its solution in nitric acid. This is done by first precipitating the silver, by means of common salt, in the form of chloride of silver. To this, (after the acid is entirely washed out,) zinc water and sulphuric acid are added, when there results sulphate of zinc, chloride of zinc, and metallic silver in the form of powder. This latter, when washed, pressed and dried, is ready for use.

When the silver is all dissolved, the gold is left in the form of a brown powder. This is washed, pressed and dried, and reconveyed to the melting-room.

The gold is melted with sufficient copper to make it nearly of standard fineness, and cast into bars. These are assayed and again melted, the alloy being so adjusted as to make its fineness exactly standard, (900.) It is now cast into ingots about twelve inches long, half an inch thick, and of a breadth varying according to the size of the coin intended to be made from them. These are taken to the rolling-room, passing out of the melter and refiner's, through the treasurer's, into the coiner's hands. They are rolled until very near the required thickness, when they are drawn by steam-power through *hard steel* dies in what is termed the *drawing bench*. This compresses them to the exact size required. The pieces are then cut out with a punch. Each piece of gold is weighed, and, if necessary, adjusted. They are then taken to the coining room where *milling* is the first operation they undergo. This gives them a raised edge, which serves to protect the impression. They are then placed in a perpendicular tube, called the feeder of the press, when the coining press does all the rest; at each turn of the machinery sending forth a complete coin, at a rate varying from, say, 75 to 110 per minute, according to the kind of coin. These are counted and turned over to the treasurer.

This description, as will have been perceived by the reader, is very greatly abbreviated. It will be some comfort to him to think, that though it had been elongated to thrice its size, (and it might have been done readily,) it would not give him the same knowledge or pleasure as an actual *sight* of the processes mentioned. N.

The U. S. Mint.—We find from official documents, that the following are the appropriations for the expenses of the Mint and Branches during the next fiscal year, (ending June 30, 1854):

Philadelphia. Salaries of director, treasurer, coiner, melter, refiner, assayer, and clerks,	$21,000
Wages of workmen,	50,000
Incidental expenses, ("*in addition to other available funds*," such as profits on silver coinage, &c.,)	25,000
For specimens of ores and coins to be reserved at the Mint,	300
Total Philadelphia,	$96,300

At Charlotte, North Carolina, total,		11,600
At Dahlonega, Georgia,		11,000
At New Orleans, ordinary expenses,	$98,200	
do. do. for new machinery, &c.,	25,265	123,465
Total for the years 1853–4,		$442,365

Hitherto such expenditures by the General Government have been without any (or a very slight) reimbursement. Now it is proposed to charge half per cent. on the coins of gold and silver.

The annual coinage for the year 1852, was:

	Gold.	*Silver.*	*Copper.*
At Philadelphia,	$51,505,638 50	$847,410	$51,620
At Charlotte, N. C.,	396,734 00		
At Dahlonega, Ga.,	473,815 00		
At New Orleans,	4,470,000 00	152,000	
Total,	$56,846,187 50	$999,410	$51,620

It would appear, therefore, by this statement, that the coinage, expenses of coinage and the per centage of cost, are as follows:

	Total Coinage.	*Ordinary Expenses.*	*Cost of Coinage Per Cent.*
At Philadelphia,	$52,404,669	$96,300	18,37
At New Orleans,	4,622,000	98,200	2,12
At Charlotte,	396,734	11,600	2,92
At Dahlonega,	473,815	11,000	2,32

In other words, for every thousand dollars coined, the expense is, at Philadelphia, $1,83; at New Orleans, $21,20; at Charlotte, $29,20; and at Dahlonega, Geo., $23,20.

Nothing further need be said to show the inutility of maintaining Branch Mints at New Orleans, Charlotte, and Dahlonega, at such extraordinary expenses as are now shown. The small amount of gold deposits at the two latter points, less than one million of dollars *in the aggregate*, could be advantageously forwarded to Philadelphia once a month for coinage, and at a small annual expense to the Government.

The heavy expense incurred at New Orleans is entirely unnecessary. All the gold deposited there could be shipped to New York, *insured against loss, and coined*, at a cost of less than *one* per cent.: whereas, it *now* costs the Treasury above *two per cent.* It is true, that the Government has expended a large sum of money in the construction of a splendid building for a Mint, and for the purchase of elaborate machinery for coinage operations at New Orleans; but the Government would save a large sum if they would sell out the building at a fair price, and transfer their machinery to New York, where it is really wanted. The New York merchants, or their correspondents, are now subjected to an expense of about $40,000 or $50,000 a year for the transportation of gold dust and coins, *to and from* Philadelphia, to say nothing of the loss of time and various small expenses necessarily incurred in the transmission of gold to the Mint.

NEW COINAGE LAW.

THE bill to supply deficiencies in the appropriations for the present fiscal year, contains the following enactment:

SEC. 7. *And be it further enacted*, That when gold or silver shall be cast into bars or ingots, or formed into disks at the Mint of the United States, or any of the branches thereof, or at any assay office of the United States, the charge for refining, casting or forming said bars, ingots or disks, shall be equal to, but not exceed, the actual cost of the operation, including labor, wastage, use of machinery, materials, &c., to be regulated from time to time by the Secretary of the Treasury. And the Secretary of the Treasury is hereby authorized to regulate the sizes and devices of the new silver coin authorized by an act entitled "An act amendatory of the existing laws relative to the half dollar, quarter dollar, dime and half dime," passed at the present session, and that to procure such devices, as also the models, moulds and matrices, or original dies for the coins, disks or ingots authorized by said act, the Director of the Mint is empowered, with the approval of the Secretary of the Treasury, to engage temporarily for that purpose the services of one or more artists, distinguished in their respective departments, who shall be paid for such services from the contingent appropriation for the Mint. And that hereafter the three cent coin now authorized by law shall be made of the weight of three-fiftieths of the weight of the half dollar, as provided in said act, and of the same standard of fineness. And the said act entitled "An act amendatory of existing laws relative to the half dollar, quarter dollar, dime and half dime," shall take effect and be in full force from and after the first day of April, one thousand eight hundred and fifty-three, any thing therein to the contrary.

SEC. 10. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized and required to establish in the City of New York an office for the receipt and for the melting, refining, parting and assaying of gold and silver bullion and foreign coin, and for casting the same into bars, ingots or disks. The Assistant Treasurer of the United States in New York shall be the Treasurer of the said Assay Office, and the Secretary of the Treasury shall, with the approbation and consent of the President of the United States, appoint such other officers and clerks, and authorize the employment of such assistants, workmen and servants, as shall be necessary for the proper conduct and management of the said office and of the business appertaining thereto, and such compensation as shall be approved by the President: *Provided*, That the same shall not exceed that allowed for corresponding services under existing laws relating to the Mint of the United States and its branches.

SEC. 11. *And be it further enacted*, That the owner or owners of any gold or silver bullion, in dust or otherwise, or of any foreign coin, shall be entitled to deposit the same in the said office, and the Treasurer thereof shall give a receipt, stating the weight and description thereof, in the manner and under the regulations that are or may be provided in like cases of deposits at the Mint of the United States with the Treasurer thereof. And such bullion shall, without delay, be melted, parted, refined and assayed, and the net value thereof, and of all foreign coins deposited in said office, shall be ascertained; and the Treasurer shall thereupon forthwith issue his certificate of the net value thereof, payable in coins of the same metal as that deposited, either at the office of the Assistant Treasurer of the United States, in New York, or at the Mint of the United States, at the option of the depositor, to be expressed in the certificate, which certificates shall be receivable at any time within sixty days from the date thereof in payment of all debts due to the United States at the port of New York for the full sum therein certified. All gold or silver bullion and foreign coin deposited, melted, parted, refined or assayed, as aforesaid, shall, at the option of the depositor, be cast in the said office into bars, ingots or disks, either of pure metal or of standard fineness, (as the owner may prefer,) with a stamp thereon of such form and device as shall be prescribed by the Secretary of the Treasury, accurately designating its weight and fineness: *Provided*, That no ingot, bar or disk shall be cast of less weight than five ounces, unless the same be of standard fineness, and of either one, two or three ounces in weight. And all gold or silver bullion and foreign coin intended by the depositor to be converted into coins of the United States, shall, as

soon as assayed and its net value certified as above provided, be transferred to the Mint of the United States, under such directions as shall be made by the Secretary of the Treasury, and at the expense of the contingent fund of the Mint, and shall then be coined. And the Secretary of the Treasury is hereby authorized, with the approval of the President of the United States, to make the necessary regulations for the adjustment of the accounts between the respective officers, upon the transfer of any bullion or coin between the Assay Office, the Mint, and the Assistant Treasurer in New York.

Sec. 12. *And be it further enacted*, That the operations of melting, parting, refining and assaying in the said office shall be under the general directions of the Director of the Mint, in subordination to the Secretary of the Treasury; and it shall be the duty of the said director to prescribe such regulations and to order such tests as shall be requisite to insure faithfulness, accuracy and uniformity in the operations of the said office.

Sec. 13. *And be it further enacted*, That the laws of the United States for the government of the Mint and its officers in relation to the receipt, payment, custody of deposits and settlement of accounts, the duties and responsibilities of officers and others employed therein, the oath to be taken and the bonds and sureties to be given by them, (as far as the same may be applicable,) shall extend to the Assay Office hereby established, and to its officers, assistants, clerks, workmen and others employed therein.

Sec. 14. *And be it further enacted*, That the same charges shall be made and demanded at the said Assay Office for refining, parting, casting into bars, ingots or disks, and for alloy, as are, or shall be made and demanded at the Mint; and no other charges shall be made to depositors than by law are authorized to be made at the Mint, and the amount received from the charges hereby authorized shall be accounted for and appropriated for defraying the contingent expenses of the said office.

Sec. 15. *And be it further enacted*, That the Secretary of the Treasury is authorized to procure, by rent, lease or otherwise, a building or apartments in the City of New York, suitable for the operations of said office, unless he shall be of opinion that suitable apartments in the Custom House in that city may be assigned for that purpose. And he is also hereby authorized and directed to procure the necessary machinery and implements for the carrying on the operations and business of the said office.

THE MECHANICS AND FARMERS' BANK, Albany.

The bill incorporating the Mechanics and Farmers' Bank of the City of Albany, was passed in the year 1811, ostensibly for the benefit of the mechanics and middling class interest of that city. Accordingly, the president of the institution, and a majority of the directors, were, by the original charter,* required to be practical mechanics. By an act passed March 21, 1836, the charter was altered, and the stockholders were authorized to elect any of their members as directors, and the directors could thereby elect such person for president as they thought proper, irrespective of his profession or occupation.

Mr. Solomon Southwick was the first president. This gentleman was at that period in the zenith of his power and prosperity. He controlled the Albany Register, which at that time possessed a most commanding influence on the Democratic public of the State of New-York. He was

* The charter was renewed in April, 1829, and expired January 1, 1853, at which period the trustees made a final dividend, paying the shareholders the par value of their stock, together with a surplus dividend of fifty per cent.

prepossessing in his appearance and generous in his nature, and was almost worshipped by the Republican members of the Legislature. He was printer to the State, and its patronage that year, by means of the insolvent notices growing out of a law passed during the session of 1811, threw into his coffers gold in unmeasured quantities, and now the influence and power of a popular bank were placed in his hands.

The Albany Daily State Register, (December 31, 1852,) states that: "Of the original thirteen directors, Messrs. William Fowler, Giles W. Porter and Walter Weed now survive. Mr. Isaac Denniston, who was one of the number, died on Tuesday last. Its first president was the celebrated Solomon Southwick, editor and proprietor of the old *Albany Register*. All the other original officers still survive, viz., A. G. Worth, Esq., its first cashier, who is now President of the City Bank of New York, and Messrs. Isaac Q. Leake, Philo L. Mills and Thomas W. Olcott. When the bank opened, the latter gentleman was its junior clerk, with a salary of $250 a year. He has been connected with the institution ever since. In 1817—thirty-five years ago—he received the appointment of cashier, and is now, and since 1836 has been, its president—its financial head and master-spirit. There is not in the State a more capable, shrewd and experienced financier than Mr. Olcott, and under his admirable management the Mechanics and Farmers' Bank has ever maintained, and will not fail to continue to maintain, a character for stability, soundness and credit second to no other in the country.

"The presidents of this bank were, successively, Solomon Southwick, Isaac Hutton, Benjamin Knower, Ezra Ames and Thomas W. Olcott. Its cashiers were G. A. Worth, T. W. Olcott, E. E. Kendrick and Thomas Olcott."

New Publications.—I. *De Bow's Review, Industrial Resources, &c.* The March No. contains valuable articles in reference to:—I. The Sugar Region of the United States. II. Salubrity of Cities. III. City of Louisville—its history—resources, &c. IV. The Census of 1850. V. Decisions of the Supreme Court of Louisiana. VI. Wisconsin and the Growth of the North-West. VII. The La Plata and the Parana—Paraguay. (*By E. A. Hopkins, U. S. Consul.*) VIII. Commercial Growth of Boston. IX. British Philanthropy and American Slavery. X. Cotton and the Cotton Trade. XI. Commercial Progress, &c. The No. for April, 1853, contains:—I. Progress of Ohio, historical and statistical. II. Florida, its position, resources and destiny. III. Early Life in the South-West. IV. China in the year 1853. V. The Baltimore Southern Commercial Convention. VI. The Fiscal History of Texas. VII. Progress of the Republic—census of 1850. VIII. Commercial Growth and Prospects of St. Louis. IX. Commercial Progress—Home and Foreign. X. Internal Improvements, &c. This work furnishes elaborate and reliable details respecting the history, resources and condition of the Southern and Western States: information of the first importance to mercantile men. Edited by J. D. B. De Bow, Esq., Professor of Political Economy in the University of Louisiana, and Superintendent of the Census Bureau. Published monthly, at $5 per annum. Agency, No. 167 Broadway, New York.

II. *The American Almanac and Repository of Useful Knowledge*, for 1853. This volume was issued at the regular period, and contains copious information upon foreign and domestic matters; with tabular views of the commerce, finances, &c., of the General Government and of the several States. The preliminary chapter on the progress of astronomy, entitles the work to the consideration of men of science, while the commercial and financial, and other portions of the work, render it an indispensable appendage to the library of every business man. Little & Brown.

III. *A Dictionary of Banking.* By G. M. Bell, Esq., author of the "Philosophy of Joint Stock Banking." "The Currency Question." "The Country Banks and the Currency," &c. This work has been for some time in preparation by Mr. Bell, who now holds an appointment as Secretary of the "London Chartered Bank of Australia," and resides in London. Mr. Bell announces that his work will comprise "a full and comprehensive account of the laws, principles and practice of banking; biographical notices of bankers; information as to the investment of money; the discoveries of the precious metals in Australia, California, and other parts of the world; rules and regulations of the stock exchange," &c. (*In Press. Price to subscribers*, £1 10*s. or about* $7 50.)

BANK STATISTICS.

MARYLAND.

Condition of the Banks of the City of Baltimore, January, 1853.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Balances.*	*Profits.*
Merchants' Bank,	$1,500,000	$452,145	$601,081	$1,152,183	$120,618
Bank of Baltimore,	1,200,000	251,911	670,778	248,578	47,923
Union Bank of Maryland,	916,850	289,169	627,266	367,816	69,654
Farmers and Planters' Bank,	600,625	399,335	678,626	166,087	64,870
Mechanics' Bank,	595,884	428,187	1,011,237	78,513	122,080
Commercial and Farmers' Bank,	512,560	132,783	548,020	184,393	118,117
Western Bank,	400,000	405,901	559,175	226,370	51,172
Farmers and Merchants' Bank,	398,560	217,315	220,296	60,564	35,975
Chesapeake Bank,	311,486	252,328	557,228	124,307	71,661
Marine Bank,	310,000	114,219	308,328	57,873	26,583
Franklin Bank,	301,350	142,683	184,492	28,267	30,940
Citizens' Bank,	250,000	238,083	231,143	8,047	12,811
Total liabilities,	$7,292,315	$3,319,059	$6,242,670	$2,702,893	$772,404

RESOURCES.	*Loans.*	*Specie.*	*Real Estate.*	*Bank Bal.*	*Stocks, &c.*
Merchants' Bank,	$2,880,941	$575,801	$25,000	$344,255	$ 30
Bank of Baltimore,	1,889,445	260,414	15,116	168,580	85,360
Union Bank of Maryland,	1,723,640	182,408	90,130	235,817	38,760
Farmers and Planters' Bank,	1,315,944	298,926	.....	294,674	....
Mechanics' Bank,	1,542,964	277,253	7,246	408,418	20
Commercial and Farmers' Bank,	896,358	363,143	16,840	165,364	54,168
Western Bank,	954,693	381,163	17,000	286,652	3,010
Farmers and Merchants' Bank,	584,506	162,665	14,161	67,285	99,143
Chesapeake Bank,	789,628	134,620	21,746	245,428	125,587
Marine Bank,	508,080	138,646	23,208	84,198	62,926
Franklin Bank,	543,454	80,230	7,500	57,049	.....
Citizens' Bank,	600,566	136,640	2,087	45,820	.....
Total resources,	$14,225,189	$2,991,909	$239,984	$2,402,985	$469,274

Comparative condition of the Baltimore Banks, 1847–1853.

LIABILITIES.	*Jan.* 1, 1847.	*Jan.* 1, 1849.	*Jan.* 1, 1851.	*Jan.* 1, 1852.	*Jan.* 1, 1853.
Capital,	$6,969,330	$6,974,646	$7,101,016	$7,141,461	$7,292,315
Circulation,	1,990,640	1,848,167	2,288,419	2,180,668	3,319,059
Deposits,	3,367,732	2,974,732	4,706,161	4,059,657	6,242,670
Bank balances,	959,018	1,455,665	1,795,778	1,442,907	2,702,893
Undivided profits,	701,290	631,590	658,108	702,659	772,404
Total liabilities,	$13,988,005	$13,884,800	$16,549,482	$15,527,352	$20,329,341

RESOURCES.	*Jan.*, 1847.	*Jan.*, 1849.	*Jan.*, 1851.	*Jan.*, 1852.	*Jan.*, 1853.
Loans,	$10,746,588	$9,808,313	$11,926,145	$11,445,115	$14,225,189
Specie on hand,	1,514,313	1,805,909	2,361,204	1,967,565	2,991,909
Real estate,	379,467	310,671	256,184	253,948	239,984
Bank balances,*	1,006,795	1,290,783	1,490,221	1,474,388	2,402,985
Stocks, bonds, &c.,	40,897	669,124	515,628	386,341	469,274
Total resources,	$13,988,005	$13,884,800	$16,549,482	$15,527,352	$20,329,341

* Bank notes included.

District of Columbia.

Bank of the Metropolis, Washington.

Liabilities.	*Feb.*, 1846.	*Sept.* 11, 1850.	*Dec.* 12, 1851.	*Jan.* 17, 1853.
Capital,	$500,000	$353,300	$353,300	$353,300
Circulation,	147,425	99,117	57,729	53,927
Deposits,	294,646	335,431	309,971	424,728
Public deposits,	7,347	3,060	3,060	3,060
Profit and loss,	42,950	67,274	61,073	18,275
Bank balances,	50,414	64,790	50,816	91,698
Total liabilities,	$1,042,782	$972,972	$835,942	$974,988

Resources.	*Feb.*, 1846.	*Sept.* 11, 1850.	*Dec.* 12, 1851.	*Jan.* 7, 1853.
Loans,	$700,992	$619,488	$613,656	$676,676
Real estate,	41,084	50,366	27,240	25,522
Stocks, &c.,	65,900	10,316	10,338	15,996
Bank balances,	77,238	162,141	58,640	131,975
Bank notes and checks,	37,915	13,498	35,736	45,374
Specie on hand,	119,708	117,168	91,332	79,445
Total resources,	$1,042,782	$972,972	$835,942	$974,988

Virginia.

North-Western Bank of Virginia.

Liabilities.	*Jan.* 1, 1849.	*Oct.*, 1849.	*Oct.*, 1850.	*Oct.*, 1851.	*Jan.* 1, 1853.
Capital,	$740,600	$740,600	$740,600	$792,100	$794,100
Circulation,	668,200	675,408	815,188	1,360,464	1,728,547
Deposits,	206,171	171,413	160,185	193,702	244,693
Bank balances,	21,270	12,296	66,568	84,434	29,722
Surplus profits,	48,116	50,114	52,155	93,225	129,424
Total liabilities,	$1,684,357	$1,649,831	$1,834,691	$2,478,925	$2,926,415

Resources.	*Jan.* 1, 1849.	*Oct.*, 1849.	*Oct.*, 1850.	*Oct.*, 1851.	*Jan.* 1, 1853.
Domestic loans,	$788,080	$670,882	$698,925	*$1,710,713	$939,718
Bills of exchange,	390,784	420,274	586,111		908,824
Stocks,	55,810	59,028	59,028	52,300	59,200
Real estate,	84,082	79,921	75,186	42,583	46,745
Specie on hand,	214,864	208,926	210,490	365,171	461,606
Bank balances and notes,	153,672	213,490	199,510	304,725	463,104
Miscellaneous,	2,615	2,930	5,541	3,478	2,718
Total resources,	$1,684,357	$1,649,831	$1,834,691	$2,478,925	$2,926,415

Dividend, January, 1853, five per cent., leaving undivided profits of $37,733, or eleven per cent. of capital.

* Including domestic and foreign.

GEORGIA.

Central Rail-Road and Banking Company, 1846–52.

LIABILITIES.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.	*Dec.* 6, 1852.
Capital,	$2,289,284	$2,289,200	$4,000,000	$3,500,000
Circulation,	221,758	293,212	609,260	251,311
Deposits,	377,596	304,582	125,148	119,814
Due corporations,	.....	65,504	4,804	79,678
Bonds issued,	574,900	.....	638,070	396,187
Profit and loss,	582,684	685,616	544,322	657,410
Assessment on stock,	.....	.....	463,223	.....
Total liabilities,	$3,996,217	$4,088,114	$6,429,827	$5,004,400

RESOURCES.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.	*Dec.* 6, 1852.
Railroad outfit, extension, &c.,	$3,272,677	$3,433,616	$3,874,904	$3,378,182
Real estate,	129,365	132,473	116,664	16,074
Bonds, stocks, &c.,	95,508	108,088	347,336	488,354
Due by banks, &c.,	29,416	84,308	49,565	165,800
Bills receivable,	183,780	204,528	525,900	492,958
Specie on hand,	49,516	74,984	110,070	105,497
Miscellaneous expenses,	177,700	....	198,225	229,630
Notes of other banks,	58,260	55,117	70,013	22,112
Miscellaneous,	....	....	1,136,648	105,798
Total resources,	$3,996,217	$4,088,114	$6,429,827	$5,004,400

The Bank of the State of Georgia and Branches.

LIABILITIES.	*April*, 1846.	*Oct.*, 1847.	*Dec.*, 1850.	*April*, 1852.	*Dec.*, 1852.
Capital,	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Circulation,	733,510	866,852	2,838,879	1,840,295	2,361,775
Individual deposits,	464,136	396,090	824,255	652,960	893,587
Bank balances,	57,952	56,270	.....	.....	.....
Branch balances,	472,782	364,650	.....	.....	.....
Surplus profits,	89,242	96,910	91,010	188,010	180,073
Total liabilities,	$3,317,572	$3,260,702	$4,803,644	$4,181,365	$4,935,335

RESOURCES.	*April*, 1846.	*Oct.*, 1847.	*Dec.*, 1850.	*April*, 1852.	*Dec.*, 1852.
Notes discounted,	$1,317,147	$1,322,474	$1,485,164	$1,518,417	$1,758,778
Bills of exchange,	419,524	276,032	1,421,120	1,455,506	1,335,569
Stocks, bonds, &c.,	333,776	369,306	171,395	80,190	86,339
Real estate,	156,108	148,970	126,260	115,676	112,494
Bank balances,	96,363	217,133	242,044	3,200	564,577
Branch balances,	474,010	353,694	488,392	478,920	362,783
Notes of other banks,	93,473	82,442	147,626	83,355	201,486
Specie on hand,	395,246	466,347	618,773	446,464	505,962
Miscellaneous,	31,930	24,804	7,180	36	8,147
Total resources,	$3,317,592	$3,260,702	$4,803,644	$4,181,365	$4,935,335

Recapitulation.—Georgia Banks, 1853.

	Capital.	*Circulation.*	*Deposits.*	*Loans, &c.*	*Specie.*
Bank State of Georgia,	$1,500,000	$2,361,000	$393,000	$3,180,000	$505,000
Central R. R. & Banking Co.,	3,500,000	251,000	119,000	3,882,000	105,000
Planters' Bank,	535,400	1,100,000	327,000	1,577,000	223,000
Mechanics' Bank,	500,000	823,000	411,000	1,569,000	158,000

GOLD DUST SHIPPED FROM SAN FRANCISCO.

PREPARED FOR THE PRICES CURRENT AND SHIPPING LIST, BY ADAMS & CO.

Statement of Gold Dust manifested and shipped by Steamers from the Port of San Francisco, during the year ending Dec. 31, 1852.

Date.	Name of Vessel.	Destined for New York.	Destined for N. Orleans.	Destined for London.	Destined for Panama.	Destined for San Juan.	Total for each month.
1852.							
Jan. 15.	California, . .	$983,777	$30,499	$236,627			
" 17.	Independence, .	41,000					
" 31.	North America, .	23,000					
" 31.	Tennessee, .	1,298,885	80,550	211,482			2,905,770
Feb. 14.	Pacific, . . .	194,000					
" 17.	Panama, . .	1,287,359	10,513	160,787			
" 28.	Oregon, . .	167,463					1,770,122
March 1.	Northerner, .	1,028,419	1,098	211,214			
" 1.	Independence, .	27,500					
" 13.	California, .	644,993		180,844			
" 20.	Tennessee, . .	129,236					2,173,804
April 8.	Golden Gate, .	1,636,920	28,755	209,441	23,100		
" 1.	Pacific, . . .	24,000					
" 15.	Independence, .	15,472				5,000	
" 17.	Northerner, . .	1,240,842	18,996	269,767			3,467,228
May 1.	Columbia, . .	1,492,467	3,060	341,319			
" 6.	Winfield Scott, .	67,000					
" 16.	Oregon, . .	1,399,186	2,149	181,330	9,200		
" 18.	Pacific, . . .	17,968				10,000	
" 31.	Tennessee, .	1,670,371	59,588	216,785			5,470,928
June 1.	Independence, .	24,891					
" 15.	California, .	1,642,334	5,303	258,670			
" 25.	Winfield Scott, .	44,000					
" 27.	Golden Gate, .	1,063,599		211,982			
" 30.	Columbia, . .	192,796	57,146	71,165			3,570,966
July 2.	Pacific, . .	10,000					
" 14.	Northerner, . .	1,616,947		228,399			
" 16.	S. S. Lewis, .	7,000					
" 30.	Oregon, . .	2,024,965		233,198			4,119,509
Aug. 13.	Panama, . .	1,373,621		207,330			
" 31.	Winfield Scott, .	10,000					
" 31.	California, .	1,616,581	46,013	355,753			3,608,368
Sept. 15.	Golden Gate, .	1,624,343		310,775			
" 30.	Tennessee, .	1,874,366	3,366	290,780			4,104,180
Oct. 15.	Oregon, . .	1,992,527		327,111			
" 19.	Cortes, . .	115,000					
" 29.	California, . .	2,419,664	2,388	210,696			5,067,296
Nov. 15.	Golden Gate, .	2,119,623	54,021	347,758			
" 17.	Winfield Scott, .	48,000					
" 30.	Panama, . .	2,306,390	17,392	456,230	5,000		5,251,299
Dec. 1.	Cortes, . . .	80,000					
" 15.	Tennessee, .	2,012,205		173,984	3,700		
" 29.	Oregon, . .	884,000	40,000				
" 31.	Northerner, .	1,180,227	2,446	166,610			4,050,173
	Total, . .	$39,007,867	$470,788	$6,020,027	$46,000	$15,000	$45,559,177

BANK ITEMS.

NEW YORK.—Richard P. Buck, Esq., has been elected President *pro tem.* of the Hanover Bank, and C. J. M. Bassett, Esq., Cashier of the same institution, to fill vacancies occasioned by the resignation of Messrs. Isaac Otis and Charles M. Livingston.

Waterford.—William T. Seymour, Esq., has been elected Cashier of the Saratoga County Bank, in place of Moses S. Scott, Esq., who has removed to Chicago.

Watertown.—Oscar Paddock, Esq., has been elected Cashier of the Black River Bank, in place of Horatio G. Gilbert, Esq., who has accepted the cashiership of the Bank of the Capitol, Albany.

Ogdensburg.—Collins A. Burnham, Esq., has been elected Cashier of the Ogdensburg Bank, in place of John D. Judson, Esq., resigned.

Troy.—The Directors of the Commercial Bank of Troy have presented to Frederick Leake, Esq., late cashier of the institution, a massive silver pitcher, two goblets and a solid silver waiter, as a testimonial of his faithful services.

Buffalo.—S. P. Stokes, Esq., has been elected Cashier of the Patchin Bank, Buffalo, in place of J. Stringham, Esq., who has been selected as Cashier of the new City Bank of Buffalo.

OHIO.—James Hall, Esq., for many years Cashier of the Commercial Bank of Cincinnati, was on the 25th of February last elected President of that institution, in place of Jacob Strader, Esq., resigned. Charles B. Foote, Esq., was chosen Cashier, as successor to Judge Hall.

ILLINOIS.—We understand, says the Jacksonville Constitutionalist, that the necessary papers have been filed with the Auditor of State, for the establishment of two new banks in this place, according to the provisions of the General Banking Law. One is proposed to be called the "Bank of Jacksonville," and will have a capital limited to $200,000; the other will be called the "Citizens' Bank," and will be limited to $300,000.

NORTH CAROLINA.—R. Chapman, Esq., lately Teller of the Branch Bank of the State of North Carolina, at Tarboro, has been elected Cashier of that Branch, in place of P. P. Lawrence, Esq., resigned.

Wilmington.—William Reston, Esq., has been appointed Cashier of the Branch Bank of the State of North Carolina at Wilmington, in place of William E. Anderson, Esq., deceased.

TENNESSEE.—The Bank of Knoxville has been established under the General Banking Law of Tennessee. The circulation is secured by a deposit of Tennessee State bonds. William M. Churchwell, Esq., President; Samuel Morrow, Esq., Cashier.

FLORIDA.—A General Banking Law was adopted by the Legislature of Florida at its late session. It provides for the organization of banks by any one or more persons, to whom the Comptroller may issue circulating notes upon a deposit of the public stock issued by any State in the Union, or by the United States, on which the interest is regularly paid.

MISSOURI.—Charles K. Morehead, Esq., has been elected Cashier of the Lexington Branch of the Bank of the State of Missouri.

MICHIGAN.—The Detroit Advertiser of the 12th inst. remarks, in relation to the Bank of Macomb County:

"Proceedings having been instituted at the Circuit Court for the purpose of testing the chartered rights of the institution, and the decision there having been in favor of the bank, the case was removed to the Supreme Court, where, after argument, a decision was made at the close of the session, denying the motion of the Attorney General to dismiss the bill without prejudice, and affirming the decision below, giving the institution the enjoyment of all its franchises. The bank stands now, therefore, on as good footing as any in the State."

CANADA.—A Branch of the Bank of Upper Canada has been established at Lindsay.

Commercial Bank of the Midland District.—The Merchants' Bank of New York is now the New York agent of the Commercial Bank, M. D., in place of David S. Kennedy, Esq., deceased.

ILLINOIS.—*Illinois and Indiana Bank notes.*—We have received from various quarters in this and the adjoining States, and even New York, application to publish a list of the regular banking institutions of Illinois and Indiana, with their value in St. Louis. The determination of the Board of Brokers of this city to put down the irresponsible shinplasters which were rapidly accumulating here, at once attracted the public attention all over the country, and most salutary results have followed. In Chicago, New York, New Orleans and Cincinnati, the great points at which these irresponsible and sometimes fraudulent emissions found currency, a most determined opposition is made to them; and in those cities, as here, they are bound to go out of the customary channels of trade. The people, most fortunately, are sound and united upon this point, if no other, and are ready to sustain all proper efforts to purify the currency.

About the time when it was supposed that there was a design in the Illinois Legislature to repeal the Free Banking Law of that State, numberless applications were made to the auditor, with a view to the establishment of new banks; but the movement was altogether speculative, and it is not probable that any banks will be organized under these applications. On referring to Clark's Counterfeit Detector, we find that the following banks are doing business in Illinois, under the General Banking Law:

Notes at Par in St. Louis.

Location.	*Bank.*	*President.*	*Cashier.*
Alton,	Alton Bank,	E. Marsh,	Charles A. Caldwell,
Belleville,	Southern Bank of Illinois,	Russell Hinckley,	T. Hinckley,
Quincy,	Quincy City Bank,	Newton Flagg,	Isaac O. Woodruff,
Springfield,	Bank of Lucas and Simonds,	Robert Irwin,	Antrim Campbell,
"	Clark's Exchange Bank,	N. H. Ridgely,	James Campbell,
"	Merchants and Farmers' Bank,	T. Lewis,	W. E. Keefer.

Notes at One Per Cent. Discount in St. Louis.

Chicago,	Bank of America,	George Smith,	E. W. Willard,
"	Chicago Bank,	Thomas Burch,	J. H. Burch,
"	Commercial Bank,	Isaac Cook,	Ashley Gilbert,
"	City Bank,	D. O. Bradley,	C. B. Curtis,
"	Marine Bank,	J. Young Scammon,	Edward J. Tinkham,
"	Merchants and Mechanics',	L. D. Boone,	Stephen Bronson,
"	Union Bank,	A. J. Brown,	H. L. Forrest,
Danville,	Stock Security Bank,	E. Kingsbury,	G. Merrill,
Ottawa,	Bank of Ottawa,	Thomas H. Norris,	George S. Fisher,
Peoria,	Central Bank,	R. Arthur Smith,	E. H. Rupert,
Rock Island,	Rock Island Bank,	M. B. Osborn,	Seth H. Mann.

All notes issued by these banks, and which are *registered*, have public securities pledged for their redemption, and are undoubtedly good. But there are some that will require a good deal of caution before receiving them. Thus, there are M. B. Osborne's checks on the Rock Island Bank, issued by the president of that bank, which are repudiated by the St. Louis Board of Brokers, and not purchased on any terms. In like manner, notes of the "Bank of America," issued by Geo. Smith, in Washington City, and payable in Milwaukie, are discredited here, and ought not to be passed.

The checks, or certificates of deposit, of Page & Bacon, on the Quincy City Bank; of Lucas & Simonds, on the Springfield Bank; and all of E. W. Clark & Co.'s checks, are redeemable in this city in specie, and are rapidly being retired from circulation.

This is the condition of Illinois bank paper in this city. All notes of the free banks that are *registered* are good and received by everybody, but there is a multitude of trash which is not so regarded, and finds no countenance here. It will be found in the list of repudiated notes which is appended to this article.—*St. Louis Republican.*

Notes on the Money Market.

NEW YORK, MARCH 26, 1853.

Exchange on London, at sixty days' sight, 9 @ 9¼ premium.

THE month of February closed with a comparatively easy market, and a minimum rate of interest prevailing of 6% per cent. Early in the present month an unfavorable change took place, accompanied by a severe stringency, which, at this date, has abated but little. A sudden curtailment of loans by the banks generally took place, which compelled many parties to apply to private sources for aid. The rates, at this day, are:

For loans on demand, with Government or State Stock collaterals, . .	7 per cent.
Prime business paper, 4 to 6 months, ...	8 to 10 per cent.
Ordinary business paper, 4 to 6 months, ...	12 per cent.

Congress has passed an act authorizing the establishment of an Assay Office in the City of New York. The practical effect of this will be to reduce the coinage of the Mint at Philadelphia, and to substitute bars or ingots of the value of $100, $500 or $1,000, for large portions of the coin held by the banks and by the Sub-Treasury. According to reports published in our Magazine, it will be seen that portions of the banks hold $44,000,000 in coin. To these we may add $16,000,000 more for those who have not reported, and $15,000,000 in the Sub-Treasury, making an aggregate of seventy-five millions of dollars. The aggregate gold coinage of the United States, since the establishment of the Mint, has been about $237,000,000, more than one-half of which must have gone abroad, to be re-coined again in England, France and other countries.

The New York City banks have in their vaults about ten millions in gold. Nine-tenths of this sum might as well be, for all practical purposes, held in gold ingots or bars, and the coin distributed in exchange therefor.

The uncertainty in the cost of coinage heretofore has been, in a measure, owing to the connection of a refinery with the United States Mint. There is no such work done at the London and Paris Mints, and perhaps the day is coming when private refineries in New York and Philadelphia will relieve the Mint of this portion of the labor.

The three cent coin, which hitherto weighed 12⅜ grains, and three-fourths fine, will, after the first day of April, weigh 11.52-100 grains, and be nine-tenths fine, or the same standard as the larger silver coins.

Owing to the want of a concert of action between the numerous banks of the city, and to the want of knowledge of the condition of each other, the public interests suffer. If the banks would combine together, and after due consultation among themselves, and, after knowing their separate and aggregate condition, would agree upon one uniform course, either of expansion or contraction, the community at large would be benefited. Such a consultation should be had once a week at least, and they could determine, with the facts before them, whether any curtailment, and to what extent, should be decided upon; or, whether the aggregate condition of the banks, and their condition with regard to Boston and Philadelphia, would authorize an increase of loans. If this were done, any serious change or any serious curtailment of accommodation could be adopted gradually, until a more healthy or stronger condition could be arrived at.

Until this shall be done, no harmony of action can be expected, and each bank must, as heretofore, act independently, for itself, and without due regard to the wants of the commercial community.

The banks of this city, at their last quarterly report, had aggregate liabilities to the extent of $131,000,000, with a capital of $38,000,000. Their loans and investments amounted to about one hundred millions of dollars at the same period, under what may be considered a favorable condition of the money market. The amount of their capital and circulation was loaned out, and likewise two-thirds of their deposit funds and of their balances held for other institutions. Seven per cent. on this amount of loans would thus give a gross profit of above twenty per cent. per annum.

A curtailment of these loans to the extent of five per cent. only must, therefore, create a stringency among their customers. This curtailment could, we think, be brought about with greater facility among the banks, and with less inconvenience to their customers, if a general understanding existed, and a resolve to bring about this change more gradually.

The scarcity and the high price of New York State Stocks have led to numerous inquiries as to the utility of adopting other State Stocks as a basis of bank circulation. The Bank Committee of

the Assembly, at Albany, have reported a bill which authorizes the Superintendent of the Banking Department to receive the Stocks of the States of Ohio, Georgia, Kentucky and Virginia, for this purpose, to the extent of one-half of the deposits by each institution.

Another bill has been introduced into the Assembly, to the effect that no bank within the State shall receive bank notes at a greater discount than one-quarter of one per cent. This measure is to prevent the operation of the plan recently adopted by the American Exchange Bank of this city, whereby they agreed to receive on deposit the notes of certain banks in Indiana, Illinois and Michigan at three-fourths per cent. The result of this plan would be to fasten upon this community a large amount of Western paper, the intrinsic value of which could not be known here, and which might be suddenly rejected by agents in this city, at a severe loss to the community.

During a portion of the month of March, quite a panic prevailed in New York City among the holders of bills issued by the New England banks, caused directly by the failure of the Woodbury Bank and the Eastern Bank of Connecticut, and greatly increased by the refusal of the American Exchange Bank, of New York City, to receive in deposit any New England money without the guaranty of the depositor, thus discrediting all New England circulation, and adding to the existing excitement, and causing its own customers to sell their New England money at a great loss, to the brokers, or to force it into the Metropolitan Bank, which continued to receive it from its customers on the usual terms. The course adopted in this case was entirely uncalled-for and highly impolitic. At such times there are many interested in depreciating the currency, purposing to profit in the purchase of it, but the design of the bank is not so apparent. It had another object in its refusal to receive New England money at its own risk—it is evidently the desire of that bank to eradicate entirely the sound circulation of the New England banks, substituting its adopted issues, the *secured* circulation of the wild-cat banks of Illinois and Indiana. It has intimate and extensive correspondence with the Western bankers, and its distrust of New England money, and its refusal to receive it at its own risk, will, no doubt, influence the holders of the bills to purge themselves and force it all home for redemption, it being difficult for those at so great a distance to discriminate between a bill issued by the Woodbury Bank and those issued in Hartford and New Haven. As to the real value of the circulation of the New England banks, an experience of many years has proved its soundness, and the demand for it, in preference to that presumed to be secured by the deposit of stocks and bonds and mortgages, shows its appreciation. This circulation has a character for convertibility not possessed by the bills issued by banks acting under the General Banking Laws. It is this power of conversion into coin which secures it from depreciation. The bills issued by banks under the general law may be *ultimately* secure, but the power to convert them into coin, at will, is necessary to prevent them from depreciating during a panic. The bills of the secured banks of New York, previous to the establishment of the Metropolitan Bank, were, during any severe panic in the money market, at a discount of from ¼ to 1½ per cent.; this is never the case in Boston with New England money. There is no discount upon it at any time.

DEATHS.

At Syracuse, N. Y., on Friday, February 25th, ELI H. SHERMAN, Esq., Cashier of the Merchants' Bank at that place, aged 39 years.

At the Retreat for the Insane, Hartford, Connecticut, in February last, JOHN J. FISK, Esq., formerly Cashier of the Eagle Bank, Boston, and afterwards Cashier of the American Exchange Bank, New York.

At Hopkinsville, Ky., REUBEN ROWLAND, Esq., Cashier of the Branch Bank of Kentucky at that place.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. MAY, 1853. No. XI.

HISTORICAL SKETCHES OF BANKING.

I. Bank of North America. II. The Manhattan Company. III. The Merchants' Bank. IV. The Bank of America. V. The Bank of New York.

No. V. — *The Bank of New York.*

THE Bank of New York enjoys the distinction of having been one of the only three banks in existence at the time of the adoption of the present Federal Constitution. The remaining two were the Bank of North America in Philadelphia, and the Bank of Massachusetts in Boston. It is a matter worthy of remark, that each of these institutions is still in active operation, enjoying the good-will and confidence, and contributing to the stability, of the mercantile community.

The Bank of New York was established early in 1784, shortly after the close of the Revolutionary War. The number of the inhabitants of the city in 1783 was about twenty thousand. Murray Street was the northern limit of municipal improvements. The architecture of the city was but imperfectly developed. Most of the houses and stores were built of wood; the streets were narrow, ill-paved, and crooked; and their appearance was very much disfigured by vacant lots. There were no moneyed corporations, no banks or insurance companies, and the commerce of the city was in a languishing condition. With the establishment of peace, trade began to improve, and in 1784 the need felt by the merchants of the city of convenient facilities for exchange indicated clearly the propriety of the establishment of a bank. It being decided to organize a bank, and the name having been duly chosen, the stock was subscribed and the directors appointed.

The bank commenced business without a charter, very much like an associated bank of the present day, and its existence first appears on record in the following notice in the New York Journal and State Gazette, May 6, 1784:—

"*Bank of New York, May 1st*, 1784.

"The subscribers to this bank are requested to pay in the first moiety of their subscriptions on the 1st day of June next, to William Seton, the cashier, at No. 67, St. George's Square, who is authorized by the directors to receive the same.

"ALEXANDER McDOUGALL, *President.*"

The bank transacted business for seven years without a charter, its incorporation by the State not being effected till the year 1791. Its activity in proceeding without a charter was not at first approved of by all its subscribers, as an instance of which we give the following letter, published in the New York Journal and State Gazette for May 27th of the same year. The reader will observe that the main reason with the writer for insisting on a charter is, that it would relieve the stockholders from special liability for the debts of the bank. This liability, to the extent of individual subscription, is not at present regarded with disfavor.

"I am a subscriber to the Bank of New York, and heartily wish that a bank which may have the confidence of the government, as well as of the merchants of this city, may be established; but unless it can obtain a charter, I cannot consider myself under any obligation to pay in my quota.

"When the regulations were published and agreed upon, it was stipulated, that no subscriber should be liable for more than his stock; this presupposes the grant of a charter, for without it this article could not take effect; should the subscription money be at present paid in, the stockholders become to all intents and purposes *bankers* and *copartners*, and every man is liable (however small his share may be), for all the engagements of the bank, to the extent of his *whole fortune*. Is this a situation for any prudent person to place himself in, for a mere facility in commerce? Surely not. If I wished to be a banker, I would choose my own partners, connect myself with one or two persons of probity and substance, and instead of leaving to the choice of others the management of affairs upon which risk of my *whole* fortune depended, attend to it myself.

"The fate of the Bank of Ayr in Scotland, which was a private association of many of the first nobility and gentry in that kingdom, ought to be a warning to all persons how they dabble in banks, without an incorporation. The Duke of Buccleugh's whole estate is now pledged for the redemption of the engagements of that bank, though he was far from being a considerable proprietor: — this is a fact well known.

"I must confess I am at a loss to guess at the motives of the directors in not calling a general meeting of the stockholders, after the application for a charter did not succeed, to take their sense, whether or not they would proceed without a charter. This would have been acting with candor, and the subscribers had a right to expect it. I will not suppose that those who expect *handsome salaries* from the establishment of the bank were afraid of hazarding this question for fear of defeating their hopes from this quarter. I will rather imagine that their zeal for this institution hurried them to an exercise of powers which are certainly *not vested in them* by the subscribers, and that they have not sufficiently attended to the risk in which they would be involved by proceeding without a charter. I have taken some pains to ascertain the law on this point, —

and am convinced my observations are well grounded. I have, therefore, esteemed it my duty as an honest man, to enlighten such as may be uninformed on this subject.

"*A Subscriber to the Bank.*"

The following regulations of the bank were published on the day on which the bank went into operation, June 9, 1784: —

"*New York, June* 9, 1784.

"BANK OF NEW YORK. Notice is hereby given, that the Bank of New York will be opened this day, Wednesday, the 9th of June, instant, and applications for discount will be received on Wednesday next.

"By order of the directors.

"ALEXANDER MCDOUGALL, *President.*

"For the information of persons transacting business with the Bank of New York, the following rules observed at the bank are published: —

"The bank will be opened every day in the year, except Sunday, Christmas Day, New Year's Day, Good Friday, the 4th of July, and general holidays appointed by legal authority.

"The hours of business from 10 to 1 o'clock in the forenoon, and from 3 to 5 in the afternoon.

"Discounts will be done on Thursday in every week, and bills or notes must be left at the bank on Wednesday morning, under a seal cover, directed to William Seton, Cashier. The rate of discount is at present fixed at six per cent. per annum; but no discount will be made for a longer period than thirty days, nor will any note or bill be discounted to pay a former one. Payment must be made in bank-notes or specie. Three days' grace being allowed upon all bills or notes, the discount will be taken for the same.

"Money lodged at the bank may be withdrawn at pleasure, free of any expense; but no draft will be paid beyond the balance of account.

"Bills or notes left with the bank will be presented for acceptance, and the money collected free of expense."

In 1787, the rate of discount was fixed at seven per cent. per annum, but the time of notes to run was still continued at thirty days.

During the earlier years of the banks of the United States, although finance and politics had not become very much intermingled, still considerable jealousy was manifested at the establishment of moneyed institutions, and great caution was necessary to be exercised by their managers and friends, lest some false step on their part should bring on those evils which their enemies conceived to be inseparable from their existence. Only a few years after the organization of the Bank of New York we find in the correspondence of Oliver Wolcott, one of the most capable financiers of the last century and a decided advocate of banking institutions, sentences like these. "Our domestic resources are deeply anticipated, at least as respects the Bank.* Banks are multiplying like mushrooms. The prices of all our exports are enhanced by paper nego-

* Referring to the Bank of the United States, to which government was heavily indebted

tiations and unfounded projects, so that no foreign market will indemnify shippers. Usury absorbs much of that capital which might be calculated upon as a resource, if visionary speculation could be destroyed."

Not only was the Bank of New York managed during its earlier years with the same caution and discretion which have since marked its course in connection with other well-regulated institutions, but it was also instrumental in assisting the government of the United States in a manner calculated to insure it a great degree of popularity. Notwithstanding the creation of the Bank of the United States in 1791, an act by which Alexander Hamilton thought to confer upon the country a great financial relief, and which was executed with an honest purpose, whatever may be thought of its actual results, — notwithstanding the existence of this institution, we say, the finances of the government during the years immediately succeeding were by no means in a favorable or settled condition. Various causes conspired to produce this state of affairs. The country had not yet recovered from the disasters attendant upon the Revolutionary War. The jealousy of other nations impeded our infant commerce. Domestic dissensions, of which we may mention the "Whiskey Insurrection" in Western Pennsylvania as an instance, and which showed very plainly that our population had not acquired that homogeneousness of character, and that spirit of mutual confidence, necessary to the establishment of perfect national credit, cast a gloom over our financial prospects, and to raise money abroad, the government was obliged to submit to heavy discounts on the sale of its stocks. We need not remind our readers how very widely different the case is at present.

In September, 1794, we find Hamilton writing to Oliver Wolcott, then acting as Secretary of the Treasury, as follows, in relation to a loan which the government was desirous of effecting from the Bank of New York. "Inclosed is a letter to the President and Directors of the Bank of New York. If they agree to the loan, you will conclude it. You will find in the office a power from the President for the purpose." The bank accordingly loaned to the government the sum of four hundred thousand dollars, payable in June, 1796, at five per cent. interest. The domestic debt of the United States during the existence of this obligation was very large, amounting in the year 1795 to upwards of twenty-nine millions of dollars. The foreign debt was of course much larger. The loan granted by the bank added very much to its popularity, as it owed no favors to government, and had therefore no interested motives in lending the money. The act also tended very favorably to create confidence in the financial management of the administration.

The charter of the Bank of New York dates from 1791, the act of incorporation having been drawn by General Alexander Hamilton, which has not been materially altered to this day. The capital authorized was $ 1,000,000, but, for a long time, the amount paid in was $ 950,000, afterwards $ 965,000, and finally made up to $ 1,000,000, as originally projected; the present amount of capital (1853) is $ 1,500,000. In 1791, Mr. Roosevelt having resigned as president, Gulian Verplanck was elected, and he was succeeded by Nicholas Governeur. Herman Le Roy succeeded the latter, but soon resigned, and in 1804, General Matthew

Clarkson was appointed, and held the office until 1825, when, on his resignation, Charles Wilkes was appointed. Mr. Wilkes was first teller of the bank in its early stages; he came to this country from England, in company with John Jacob Astor on his return from a visit to Europe. In 1794 Mr. Seton resigned as cashier, and was succeeded by Mr. Wilkes, who acted in that capacity until his appointment as president in 1825, when Cornelius Heyer was chosen cashier, and on the latter being appointed president, Mr. A. P. Halsey, the present cashier, succeeded him. Mr. John Oothout is the present president of the institution.

The management of the Bank of New York has always been marked by great ability and discretion. Its dividends, except during the disastrous years of 1814 and 1837, in which the suspension of specie payments was general, have ranged from eight to ten per cent. per annum, and amount to over *five times the amount of the capital* of the bank.

BANK STATISTICS.

Maine.

Liabilities.	*May*, 1846.	*May*, 1848.	*May*, 1850.	*May*, 1851.	*Jan.* 1, 1853.
Capital,	$3,009,000	$2,920,000	$3,148,000	$3,586,100	$4,283,000
Circulation,	2,240,820	2,315,520	2,301,150	2,994,905	4,330,675
Individual Deposits,	1,257,646	1,129,774	884,455	1,389,187	2,043,743
Profits Undivided,	117,222	122,877	158,290	169,390	265,766
Due to Banks,	93,710	112,955	85,260	111,728	102,450
Total Liabilities,	$6,718,398	$6,601,126	$6,577,155	$8,251,260	$11,025,634

Resources.	*May*, 1846.	*May*, 1848.	*May*, 1850.	*May*, 1851.	*Jan.* 1, 1853.
Loans,	$5,391,113	$5,189,090	$5,350,860	$6,450,460	$8,157,283
Bank Balances,	769,095	579,140	487,850	813,232	1,425,968
Specie on hand,	219,068	521,536	424,196	630,296	923,491
Real Estate,	191,714	129,006	113,464	102,570	139,337
Bills of Maine Banks,	76,320	99,570	181,043	150,016	218,925
Bills of other Banks,	71,088	82,784	69,742	104,686	165,610
Total Resources,	$6,718,398	$6,601,126	$6,577,155	$8,251,260	$11,025,634

It will be seen that in less than two years there has been an increase in Capital to the extent of $697,000 (nearly twenty per cent.); Circulation $1,340,000 (forty-four per cent.); Deposits, nearly fifty per cent.; Loans, twenty-five per cent.; Specie nearly fifty per cent.; and the deposits in the Boston banks and at other points for the redemption of circulation have increased from $813,000 to $1,425,000.

For a list of new banks incorporated at the late session of the Maine Legislature, see "Bank Items" in the present Number.

For details of the liabilities and assets of each bank in Maine, the reader is referred to pp. 243, 244.

NEW YORK CITY BANKS.

The following Table exhibits the Liabilities and Resources of forty-eight of the Banks of the City of New York on the 26th day of February last. There are three additional Banks in operation in this city; viz. the Astor Bank, which is winding up its affairs, and will make no report on this occasion, and the St. Nicholas Bank, and the Central Bank, both of which have been in operation only a few weeks.

In the statement of the Manhattan Company, there is an item of $467,000 due by the State of New York for advances. This is included under the head "*Due by Banks, &c.*" The Deposits, Loans, and other items, are unusually large in all the Banks. This will perhaps be the last Quarterly Return of the Banks, the new law requiring weekly Statements to the Bank Department.

LIABILITIES. FEBRUARY 26, 1853.

Incorporated Banks.	*Capital.*	*Profits.*	*Circulation not registered.*	*Circulation registered.*	*Due N. Y. Treasury.*	*Due Depositors.*	*Due Banks.*	*Others.*	*Total.*
Manhattan Bank,	$2,050,000	$268,064	$44,351	$530,032	$126,551	$1,955,890	$493,178	$29,890	$5,497,956
Bank of State of New York,	2,000,000	339,138	2,889	579,027	. . .	2,384,586	790,400	5,645	6,101,686
Merchants' Bank,	1,490,000	318,670	42,700	267,570	. . .	3,866,238	1,711,164	4,218	7,700,560
Mechanics' Bank,	1,440,000	436,396	43,652	296,535	. . .	2,595,108	967,645	8,226	5,787,862
Phenix Bank,	1,200,000	141,153	2,320	293,721	. . .	1,873,675	894,802	5,819	4,411,490
National Bank,	750,000	131,247	3,981	145,470	. . .	942,640	156,112	1,336	2,130,786
Leather Manufacturers' Bank,	600,000	150,650	5,235	278,138	. . .	1,130,508	418,890	3,650	2,587,071
Seventh Ward Bank,	500,000	87,763	2,875	260,127	. . .	718,217	35,467	1,234	1,605,703
Tradesmen's Bank,	400,000	146,132	6,421	235,586	. . .	757,706	36,223	1,608	1,583,676
Mechanics and Traders' Bank,	200,000	88,690	5,008	107,978	. . .	501,147	39,097	206	942,126
Greenwich Bank,	200,000	62,180	3,932	190,173	. . .	436,600	35,515	1,883	930,283
Dry Dock Bank,	200,000	4,063	3,699	96,407	. . .	284,285	2,286	. . .	590,730
Associated Banks.									
Bank of Commerce,	5,000,000	266,564	. . .	3,785	. . .	3,508,541	2,108,670	9,811	10,897,371
Bank of America,	2,000,000	73,417	. . .	691,235	. . .	2,098,717	2,844,491	47,556	7.745,416
Metropolitan Bank,	2,000,000	128,114	. . .	90,150	. . .	1,992,940	2,692,856	3,628	6,897,688
American Exchange Bank,	1,500,000	420,576	. . .	317,516	. . .	2,763,596	2,711,947	1,755	8,715,390

Bank of the Republic,	1,500,000	88,758	. . .	237,491	. . .	1,473,692	507,645	10,936	3,818,522
Merchants' Exchange Bank,	1,235,000	97,360	109,561	110,751	. . .	1,546,743	763,726	3,771	3,966,914
Bank of New York,	1,500,000	57,103	323,266	66,930	. . .	2,795,234	687,358	. . .	5,429,891
Bank of North America,	1,000,000	52,350	. . .	93,764	. . .	1,310,337	398,278	1,418	2,856,147
Hanover Bank,	1,000,000	94,050	. . .	168,126	. . .	1,544,196	358,725	26,146	3,121,243
Ocean Bank,	1,000,000	37,781	. . .	139,632	. . .	1,280,120	221,876	3,900	2,683,309
Union Bank,	1,000,000	42,261	. . .	. . .	. . .	2,398,259	1,151,039	843,510	5,425,060
City Bank,	800,000	85,390	. . .	. . .	. . .	965,640	186,230	288,961	2,328,221
Market Bank,	650,000	24,550	. . .	111,400	. . .	883,486	28,600	22,000	1,720,098
North River Bank,	655,000	76,195	. . .	330,645	43,500	980,610	190,530	1,418	2,258,198
Fulton Bank,	600,000	181,074	. . .	189,568	. . .	980,473	478,044	1,363	2,410,442
Mechanics' Banking Association,	632,000	72,668	. . .	321,290	. . .	903,881	61,337	2,316	1,993,492
Mercantile Bank,	600,000	79,440	. . .	123,042	42,896	1,059,530	554,255	. . .	2,459,093
Broadway Bank,	600,000	104,646	. . .	210,289	. . .	1,676,658	44,941	2,356	2,638,890
Shoe and Leather Bank,	579,000	7,960	. . .	20,790	. . .	260,256	. . .	. . .	868,006
Butchers and Drovers' Bank,	600,000	31,198	321,111	. . .	. . .	1,174,735	84,432	. . .	2,211,476
Nassau Bank,	500,000	22,380	. . .	37,300	. . .	541,888	39,728	. . .	1,141,296
Corn Exchange Bank,	499,700	3,917	. . .	. . .	. . .	427,027	21,196	. . .	951,839
Pacific Bank,	422,700	31,533	. . .	104,249	. . .	585,754	26,146	1,989	1,172,376
People's Bank,	412,500	22,926	. . .	128,673	. . .	594,653	34,154	908	1,193,814
Chatham Bank,	400,000	20,200	. . .	139,573	. . .	374,780	250	. . .	934,803
Citizens' Bank,	350,000	20,261	. . .	170,873	. . .	591,600	35,668	26,710	1,195,112
East River Bank,	357,050	19,626	. . .	99,405	. . .	254,647	56,595	15,000	802,323
Bowery Bank,	356,650	91,412	. . .	195,702	. . .	953,370	14,656	1,690	1,613,680
Chemical Bank,	300,000	399,238	. . .	312,338	. . .	1,220,208	66,881	. . .	2,298,655
Knickerbocker Bank,	300,000	11,953	. . .	108,075	. . .	346,240	29,278	1,945	797,491
Grocers' Bank,	300,000	21,875	. . .	91,503	. . .	509,115	27,515	747	950,755
Irving Bank,	300,000	15,360	. . .	118,734	. . .	471,441	23,276	826	929,637
Empire City Bank,	208,800	8,971	. . .	112,944	. . .	115,958	23,650	39,000	500,223
New York Exchange Bank,	130,000	13,883	. . .	150,944	. . .	71,070	81,965	. . .	447,162
Suffolk Bank,	100,000	4,728	. . .	66,063	. . .	121,279	. . .	9,800	321,870
Continental Bank,	639,900	5,676	. . .	. . .	. . .	403,261	64,323	. . .	1,113,160
Total,	$41,058,300	$4,839,580	$920,991	$8,353,034	$211,877	$57,556,507	$22,203,423	$1,494,295	$136,569,007

NEW YORK CITY BANKS.

The large sum set against the Union Bank, and City Bank, under the head "*Due others*," and against the Bank of America, and Bank of New York, under the head of "*Circulation*," are mainly for bills issued before their charters expired.

RESOURCES. FEBRUARY 26, 1853.

Incorporated Banks.	*Loans.*	*Due from Directors.*	*Due from Brokers.*	*Real Estate.*	*Stocks, Bonds, &c.*	*Loss and Expense.*	*Over Drafts.*	*Specie.*	*Cash Items.*	*Bank Notes.*	*Due from Banks.*	*Total.*
Manhattan Bank, . . .	$3,155,848	$223,301	$251,101	$288,861	$54,975	$9,196	. . .	$219,118	$535,330	$144,146	$616,060	$5,497,956
Bank of State of New York,	4,205,313	81,440	. . .	130,475	. . .	51,367	$8,745	220,340	967,766	49,217	387,014	6,101,686
Merchants' Bank, . . .	3,757,120	264,900	254,500	93,198	131,000	7,352	80	1,495,836	1,432,000	27,931	236,642	7,700,560
Mechanics' Bank, . .	3,740,305	24,750	391,000	83,644	9,100	11,340	3,903	674,561	629,840	26,789	192,630	5,787,862
Phenix Bank, ...	2,807,275	212,566	700	133,758	32,487	2,600	1,341	239,550	772,736	43,111	165,560	4,411,490
National Bank, . . .	1,691,487	41,996	26,000	29,637	1,110	9,936	1,013	112,473	172,706	5,531	38,907	2,130,786
Leather Manufacturers' Bank,	1,958,481	82,273	10,000	800	4,520	1,081	. . .	103,405	316,771	19,945	79,895	2,587,071
Seventh Ward Bank, . .	1,163,457	34,948	62,176	23,250	. . .	3,527	78	79,183	172,413	17,863	38,508	1,605,703
Tradesmen's Bank, . . .	1,261,854	119,757	10,000	24,000	5,460	1,120	. . .	55,490	50,912	10,146	44,937	1,583,676
Mechanics and Traders' Bank,	571,694	18,500	. . .	14,041	61,796	3,976	1,323	43,396	76,734	10,476	140,190	942,126
Greenwich Bank, . . .	598,892	8,012	50,000	33,777	5,051	4,021	2	15,870	15,362	72,780	126,516	930,283
Dry Dock Bank, . . .	310,307	59,497	. . .	25,125	4,431	1,216	150	33,498	54,895	12,051	89,560	590,730
Associated Banks.												
Bank of Commerce, . .	8,570,928	154,000	30,000	110,000	15,000	2,991	. . .	680,587	1,195,334	11,140	147,131	10,897,371
Bank of America, . .	4,683,662	45,000	310,000	220,000	47,130	5,033	2,892	910,169	1,031,015	21,934	468,581	7,745,416
Metropolitan Bank, . . .	4,732,350	152,484	386,500	182,696	104,354	7,946	3,486	154,775	352,695	331,556	478,946	6,887,668
American Exchange Bank, .	5,332,023	18,000	853,150	. . .	524,666	. . .	2,740	506,961	805,996	240,301	431,553	8,715,390
Bank of the Republic, . .	2,470,864	53,853	176,250	174,420	273,086	. . . . .		215,355	344,030	15,229	95,435	3,818,523
Merchants' Exchange Bank,	2,895,790	200,668	. . .	62,800	165,400	3,048	300	106,396	227,825	20,136	184,551	3,866,914

Bank of New York,	3,267,911	146,490	. . .	250,000	271,233	5,833	5,293	849,913	428,689	. . .	204,519	5,429,881
Bank of North America,	1,632,642	112,700	45,762	110,251	115,613	5,656	3,508	157,314	608,434	14,687	49,580	2,856,147
Hanover Bank,	1,991,743	236,506	22,813	80,888	211,956	2,321	. . .	106,090	345,876	26,129	93,921	3,121,243
Ocean Bank,	1,649,988	125,611	205,000	74,166	182,381	2,195	2,478	79,113	237,065	45,414	79,998	2,683,309
Union Bank,	2,616,150	88,875	605,300	125,000	12,068	3,548	. . .	578,258	1,221,239	110,636	64,006	5,425,080
City Bank,	1,583,234	93,100	. . .	80,000	11,364	16,820	325	119,980	213,561	128,218	81,619	2,328,221
Market Bank,	1,026,106	93,512	216,700	1,770	127,895	9,948	547	58,958	82,756	25,698	76,208	1,720,098
North River Bank,	1,254,235	129,638	1,500	84,498	426,304	2,642	5,115	39,884	144,308	39,378	130,698	2,258,198
Fulton Bank,	1,405,942	195,530	155,500	12,000	293,021	9,416	71	103,381	163,158	9,340	63,063	2,410,442
Mechanics' Banking Association,	1,242,610	51,714	1,242	15,810	407,710	5,294	35	103,245	100,000	18,526	47,306	1,993,492
Mercantile Bank,	1,359,245	100,635	170,000	. . .	148,102	1,803	. . .	120,995	180,000	22,917	353,496	2,459,093
Broadway Bank,	1,228,848	148,315	311,300	136,524	296,130	5,910	1,116	53,052	339,523	25,366	102,806	2,638,890
Shoe and Leather Bank,	336,052	162,953	104,000	14,712	120,062	3,580	. . .	17,528	83,503	. . .	25,616	868,006
Butchers and Drovers' Bank,	1,680,404	38,024	60,000	60,060	47,030	32,021	1,460	133,328	86,178	22,060	50,971	2,211,476
Nassau Bank,	788,755	39,490	. . .	2,150	117,458	7,048	175	36,157	63,026	27,129	59,907	1,141,296
Corn Exchange Bank,	376,328	22,500	121,750	6,030	116,712	648	. . .	23,630	98,326	9,924	176,991	951,839
Pacific Bank,	701,325	60,383	108,800	9,000	151,013	3,047	. . .	44,802	45,773	8,940	39,288	1,172,376
People's Bank,	845,014	27,767	. . .	8,733	167,898	1,156	203	37,524	53,100	8,144	43,275	1,193,814
Chatham Bank,	569,772	30,000	10,000	63,055	176,060	2,917	1,863	24,928	46,034	. . .	10,174	934,803
Citizens' Bank,	695,783	48,810	44,232	46,146	198,147	347	307	37,238	60,410	15,819	47,873	1,195,112
East River Bank,	377,334	69,738	25,000	17,000	137,315	9,657	6	23,554	68,755	6,315	67,647	802,323
Bowery Bank,	1,130,640	41,285	10,000	46,500	211,851	2,527	. . .	28,208	78,401	12,457	51,811	1,613,680
Chemical Bank,	1,507,528	90,073	. . .	52,454	364,317	1,105	185	155,780	77,103	11,158	38,962	2,298,655
Knickerbocker Bank,	453,890	84,706	. . .	23,990	132,840	1,401	. . .	20,130	47,298	4,841	28,395	797,491
Grocers' Bank,	616,953	44,128	2,250	24,358	107,253	1,238	. . .	54,449	32,400	16,158	51,568	950,755
Irving Bank,	578,883	38,692	. . .	41,191	143,935	2,188	385	28,344	56,906	9,135	29,978	929,637
Empire City Bank,	180,943	17,487	. . .	53,823	126,027	4,680	720	23,225	45,174	5,352	42,592	500,223
New York Exchange Bank,	169,740	. . .	1,426	. . .	170,702	750	759	4,231	15,933	21,565	62,056	447,162
Suffolk Bank,	178,946	. . .	. . .	. . .	107,933	2,691	140	19,723	4,375	1,371	15,691	321,870
Continental Bank,	443,152	69,457	10,000	. . .	115,875	255	. . .	70,890	97,908	16,741	59,778	1,113,160
Total,	$85,797,746	$4,204,064	$5,273,066	$3,080,531	$6,655,760	$274,892	$50,744	$8,991,630	$14,280,474	$1,744,960	$6,215,139	$136,569,007

Pennsylvania.

Comparative Condition of the Banks of Pennsylvania in the Years 1847, 1848, 1849, 1850, 1852.

Liabilities.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1849.	*Nov.*, 1850.	*Nov.*, 1852.
Capital,	$ 21,585,760	$ 21,462,870	$ 18,478,882	$ 18,675,484	$ 19,213,154
Circulation,	13,737,597	9,992,894	11,385,780	11,988,314	14,624,906
Bank Balances,	4,338,073	3,382,418	4,024,905	5,889,691	5,681,625
Deposits,	15,009,370	12,845,904	15,412,236	17,719,244	22,043,741
Contingent Fund,	1,898,329	1,435,703	1,926,523	1,737,515	1,856,576
Discounts,	704,560	243,350	535,454	795,120	692,360
Profit and Loss,	478,996	569,480	490,270	554,536	1,157,806
Due the Commonwealth,	467,960	361,068	618,561	422,372	557,235
Relief Circulation,	640,381	36,606	60,619	2,548	10,963
Miscellaneous,	311,047	454,027	45,756	503,280	212,868
Suspense Account,	19,146	318,784	12,302	19,358	9,704
Dividends Unpaid,	278,009	346,277	390,180	224,789	329,910
Total Liabilities,	$ 59,959,230	$ 51,449,381	$ 53,380,963	$ 58,532,251	$ 66,396,170

Resources.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1849.	*Nov.*, 1850.	*Nov.*, 1852.
Bills Discounted,	$ 32,152,451	$ 28,001,130	$ 32,949,260	$ 36,406,022	$ 42,855,760
Specie and Treasury Notes,	7,362,659	6,801,078	6,260,741	7,212,920	7,840,500
Bank Balances,	3,993,740	2,958,176	3,059,638	4,663,194	5,562,646
Bank Notes and Checks,	3,060,730	2,867,118	2,874,376	2,519,630	3,006,896
Real Estate,	1,104,375	1,158,196	1,207,961	1,008,534	992,952
Bonds, Mortgages,	1,333,726	1,145,690	2,270,538	1,658,971	2,207,860
Stocks,	2,300,012	2,395,462	2,120,734	1,699,966	1,264,410
Bills of Exchange, &c.,	1,089,635	906,795	1,194,221	1,980,887	1,051,062
Expenses,	98,217	81,284	65,220	95,530	61,121
Post Notes,	628,955	290,182	404,298	440,578	864,008
Loans,	1,949,648	1,316,436	796,591	746,982	463,582
Miscellaneous,	4,885,082	4,092,834	177,395	147,205	125,373
Total Resources,	$ 59,959,230	$ 51,449,381	$ 53,380,968	$ 58,532,251	$ 66,396,170

The printed Reports of the Banks of Pennsylvania are generally inaccurate. In the pamphlet returns for November, 1852, we find an error or errors in the aggregates of liabilities amounting to no less than $ 127,233. The error probably arises from a want of caution in revising the proof-sheets.

Virginia.

Exchange Bank of Virginia and Branches.

Liabilities.	*Oct.*, 1845.	*Oct.*, 1847.	*Oct.*, 1849.	*July*, 1851.	*Jan.* 1, 1853.
Capital,	$ 1,726,300	$ 1,808,300	$ 1,836,300	$ 1,904,800	$ 2,100,000
Circulation,	711,352	1,088,664	992,855	1,756,028	2,086,853
Individual Deposits,	732,545	661,026	722,964	845,351	823,635
Bank Balances,	50,995	66,964	85,010	153,772	177,813
Undivided Profits,	136,502	153,880	163,426	229,310	290,479
Total Liabilities,	$ 3,357,694	$ 3,778,834	$ 3,790,545	$ 4,889,261	$ 5,478,770

Resources.	*Oct.*, 1845.	*Oct.*, 1847.	*Oct.*, 1849.	*July*, 1851.	*Jan.* 1, 1853
Loans,	$ 2,429,630	$ 2,750,716	$ 3,041,916	$ 3,802,675	$ 4,442,516
Loans to Commonwealth,	243,045	201,740	111,900	146,400	. . .
Bank Balances and Notes,	265,163	252,928	214,390	267,298	417,592
Real Estate,	91,996	96,228	93,578	92,426	92,643
Coin,	274,135	461,324	286,777	494,178	478,455
Miscellaneous,	53,723	15,903	41,984	86,349	47,564
Total Resources,	$ 3,357,694	$ 3,778,834	$ 3,790,545	$ 4,889,261	$ 5,478,770

For further particulars relating to the several banks of Virginia, refer to pp. 242, 653, 742.

Georgia.

Mechanics' Bank, Augusta.

Liabilities.	*Oct.*, 1847.	*April*, 1850.	*Dec.*, 1850.	*April*, 1852.	*Dec.* 7, 1852.
Capital,	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Circulation,	565,570	1,026,952	1,296,586	879,880	823,278
Individual Deposits,	164,985	247,587	432,064	263,714	414,090
Bank Balances,	43,218	249,073	466,244	176,678	220,745
Undivided Profits,	115,245	176,415	161,621	170,198	143,653
Total Liabilities,	$ 1,389,018	$ 2,200,027	$ 2,557,515	$ 1,990,420	$ 2,103,766

Resources.	*Oct.*, 1847.	*April*, 1850.	*Dec.*, 1850.	*April*, 1852.	*Dec.* 7, 1852.
Notes Discounted,	$ 363,560	$ 319,588	$ 696,158	$ 300,870	$ 490,500
Bills of Exchange,	872,313	1,318,748	1,351,868	1,220,176	1,068,800
Bonds,	142,390	62,252	20,000	. . .	. . .
Real Estate,	70,132	55,565	47,000	40,000	40,000
Bank Balances and Notes,	139,317	91,143	230,758	157,208	296,780
Specie on hand,	239,780	345,925	210,436	232,080	158,416
Miscellaneous,	61,526	6,806	1,300	30,086	89,320
Total Resources,	$ 1,389,018	$ 2,200,027	$ 2,557,515	$ 1,990,420	$ 2,103,766

THE BANKS OF NEW ORLEANS.

The following is the report of the Joint Committees of the Legislature, appointed to inquire into the condition of the Banks in New Orleans.

The standing Committees of the Senate and House of Representatives on Banks and Banking, who were directed, by joint resolution, to make an examination of the incorporated banks of the city of New Orleans, have performed the duty assigned to them, and beg leave to report as follows: —

It would require a more intimate knowledge of the resources and credit of the customers of these banks, than is possessed by the committees, to enable them to express positive opinions upon the value of the large mass of discounted notes and bills receivable which constitute the investments of these institutions.

But the statements derived from their books, confirmed by such examinations as we are able to give, leave a very favorable impression of the

solidity of their position, and the security they offer to their creditors and the public.

The specie on hand was carefully counted by the committees, and found to correspond with the sworn statements as furnished, and to be within the line prescribed by the law of 1842.

The general statement of these banks, furnished at the request of the committees, will be found appended to this report, or so condensed under its separate heads as to give what is material. Besides these general statements, particular information was asked for, the results of which are herein stated, in relation to bank management and bank profits, which it was thought might be useful pending the question of a general banking law, which is expected to engage the attention of the Legislature at the present session. Among these special statements from the active banks are returns of the amount of the stock of each, held by resident and non-resident shareholders; of the liabilities of the directors in every bank to the institution in which they are directors, and the liabilities to each bank of the directors of all other banks, and an account of the profits divided and reserved from the commencement of their business to date, by the Mechanics and Traders' Bank, the Canal and Banking Company, and the Bank of Louisiana. This last-named account was not obtained from the State Bank.

Mechanics and Traders' Bank.

The general statement of this bank shows it to be well prepared to abide by the decision of the Legislature, should it be adverse to the application which has been already made at the present session for a renewal of its charter, which expires by limitation on the second Tuesday of April next. Its means for meeting its liabilities for circulation, deposits, and other claims payable on demand, are ample. A glance at the table (letter C) will show that the bank has (to speak in round numbers) more than five millions of dollars in cash, or short paper equivalent to cash, while all the demands against it, immediate and ultimate, exclusive of the capital stock, are but little over four millions. It is obvious that the bank could wind up, pay off its obligations, and distribute nearly the whole of its capital, within a few months. The act of 1850, which was passed in anticipation to provide for its liquidation, allows the commissioners who may be appointed under the law, five years beyond the termination of the charter, with which to close its affairs finally.

The profits of this bank, from its commencement in 1838, to February 16th, 1853, have been, according to the statements furnished, $ 2,077,598.68. No dividends were made in June, 1837, January, 1839, January or July, 1840, January or July, 1842, January or July, 1843.

The capital stock of the bank consists of 33,797 shares, $ 1,689,850, held as follows: —

13,767 shares, $ 688,350 by residents.

20,030 shares, $ 1,001,500 by non-residents.

The liabilities of bank directors to this bank are as follows: —

	Payers.	*Indorsers.*	*Total.*
Of the directors,	$ 99,783.27	33,425.08	132,208.35
Of the city banks to this bank,	204,677.06	103,711.85	308,388.91
	$ 304,460.33	137,136.93	441,597.26

The Canal and Banking Company.

The business of the Canal Bank has also been profitable, notwithstanding the heavy losses which suspended its dividends for half the duration of its charter. It has ascertained and declared profits as follows: —

Dividend, as per statement furnished,	$2,382,207.50
Profit and loss account, as per general statement,	800,665.86
New profit and loss account,	253,803.54
Total,	$3,936,677.60

No dividends were declared in June or December, 1834, June, 1837, or December, 1839; nor at any time during the years 1840–1846; nor for June, 1847, nor December, 1849.

The capital stock of the bank, $3,164,000, is held as follows: —

16,741 shares, $1,674,100, by non-residents.
14,899 shares, $1,489,900, by residents.

The liabilities of bank directors to this bank are stated thus: —

	Payers.	*Indorsers.*	*Total.*
Directors of this bank,	$184,965.03	182,346.72	367,311.75
Directors of other banks to this,	256,087.78	147,404.01	403,491.70
	$441,052.81	329,750.73	770,803.45

The Bank of Louisiana.

The Bank of Louisiana shows even a more favorable exhibit of its operations. Its capital stock is nominally $3,992,600; but of this $1,200,000 is owned by the bank itself, so that the real capital is $2,791,600, which is held as follows: —

15,119 shares, $1,511,900 by non-residents.
12,804 shares, $1,280,400 by residents.
12,000 shares, $1,200,000 by the bank.

This bank seems to have been managed with more uniform prudence and success than any other in the city. It shows upon a capital of $3,992,600 a clear dividend and ascertained profit of $8,729,858.81, besides having purchased in $1,200,000 of its own stock, which swells the profits to $9,929,858.81, being about two hundred and fifty per cent. in twenty-eight years, and sparing from their capital the means of erecting their magnificent banking buildings. The bank declared no dividends in July, 1837, July, 1842, and January, 1843; but it made extra dividends in January, 1847, January, 1850, and January, 1853. The regular and extra dividends for the last six months have amounted to fifteen per cent., a proof of the enormous profits attainable under the present close system of incorporated banking, and a powerful argument for the throwing open of this business to general competition.

The liabilities of the directors of this bank are stated thus: —

	Payers.	*Indorsers.*	*Total.*
Directors of this bank,	$91,012.89	47,797.62	138,810.51
Directors of other banks to this,	304,470.34	354,886.76	659,357.10
	$394,483.23	402,684.38	798,167.61

Louisiana State Bank.

No statement was obtained by the committees of the amount of profits made by this bank, nor of the distribution of the capital stock ($ 1,987,960) among residents and non-residents. The bank has no agency out of the State for the transfer of its stock.

The liabilities of directors at the bank and its branches are stated thus: —

	Payers.	*Indorsers.*	*Total.*
Parent bank, — Its own directors,	$ 231,984	108,709	340,693
Directors of Second Municipality branch,	84,951	143,999	228,950
Directors of other banks,	96,267	2,520	98,787
	$ 413,202	255,228	668,430

$ 167,000 of the amount due as payers is on the pledge of stock.

Liabilities of Directors of Second Municipality Branch Louisiana State Bank.

	Payers.	*Indorsers.*	*Total.*
Its own directors,	$ 232,089	9,050	231,085
Directors of parent banks,	29,016	70,804	99,820
Directors of other banks to this,	10,439	...	10,439
	$ 261,494	79,854	341,348
Branch at Baton Rouge,	12,855	...	12,855

Aggregate of liabilities of bank directors to this bank and its branches as payers, $ 687,551; indorsers, $ 335,082; total amount, $ 1,022,533.

For a better understanding of the affairs of this institution, the committees obtained separate statements of the affairs of the parent bank, and of the two branches, made up to the same day. These are appended to this report, condensed into a form to show at a glance the dead weight and the movement of the bank and each of its branches, on the 12th of February.

It will be perceived that a very large and profitable part of the business of the bank in New Orleans is transacted through the branch in the Second Municipality, and that its loans made through the branches, and particularly through that in the Second Municipality, are much beyond the line prescribed in the charter of the bank, for the proportion of business to capital, and also exhibit a large excess of the joint business of the parent bank and branches beyond the charter limitations. It is worth a particular remark that the branch in the Second Municipality has, upon an assigned capital of $ 100,000, loaned to its own directors, and those of the parent bank, the sum of $ 255,055, or two and a half times its capital.

The committee cannot leave this subject without at least alluding to grave questions appertaining to this institution, which have been much debated from time to time, but never judicially examined and authoritatively settled. Has the bank a right to erect, in the place where its own business is conducted, another bank under the name of branch, with powers as comprehensive as its own; "and with this, the consequent right of multiplying itself indefinitely in the same city?" Are the privileges which have been exercised under the act of 1850, in relation to the establishment of a branch at Baton Rouge, whereby the bank claims an exemption from the limitations imposed by its charter upon the loans made through its branches, lawfully claimed and exercised? Upon points of

so much intricacy, the committee are indisposed to express positive opinions, but they have no hesitation in saying that there ought to be a judicial determination of these points. In what form it should be sought, it is not their province to point out, but they insist that the construction of the law ought to be rigidly made against powers so dangerous, and license so unlimited.

Citizens' Bank.

The examination of the affairs of the Citizens' Bank shows that the institution has no circulation or deposits, and no liabilities, except for the State bonds and bank bonds held abroad. The committee had only to look into the security which the State has in the assets of the institution, and the mortgage securities given to the bank by its stockholders for the punctual payment of the State obligations as they become due. Such an examination as the committees were able to make, consulting the local knowledge of the different members of the committees as to the value of the mortgages upon property in their respective localities, induces the belief that the security is ample for the protection of the State. The mortgages remain binding for their original amount, although sixteen instalments of one dollar on each share have been called in and paid with remarkable punctuality. The bank has considerable assets, and is collecting from the stockholders the contributions authorized under the act of 1847. These will, for a number of years, produce a considerable surplus of receipts over payments. The State is, in the judgment of the committees, well protected against loss for her liabilities for this bank, if her interests are prudently guarded hereafter.

There has been no movement in this bank since the report of the bank managers, which is already in the possession of the Legislature. The committee have, therefore, not thought it necessary to attach another general statement to this report.

The Consolidated Association.

The same general remarks apply to this bank; it has no circulation or movement. The State's interest lies in superintending the liquidation in order to protect itself against loss on account of bonds issued for the use of the bank. The winding up of this bank will show a heavy loss to the stockholders. The apparent deficiency is now about $300,000, which will doubtless be considerably increased on the closing of unsettled accounts; but the mortgages which the bank holds, and its good assets, afford, in the present aspect of affairs, an apparent abundant security against loss to the State on account of the bank.

The successful negotiation of the Citizens' Bank with the foreign bondholders, by which that institution is permitted and expected to revert shortly to the control of its stockholders, will, on the consummation of those arrangements, make necessary a change in the State management of this institution. The board of bank managers, now established by law, will have only in charge the Consolidated Association; and the machinery is too expensive and unsuited for the administration of a single bank. The subject will require the action of the Legislature.

Union Bank.

The only remaining bank to be noticed is the Union Bank, which is also in liquidation, and has nearly closed its affairs. Its liabilities are nearly nominal, or have been adequately provided for, and it has collected and divided among its shareholders nearly the whole of its capital. In the division of its surplus profits, the State, as stockholder to the amount of one sixth, has received, in two dividends, the following sums: —

First dividend, June 1st, 1852, ...	$ 207,170
Second dividend, January, 1853, ...	137,396

The whole of the first dividend, and a further sum of $ 22,866.73 of the second dividend were retained by agreement with the State, on account of the liabilities of the bank for the Clinton and Port Hudson Railroad bonds. Another sum of $ 3,000 was credited on account of a sight-draft on the treasury, paid by the bank; and $ 6,000 to refund a deposit made with the State Treasurer to represent six State bonds, which the bank is ready to deliver.

The balance, amounting to $ 105,529.67, the committee found placed to the credit of the State on the books of the bank, where it has been, subject to draft, since the first of January last.

The State has still an interest of one sixth in the profits of the bank which are yet undivided. A proposition has been made by the bank to purchase this interest. The Treasurer of the State was authorized, by an act passed last March, to negotiate with the bank, but was unable to come to any agreement. The bank offered eighteen dollars per share, which the Treasurer declined accepting. The bank has since made a dividend of fifteen dollars a share, on which the State has received $ 137,396. There is still a considerable amount undivided of unascertained value.

. . . . . .

All of which is respectfully submitted.

G. W. CLIFTON, *Chairman Senate Committee.*
S. F. WILSON, *Chairman House Committee.*

A DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF MASSACHUSETTS, ON BANKS AND BANKING, &c.

(*Continued from April No., p.* 816.)

3. *Of the Failure of the Consideration.*

1. Where a note is given, not upon one consideration, which goes to the whole note at the time it is made, but for two distinct and independent considerations, each going to a distinct portion of the note, and one is a consideration which the law deems valid and sufficient to support a contract, and the other not, there the note will be apportioned, as between the original parties, or those standing in the same relative position, and the holder shall recover to the extent of the valid consideration, and no further; and where the parts of the note are not respectively distinct and liquidated, it is to be left to the jury to determine what part of the amount was upon one consideration and what part upon another. *Parish* v. *Stone*, 14 Pick. 198.

2. Where the consideration for a note is single and entire, and goes to the whole note, and is good and sufficient at the time it is made, but has afterwards wholly failed, such failure of the consideration is a good defence to an action on the note; but where the consideration has only partially failed, the party complaining thereof is left to his cross action. *Ibid.*

3. Where a promissory note was given for the purchase of a patent-right, which proved to be void, the note was held to be entirely without consideration, notwithstanding that the vendor believed at the time of the sale that the patent-right was valid; and the patent-right being void, the covenants of the vendor, that he had a good right to sell, and would warrant and defend the same, formed no consideration which would support the note. *Dickinson* v. *Hall*, 14 Pick. 217.

4. A promissory note, given in consideration of the assignment of a patent-right which had been fraudulently obtained, was held void, although certain materials had been furnished, and instructions had been given by the promisee to the promisor in the art patented. *Bliss* v. *Negus*, 8 Mass. 46.

5. Where a note appeared upon its face to have been given in consideration of the transfer of a patent-right, and the patent-right proved to be of no value, the maker cannot avail himself of this want of consideration in defence of an action on the note by a *bonâ fide* indorsee. *Goddard* v. *Lyman*, 14 Pick. 268.

6. If the purchaser of a chattel give his note for the price, he may avail himself of a partial failure of consideration, or of deception in the quality or value of the chattel, or of a breach of warranty, to reduce the damages in an action brought by the vendor upon such note; and he is not obliged to resort to a separate action for the deceit or upon the warranty. *Perley* v. *Balch*, 23 Pick. 283.

7. Where a bill of sale of chattels was given to secure them from attachment by the creditors of the seller, and the vendee gave his note for the value of the chattels, the vendee having received a part of the chattels, and the residue having been consumed or sold by the vendor, or levied on by his creditors, it was *held*, that there was a failure of the consideration of the note, except as to property received by the vendee, and that this was a defence *pro tanto* against the note. *Dyer* v. *Homer*, 22 Pick. 253.

8. Where a promissory note, given for a chattel that is warranted to the promisor by the payee, is indorsed after it is dishonored, and the indorsee sues the promisor on the money counts, and gives the note in evidence, the promisor may show that the chattel was not such as it was warranted to be; and he is thereupon entitled to a deduction from the amount of the note, of so much as the chattel, by reason of its defects, was worth less than the note; but he is not entitled to a deduction of the difference between the amount of the note and the sum which the jury may deem the true value of the chattel at the time of the sale. *Goodwin* v. *Morse*, 9 Met. 278.

9. Where a sale of chattels is made by A, and he takes the purchaser's note for the price, and the chattels are afterwards attached as the property of A, and an action of replevin is brought against the attaching officer by the purchaser, and judgment is given in favor of the officer, on the ground that the sale by A was in fraud of creditors, this judgment would be a bar to an action on the note by A. *Bailey* v. *Foster*, 9 Pick. 139.

10. In an action on a promissory note given for the purchase-money of land, the action being between the original parties, it is competent for the defendant to prove by way of defence a total failure of the consideration by reason of a total failure of title to the land; and the covenants of seizin and warranty in the deed of conveyance of the land do not form a consideration that will support the promise. *Rice* v. *Goddard*, 14 Pick. 293; *Knapp* v. *Lee*, 3 Pick. 452.

11. Where a note given for the purchase-money of land was assigned after it was due, and the maker made payments on the note to the assignee and promised to pay the balance, and afterwards refused to pay by reason of a total failure of title to the land, it was held that the assignee could not enforce payment of the note against the maker. *Rice* v. *Goddard*, 14 Pick. 293.

12. Where the consideration of a note was a conveyance of land, and the grantor and promisee had died insolvent, and the action was brought by the administrator of his indorsee, who at the time of the indorsement had notice that the title was questioned, such defence was allowed under the general issue, since the defendant could not plead the demand on the covenants by way of set-off, nor avail himself of it in a cross action, and in such a case the plaintiff may introduce evidence to show that the value of the land, at the time of the action, was less than the amount of the note. *Knapp* v. *Lee*, 3 Pick. 452.

13. A having agreed to sell B a piece of land, and deliver a deed at a certain day, B in the mean time agreed with C to sell him the land. A delivered a deed of the land to B, and C paid A a part of the purchase-money, and gave A his note for the balance, taking a deed of the land to himself from B; but A knew that B had bargained with C for the land, and there was some conversation had about making a deed of the land directly from A to C; the deed from A to B and that from B to C both contained the usual covenants of seizin and warranty. In an action against C on the promissory note, it was held that he might prove by way of defence a total failure of title to the land, and that the cove-

nants in the two deeds would not form a sufficient consideration to support the promise. *Ibid.*

14. A, being possessed of land as tenant in common, releases her right to B, her co-tenant, who at her request conveys the same to C, with warranty. C, in consideration thereof, gives A his note for the value of the land. Afterwards B dies insolvent, and C, having been obliged to pay off an encumbrance on the land existing prior to B's conveyance, claims to have the sum so paid by him deducted from his note to A, but was held liable for the whole amount of the note. *Sanger* v. *Cleveland*, 10 Mass. 415.

15. Where one gave his promissory note in consideration of a bond conditioned to convey land, the promisor was held to pay his note, although the land was mortgaged at the time of executing the bond, and remained so when the action was brought on the note. *Smith* v. *Sinclair*, 15 Mass. 171.

16. Land of a stranger being under mortgage, and the equity of redemption having been attached by his creditors, he quitclaimed to the plaintiffs all his title, and the plaintiffs agreed to convey the land to the defendant in consideration of his promissory note. Judgments were recovered by the attaching creditors, which, together with the debt due on the mortgage, were paid or assumed by the plaintiffs, and the plaintiffs gave the defendant a quitclaim deed of the land. Afterwards, and in pursuance of an understanding between the plaintiffs and the defendant, and to make the defendant's title more secure, the plaintiffs caused the equity of redemption to be sold on the judgments, and bought it in themselves. The plaintiffs then offered to convey the land to the defendant without any covenant of warranty except as against themselves and those claiming under them, on condition that the defendant would pay the note; but he denied his liability on it, and refused to take the land; whereupon the plaintiffs conveyed to a stranger with a general warranty, and indorsed the proceeds on the note, but without authority from the defendant, and brought an action for the balance. *Held*, that these proceedings did not discharge the defendant from his liability on the note. *Sexton* v. *Wood*, 17 Pick. 110.

17. A factor sold goods of his principal to several different purchasers, on credit, and also sold his own goods, on credit, to one of the same purchasers, and took a note, payable to himself, for the amount of his own goods and those of the principal. He rendered an account of sales to his principal, stating at the foot thereof, that the balance would be "due by average, if collected," on a certain day, and directed the principal to charge him "with sales due on" that day, the amount of the balance of said account. He afterwards made advances to the principal, and gave him a negotiable note, payable on demand, for the balance of the account as before rendered. The purchaser, of whom the factor took a note, as aforesaid, failed before the term of credit had expired, and paid nothing for the goods for which his note was given. *Held*, in a suit on the note thus given by the factor, that these facts did not show conclusively that he was bound to pay the note in full, as they did not show a final settlement and payment of the account; but that, on these

facts, so much of the consideration of the note as included the debt of the insolvent purchaser had failed, and that for so much of the note the factor was not liable. *Hapgood* v. *Batcheller*, 4 Met. 573.

9. *Of other Defences and Matters of Discharge.*

1. In General.
2. Payment.
3. Release.
4. Discharges under Insolvent Laws.
5. Former Judgments.
6. Alteration.
7. Fraud and Illegality.
8. Infancy.

1. *In General.*

1. It is no defence to an action upon a promissory note, that it was made on Sunday. *Geer* v. *Putnam*, 10 Mass. 312.

2. It is no bar to an action on a promissory note payable at a place and time certain, that the holder was not present with the note at the time and place fixed. *Payson* v. *Whitcomb*, 15 Pick. 212; *Carley* v. *Vance*, 17 Mass. 389; *Ruggles* v. *Patten*, 8 Mass. 480.

3. In an action on a note payable at a time and place certain, it is not necessary for the plaintiff to aver and prove a presentment at such time and place; and it is incumbent on the defendant to show, by way of defence, that he was ready to pay at such time and place. *Payson* v. *Whitcomb*, 15 Pick. 212.

4. A discharge of the acceptor by the payee of a bill of exchange, is not a discharge of the drawer, where the acceptor has no funds of the drawer in his hands. *Sargent* v. *Appleton*, 6 Mass. 85.

5. The discharge of a party liable to the payment of a bill of exchange, by the holder, is a discharge of all those parties whose liability is subsequent to that of the party discharged. *Ibid.*

6. Any credit by the indorser and holder to the drawer, acceptor, promisor, or a prior indorser, is a consent to hold the demand on their responsibility, and a subsequent negotiation of the note does not renew the liability of parties discharged by such credit given. *Shaw* v. *Griffith*, 7 Mass. 495.

7. In an action upon a negotiable note against the maker, he cannot object that the action is brought in the name of an indorsee, at the request and for the benefit of the payee. *Brigham* v. *Marean*, 7 Pick. 40.

8. In an action by the indorsee of a note against the maker, it is no defence, that, in consequence of the insolvency of the maker, the payee sold it to the plaintiff for much less than the sum due on it, and upon a verbal condition that the plaintiff would exact of the maker only about as much as the plaintiff gave for the note. *Babson* v. *Webber*, 9 Pick. 163.

9. E. being indebted to B., S., who was E.'s agent, agreed to give E.'s notes with his own indorsement to B. in consideration of time being given E. for payment; four notes were accordingly made, payable to S., one on

demand, the others on time. The notes were signed by another person acting as attorney for E., for which he had sufficient authority. They were indorsed by S., and transferred to B. E. had died before the agreement or notes were made, and his estate was insolvent; but his death was not known to any of the parties at the time. The notes on time were duly presented for payment to the administrator of E., and S. was duly notified of their non-payment. In an action brought by B. against S. as indorser of the notes, it was *held*, that he was liable as indorser, and could not set up as a defence that the notes were void as to E., on account of his death before they were signed. *Burrill* v. *Smith*, 7 Pick. 291.

10. Where the payee of a note, at the time it was signed by the maker, and as a part of the same transaction, indorsed thereon a promise not to compel payment thereof, but to receive the amount when convenient for the maker to pay it, it was *held*, that the indorsement must be taken as part of the instrument, and that the payee could never maintain an action thereon. *Barnard* v. *Cushing*, 4 Met. 230.

11. A promise by the holder of a joint and several note, to one of the makers who had made part payment thereof, that he would look to the other maker for payment of what remained due thereon, is without consideration, and furnishes no defence to an action against the maker to whom such promise was made, to recover the remainder of the note. *Smith* v. *Bartholomew*, 1 Met. 276.

12. Where, after a note was made, but before it was payable, the holder for a good consideration agreed verbally, that he would not consider it as due till the expiration of two months from the time of its original maturity, it was *held*, that such agreement, being executory, was not a bar to an action commenced on the note by such holder before the two months had expired. *Allen* v. *Kimball*, 23 Pick. 473.

13. Where the promisee of a note payable at a day certain contracts, at the time the note is given, not to demand payment of it until a certain time after its maturity, such contract is a collateral promise, for breach of which, if there is a legal consideration, an action may lie; but it will be no bar to an action on the note when due by its terms. *Dow* v. *Tuttle*, 4 Mass. 414.

14. A covenant by the payee of a promissory note, not to sue the maker within a limited time, cannot be pleaded in bar to an action brought within the time by an indorsee to whom the note was indorsed after it had become due, and *it seems* that the plea would be bad if the action had been brought by the original payee. *Perkins* v. *Gilman*, 8 Pick. 229.

15. A being in failing circumstances, and wishing to preserve his estate, upon which an execution had been extended, from attachment by his creditors, procured B and C to purchase the estate of the execution creditor, and for that purpose transferred to them sundry securities for the payment of money, taking their joint note for the amount of the securities, and an obligation from them to reconvey the estate to him on his paying them the same sum. A also gave them a written promise that the note should never be collected. A died insolvent, and his administrator recovered judgment on the note, although it was more than sufficient

to discharge all claims upon A's estate, and the surplus would go to the benefit of his family. *Martin* v. *Root*, 17 Mass. 222.

16. The maker of a promissory note, after it had become due, entered into a parol agreement with his creditors and F., by which it was stipulated, that F. should, from time to time, receive the maker's wages from his employers, as they became due, for the benefit of his creditors, and that the holder of the note should receive payment of the note in monthly instalments from F., and should not commence an action on the note so long as the agreement should be complied with. Two instalments were accordingly paid on the note. It was *held*, that this was an executory and collateral agreement, without any legal consideration, and was no defence to an action on the note. *Walker* v. *Russell*, 17 Pick. 280; *Central Bank* v. *Willard*, 17 Pick. 150.

17. In an action on a promissory note, a witness served by the plaintiff with a *subpœna duces tecum* to produce the note, testified that the defendant, a mechanic, assigned his property to the witness, who was a creditor, and that the plaintiff and other creditors put their demands, including the note in question, into the hands of the witness for collection, under an agreement that he might furnish stock to the defendant, to be worked up by him for the benefit of the creditors, and that the proceeds of all the property should be applied, first, to the reimbursement of the advances made by the witness, and then to the payment of the demands, and that a large sum was due the witness for such advances. *Held*, that he was not bound to produce the note; that as no period was specified for the termination of the witness's agency, a reasonable time for its continuance must be allowed, and a creditor must be considered as acquiescing in the time taken by the agent, unless he gave him notice to hasten the collection of the demands. *Held*, also, that the plaintiff could not secure his own demand by attaching the property, without first giving notice to the other creditors, and putting them in the same situation which they were in before the agreement was made. *Bull* v. *Loveland*, 10 Pick. 9.

18. A, being indebted to B on several notes and checks, gave B four new notes payable at future days, which altogether did not amount to the sum due on the old notes. At the same time they entered into an agreement, that if any of the new notes were not paid when due, the old notes and checks should be in full force, deducting any sums which had been paid on the new notes, and that if in such case B should see fit to enforce payment of the old notes and checks, he would enter upon them such sums as had been paid on the new notes, and give up to A the new notes; but if all the new notes were paid, then B should give up the old notes to be cancelled. *Held*, that payment of the new notes on the days they became due was necessary to entitle A to the benefit of the agreement, and that B had a right to sue on the old notes upon A's failure to pay one of the new notes at maturity. That the indorsement on the old notes of the sums received on the new, and the returning the new notes, was not a condition precedent in order to entitle B to sue on the old notes; but if it were, it seems that such indorsement was seasonably made, if made after filling out the writ, but before its delivery to the officer. *Tufts* v. *Kidder*, 8 Pick. 537.

19. The payee of a note for the payment, "ten years after date, of $750, with interest semiannually, $50 of the principal to be paid annually, until the whole is paid," covenanted with the promisor, by an agreement under seal, executed on the same day with the note, that, "if said note should not be paid at the expiration of the said ten years," he would "give up said note" to the promisor, provided the latter should execute to him a quitclaim deed of certain land mentioned in the agreement. It was *held*, that this agreement (assuming that the note and agreement constituted an entire transaction, which the court did not decide) did not preclude the payee from enforcing payment of the interest, and such instalments as should become due before the expiration of the ten years. *Ewer* v. *Myrick*, 1 Cush. 16.

20. In assumpsit by the promisee against A and B, the makers of a joint and several promissory note, A not appearing, B pleads in bar, that A being indebted to the plaintiff in a certain sum, and B being indebted to A in a sum not then liquidated, it was agreed between the plaintiff and B, that B should assume to pay the plaintiff whatever should afterwards be found due from B to A, and that, if B would sign the note declared on, he should be held to pay thereon only the sum which should be so ascertained to be due from him to A; that he signed the note accordingly, and had paid to the plaintiff the sum ascertained. It was *held*, upon demurrer, that this agreement could not be set up against the note. *Shed* v. *Pierce*, 17 Mass. 623.

21. P. and the defendant agreed to purchase a vessel together, and the defendant was to take the bill of sale in his own name and hold it until P. paid for his part. P. then paid the defendant one hundred and ninety dollars, taking the defendant's note therefor on demand; the defendant purchased the vessel, and afterwards signed a writing, which was accepted by P., setting forth that a portion of the vessel was to belong to P. on his paying therefor, and acknowledged the receipt of one hundred and ninety dollars towards such payment, which was admitted to be the same money for which the note was given. It was *held*, that this was an accord and satisfaction of the note, although it was not cancelled. *Peck* v. *Davis*, 19 Pick. 490.

22. The defendant holding sundry notes for the use of the plaintiff, the plaintiff, believing them to have been collected, brought an action for money had and received, which was referred to referees, and in the agreement it was stated that the plaintiff had no other demand than for money had and received. The report did not award any money to be paid to plaintiff, but gave a list of the notes, the which, when collected, would belong to him. *Held*, that the agreement was no bar to a future action for such proceeds. *Boyd* v. *Davis*, 7 Mass. 359.

23. In an action upon the promissory note of a partnership, against the surviving partner, it was *held*, that an indenture by which the plaintiff and the deceased partner, and another person, had covenanted to indemnify the surviving partner against all debts due from the partnership and against all actions brought against him by reason of such debts, was a good bar to avoid circuity of action. *Whitaker* v. *Salisbury*, 15 Pick. 534.

24. Where one, at the time of commencing an action, agreed that he would pay to the defendant, or to such of his creditors as he should designate, whatever sum should be recovered of one summoned in the action as a trustee, it was *held*, that the plaintiff was not by such agreement estopped, as against the defendant, from giving in evidence a note which he had not intended to include in the action at the time it was commenced, but which was due at that time, the benefit thus secured to the defendant not being coextensive with what might be recovered of him, but with what might be recovered of the trustee. *Webster* v. *Randall*, 19 Pick. 13.

25. *Held*, also, that the plaintiff was not by the agreement estopped to recover from the trustee, although since the commencement of the suit the trustee had paid over the funds in his hands to a *bonâ fide* assignee for value of the demands due the designated creditors, in satisfaction of such demands, and notwithstanding the plaintiff had commenced a subsequent action declaring on the promissory note, in which the defendant was arrested, and which was afterwards discontinued. *Ibid.*

26. In 1814, A made a note to B, his brother, promising to pay him one hundred dollars, "as a legacy, to be paid at the decease of T.," the father of A and B, who died in 1820. From 1802 to 1845, B was out of the Commonwealth, and his place of residence was unknown to his friends. The note was put into the hands of a third person, who kept it till 1845, when B returned, and was then first informed by A of the existence of the note. Between July and December, 1845, A paid to B, on the note, different sums, amounting, in the whole, to one hundred dollars, which were intended to be in full, and were accepted by B in discharge of all claim by reason of the note. Before the last payment was made, B had claimed interest, and had left the demand with an attorney for collection, but A had refused to pay interest; B afterwards brought an action against A to recover interest from the time of T.'s death, when the note was payable. *Held*, that the acceptance of the principal sum by B, in discharge of the note, was a compromise of a doubtful claim, made on sufficient consideration, and was binding on B, and that the action could not be maintained. *Tuttle* v. *Tuttle*, 12 Met. 551.

27. Where one, acting as guardian of the plaintiff under a void appointment, agreed with the defendant that he would not enforce the plaintiff's right of dower in land which had been conveyed to the defendant, and the defendant, in consideration thereof, gave the supposed guardian a note promising to pay him a certain sum annually during the plaintiff's life, and the plaintiff, by such supposed guardian, brought an action on the note, it was *held*, that the defendant was not estopped to deny, that, at the time when the action was brought, the plaintiff was not under the guardianship of the supposed guardian. *Conkey* v. *Kingman*, 24 Pick. 115.

28. But if the plaintiff, by herself or any authorized agent or guardian, should see fit to enforce the contract respecting her dower, *it seems* that the suit would be a ratification of the unauthorized act of the supposed guardian, and the defendant would not be allowed to deny its validity. *Ibid.*

29. A note not negotiable, signed by M. & P., and payable to F., T., & Co., who were partners, was indorsed in the name of the firm by T., and disposed of by him to A. & Co. for its full value. In an action on the note by A. & Co., against F., T., & Co., as guarantors, it was *held*, that, if the plaintiffs, when they received the note, knew that it was obtained of the defendants by false representations made by M., or that T. signed the name of his firm without the consent of his partners, and merely for the accommodation of M. & P., the plaintiffs could not recover, unless, in the latter case, the act of T. had been afterwards ratified by his partners. *Sweetser* v. *French*, 2 Cush. 310.

2. *Payment.*

1. Where a bill is paid at maturity, in full, by the acceptor, or other party liable, to a person having a legal title in himself by indorsement, and having the custody and possession of the bill ready to surrender, and the party paying has no notice of any defect of title or authority to receive, the payment will be good. *Wheeler* v. *Guild*, 20 Pick. 545.

2. In an action by the indorsee against the maker of a promissory note, if the maker sets up payment to the promisee as a defence, he must prove the payment to have been made before the indorsement. *Webster* v. *Lee*, 5 Mass. 334.

3. A and B mortgaged their land to C, to secure a note made by A to C or his order. C assigned the mortgage and note to D, but did not indorse the note, and A had notice of the assignment. D brought an action on the note, in the name of C, against A, and B afterwards paid the amount of the note to C, and took his receipt. *Held*, that this payment, though made by B in good faith, and without actual notice of the assignment, could not avail A as a defence, whether it was made at his request or without it, and that D was entitled to judgment in C's name on the note. *Merriam* v. *Bacon*, 5 Met. 95.

4. The holder of a promissory note, bearing interest, being about to leave his home, left the note in the care of his son, with instructions not to receive payment in his absence; but the promisor coming, and insisting on paying it, although informed of the son's instructions, the son received the money and gave up the note, though it was not then payable. *Held*, that the father might maintain trover for the note against the promisor. *Kingman* v. *Pearce*, 17 Mass. 247.

5. The payees of a note, made payable on demand, indorsed it to a bank as collateral security, and the makers paid the amount of the note to the payees while it was thus in the bank, and took their receipt acknowledging payment thereof, and promising "to give it up when called for." The makers did not call for it until after the failure of the payees, who had in the mean time, and more than eight months after the date of the note, transferred it to another bank. *Held*, that a jury would not be warranted, by the terms of the receipt, and the delay of the makers to call for the note, in inferring that the makers intended to authorize or permit the payees to receive it. *Held*, also, that the latter bank could not recover against the makers in an action on the note. *American Bank* v. *Jenness*, 2 Met. 288.

6. The plaintiff, who was the holder of a note indorsed in blank, delivered it to B. & G., who were in partnership as attorneys, to be held by them as collateral security for the payment of certain debts due from the plaintiff to B. & G. and other persons; and the note was placed among the private papers of G., by whom the business was in fact transacted. Some time after the payment of the debts so secured, but before the maturity of the note, the maker paid to B. the amount due on the note, exclusive of interest, and took therefor a receipt signed by B. alone, setting forth that it was in full payment of the note, and that the note was to be delivered up to the maker. It was *held*, that, as the note was not in fact delivered up to the maker, and was not due, and the right of B. & G. to transfer or collect the note ceased upon the payment of the debts for which it was pledged, the payment to B. did not operate as a payment and discharge of the note; and that the plaintiff might, notwithstanding such payment, recover the amount thereof of the maker. *Wheeler* v. *Guild*, 20 Pick. 545.

7. S., of the firm of S., B., & C., gave a note to P. for a debt due from him alone to P. P. afterwards became indebted to the firm, on account, in a sum larger than the amount of S.'s note to him, and C., one of the firm, requested payment of P., who paid to C. a part of his debt, saying that he held S.'s note, which he intended to turn in for the balance of the account; C. thereupon told P., that if S. owed him, all was right, and C. considered it as understood and agreed that the matter was to be arranged as P. had proposed, and so stated to S., who agreed thereto; but no communication on the subject was made to B., nor was the note given up, nor credit given for it in account. *Held*, in a suit by P.'s administrator against S. on the note, that P.'s debt to the firm could not be set off against the note, and that the agreement between P. and C., to which S. assented, was not an accord and satisfaction, nor a payment, nor a substitution of the debt of S. to P. for P.'s debt to the firm, so as to bar the action on the note. *Dehon* v. *Stetson*, 9 Met. 341.

8. A negotiable note was made to the plaintiff by the defendant, and it was agreed that a note of the plaintiff held by the defendant, but which he had not by him at the time, should be set off against it, so far as the smaller would pay the larger. It was *held*, that this agreement was executory, and did not therefore extinguish the smaller note. *Cary* v. *Bancroft*, 14 Pick. 315.

9. E. H. R., one of the executors of A. S., gave to the executors of W. P. a memorandum as follows: "It is agreed that the sum of $ 3,235, due from E. H. R. to the estate of W. P., shall be applied on a certain note of W. P. for $ 6,000, now held by the representatives of A. S.," — which memorandum was signed "E. H. R.," without saying that it was signed by him as executor. *Held*, that this memorandum was not merely an executory agreement, but operated as a payment *pro tanto* of the note. *Gardner* v. *Callender*, 12 Pick. 374.

10. In an action against the promisor by the holder of a promissory note, indorsed after it was dishonored, the defendant proved that, there being an unsettled account between himself and the payee, the payee agreed to take up the note from a creditor, to whom he had indorsed it,

and upon a settlement of the account to deliver it to the defendant; that the payee did take it up for that purpose, and that there was a balance due from him to the defendant exceeding the amount of the note. *Held*, that this agreement operated as a payment of the note. *Peabody* v. *Peters*, 5 Pick. 1.

11. S. H., the holder of a promissory note signed by W., for five hundred dollars, indorsed it to J. H., who at the same time gave the following receipt. "When S. H. shall pay me his note of $ 100, given by him this day to me, then I will deliver up to him a note of $ 500, which he has indorsed over to me, against W." W. paid his note to J. H., and afterwards both J. H. and S. H. died. It was *held*, that, upon payment of W.'s note, the law, without any act on the part of S. H., applied so much of the amount as was necessary in payment of the note of S. H.; that the residue might be recovered by the administrator of S. H., as money had and received to his use, without a previous special demand; but that without such demand, interest on such residue could be recovered only from the time of the service of the writ. *Hunt* v. *Nevers*, 15 Pick. 500.

12. A. B. gave his note to E. G. for six hundred dollars, on demand, to be negotiated to S. G. in payment of a debt due from E. G. to S. G., and E. G. at the same time gave his note to A. B. for six hundred dollars, and a mortgage of personal property to secure said note. S. G. refused to receive A. B.'s note in payment of E. G.'s debt, sued E. G. and attached the property which E. G. had mortgaged to A. B., and recovered judgment. E. G. indorsed A. B.'s note to J. L.; A. B. sued E. G. on E. G.'s note to him, and recovered judgment. J. L. brought an action against A. B. on his note, which E. G. had indorsed to J. L., and A. B. filed in offset, under the provisions of Stat. 1839, c. 121, § 1, his judgment against E. G. On the trial of this action, it appeared that when S. G., in his suit against E. G., attached the property mortgaged to A. B. by E. G., A. B. brought an action against him for attaching it, but that the action was never entered in court, that the mortgaged property was sold towards satisfying the judgment which S. G. recovered against E. G., and that S. G. gave A. B. a bond of indemnity against his note to E. G., which was indorsed to J. L. *Held*, that these transactions did not amount to a payment of A. B.'s note to E. G. *Lewis* v. *Brooks*, 12 Met. 304.

13. A made seven promissory notes of the same date, payable to B, or order, at different times, and gave B two mortgages of personal property to secure payment of the notes as they should become due. The first two notes were paid by A at maturity. B and C (the plaintiff) indorsed one of the other notes to a bank that discounted it, and B indorsed another of the notes to C; B also assigned the mortgages to the bank, to secure payment of the discounted note. The bank foreclosed said mortgages, and C, with the consent of B, placed the note which B had indorsed to him in the hands of the cashier of the bank, as agent for C, to do with it as he should think for C's best interest, and to secure it, if he could, out of the mortgaged property in the cashier's hands, which was of greater value than the amount of the five notes which A had not paid.

The cashier commenced an action for C. against A, on the note indorsed by B to C, and caused A's property to be attached to secure it. *Held*, that the foreclosure of the mortgages by the bank did not operate as payment of the note held by C, and that it was liable to said action. *Leland* v. *Loring*, 10 Met. 122.

14. The maker of a note, which was discounted by a bank, transferred to the bank, as mere collateral security, shares in an insurance company, by a conveyance absolute in form, and these shares were attached by a creditor of the bank, before the note fell due, and sold on execution after it fell due. *Held*, that a plaintiff, who received said note from the bank after it was overdue, could recover nothing in an action thereon against the maker, if said shares were, at the time they were so attached, of sufficient value to pay the note, though they were of less value than the amount of the note, when they were sold on execution. *Potter* v. *Tyler*, 2 Met. 58.

15. Where the holder of two promissory notes, made by the same person, commenced an action upon one of them, and, after receiving money sufficient to pay it from the sale of property assigned as collateral security for the notes, continued to prosecute the action, and forbore to sue on the other note, which had become payable before the money was received, it was *held*, that, in the absence of any appropriation by the maker, the holder would be deemed to have applied the money in payment of such other note. *Allen* v. *Kimball*, 23 Pick. 473.

16. Where the holder of a bill of exchange, accepted for the accommodation of the drawer, sends it to a bank for collection, and the bank, when the bill comes to maturity, passes the amount thereof to the credit of the holder, this is not such a payment as discharges the acceptor; but the bank succeeds to the rights of the holder, and may maintain an action on the bill against the acceptor. *Pacific Bank* v. *Mitchell*, 9 Met. 297.

17. The defendant and one B. gave, each to the other, his negotiable note, of the same date, for the same sum, and payable at the same time. B. raised money upon the note given him, by pledging it to one M., and after it became due, the defendant signed another note, as surety for B., for the purpose of redeeming the first note, and directed B. to use it for that purpose, and return to him the first note. B. raised money upon the new note, and therewith took up the first note; but instead of returning it to the defendant, he negotiated it to the plaintiff. In an action upon this note it was *held*, that the money paid to M. was B.'s money, and not the defendant's, and B. therefore had a right to negotiate the note again. *Eaton* v. *Carey*, 10 Pick. 211.

18. Where a negotiable promissory note, signed by one as principal and others as sureties, was paid to the promisee after it was due, and the evidence left it doubtful whether it was paid by the principal or by A, who was not a party to the note, and the note was given up, but not indorsed by the promisee at the time, but was afterwards so indorsed, it was *held*, that an action brought against the makers of the note in the name of the promisee for the benefit of A could not be maintained, although A after the commencement of the suit had procured an authority from the promisee to carry on the suit for his own benefit. *Merrimack Bank* v. *Parker*, 7 Pick. 88.

19. The holder of a promissory note bequeathed to his daughter all the money due to him from the maker of the note, who was her husband, and appointed the husband his executor. The husband inventoried the note, and in his administration account charged the amount thereof as a legacy paid to his wife, which charge was allowed; afterwards, being insolvent, he conveyed his real estate to a trustee for the use of his wife, in consideration of the delivery of the note to him. It was *held*, that the legacy vested immediately in the husband, and there being sufficient assets to pay the testator's debt, extinguished the note; but that if it were a chose in action, he had reduced it to possession; that the note was extinguished before the execution of the deed, and the deed consequently made without consideration, and void against creditors of the grantor. *Pierce* v. *Thompson*, 17 Pick. 391.

20. The payee of a note released the maker upon the maker's assigning his property in trust for payment of his debts. The parties to the assignment afterwards agreed, by a sealed instrument, that the creditors should be paid fifty per cent. on their claims, in eighteen months; that the debtor should not be molested or sued within that time; and that if fifty per cent. should not be paid as aforesaid, the whole amount of the creditors' claims should be paid in full, "the release contained in said assignment to the contrary notwithstanding." *Held*, that said note was not merged in the latter agreement, and that the payee might maintain an action thereon against the maker, on his failing to pay fifty per cent. within the stipulated time. *Whitney* v. *Whitaker*, 2 Met. 268.

21. Where a person *non compos mentis*, and under guardianship, had in his possession a promissory note payable to himself, and received payment of it from the promisor, who had knowledge of the guardianship, it was *held*, that such payment was of no effect, and the letter of guardianship was held to be conclusive evidence that the ward was of unsound mind at the time of the payment. *Leonard* v. *Leonard*, 14 Pick. 280.

22. A tender of the amount due on a promissory note, by a surety on the note, while an action commenced by the holder of the note against the principal is pending, will not discharge the surety from his liability, unless he also offers to indemnify the holder against the costs of such action. *Hampshire Bank* v. *Billings*, 17 Pick. 87.

23. A tender by the indorser of a promissory note, on the next day after it has become due, without interest, is not sufficient. *City Bank* v. *Cutter*, 3 Pick. 414.

24. The holder of a promissory note commenced actions against the maker, and against the indorser, and the maker brought into court the amount due on the note, with interest, and offered to pay the costs of the action against himself. *Held*, that the plaintiff was not bound to accept it, unless the costs of both actions were paid. *Whipple* v. *Newton*, 17 Pick. 168.

3. *Release.*

1. In an action upon a joint and several promissory note of A. and S., brought against both promisors, A. was defaulted, and S. set up, as a defence, an agreement made between him and the plaintiff before the note

was due, by the terms of which the plaintiff exonerated and discharged S. from the payment of one half of the note, upon his then paying the other half and receiving of the plaintiff, at par, the note of a third person indorsed without recourse by the plaintiff. It was *held*, that the agreement was founded on a good and sufficient consideration, and that it was a good defence to the action so far as respected S.; but that under Stat. 1834, c. 189 [Rev. Stat. c. 109, § 7], the plaintiff was entitled to judgment against A. *Goodnow* v. *Smith*, 18 Pick. 414.

2. Where one had made a promissory note payable on demand, and the promisee joined in a letter of license to the maker, by which his creditors agreed to receive payment of their claims in five equal instalments, and that, if any of them should sue the debtor contrary to the tenor of the license, he should be discharged of all demands; the first three instalments were duly paid, and, the fourth not being paid, the promisee brought his action on the note before the fifth was due. It was *held*, that the action lay for the whole balance of the note. *Upham* v. *Smith*, 7 Mass. 265.

3. In an action upon a promissory note, it appeared that the defendant had assigned his property, in trust to pay the note in suit, after payment of many other debts; there was no express or implied stipulation in the assignment, on the part of creditors, to release or suspend their claims; but the plaintiff assented to the assignment, and claimed the benefit of it, though he had not executed it; and no part of the proceeds had been received by him. It was *held*, that these facts formed no bar to the action, but that the court might, in its discretion, delay judgment, to give a reasonable time for the property to be converted into money and applied according to the terms of the trust. *Rice* v. *Catlin*, 14 Pick. 221.

4. A indorsed promissory notes and bills of exchange for the accommodation of B, and before they fell due B failed and made an assignment of all his property for the benefit of his creditors. In this assignment A's liabilities for B were set forth, and A was placed among the preferred creditors. A and others accepted the assignment, and released all their several debts, dues, claims, and demands against B. B's property, which was assigned, was insufficient to pay the preferred creditors in full, and the proceeds thereof were divided among these creditors. *Held*, that the release discharged B from any further liability to indemnify A against the indorsements of said notes and bills. *Pierce* v. *Parker*, 4 Met. 80.

5. A partnership, consisting of W., S., S., and B, doing business in one town under the name of W., S., & Co., and in another under the name of B. & Co., made three promissory notes in the name of W., S., & Co. to the plaintiff. This partnership was dissolved, and thereupon, B., S., and S. formed a new copartnership, doing business in both places under the name of B. & Co., and became indebted to the plaintiff in the sum of one hundred dollars and seventy-eight cents. The new company soon after assigned their property in trust for the payment of their creditors, and in a schedule of the creditors, and of the sums due to them respectively, annexed to the indenture of assignment, was the name of the plaintiff, with the sum of one hundred dollars set against it. By the indenture, the creditors who became parties to it "release unto the said B., S., and

S., and each of them, the several debts and sums of money written opposite to their respective names, in the schedule hereto annexed." It was *held*, that, construing the indenture by itself, the plaintiff, by executing it, released only the sum set against his name, and that parol evidence to show that the notes were intended to be embraced by the release was inadmissible. *Rice* v. *Woods*, 21 Pick. 30.

6. Where a factor, having sold goods of his principal, took a negotiable note in his own name for the price, and before the same became due the purchaser failed and assigned his property by an indenture containing a release of all debts due to the creditors who executed the same, among whom was the factor. It was *held*, in an action by the factor to recover money advanced to the principal, that parol evidence was not admissible to show that the factor had debts due to himself from the assignors, and meant to release those debts only, and that, as the purchaser was released from the note in question, the principal might avail himself of that fact in defence of the action. *Deland* v. *Amesbury W. and C. Manuf. Co.*, 7 Pick. 244.

7. Where auctioneers sold goods of the plaintiff to the defendant, taking in payment a note of the defendant to his own order, and indorsed by him in blank, and he afterwards stopped payment, and the auctioneers became parties to an indenture of assignment for the benefit of his creditors, which contained a release, and a sum was put down against their names as the amount of their demands just sufficient to include all their other demands and also this note, which remained in their hands at the time of signing the indenture, though they then said that they did not know whether they had guaranteed the sale or not, and afterwards they found on examination that they had not guaranteed the sale, and accordingly they did not claim under the assignment for the amount of the note, and the plaintiff, being asked to become a party to the indenture, said he was not a creditor of the defendant, it was *held*, that the auctioneers by becoming parties to the indenture had not released the note, and the plaintiff was not estopped, by his declaration, made under a supposition that the note was guaranteed, that he was not a creditor of the defendants, from bringing an action on the note. *Nichols* v. *Arnold*, 8 Pick. 171.

8. A factor sold goods of two consignors, and took therefor the purchaser's negotiable note, payable to the factor's own order, the purchaser knowing that the goods belonged to the two consignors. The purchaser became insolvent, and assigned his property in trust to pay those creditors who should become parties to the indenture of assignment, which purported to release all demands. A schedule of debts annexed to the indenture specified, as due to the factor, the note above mentioned, and a demand for money lent by him to the insolvent. The factor executed the assignment, and subsequently indorsed the note to one of the consignors. In an action by this consignor, as indorsee of the note, against the maker, it was *held*, that parol evidence was inadmissible to show that by the execution of the indenture it was not intended to release the note; that by the execution of the assignment the note was released, and that the consignor, by declaring as indorsee, affirmed the note, which must

consequently operate as a payment and discharge of the original consideration. *West Boylston Man. Co.* v. *Searle*, 15 Pick. 225.

9. Where an insolvent debtor assigns his property for the benefit of such of his creditors as become parties to the assignment, and thereby release their claims, the release by the creditor extinguishes all notes made by the debtor and held by the creditor, and discharges the indorsers of such notes; but it does not discharge the maker of notes on which the debtor is indorser only, not even if they were made for the debtor's accommodation, if the creditor had no notice of the fact. *Commercial Bank* v. *Cunningham*, 24 Pick. 270.

10. A assigned all his property in trust for the payment of his debts and the securing of his indorsers, whose liabilities for him were set forth in a schedule annexed to the deed of assignment; the indorsers of his notes and the holders thereof, with other creditors, accepted the assigned property in full payment and discharge of all claims which they then had, or thereafter might have, on account of all demands, actions, causes of action, and moneys mentioned in said schedule, and covenanted not to sue or molest B on account of the same. *Held*, that the terms of the instrument were sufficient to release B from all liability to his indorsers. *Held*, also, that the indorsers of B's notes were not released by the holders, whether the notes, at the time of the execution of the release, were outstanding in the hands of parties who did not join in executing it, or were then in the hands of indorsees who did execute it. *Reed* v. *Tarbell*, and *Beals* v. *Tarbell*, 4 Met. 93.

11. The maker of an indorsed note made an assignment of his property in trust to pay his debts, which was executed by the holder and the indorser of the note, and contained a general release of all claims against the assignor, "provided that nothing contained in the assignment should be construed to impair or affect any lien or pledge therefore created or obtained as security for a debt or claim due from the assignor." It was *held*, that the security by the indorsement was "a lien or pledge" within the meaning of this proviso, and that the release of the maker did not discharge the indorser, he having agreed to the release by becoming a party to the assignment. *Gloucester Bank* v. *Worcester*, 10 Pick. 528.

12. An insolvent debtor made a general assignment of his property, by indenture, to trustees for the payment of his debts, which was executed by the holder and indorser of a note made by the debtor. The indenture contained a general release to the debtor, but with a proviso that it should not impair any collateral security taken by a creditor. It was *held*, that the indorser, having signed the indenture, was estopped from asserting that he did not know it contained a release of the maker by the holder; that having assented to the release by becoming a party to the indenture, he was not discharged from his liability, and it was immaterial whether he executed the indenture before or after the holder. *Parsons* v. *Gloucester Bank*, 10 Pick. 533.

13. In an action by the indorsee against the indorser of a promissory note, it was *held*, that the plaintiff's having received a dividend on the note from the estate of the maker, which was insolvent, and given a discharge in full to the administrator, did not discharge the defendant, or

preclude him from resorting to the maker's estate, and that the defendant was liable for the balance due on the note after deducting the amount received from the maker's estate by the plaintiff. *Burrill* v. *Smith*, 7 Pick. 291.

14. A release of one of several joint and several promisors is a release of all; *aliter* of a covenant not to sue. *Tuckerman* v. *Newhall*, 17 Mass. 581.

15. In an action against one of several joint promisors in a note of hand, it is no bar that one of the other promisors has paid his share and been discharged. *Ruggles* v. *Patten*, 8 Mass. 480.

16. A release of one of two joint promisors will not discharge the other from liability, unless it be a technical release under seal. *Shaw* v. *Pratt*, 22 Pick. 305.

17. A writing not under seal, signed by the holder of a joint promissory note, set forth, that in consideration of the transfer of certain notes to him by J. B. P., one of the joint promisors, he thereby agreed to discharge the joint note so far as J. B. P. was liable thereon, except that such writing should not operate to affect an action commenced by him against the other joint promisor. It was *held*, that the other joint promisor was not released by such writing. *Ibid.*

18. The joint note, in this case, being payable by instalments, a part of which were not due at the time of the transfer, it was *held*, that, under the agreement between the holder and J. B. P., the notes transferred, which also were not then due, should be applied in payment of such of the instalments as were not due, and not in discharge of those upon which the action in question was founded. *Ibid.*

19. A, of London, gave a letter of credit to B and C, of Boston, who thereupon drew bills on A, which he accepted and paid; B had other accounts with A, in which C had no concern. C had funds in the hands of B, and requested B to remit to A, and close the account of B and C. B afterwards made a remittance to A, and advised him, by letter, of other forthcoming remittances, and requested him to apply the sum which was actually remitted to B's account generally, and place the bills which A had accepted and paid for B and C to B's debit. This letter was shown to C before it was forwarded to A. A replied that he had received B's letter and "noted the contents." This letter was also shown to C. Before this letter was received B failed, being largely indebted to C, and in about seventy days after the letter was written A suspended payment, not having in his correspondence again alluded to B's request to debit him with the bills accepted and paid for B and C. About four months and a half after said letter was written, A forwarded his account against B and C, and it was put in suit. *Held*, that A had not by the terms of his letter to B agreed to discharge C, and look for payment to B alone, that there was no consideration for such agreement, if it had been made, and that A was entitled to recover of B and C. *Wildes* v. *Fessenden*, 4 Met. 12.

20. Where a complaint under the bastardy act was made against a man by a married woman, without joining her husband, and the party accused gave his promissory note payable to a third person, in trust, for

the wife to procure a withdrawal of the complaint, it was *held*, that the husband might release the note. *Wilbur* v. *Crane*, 13 Pick. 284.

4. *Discharges under Insolvent Laws.*

1. Where P., who was residing in New York, with the intention of becoming a citizen of that State, sold goods there as the agent of B., a citizen of Massachusetts, to M., a citizen of New York, and took for them M.'s note, payable to P. or order, which P. immediately passed to B., and M. afterwards obtained a discharge under the insolvent laws of New York, in an action by B. as indorsee against M. as maker of the note, it was *held*, that the discharge obtained under the laws of New York was no bar to the action. *Braynard* v. *Marshall*, 8 Pick. 194.

2. W., a resident of New York, made a note payable to the order of F., also a resident of New York, who indorsed it for the accommodation of W., and it was given to the agent of a corporation established in Massachusetts, for goods purchased, the agent residing in New York, but W. knowing the contract to be made on account of the corporation. W. afterwards assigned his property and obtained a certificate under the insolvent laws of New York, which declared his person to be exempted from arrest for debts previously contracted. *Held*, that this was no bar to an action brought by the corporation against W. in Massachusetts, and which was commenced by arresting him, and that the certificate could not affect the judgment or form of the execution in Massachusetts. *Quære*, whether W. has any remedy for being arrested on mesne process or execution in Massachusetts. *Boston Type, &c. Foundry* v. *Wallack*, 8 Pick. 186.

3. A bill of exchange was drawn in Jamaica, upon a merchant in New York, in favor of a citizen of the United States; the bill was protested and the drawer was afterwards discharged from his debts under a temporary insolvent law of the island of Jamaica, which provided for the discharge of all debtors who should surrender their effects, and for the distribution of such effects among creditors who should apply within thirty days. It was *held*, that such an act could not have been intended to operate beyond the jurisdiction of the government of Jamaica, or to affect the rights of foreign creditors. *Prentiss* v. *Savage*, 13 Mass. 20.

4. Where an insolvent debtor is discharged from his debts by virtue of an unconstitutional State bankrupt law, a creditor will not be considered to have assented to or satisfied the discharge, notwithstanding he may have proved his debt under the commission, and received a dividend, or have acted as one of the assignees. In an action by such creditor on a note, any dividend received by him under the commission will be considered as a payment, *pro tanto*, of his debt. *Kimberly* v. *Ely*, 6 Pick. 440.

5. In an action in this State, brought by a citizen of New York, against one of two partners, on a partnership note, dated and payable in New York, it appeared that the defendant was a citizen of Massachusetts from the time the note was made until the action was brought, and his partner a citizen of New York; that the partnership business was car-

ried on in both States, under the same firm. *Held*, that the discharge of the defendant under the insolvent law of New York of April 12, 1813, enacted before the making of the note, was not a bar to the action. *Agnew* v. *Platt*, 15 Pick. 417; *Kimberly* v. *Ely*, 6 Pick. 440; *Betts* v. *Bagley*, 12 Pick. 572.

6. *It seems*, the result would be the same, if the defendant had been a dormant partner, and the business had been carried on in New York alone. *Held*, that the discharge was not rendered valid as against the plaintiff, by reason of his having joined in the defendant's petition for the benefit of such insolvent law. *Ibid.*

7. A discharge of the promisor, in a negotiable note, by the insolvent law of the State where the note was made, and of which the original parties were citizens, is a good bar to an action brought here by a citizen of this State to whom the note was indorsed after such discharge had been obtained. *Baker* v. *Wheaton*, 5 Mass. 509.

8. A bill of exchange was drawn in the State of Maine, by a citizen of that State, upon a citizen of this State, who accepted the same. *Held*, that a discharge of the acceptor, under the insolvent laws of this State, was not a bar to an action against him, on the bill, by the payee, who had not proved his claim thereon under these laws. *Fiske* v. *Foster*, 10 Met. 597.

9. A firm in this State made a note payable to their own order, and indorsed it to a firm in New York. *Held*, that a discharge of the makers and indorsers, under the insolvent laws of this State, was not a bar to an action against them, on the note, by the indorsees, who had not proved their claim thereon, under those laws. *Savage* v. *Marsh*, 10 Met. 594.

10. In an action against an insolvent debtor, to recover a debt, from which he has been discharged, the plaintiff must prove a distinct and unequivocal promise to pay the debt, and the mere payment of a part of a note so discharged, and the indorsement thereon by the debtor of the sum paid, are not sufficient to authorize a jury to infer such distinct and unequivocal promise to pay the residue. *Merriam* v. *Bayley*, 1 Cush. 77.

5. *Former Judgments.*

1. To an action against two on a joint promise, the defendant pleaded a former judgment against one of them on the same promise, and it was held a good bar to the action. *Ward* v. *Johnson*, 13 Mass. 148.

2. Where an action is brought against a defendant on two notes indorsed by him, and the case is submitted to the court, who express an opinion in favor of the plaintiff on both notes, but afterwards permit him to withdraw one of them, and then render judgment in his favor for the amount of the other note only, he is not thereby precluded from maintaining a subsequent action against the defendant on the note that was thus withdrawn. *Wood* v. *Corl*, 4 Met. 203.

3. A judgment in an action against the indorser of a note, in his favor, on a verdict rendered on the ground that the action had been brought before notice was given to him, is no bar to another action commenced after notice was given, and consequently such judgment is no bar to a suit

in equity against the indorser and his assignees, in order to enable the plaintiff to obtain the benefit of the assignment. *New England Bank* v. *Lewis*, 8 Pick. 113.

4. Where the indorsee of a note had recovered judgment against the promisors, and one of them had been committed in execution, he was held to be still entitled to his action against the indorser, notwithstanding the jailer, after liberating the prisoner, had received the amount of the judgment and tendered it to the assignee of the judgment. *Porter* v. *Ingraham*, 10 Mass. 88.

5. The maker of a note, who has been committed to jail in execution on a judgment in favor of the holder, but has not paid the note, is still liable to be sued by an indorser who pays the amount of the note to the holder, and the suit of the indorser may be brought while the maker is still in jail in the prior suit. *Cole* v. *Cushing*, 8 Pick. 48.

6. In an action against C., G., & R., upon seven promissory notes, purporting to have been made by them as copartners, C. and G. pleaded in bar and estoppel, that the plaintiff brought a former action against C., G., & R. upon another note, payable on demand; that in that action C. and G. pleaded non-assumpsit; that upon the trial the plaintiff alleged and proved that that note had been given as a substitute for, and in consideration of, and as security for, the seven notes, which were not due when that action was commenced; that C. and G. alleged that the seven notes were made by R. for his private use, and in fraud of his copartners C. and G., and that this was known to the plaintiff when he received the notes from R.; that these facts, and whether C. and G. made the promise set forth in the former action, were put in issue at the trial of that action, and the jury returned a verdict that C. and G. never promised; that judgment was rendered on this verdict, and is still in force. It was *held*, that the former judgment was not for the same cause of action, and could not, consequently, be pleaded in bar, and although the validity of the seven notes was in effect tried, yet it was a question collateral to the issue. That as the same point was not put in issue upon the record, and found directly by the jury, the above plea was not good as an estoppel, but that the verdict and judgment in the former action were admissible, though not conclusive evidence, under the general issue, to show that the seven notes were not given for a partnership debt, and that this was known to the plaintiff. *Eastman* v. *Cooper*, 15 Pick. 276.

7. A plea in bar by the maker of an unnegotiable note, that he has had judgment against him as trustee of the promisee, is good, although no execution has issued upon the judgment, and it does not appear that the trustee has paid any thing on the judgment. *Perkins* v. *Parker*, 1 Mass. 117.

8. In an action by the indorsee against the maker of a negotiable promissory note, made in Georgia, the maker pleads in bar a judgment rendered against him in a County Court of Georgia, as garnishee, or trustee of the promisee, the action in which said judgment was rendered having been commenced after the actual indorsement of the note to the plaintiff, and the plea was held to be a good bar. *Hull* v. *Blake*, 13 Mass. 153.

9. In a suit brought in this State by the indorsee against the maker of

a promissory note, given in Connecticut by one citizen of that State to another, and there indorsed to a citizen of this State, which note is negotiable by our law, but not by the law of Connecticut, it is a good defence for the maker, that he was summoned in a process of foreign attachment in Connecticut, as garnishee of the payee, before he had notice of the indorsement, and paid the amount of the note on an execution which issued on a judgment rendered in that process. *Warren* v. *Copelin*, 4 Met. 594.

6. *Alteration.*

1. An alteration of a note by the insertion by the holder of a word which the law would have supplied, though without the consent of the promisor, will not annul the contract. If the alteration be immaterial, the consent of the maker will be presumed. *Hunt* v. *Adams*, 6 Mass. 519.

2. *Semble*, that the alteration of the date of a note subsequent to its execution, though conformable to the truth, renders it void. *Parker* v. *Hanson*, 7 Mass. 470.

3. A promissory note payable to "Quincy Railway Co. or order," and indorsed by G. P., was delivered to the treasurer of the payees, who are the plaintiffs, and the treasurer interlined the words "the order of G. P." above the words "Quincy Railway Co. or order," without, however, erasing the other words. It was *held*, that, in the absence of fraud, this was not an alteration affecting the validity of the note. *Granite Railway Co.* v. *Bacon*, 15 Pick. 239.

4. If a bill or note is altered, after its execution, by extending the time of payment, it is a material alteration which discharges the party. The burden of proof, however, is on the defendant to show the alteration. *Davis* v. *Jenny*, 1 Met. 221.

5. It is no defence to an action by a *bonâ fide* holder of a bill of exchange against the acceptor, that the bill was fraudulently altered by the drawer before acceptance. *Ward* v. *Allen*, 2 Met. 53.

6. A bill of exchange, payable in three days, was indorsed by the payee for the accommodation of the drawer, who altered it to thirty days and put it into circulation. On discovering the alteration, the holder and the payee who had indorsed it made an arrangement with the drawer, by which the payee gave security to the holder for half the amount of the bill, and the drawer gave security to the holder for the balance, and the bill was returned to the payee. The payee thereupon presented the bill to the drawee, without disclosing to him the alteration or the said arrangement with the drawer, and read it to him as it was altered, and the drawee said it was correct and should be paid. *Held*, that the drawee was bound by this acceptance. *Ibid.*

7. A bill of exchange, indorsed in blank by the payees, was left by them in the hands of the drawer, who, without the knowledge of the payees, transferred it to the plaintiff, writing under his own name, "Left with Mr. B. (the plaintiff) as collateral." *Held*, that this was not an alteration of the bill, and therefore did not render it void as against the indorsers. *Bachellor* v. *Priest*, 12 Pick. 399.

8. A bargain was made between the plaintiff and defendant for the purchase of a parcel of land, for which the defendant was to pay the plaintiff a certain price, one half thereof in stock at the end of one year, if the plaintiff should then choose to take the stock, otherwise the whole in cash at the end of two years. Two notes, each for one half the price, were prepared on the same paper for the defendant to sign, payable to the plaintiff or order, on demand, with interest; the defendant objecting that the notes were not according to the agreement, a memorandum, substantially according to the terms of the agreement, was added on the bottom of the paper, and the defendant then signed the notes. The plaintiff refused to take the half in stock at the end of the first year, and a short time before the end of two years he cut off the memorandum from the notes and brought an action on them, in which he afterwards became nonsuit; after the two years had expired, he brought another action on the notes, and upon the original parol promise. It was *held*, that cutting off the memorandum was a material alteration of the notes, so that he could not recover on them, and that he could not recover on an original parol promise to pay the purchase money, because that was merged in the written promise. *Wheelock* v. *Freeman*, 13 Pick. 165.

9. Where A makes a loan to B, and takes B's note for the amount, and also takes as collateral security a note of C for a larger sum, given to B, and by him indorsed, the creditors of C, who has made an assignment under Stat. 1836, c. 238, cannot defeat the claim of A for a dividend on the note of C, to the amount of the money lent to B, by showing that A has altered B's note to him for the money lent, so as to render it void, if A has recovered a judgment thereon, which is unrecovered; nor by showing that such judgment is reversed on a writ of review, by an agreement between A and B, before trial of the review, if B, for a valuable consideration, agreed that, upon the reversal of the judgment, the debt on his note for the money lent should remain good against him personally. *Higginson* v. *Gray*, 6 Met. 212.

10. The procuring a person not present at the making of a note to put his name upon it, at a subsequent day, as a subscribing witness, is a material alteration. *Homer* v. *Wallis*, 11 Mass. 309; *Adams* v. *Frye*, 3 Met. 103.

11. Where the attorney of the payee, who wrote the note, and in whose presence it was signed, wrote on it the word "witness" before it was signed by the maker, intending to subscribe it himself as witness, but accidentally omitted to do so, and some two or three hours afterwards, when the maker was not present or consenting, wrote his name on the note as witness, it was *held*, that, the attorney having acted *bonâ fide*, this was not an alteration which would render the note void. *Smith* v. *Dunham*, 8 Pick. 246.

12. Where, after a note had been executed and attested by one subscribing witness, but before its delivery to the payee, the name of another person was added to the note as a witness, without the knowledge of such other person, but it did not appear that this was done by the payee, nor was any fraud on his part suggested, it was *held*, that the addition of such name was not a material alteration, and did not render the note void. *Ford* v. *Ford*, 17 Pick. 418.

13. Where the maker of a note, long after its execution, and after he has become insolvent, authorizes a third person to sign his name thereto, as an attesting witness, the validity of the note is not thereby impaired, and the payee is entitled to be considered as a creditor of the maker, under the provisions of Stat. 1836, c. 238. *Willard* v. *Clarke*, 7 Met. 435.

7. *Fraud and Illegality.*

1. An action on a promissory note made payable on time, with interest, cannot be defeated by proof that it was antedated by mistake, and not fraudulently. *Royce* v. *Barnes*, 11 Met. 276.

2. Where the treasurer of a corporation, in pursuance of a vote of the trustees in whom was vested the management of the finances and property of the corporation, gave a promissory note for a debt of the corporation, a misrecital in such note that it was given in pursuance of a vote of the *society* (instead of a vote of the trustees), was held immaterial. *Hayward* v. *Pilgrim Society*, 21 Pick. 270.

3. Where a promissory note payable on demand was obtained from the maker by unfair means, he was still held liable to an indorsee for value, who took it without knowledge of the fraud in seven days from its date. *Thurston* v. *McKown*, 6 Mass. 428.

4. Where a merchant leaves with his clerk blank indorsements, and one by false pretences obtains and uses them, such fraudulent use of them is not a forgery, nor will it discharge the indorser in an action by an innocent indorsee. *Putnam* v. *Sullivan*, 4 Mass. 45.

5. In an action by the payee against the maker of a promissory note, given for the price of a chattel, it is competent for the maker to prove in *reduction* of damages, that the sale was effected by means of false representations of the value of the chattel, on the part of the payee, although the chattel has not been returned or tendered to him. *Harrington* v. *Stratton*, 22 Pick. 510; *Knapp* v. *Lee*, 3 Pick. 457.

6. It is no defence to an action by the indorsee of a note against the indorser, that the note was indorsed by the defendant without consideration, for the accommodation of the payee, and delivered to him for the purpose of being used to take up another note of the same parties, but that, instead thereof, the payee passed the note to the plaintiff before its maturity, as collateral security for a preëxisting debt; unless it be shown, also, that the plaintiff knew of the special purpose for which the note was delivered to the payee. *Stoddard* v. *Kimball*, 4 Cush. 604.

7. Where an action is brought against the first indorser of a note, by a holder to whom it was pledged by the second indorser, as collateral security for a debt, the defendant cannot defeat the action, by showing that he indorsed the note for the accommodation of the maker, and intrusted it with him for a special purpose, and that the maker, without any consideration, transferred it to the second indorser, who had knowledge of these facts, unless the defendant can also show that the plaintiff had notice of the same facts when he received the note. But if the amount of the note is greater than that of the debt secured by the pledge thereof, the defendant may give evidence of these facts, for the purpose of limit-

ing the plaintiff's recovery to the amount of such debt. *Chicopee Bank* v. *Chapin*, 8 Met. 40.

8. In an action against a firm upon a negotiable note made by one partner in the name of the firm, and indorsed to the plaintiff by the payee, the other partners have a right to show that the note was fraudulent in its inception, or was fraudulently put into circulation; and if this is established, the burden of proof is on the plaintiff to show that he came by the note fairly, and without knowledge of the fraud. *Munroe* v. *Cooper*, 5 Pick. 412.

9. It is no defence to an action by an indorsee against the maker of a note, that the note was obtained by the payee under an agreement with his creditors, to which the maker was not privy, that it should be indorsed and delivered to them, and that it was passed to the indorsee in violation of such agreement. It is immaterial, in such case, whether the indorsee received the note before or after it fell due. *Mack* v. *Clark*, 1 Met. 423.

10. R. being in prison on execution at the suit of B., B. agreed to discharge him for a certain sum, and the defendant made a note payable to R. for such sum, giving the note to the plaintiff that he might get it indorsed by R., and, upon receiving R.'s watch as security, deliver the note so indorsed to B. B. would not accept the defendant's note, but took a note of the plaintiff for the same sum, and discharged R.; the plaintiff then took the defendant's note as indorsee, and procured R.'s watch, but afterwards restored it. It was *held*, in an action by the plaintiff against the defendant on the note, that the plaintiff had not complied with the condition on which it was to take effect, and that such non-compliance was a defence to the action on the note, and would not merely go in diminution of the plaintiff's claim for damages, or give the defendant an action of trover against him for the chattel. *Boutelle* v. *Wheaton*, 13 Pick. 499.

11. C. & G., who were partners, being in failing circumstances, G. made a note in the partnership name for fifteen hundred dollars, to P., who was a creditor of G. alone for a smaller amount, it being agreed between G. and P. that the stock of C. & G. should be attached on the note, and the proceeds of the attachment applied ratably to the payment of the debts of G. and of C. & G. The attachment was accordingly made, and the same stock attached by P. in a suit on his own debt, and A. & Co., creditors of C. & G., subsequently, on the same day, attached the same stock in a suit for their debt. The object of the suit of P. was explained at a meeting of some of the creditors of C. & G. and of G., on the same day, one of the firm of A. & Co. being present. P. afterwards obtained judgment on the note and on his own debt, and seasonably levied his execution on the property attached, and the execution on his own debt was paid; but the property was not sufficient to satisfy the judgment on the note also, and P. distributed a part of the proceeds ratably among creditors of G. and of C. & G., and tendered A. & Co. a like percentage of their debt, which they refused to take. A. & Co. afterwards obtained judgment in their action, and took out execution, and delivered it to the officer who made the attachment, but not until after thirty days

from the time when their judgment was obtained. The officer returned it unsatisfied. *Held*, that the proceedings in the suit on the note by P. against C. & G. were a fraud on all creditors. *Adams* v. *Paige*, 7 Pick. 541.

12. In a suit by A, on a note given to him in satisfaction of a judgment recovered by B against the promisor, the promisor cannot defend by showing that A, before said judgment was recovered, purchased of B the demand which was the subject-matter thereof, and afterwards, on the trial of the action, testified as a witness against the promisor. *McClees* v. *Burt*, 5 Met. 198.

13. In an action on a promissory note given by the defendant for a sum awarded by three arbitrators to be paid by him to the plaintiff, the defendant cannot defend by showing that one of the arbitrators, upon the statement of the chairman, who drew up the award, that it was right, signed it without reading it or knowing its contents, and that it was for a larger sum than was agreed upon by the arbitrators, unless he also shows that the said arbitrator was induced by some false representation, fraud, or misconduct, to sign a different award from that which he intended. *Withington* v. *Warren*, 10 Met. 431.

14. The validity of a conveyance of real estate being controverted, and an action brought by the grantor for the recovery thereof, on the ground that the same had been obtained from him while in a state of insanity, the action was referred by a rule of court to the determination of arbitrators, before whom the grantor, by his guardian, introduced evidence to show that he was insane at the time of the conveyance, and the grantee introduced evidence to contradict that of the grantor. A compromise was then effected between the grantee and the guardian of the grantor, without any intervention on the part of the latter, or any fraud on the part of the guardian, according to one of the terms of which a promissory note was given by the grantee to the grantor. In an action on the note, it was *held*, that, in the absence of fraud on the part of the guardian in effecting the compromise, the grantee could not defend against the note, by showing that the conduct of the grantor, which was relied on to prove his insanity, was feigned by him for the purpose of being used in evidence; that this fact was wholly unknown to the grantee when he agreed to the compromise; that the compromise was effected by means of such fraudulent proceeding on the part of the grantor; and that a material part of the evidence tending to prove such fraud had been discovered by the grantee since the commencement of the suit on the note. *Allis* v. *Billings*, 2 Cush. 19.

15. Where the vendee of goods gives his promissory note for the price, and pledges the goods as collateral security, and upon non-payment of the note the vendor resells the goods at a loss, and brings an action upon the note to recover the balance of the price, the vendee cannot urge in defence, that the loss was caused by the vendor's misconduct upon the resale, but his remedy must be a separate action against the vendor. *Jones* v. *Kennedy*, 11 Pick. 124.

16. A pledged shares in a bank as collateral security for payment of a note given by him to B. After the note fell due, B wrote to A, re-

questing payment, and stating that, if payment were not made immediately, he should sell the shares. A did not pay the note, and B did not sell the shares. The bank afterwards failed, and the shares became of no value. *Held*, in an action by B against A on the note, that B's omission to sell the shares constituted no defence for A. *Granite Bank* v. *Richardson*, 7 Met. 407.

17. A note was secured by a mortgage, which contained an authority to the mortgagee or his assigns to sell the mortgaged property, and apply the proceeds to the payment of the note. The mortgage was assigned to L., who assigned it to H., and also indorsed the note to H. after it became due; the property was sold, under said authority, for a sum insufficient to pay the note, and H. brought an action on the note, against the mortgager, to recover the balance thereof. *Held*, that it was a good defence, and that the defendant might give in evidence, that L. was the real assignee of the note and mortgage, at the time of said sale, and that he fraudulently managed the sale, and sold the property for less than it was worth, in order to obtain an absolute title thereto under its true value; and that if the sale had been made *bonâ fide*, the property would have sold for more than enough to pay the note. *Howard* v. *Ames*, 3 Met. 308.

18. P. gave a promissory note to T., and also indorsed to T., as collateral security, a third person's draft, for which T. gave a receipt, stating that he was to sell or collect the draft, and indorse the proceeds on P.'s note; P. afterwards gave his written consent that T. might give up the draft for a certain sum, and T. gave it up for a less sum. T. brought a suit on P.'s note, and P. claimed the right to deduct therefrom the full amount of the draft, on the ground that T. had no authority to give up the draft for the sum which he received for it, and that if it had been returned to P. he might have been able to collect it in full. T. thereupon, by leave of the court, indorsed on the note the sum for which P. had consented that T. should give up the draft. *Held*, that, by P.'s indorsement of the draft, T. became the legal owner of it, with authority to compromise it as he pleased; that he was liable to P. only for a reasonable accounting; that P., after consenting that T. might give up the draft for a certain sum, could not hold T. to account for a larger sum; and that T. was entitled to judgment for the balance due on the note, after deducting the sum which T. had indorsed thereon. *Thayer* v. *Putnam*, 12 Met. 297.

19. The banks of this State were prohibited from receiving, or in any way negotiating, the bills of banks out of the State. It was *held*, that a promissory note payable in foreign bills, made while such statute was in force, was void; and even after the repeal of the statute no action could be brought on it. *Springfield Bank* v. *Merrick*, 14 Mass. 322.

20. Where one had purchased a cargo on the coast of Africa, to be paid for in slaves, and, having delivered a part of the slaves, settled the account, and gave a note payable in slaves for the balance, which was not paid, it was *held*, that the creditor might recover on the *insimul computassent*. *Greenwood* v. *Curtis*, 6 Mass. 358.

21. Where a corporation were required by their charter to invest their

capital in securities of a certain description, but took, instead thereof, the notes of the individual stockholders for their respective shares, it was *held*, that an individual stockholder could not avail himself of such misconduct to avoid payment of a note so given. *Little* v. *Obrien*, 9 Mass. 425.

22. Where the receiver of the effects of a bank, who was appointed on motion of the Bank Commissioners, pursuant to Stat. 1838, c. 14, brings an action in the name of the bank against a stockholder, to recover the amount of a note for stock subscribed for, such stockholder cannot defeat the action by showing that he and all the stockholders gave their notes for stock instead of paying money, in fraud of the banking laws; nor by showing the repeal of said statute of 1838, c. 14. *Farmers and Mechanics' Bank* v. *Jenks*, 7 Met. 592.

23. A threat by a judgment creditor to lay his execution on the property of the debtor, will not render void a promissory note given thereupon by the debtor, as being made under duress, such note being valid in other respects. *Wilcox* v. *Howland*, 23 Pick. 167.

8. *Infancy.*

1. A negotiable note, given by an infant, is not void in the hands of the promisee; and in a suit thereon by the promisee, he may show that it was given, in whole or in part, for necessaries, and may recover thereon as much as the necessaries for which it was given were reasonably worth, and no more. *Earle* v. *Reed*, 10 Met. 387.

2. A negotiable note made by an infant is voidable, and not void; and if he, after coming of age, promise the payee that it shall be paid, the payee may negotiate it, and the holder may maintain an action in his own name against the maker. *Reed* v. *Batchelder*, 1 Met. 559.

3. A minor, being in possession of a promissory note not negotiable and payable to himself, exchanged it with A for a watch which was worthless. The next day he tendered the watch to A, and demanded the note, but without effect. The maker of the note, being informed of the facts, and receiving a discharge from the father of the minor, gave a new note. A afterwards passed the original note for a valuable consideration to B, assuring him that it would be paid. It was *held*, that the note was void from the rescinding of the contract by the minor. *Willis* v. *Twambly*, 13 Mass. 204.

4. To an action on a promissory note brought against the executor of the maker, the infancy of the testator is a good defence. *Hussy* v. *Jewett*, 9 Mass. 100.

5. An infant made his promissory note, and when of age, on being applied to for payment, acknowledged that the money was due, and promised that on his return home he would endeavor to procure it and send it to the creditor. This was held to be a sufficient ratification of the original promise. A mere acknowledgment of the debt, without any confirmation of the promise to pay, is not sufficient. *Whitney* v. *Dutch*, 14 Mass. 457.

6. An action upon a promise of the defendant when an infant is not

supported by a new promise after he comes of age, made to the officer who served the writ, while the writ was in the officer's hands, but before it was served. *Ford* v. *Phillips*, 1 Pick. 201.

7. A defendant, in a conversation respecting a note made by him when an infant, said, "that he owed the plaintiff, but was unable to pay him; he would, however, endeavor to get his brother to be bound with him." *Held*, that this did not amount to a renewal of the promise. So where he said to the officer who had the writ to serve, "that his brother ought to have paid the note; that the writ should not go to court; that it should be settled; that he would see his brother, who *ought* to pay it"; and after the writ was returned, "that he meant to go to jail on it." *Ibid.*

8. Where a minor, having received money of the plaintiff, gave him a written promise to pay the same to the plaintiff's daughter, and after he came of age, on being applied to for the money by the daughter's husband, said he could not then conveniently pay it, but that he would pay the plaintiff, on arriving at his residence, the sum due him on account of said money so received, it was *held*, that this was not a sufficient acknowledgment of the express promise to support an action on that, but that on this evidence a general *indebitatus assumpsit* for money received to the plaintiff's use might be maintained. *Jackson* v. *Mayo*, 11 Mass. 147.

9. In an action against executors upon a promissory note made by their testator while under age, there was evidence of his having said to a third person, after coming of age, in the presence of the plaintiff, "I owe you, and Mr. M." (the plaintiff), "and when I return from this voyage I will pay you both"; and also, at another time, to the plaintiff, on his requesting payment, that he then had not the money, but would settle with him when he returned; there being no evidence of any other dealings between the parties, this was held to be a renewal of the promise when of age. *Martin* v. *Mayo*, 10 Mass. 137.

10. Where an infant, having given his note for a valuable consideration, but not for necessaries, made a partial payment on it before coming of age, and afterwards, by his will, made after he was of full age, directed his *just* debts to be paid by his executor, it was *held*, that the executors were not liable on the note. *Smith* v. *Mayo*, 9 Mass. 63.

11. Where one of two partners was an infant, and the other made a note in the name of the copartnership for a debt of the partners, a ratification of the note by the infant after he had attained full age was held to support an action against him on the note. *Whitney* v. *Dutch*, 14 Mass. 457.

12. The Stat. 1818, c. 60, which avoids "every gift, bargain, sale, or transfer of any real or personal estate," made by a spendthrift after the complaint of the selectmen to the judge of probate, and the order of notice thereon shall have been filed in the registry of deeds, does not apply to promissory notes. *Smith* v. *Spooner*, 3 Pick. 229. But see Rev. Stat. c. 79, § 81.

10. *In what Cases a Note or Bill of Exchange operates as a Payment or Discharge of the Original Debt.*

1. A negotiable note, given in consideration of a simple contract debt due, is a discharge of the debt. *Thacher* v. *Dinsmore*, 5 Mass. 299; *Butts* v. *Dean*, 2 Met. 76.

2. But the presumption that the note was received as payment may be controlled by the agreement of the parties. *Maneely* v. *McGee*, 6 Mass. 143.

3. A negotiable note taken is a discharge of the original contract, and a bar to an action on it in this State. *Goodenow* v. *Tyler*, 7 Mass. 36.

4. A promissory note given to a creditor in exchange for a previous note, is not a payment of the previous note unless so intended by the parties. *Watkins* v. *Hill*, 8 Pick. 522.

5. A promissory note not negotiable, given in consideration of a balance found due upon an *insimul computassent*, is not of itself a payment, nor a bar to a recovery on the *insimul computassent*. *Greenwood* v. *Curtis*, 4 Mass. 93.

6. Where one gives his negotiable promissory note in payment of a debt, and afterwards avoids it for usury, the avoidance lets the promisee into his previously existing demand. *Stebbins* v. *Smith*, 4 Pick. 97. See *Johnson* v. *Johnson*, 11 Mass. 359.

7. Where a valid promissory note is given up to the maker as part of the consideration of a new note, which is afterwards avoided on the ground of usury, such usurious note does not operate as a payment of the original note, the amount of which may be recovered of the maker. *Ramsdell* v. *Soule*, 12 Pick. 126.

8. A being a co-surety with B in a promissory note, and having himself paid the whole amount thereof, B, at A's request, gave his negotiable note for his half thereof, with usurious interest thereon, to C, a stranger. C indorsed the note to A, and in an action by A against B the note was avoided for usury. It was *held*, that A might still recover from B his contributive share of the original debt. *Johnson* v. *Johnson*, 11 Mass. 359.

9. Where one of two executors, having given bond to pay the testator's debts and legacies, gave his own negotiable note for the sum due to a creditor of the testator, upon the creditor's giving up his securities against the testator's estate, and afterwards the note was avoided for usury, it was *held*, that the creditor might maintain an action upon the parol promise of the executor. *Stebbins* v. *Smith*, 4 Pick. 97.

10. Where goods are sold and delivered, and the seller afterwards agrees to receive in payment therefor the note of a third person, indorsed by the payee and another, and the buyer delivers such third person's note, on which the promised indorsements are forged, the seller cannot, upon discovering the forgery, maintain an action against the buyer for goods sold and delivered, until he has rescinded the agreement, and returned, or offered to return, the note. *Coolidge* v. *Brigham*, 1 Met. 547.

11. Where A receives the promissory note of C in payment of a debt due from B, the note is at the risk of A, unless there be an agreement to the contrary. *Wiseman* v. *Lyman*, 7 Mass. 286.

12. Where one took up a note made payable in foreign bills by paying the amount in such bills, and it was afterwards discovered that one of the bills was counterfeit, it was *held*, that the payee might recover the amount of such counterfeit bill, in an action for money had and received against the payer. *Young* v. *Adams*, 6 Mass. 182.

13. If A sells merchandise to B, and agrees to receive certain promissory notes in payment, if the notes are afterwards discovered to have been forged, he cannot, if B was ignorant of the fact, resort to B for payment; otherwise, if the original bargain was for cash, and the notes were received as an accommodation to B. *Ellis* v. *Wild*, 6 Mass. 321.

14. Where a purchase of goods is effected by means of false pretences on the part of the vendee, who gives his negotiable note for the price, the vendor may maintain an action for trover for the goods against the vendee, without a previous tender of the note, provided the note has not been negotiated, but remains in his hands, and is produced at the trial to be surrendered to the defendant. *Thurston* v. *Blanchard*, 22 Pick. 18.

15. Where the owner of a vessel bound on a voyage drew an order in the plaintiff's favor, payable on the vessel's return, in part payment for the cargo, and the plaintiff thereupon gave him a receipt in full for the goods sold, it was *held*, that he might still recover the value of the goods (though not on the order), notwithstanding his receipt, the vessel not having returned and being much out of time, unless the defendant could prove that it was intended the plaintiff should take the risk of the voyage. *Tucker* v. *Maxwell*, 11 Mass. 143.

16. When a party dealing with an agent takes his promissory note, with a knowledge of his agency, and of the liability of the principal for the debt for which the note is given, he thereby discharges the principal, and the contract cannot be afterwards rescinded, and a new one made, by which the principal will be bound, without his knowledge and assent. *Paige* v. *Stone*, 10 Met. 160.

17. A negotiable promissory note, given by one part-owner of a vessel, for supplies furnished the vessel, discharges the other owners from their liability for the supplies. *Chapman* v. *Durant*, 10 Mass. 47.

18. Certain parties having agreed in writing to take an interest in a voyage in certain specified proportions, and appointed P. & Co., who were parties to the agreement, as their agents to fit out the ship, and purchase a suitable cargo, P. & Co. purchased the goods, giving therefor their own negotiable notes, the vendors knowing at the time when the goods were delivered and the notes taken, but not knowing at the time of the sale, that other persons were interested in the purchase. It was *held*, that, whether the parties to the adventure were partners or tenants in common with P. & Co., they were all originally liable to the vendor, but that the negotiable note of their agent was a payment, and so the others were discharged from their liability. *French* v. *Price*, 24 Pick. 13.

19. A corporation, having borrowed money of the plaintiffs, gave them a note signed by K., as treasurer of the corporation, and by H. and G. as sureties. This note was afterwards given up, and the individual note of K., H., and G. given for the same consideration; the plaintiffs having recovered judgment on this note against the individual promisors, and as-

signed the judgment, though it remained unsatisfied, it was *held*, that they could not waive the note and maintain an action against the corporation upon the original debt. *Bradlee* v. *Boston Glass Co.*, 16 Pick. 347.

20. Where the sub-agent of a trading company, authorized to buy on credit, gives his note for goods as agent of the company, such note, not being binding on the company, will not extinguish the implied promise of the company raised by law on the purchase. *Emerson* v. *Providence Hat Manuf. Co.*, 12 Mass. 237.

21. If one of two joint and several promisors, acting for himself, and as the attorney of the other, make a new note in the name of both, which is void as to the other promisor by reason of a want of authority in the former, and such new note is received by the promisee as the valid note of both promisors, and the original note thereupon given up, the promisee may treat the new note as a nullity, as to the promisor who is not bound thereby, and may recover against him the amount which would be due on the original note, in an action for money had and received. *Leonard* v. *Trustees of First Cong. Soc.*, 2 Cush. 462.

22. A, being indebted to B, consigns goods to C, with instructions to pay the proceeds to B. B takes C's note at thirty days, before the goods are sold. C afterwards fails, before the note matures, having sold the goods, and B joins with other creditors of C in a composition of their claims. It was *held*, that B had lost his remedy against A for the original debt. *Tudor* v. *Whiting*, 12 Mass. 212.

23. Where the underwriter in a policy of insurance acknowledges a receipt of the premium, and the assured has afterwards a right to a return of the premium, he may recover the amount in an action for money had and received, although in truth he gave his note therefor, which is still unpaid. *Hemmenway* v. *Bradford*, 14 Mass. 121.

24. A, holding B's note, delivers it to C for collection. C sells it to D, who receives payment of the note from B. C afterwards gives his own note for the amount to A. A's acceptance of C's note held to be a confirmation of the transaction, and to preclude A from recovering of D the amount of the original note. *Cushman* v. *Loker*, 2 Mass. 106.

25. Where, in an action of debt for rent, by the assignee of the lessor against the assignee of the lessee, it appeared that, at the time of executing the lease, the lessee gave the lessor several promissory notes, not negotiable, amounting in the whole to the rent reserved, and payable respectively as the rents would become due, and which were stated in the lease to have been given as collateral security, it was held a proper question for the jury to determine, whether the notes were intended by the parties as a payment of the rent. *Howland* v. *Coffin*, 9 Pick. 51.

26. Where a joint and several promissory note was executed and left in the hands of M., one of the promisors, to be delivered to the payee, when it should be demanded by him, in exchange for a note for the same amount, but of a previous date, signed by M. alone, and no demand was made by the payee before the death of M., it was *held*, that the new note did not operate *de facto* as a payment of the old note, that the property in the new note had not vested in the payee, and that he could not recover the possession of it from the administrator of M., it being pre-

sumed that the interest which had accrued on the old note was to be paid upon making the exchange. *Canfield* v. *Ives*, 18 Pick. 253.

27. Where a mortgage was given to a single woman, to secure the payment of two notes, for two hundred dollars each, payable in three and seven years respectively, and about two years afterwards the notes were given up, in exchange for two other notes, payable at the time the first notes would have been due, and for the same amounts, together with a third note for the amount of the interest due, which third note was paid; and the single woman married, and the notes so taken in renewal of the first notes were given up, and two new notes payable to the husband, one of them on demand, the other payable when the last of the original notes would have fallen due, were given for the amount of the principal and interest then due on the surrendered notes, it was *held*, that the mortgage was not thereby discharged as against the grantee of the mortgager. *Pomeroy* v. *Rice*, 16 Pick. 22.

28. Where a mortgage is given to secure the payment of a note, and the assignee of the mortgage takes a new note from the mortgager, in exchange for the old one, it not being intended as payment, the mortgage debt is not thereby paid, but the mortgage remains good as a security for the new note as against the mortgager himself. *Quære*, whether the exchange would operate as a payment of the first note, as against a purchaser from the mortgager. *Watkins* v. *Hill*, 8 Pick. 522; *Pomeroy* v. *Rice*, 16 Pick. 22.

29. A mortgage was given as security for a note payable in instalments; and after the first instalment had become due, the mortgagee called on the mortgager for payment, saying that he could sell the note and mortgage, if such instalment were paid. The mortgager thereupon gave a negotiable note for the amount due, payable in four months, upon which the mortgagee proposed to raise money at a bank, and the following indorsement was, at the same time, made on the original note: "Received the first instalment on the within, of $ 402.78." The mortgagee subsequently assigned the mortgage and the original note. *Held*, that this was a payment of such instalment, and not a mere change of security for the same debt, and that the mortgage was discharged *pro tanto*. *Fowler* v. *Bush*, 21 Pick. 230.

30. The owner of a large quantity of wood, which was lying in a pile on his own land, having sold a portion of the same, and measured off and marked the part sold, with an agreement that the purchaser might remove it within a year, gave the purchaser a bill of sale of the wood, and received from him his promissory note for the price, payable in six months, before the expiration of which time the purchaser became insolvent. It was *held*, that the vendor might retain the wood so sold, against the assignee in insolvency of the purchaser, until the price thereof was paid or tendered to him, and that the right of the vendor in this respect was not varied by the giving of the note for the purchase-money, so long as the note remained in the hands of the vendor not negotiated, but ready to be delivered up to the promisor or his assignee, on the discharge of the lien; or by the giving up of the bill of sale by the purchaser to the vendor, at his request, after the insolvency of the former; or by a sale of a

portion of the wood by the vendor, after the expiration of the year within which it was to be removed by the purchaser. *Arnold* v. *Delano*, 4 Cush. 33.

31. The plaintiff, by an indenture between him and one F., dated in May, agreed to sell to F., on or before the 1st of September, a brick-pressing machine, for two hundred dollars, to be paid on delivery of the machine, and he agreed that until the 1st of September F. should have liberty to use the machine, and F. agreed to pay the plaintiff two hundred dollars on or before September 1st, for which sum he had given the plaintiff his negotiable note, of even date with the indenture, payable on or before the 1st of September, with interest from the date, if not paid at that time; and for the faithful performance of his covenants, each bound himself to the other in a penal sum. F. possessed and used the machine from the time of its first delivery, previous to the 1st of September, until it was attached by the defendant, in February following, as the property of F., and reclaimed by the plaintiff, the note of F. having been paid in part only. *Held*, that the property was not in F., but in the plaintiff, the giving of the note not being intended by the parties as a payment which should render the sale complete. *Reed* v. *Upton*, 10 Pick. 522.

32. Where a debtor transferred his property to assignees, in trust to sell it and apply the proceeds to the payment of a part of his debts, and the assignees sold the property to the plaintiff, and acknowledged the receipt of payment by an obligation to furnish notes indorsed, and the defendant, a deputy sheriff, attached the property as belonging to the assignor, at the suit of a creditor, it was *held*, that, the assignment being valid, it was immaterial whether the plaintiff paid for the property in cash or negotiable securities, or not. *George* v. *Kimball*, 24 Pick. 234.

33. Where money is lent on the credit of the borrower, though a third person, a debtor of the borrower, signs a promissory note for the amount of the money, and the lender receives the note; yet if such note is not paid when due, he may maintain an action against the borrower for money lent. *Marston* v. *Boynton*, 6 Met. 127.

34. Where the defendant guaranteed the payment of the amount of a bill of merchandise, purchased of the plaintiff C, by B, on a former day, and of all further sums which B might owe C for goods which C might sell to B on six months' credit, and C took B's negotiable note for the merchandise sold to him before the date of the guaranty, dated on the day of the sale thereof, payable in six months, and also a like note of B, for the amount of other merchandise sold afterwards to him, but these notes were not negotiated, it was *held*, that the taking of B's notes by C did not discharge the guarantor from liability to pay for the merchandise for which the notes were given. *Curtis* v. *Hubbard*, 9 Met. 322.

35. The defendant agrees in writing, "to be responsible and pay to the plaintiffs for whatever goods have been or may be delivered to C within one year." The defendant delivered goods to C within the year, and took his negotiable note on demand for the price. *Held*, that the undertaking of the defendant was collateral to the liability of C, and that taking the note of C did not discharge the defendant. *Babcock* v. *Bryant*, 12 Pick. 133.

36. A purchaser of goods, after having paid for them partly in cash and partly by his negotiable promissory note, discovered that he had paid for more than he had received, but nevertheless suffered judgment to be recovered against him by the vendor on the note, without objecting any want of consideration. He then brought an action to recover the amount overpaid, and the action was sustained; for the note being payment, a cause of action accrued to him immediately, which was independent of the judgment upon the note. *Whitcomb* v. *Williams*, 4 Pick. 228.

37. Where one, who was indebted on a balance of account, procured a third person to give the creditor a bond, with condition that the debtor should pay the debt within a specified time, and the debtor, a few days afterwards, gave his negotiable note to the creditor for the amount of said debt, payable at the time mentioned in the condition of the bond, and antedated the note so as to correspond with the date of the bond, and the creditor at the same time gave the debtor a receipt, purporting that he had received a due bill "for balance of account to date," it was *held*, that the note was not intended as payment of the original debt, within the condition of the bond, and that, as the note was not paid according to its tenor, the obligor was liable on his bond. *Butts* v. *Dean*, 2 Met. 76.

38. Where an agent compromises a demand of his principal by taking a note from the debtor, indorsed specially to the agent, the principal cannot maintain trover for the note, but the agent becomes immediately answerable to his principal in assumpsit for the amount of the liquidated damages, as for so much money had and received by him to the use of his principal. *Floyd* v. *Day*, 3 Mass. 403.

39. Where the defendant, being employed by the plaintiff to sell land, accordingly sold the same, and took a promissory note for part of the proceeds, when he might have received the money, and, upon being called on to pay over the proceeds, said he knew nothing about the matter, it was *held*, that the jury were warranted in finding that he unreasonably delayed to pay over the proceeds, although the action was commenced before the note was collected. *Hemmenway* v. *Hemmenway*, 5 Pick. 389.

40. A being indebted to B, C, without authority from B, calls upon A for payment, receives a small sum in cash, and takes A's note for the balance of the debt due B, and gives A a receipt. C does not call upon A for payment of the note for several years, but in the mean time pays B a part of the debt, and promises to pay the remainder. *Held*, that B may maintain an action for money had and received against C, notwithstanding A's note remains unpaid. *Fairbanks* v. *Blackington*, 9 Pick. 93.

41. A commission merchant does not, by taking the negotiable note of a purchaser in payment for goods, make himself liable to his principal for the value of the goods. *Goodenow* v. *Tyler*, 7 Mass. 36.

11. *In what Cases a Person will be held as Promisor, Surety, or Guarantor.*

1. Where a negotiable note is made by A, payable to B, and is indorsed at the time it is made by C, C becomes a promisor on the note,

and may be declared against as such. *Baker* v. *Briggs*, 8 Pick. 122; *Austin* v. *Boyd*, 24 Pick. 64.

2. Where a note is made by A, payable to B, and is indorsed by C, at the time it is made, *it seems*, that, from the form of the note alone, C will be regarded as a surety for A. *Baker* v. *Briggs*, 8 Pick. 122.

3. In assumpsit on a promissory note made by P., payable to the order of the plaintiff, on demand, and indorsed by the defendant in blank, the plaintiff declared against the defendant as original promisor and guarantor, and the action was maintained, though the defendant contended that he must be considered as an indorser only. *Sumner* v. *Gay*, 4 Pick. 311.

4. Where one, not a promisee or indorsee, puts his name in blank on the back of a note before it is negotiated, meaning to give security and validity to the note by his credit, and that upon the original consideration, he is an original promisor and surety, and if he pay the note he must pursue his remedy as surety, and not as indorser, against the other promisors. *Chaffee* v. *Jones*, 19 Pick. 261.

5. Where a person signed a note with another, beginning in the singular number, with "I promise," and at the end of his signature added the word Surety, it was *held*, that the undertaking was collateral, and not joint. *Little* v. *Weston*, 1 Mass. 155.

6. On a promissory note made by A, payable to B, on a day certain, before its delivery to B, C writes: "I acknowledge myself holden as surety for the payment of the demand of the above note. Witness my hand. — C." *Held*, to be a joint and several promise. *Hunt* v. *Adams*, 5 Mass. 358; 6 Mass. 519.

7. If the form of the note had been, "I, A. B., as principal, and I, C. D., as surety, promise to pay," or "For value received, I promise, &c.," and signed, "A. B., Principal," "C. D., Surety," the legal effect would be the same. *Hunt* v. *Adams*, 5 Mass. 358.

8. On a promissory note, made payable to A. B. or order, on demand, was an indorsement of even date with the note: "For value received, we jointly and severally undertake to pay the money within mentioned to the said A. B." It was *held*, that the parties signing this indorsement were liable as original promisors. *White* v. *Howland*, 9 Mass. 314.

9. In an action by the payee of a negotiable note against two or more persons as joint promisors, where the name of one of the defendants is on the face of the note, and the names of the others are on its back, without date, and in blank, the legal presumption is, that all the names were signed at the same time. *Benthall* v. *Judkins*, 13 Met. 265. See *Union Bank of Weymouth and Braintree* v. *Willis*, 8 Met. 504.

10. A gave B a negotiable note payable in twelve months, and nine months afterwards C indorsed it in blank. *Held*, that B could not declare upon C's indorsement as an original promise, but that he might maintain an action upon it as a guaranty, upon showing a legal consideration. *Tenney* v. *Prince*, 4 Pick. 385.

11. The defendant put his name on the back of a negotiable note, to enable the payee to get it discounted, and subsequently the payee nego-

tiated the note, at the same time indorsing his own name above that of the defendant. It was *held*, that the defendant was to be regarded as an indorser, and not as a guarantor. *Pierce* v. *Mann*, 17 Pick. 244.

12. A bargains for land of B, and engages to furnish for part of the purchase-money a note with a sufficient indorser or security, and proposes C as such. Upon the execution of the conveyance he gives his own note, and a day or two afterwards C puts his name on the back of it, saying that he did it to make B easy, but would not be answerable for a farthing upon the note. C was held liable as an original promisor. *Moies* v. *Bird*, 11 Mass. 436.

13. The owner of a vessel made up an account of a voyage, and handed it to the master, with a promissory note for the balance, which was struck in the master's favor. The master took and carried them away, without expressing any dissatisfaction, but returned the note on the same day or the next, and requested the owner to procure an indorser. The owner took the note, and procured a third person to put his name on the back of it. *Held*, that such person was liable as an original promisor and surety. *Samson* v. *Thornton*, 3 Met. 275.

14. Where the promisee of a negotiable note, payable on demand, indorsed on it, "I guarantee the payment of this note within six months," he was held liable to the holder of the note as upon a common indorsement, and the negotiability of the note was held not to be affected by the special manner of the indorsement. *Upham* v. *Prince*, 12 Mass. 14.

15. Where, upon the back of a promissory note made by S. and A. to the plaintiffs, were written the words, "I guarantee the payment of the within note," which was signed by the defendant, it was *held*, that he was a guarantor, and not a surety. *Oxford Bank* v. *Haynes*, 8 Pick. 423.

16. B. made a promissory note, payable to S. or order, and S. and T. signed their names to these words, written on the back thereof: "We guarantee the payment of this note." *Held*, that this was not such an indorsement as authorized the holder of the note to sue upon it as indorsee. *Tuttle* v. *Bartholomew*, 12 Met. 452.

17. The holder of a note not negotiable, which is indorsed by the payee, may sue the latter as an original promisor, or guarantor. *Sweetser* v. *French*, 2 Cush. 310.

12. *Of Guaranty and Sureties.*

1. Where a note was guaranteed to be "good and collectable two years," it was *held*, that the guarantor was liable on his contract, if at any time after the note became due, within the two years, it could not be collected upon proper measures taken. *Marsh* v. *Day*, 18 Pick. 321.

2. Underneath the signature of the payee of a negotiable note, indorsed by him in blank, were written the following words, signed by the defendant: "I guarantee the payment of semiannual interest on this note, as well as the principal." It was *held*, that such guaranty was not negotiable in itself, or made so by being written upon a negotiable instrument, and therefore that no action could be maintained on such

guaranty by one who subsequently became the holder of the note. *True* v. *Fuller*, 21 Pick. 140.

3. Where one indorsed a promissory note in blank, as a guarantor, and authorized another to write a sufficient guaranty over his signature, it was held to be a sufficient memorandum within the statute of frauds, and parol testimony was admitted to prove the authority. *Ulen* v. *Kittredge*, 7 Mass. 233.

4. A promise to pay the debt of another, in writing, and signed by the party intending to be bound, is a sufficient compliance with the statute of frauds, without any recital in writing of the consideration for the undertaking. *Packard* v. *Richardson*, 17 Mass. 122.

5. A, a merchant in Natchez, writes to B, in Philadelphia, that if C, the bearer of the letter, who was A's brother, wished to buy goods in Philadelphia, and B would recommend him to any of his friends, or procure goods for him, he, A, would be responsible for them, agreeably to contract. B introduced C to the plaintiff, who sold him goods on B's representations of A's credit, taking C's promissory note for the amount. *Held*, that A's promise was an original undertaking, collateral to the promise of C, as security, and not liable to any contingencies excepting gross negligence in collecting the debt. *Duval* v. *Trask*, 12 Mass. 154.

6. The guarantor of a promissory note will be discharged by a neglect of the holder to demand payment of the maker, and to give notice of non-payment to the guarantor, provided the maker was solvent when the note became due, so that the guarantor might have secured himself if he had had notice, but has since become insolvent. *Oxford Bank* v. *Haynes*, 8 Pick. 423; *Johnson* v. *Wilmarth*, 13 Met. 416.

7. A guarantor of a promissory note, that is payable on demand, is discharged from his contract of guaranty by the omission of the holder to give him notice within a reasonable time of a demand on the maker, and non-payment by him, provided the maker was solvent when the guaranty was made, and became insolvent before notice of non-payment was given; and in such case, if notice be not given until fourteen months after demand on the maker, it is not within a reasonable time. *Whiton* v. *Mears*, 11 Met. 563.

8. A joint and several promissory note, made by T. as principal, and the defendant as surety, payable to a bank, on demand, with interest, as collateral security for a check given by the principal for a loan of money, remained in the bank six months before it was entered on the bank books, the loan being intended to be temporary; and the surety was not called on for payment, nor was notice given him of the non-payment of the note, until after the further lapse of six months, when the principal had become insolvent. It was *held*, that these circumstances constituted no defence to the surety in an action on the note. *Commercial Bank* v. *French*, 21 Pick. 486.

9. In an action against the guarantor of a promissory note, evidence that the maker, fourteen months after the making of the guaranty, took advantage of the insolvent law, does not warrant the inference or presumption that he was insolvent at the time of the guaranty. *Whiton* v. *Mears*, 11 Met. 563.

10. The defendant, being the payee of a negotiable note, payable in four annual instalments, indorsed it to the plaintiff, stating that he would guarantee it, and the plaintiff wrote over the payee's signature the words, "I, the subscriber, order the within note paid to J. T. [the plaintiff], and guarantee the payment of the same," and the defendant assigned to the plaintiff a mortgage given as a security for the note. No demand was made on the promisor to pay the note, and no notice was given to the defendant that it was unpaid, until more than five years after the last instalment was due on the note; but the promisor told the defendant that he did not know that he should be able to pay any more on the note. The promisor remained solvent for six months after the last instalment was due, and was permitted to receive the profits of the mortgaged property for three years after that time. It was *held*, that the defendant was a guarantor and not a surety, and that he was discharged from his liability by gross laches in the plaintiff, in not using due diligence to obtain payment from the promisor, and not giving the defendant seasonable notice of the non-payment. *Talbot* v. *Gay*, 18 Pick. 534.

11. The defendant addressed the following writing, signed by himself, to the plaintiff: — "July 4, 1818. Sir: My son F. wishes to have you lend him about $ 180. If you will let him have it, when you find his security not good, please to notify me, and I will account to you for the same." About the same date the plaintiff lent F. one hundred and eighty-eight dollars, and received his promissory note for the amount, payable on demand, with interest, but antedated. F. carried on an extensive business in the same town with the plaintiff, and was in good credit until January, 1829, when he failed, and mortgaged his real and personal estate to the defendant to secure a demand due to him. Subsequently, the defendant released the mortgaged property for the benefit of the other creditors of F., without having received any portion of his demand. The interest on the note was paid up to the year 1830. In March, 1830, the plaintiff and F. made a settlement of their mutual demands, excepting the note, and a balance was found due to F., which balance was deducted from the note, and a new note for the balance due on the first made, payable on demand, with interest. In 1832, the plaintiff notified the defendant that the security of F. was not good, and there was no evidence of the defendant's having had previous notice of the existence of the debt. It was *held*, that these facts showed gross negligence in the plaintiff, if he meant to call on the defendant for payment, and that the defendant was discharged from his liability on the writing. *Thomas* v. *Davis*, 14 Pick. 353.

12. Where the payee of a note, in consideration of receiving part payment thereof from the principal promisor before the day on which it is made payable, agrees to give him time beyond that day for payment of the residue, without the consent of the sureties on the note, the sureties are thereby discharged. *Greely* v. *Dow*, 2 Met. 176.

13. It is not necessary, in order to discharge a surety, that the agreement of the creditor with the principal debtor to enlarge the time of payment, should be such as would bar a suit commenced on the original contract within the enlarged time. Any such agreement, on which the

principal has a remedy against the creditor, either at law or in equity, will discharge the surety. *Ibid.*

14. Where the note is signed by several promisors, though part of them are sureties for the other, yet, if that does not appear on the face of the note, the promisee does not discharge the sureties by giving time to the principal debtor, unless he has knowledge, at the time of so doing, that they were sureties; and such knowledge is not to be presumed in favor of the sureties, but must be proved. *Wilson* v. *Foot*, 11 Met. 285.

15. The holder of a guaranteed note does not discharge the guarantor by taking collateral security of the maker without giving him time. *Sigourney* v. *Wetherell*, 6 Met. 553.

16. If the holder of a note, payable on demand, makes a valid agreement with the principal promisor, without the consent of the surety, to receive payment by yearly instalments, he thereby discharges the surety. *Gifford* v. *Allen*, 3 Met. 255.

17. Where a promissory note was signed by B. and H. as principals, and by the defendant as surety, it was *held*, that the reception of interest in advance from the principals by the holders, after the note was due, though it was giving a new credit by implication, did not disable the holders from suing, and consequently did not discharge the surety. *Oxford Bank* v. *Lewis*, 8 Pick. 458.

18. Mere delay of the creditor to proceed against the principal, without some contract binding him not to proceed against him, or a request by the surety that he would enforce the demand, will not discharge the surety. *Hunt* v. *Bridgham*, 2 Pick. 581.

19. Where, upon a promissory note payable on demand, signed by a principal and surety, with witnesses, payments were made by the principal from time to time for twenty years, during the last twelve of which he was reputed to be insolvent, and the holder, always at the principal's request, allowed him further time, but not any fixed time, for making further payments, and the surety had received no notice until just before the commencement of the suit that the note had not been paid, the surety was, nevertheless, held liable, it being his duty to see that the principal pays. *Ibid.*

20. Where, according to the usage of a bank, a note signed by principal and surety, payable in sixty days, was renewable by the payment of twenty-five per cent. at the expiration of that time, without a new note being given, and, if the principal aided the operations of the bank by exchanging the bills of other banks for those of the bank, the credit to be continued from time to time on his paying interest in advance, it being understood that, if the bank should want money, the note might be collected before the expiration of the credit thus obtained, it was *held*, that such an enlargement of the credit would not discharge a surety, for that the bank did not disable itself to sue the principal at any time. *Blackstone Bank* v. *Hill*, 10 Pick. 129.

21. In assumpsit on a promissory note, a plea, that the note was made to A by the defendant and B, jointly and severally, for the proper debt of B; that A commenced an action upon it against B, and attached his property to an amount sufficient to respond the judgment which might be

recovered; that while that action was pending B became insolvent, and A, knowing all the above facts, negotiated the note to the plaintiff, and neglected to prosecute his action, for the purpose of discharging the attachment and compelling the defendant to pay the note; and that the plaintiff, knowing the facts, purchased the note for the same purpose, — was held bad on demurrer. *Bellows* v. *Lovell*, 4 Pick. 158.

22. The payee of a note made by principal and surety brings an action against the principal, on the note and upon another debt, and attaches personal property sufficient to satisfy both demands. The property is left in the possession of the debtor, one B giving his receipt therefor to the attaching officer, and part of it is afterwards attached by other creditors. B then pays the amount of the note, which is indorsed to him at his own risk, and is thereupon withdrawn from the suit, and the residue of the property attached is applied in satisfaction of the payee's judgment upon his other demand. B then sues the surety upon the note. *Held*, that the surety is liable, notwithstanding he requested the payee, after the attachment, not to sign the note. *Bellows* v. *Lovell*, 5 Pick. 307.

23. A refusal of the creditor to sue the principal upon a mere request of the surety, unaccompanied with an offer of indemnity against the costs and charges of the suit, is not a defence at law to a suit against the surety, notwithstanding the principal may have afterwards become insolvent. *Ibid.*; *Frye* v. *Barker*, 4 Pick. 381.

24. So of a refusal, under like circumstances, to prosecute a suit already commenced, and in which the creditor has attached property sufficient to satisfy the debt. *Ibid.*

25. Where the holder of two notes made by the same promisor commenced an action against him, declaring on the common counts for a sum greater than the amount of the two notes, and attached property sufficient to cover both, but did not intend to include in the action one of the notes, which was signed by a surety, and there were subsequent attachments of the same property by other creditors, it was *held*, that the plaintiff was not bound to comply with a request of the surety, to put into the action the note signed by the surety. *Held*, also, that an offer of indemnity for so doing, by the surety, would not vary the obligations and duties of the plaintiff. *Quære*, whether the plaintiff would not have committed a fraud on the subsequent attaching creditors, which would deprive him of the benefit of his attachment, by complying with the request of the surety. *Adams Bank* v. *Anthony*, 18 Pick. 238.

26. The holder of a note signed by the promisor alone, and of another signed by the same promisor with a surety, may bring separate actions on the notes against the promisor, returnable at the same court, and obtain of the promisor security or satisfaction in full, by attachment of property or otherwise, in the action on the former note, without affecting his claim on the surety for the entire amount of the other note. *Dalton* v. *Woburn, &c. Association*, 24 Pick. 257.

27. Where a creditor recovered one judgment upon several notes, some of which were made by the judgment debtor alone, and others were also signed by a surety, and took out an execution which was in part satisfied, it was *held*, that he could not appropriate this payment solely to

the notes not signed by the surety, but that all the notes were paid proportionably. *Blackstone Bank* v. *Hill*, 10 Pick. 129; *Dalton* v. *Woburn, &c. Association*, 24 Pick. 257.

28. A parol declaration by the holder of a promissory note to the surety, after the note has fallen due, that he will exonerate the surety, and look to the principal, is a good defence in an action by the holder against the surety; and if the relation of the makers is not apparent on the face of the note, parol evidence is admissible to prove that the defendant signed as surety, and that this was known to the holder at the time when he made such declaration. *Harris* v. *Brooks*, 21 Pick. 195.

29. If a creditor informs a surety that the debt is paid by the principal, and the surety afterwards relinquishes security which was given to him by the principal, this is a good defence to an action by the creditor against the surety, though the creditor did not intend to deceive or mislead him. *Carpenter* v. *King*, 9 Met. 511; *Baker* v. *Briggs*, 8 Pick. 122; *Harris* v. *Brooks*, 21 Pick. 195; *Dewey* v. *Field*, 4 Met. 381.

30. If a creditor informs a surety that the debt is paid, and the surety by reason thereof loses an opportunity of securing himself against his principal, the surety is discharged, although the creditor acted under a mistake, and the debt was not in fact paid. *Baker* v. *Briggs*, 8 Pick. 122.

31. A creditor who has his debt secured by a surety, and has also property pledged to him by the principal debtor as security, is bound to keep the property for the benefit of the surety as well as of himself, and if he surrenders the property without the consent of the surety, he thereby discharges him. *Ibid.*

32. D. as principal, and G. as surety, gave a joint note to T. in March, 1841, payable in April, 1842. In April, 1843, T. demised a farm to D. for one year, by a written lease, which contained a provision that the produce and profits of the farm should be holden for the payment (among other debts of D.) of the aforesaid note. T. took no measures to obtain the produce of the farm, but permitted D. to dispose of it without objection, and G. had no knowledge of said provision in the lease until after D. had disposed of said produce. *Held*, in a suit by T. on the note, that his omission to obtain the produce of the farm, and apply it to the payment or part payment of the note, did not discharge G. from his liability to pay the note in full. *Taft* v. *Gifford*, 13 Met. 187.

33. Where A gave a note as surety with B, to indemnify C against a note signed by B and C, and B afterwards paid this last-mentioned note with money borrowed for that purpose upon another note signed by B, with C as surety, it was *held*, that A was discharged. *Whitaker* v. *Smith*, 4 Pick. 83.

34. Evidence that B was insolvent, and that the money was borrowed on the credit of C, and was repaid by him, has no tendency to show that C was any thing more than a surety, or that B paid the note with the money of C, and as his agent. *Ibid.*

35. The defendant and B. having exchanged notes for the purpose of raising money, and B. having pledged the defendant's note to one M., the defendant signed another note as surety with B., for the purpose of re-

deeming the first note, and directed B. to use it for that purpose, and return to him the first note; but instead of returning it to the defendant, B. negotiated it to the plaintiff. It was *held*, that the money raised by B. upon the new note, and paid to M., was B.'s money, and not the defendant's, and B. therefore had a right to negotiate the note again. *Eaton* v. *Carey*, 10 Pick. 210.

36. A and B having been partners, A gave an obligation to B to indemnify B against a note on which C was promisor, C having become so merely as surety for A and B. C afterwards advanced money to B, with which B paid the note. *Held*, that A was liable on the obligation to B for the amount of the note paid by B. *Warring* v. *Williams*, 8 Pick. 322.

37. Where one became surety for the maker and the indorser of four notes, payable at different times, by putting his name as second indorser to two other notes, made and indorsed by the same parties, and given as collateral security for payment of the first four notes; and such of the first four notes as were not paid by the maker or indorser in cash, were taken up by the maker, on his giving new notes, indorsed by a third person, and payable on extended time; it was *held*, that, in the absence of evidence to the contrary, the last-mentioned notes must be regarded as payment of those which were taken up, and that the second indorser of the two notes given as collateral security was thereby discharged. *Huse* v. *Alexander*, 2 Met. 157.

38. The surety on a promissory note gave money to the principal, and directed him to pay the note with it, and the principal took it to the holder, and told him it was the surety's money, sent to pay the note; the holder, however, declined receiving it upon the note, but took it in payment of another demand against the principal, to which appropriation the principal ultimately assented. *Held*, that the holder must be deemed to have received the money of the surety in payment of the note. *Reed* v. *Boardman*, 20 Pick. 441.

39. A subscribed the following memorandum, viz.: "The subscriber hereby engages to B & C, that if they will credit D a sum not exceeding $ 500, in case he shall not pay the same in twelve months from this date, I will pay the same myself." B & C thereupon sold D goods to the value of five hundred dollars, and took his note for that sum, and immediately afterwards sold D other goods, for which they took his note for three hundred and seventy-five dollars. Within the twelve months D paid two hundred dollars, which was indorsed on the last note, and shortly after, he paid the balance of that note. Soon after this B & C again sold D goods for his own note, without any guaranty, and upon this note D paid them two hundred dollars, the balance of this last note and the whole of the note for five hundred dollars remaining unpaid. In an action against A, it was *held*, that he was liable for the five hundred dollars, and interest from the expiration of the year, notice having been given him that the debt which he guaranteed was unpaid. B & C were not bound to appropriate the payments made by D in discharge of the note guaranteed by A. *Sturges* v. *Robbins*, 7 Mass. 301.

40. Where after such laches of the holder of a guaranteed note as de-

prived him of any legal claims on the guaranty, the guarantor, on demand of the holder, paid him the interest due on the note, knowing and protesting that he was not liable on his guaranty, it was *held*, that he had waived the holder's laches, and continued to be liable to him on the guaranty. *Held*, also, that the holder's threat to sue the guarantor for other large debts which he owed the holder, unless he would pay such interest, did not avoid the effect of that payment. *Sigourney* v. *Wetherell*, 6 Met. 553.

41. Where two persons jointly, or jointly and severally, sign a note for the payment of money, one of them may show, by evidence *aliunde*, that he was surety for the other. *Carpenter* v. *King*, 9 Met. 511.

42. In an action on a judgment, brought against a surviving judgment debtor, who signed the note on which the judgment was rendered jointly and severally with the other judgment debtor, he may show, by evidence *aliunde*, that he signed the note as surety for the other debtor. *Ibid.*; *Baker* v. *Briggs*, 8 Pick. 122; *Harris* v. *Brooks*, 21 Pick. 195.

43. A, B, C, and D signed a promissory note, and the word "Surety" was added to the names of C and D only; D paid the note, and sued A and B jointly, to recover the amount paid by him. *Held*, that B might prove, by parol evidence, that he signed the note as surety for A, and that, upon such proof, D could not maintain such joint action, although D, when he signed the note, did not know that B was surety for A. *McGee* v. *Prouty*, 9 Met. 547.

44. Where the creditor received from the principal debtor the note of a third person to a larger amount than the debt, and gave a receipt which stated that the note was received "in security for all notes signed" by the debtor, it was *held*, in an action against the surety, that parol evidence might be received to show that the note of the third person was received in payment by the creditor, and with intent to discharge the debtor and surety. *Baker* v. *Briggs*, 8 Pick. 122.

45. A surety who is sued alone, is entitled, in this State, to the same defence at law which he would have in equity. *Quære*, whether he can set up such equitable defence where he is sued jointly with his principal. *Ibid.*

46. The statute of limitations is a good plea in an action by a surety in a bond or promissory note against his principal. *Penniman* v. *Vinton*, 4 Mass. 276.

47. Assumpsit lies on an implied promise by one surety to contribute towards indemnifying another. *Bachelder* v. *Fiske*, 17 Mass. 464.

48. And where the money was paid after the death of the co-surety, the action lies against his executors on the implied promise of their testator. *Ibid.*

49. It is no objection to such an action, that the plaintiff has received a partial indemnity from the principal by an assignment of property, but the property so assigned enures to the benefit of both the sureties, and the defendant is liable for his proportion of the balance paid by the plaintiff beyond the indemnity. *Ibid.*

50. An action lies against a co-surety for contribution, without a pre-

vious notice of the payment by the plaintiff, and a special demand. *Chaffee* v. *Jones*, 19 Pick. 261.

51. The fact that such party put his name on the back of the note at the request of the principal, and without the knowledge of a surety who had signed the face of the note, was held not to affect his right to recover contribution of such surety. *Ibid.*

52. Where a note was paid by one not a party to the note, who had put his name on the back of it before it was delivered to the payee, and he thereupon brought his action for money paid by him as indorser, against the principal and other sureties jointly, and, after a trial, the action was not supported on that ground, he was not allowed to discontinue against the principal, and proceed as a surety against his co-sureties for contribution. *Ibid.*

53. Where a note was made by fourteen promisors, and four of them took it up by giving their own joint and several negotiable notes, which was accepted in full satisfaction of the previous note, it was *held*, that this was such a payment as would enable the four to maintain an action for contribution against a co-promisor in the first note. *Chandler* v. *Brainard*, 14 Pick. 285.

54. Co-sureties, who pay the debt of their principal by giving their own joint and several promissory note, are not entitled to several actions against him for reimbursement. Yet if one of the sureties sues alone for reimbursement, and the principal does not take advantage of the non-joinder of the other, but suffers the action to proceed, and pays the sum which is recovered against him, such surety is liable to his co-surety for half the amount so recovered, whether it be the whole, or only a part, of the sum jointly paid by both. *Doolittle* v. *Dwight*, 2 Met. 561.

55. Although, where two sureties jointly pay the debt of the principal, they should join in a suit for reimbursement, and although, if one brings such suit alone, the other has an interest in the event thereof, yet if he is called as a witness by the plaintiff, and is not objected to by the defendant, he is bound to testify, and does not by testifying estop himself to claim of the plaintiff the benefit of the recovery from the principal. *Ibid.*

56. On the question of contribution between sureties, partners who signed by their partnership name are to be regarded as but one surety. *Chaffee* v. *Jones*, 19 Pick. 261.

57. Where a promissory note is paid by the surety, he has no claim against the guarantor for contribution. *Longley* v. *Griggs*, 10 Pick. 121.

58. Where one of two co-sureties gives collateral security for the payment of the note on which he is surety, his co-surety does not, by paying the note, become entitled to the benefit of that security. *Bowditch* v. *Green*, 3 Met. 359; *Hammatt* v. *Wyman*, 9 Mass. 138; *Brackett* v. *Winslow*, 17 Mass. 153.

59. The plaintiff and defendant indorse a note for four thousand dollars as joint sureties, the promisor mortgages to the defendant, as security for his indorsement, land worth less than two thousand dollars, and before the note falls due becomes insolvent; the defendant afterwards, on receiv-

ing two thousand dollars from the plaintiff, agrees to take up the note and "to pay the plaintiff one half of all that he, the defendant, may receive from the promisor on the note." *Held*, that this agreement embraced the mortgage previously given, as well as what he might receive afterwards. *Sheldon* v. *Welles*, 4 Pick. 60.

60. One of two joint sureties, with the consent of the other, gave up security which he had taken for the benefit of both, on receiving the written promise of the principal that he would pay the debt or return the security. This promise was not performed, and the sureties paid the debt (one thousand and eighty dollars), by giving their joint and several note therefor, payable on time. Before that note was paid or payable, the surety to whom said promise was made sued the principal for breach thereof, and added the money counts to his declaration. The action was, by rule of court, submitted to referees, who awarded that the plaintiff should recover six hundred dollars, and the principal paid him that sum without judgment on the award. The other surety then brought an action to recover of his co-surety half the sum thus received by him of the principal. *Held*, that he was entitled to recover. *Held*, also, that parol evidence was admissible to show that, at the hearing before the referees, the plaintiff in the action abandoned his special count on the principal's promise, and proceeded, without objection from the principal, to give evidence of the payment of his debt by the sureties. *Doolittle* v. *Dwight*, 2 Met. 561.

61. An action for money had and received will not lie for a surety who has paid the debt of his principal, but an action for money laid out and expended will. *Ford* v. *Keith*, 1 Mass. 139.

62. A surety, who pays the debt of the principal by giving his own promissory note therefor, may maintain an action against him for money paid. *Doolittle* v. *Dwight*, 2 Met. 561.

63. When the administrator of a surety pays the note, he may maintain an action, as administrator or in his own name, against the principal for indemnity, and if he bring an action in his own name, the amount recovered by him will be assets in his hands. *Mowry* v. *Adams*, 14 Mass. 327; *Williams* v. *Moore*, 9 Pick. 432.

64. Where an intestate had been surety for a note, and his administratrix paid part of the debt, and was afterwards married, and she and her husband paid the rest of the note, it was *held*, that they might recover the whole amount of the note from the principal in assumpsit, on a count for money paid by the husband and wife as administrators; and that it was not necessary to count specially for the money paid by the administratrix before her marriage. *Williams* v. *Moore*, 9 Pick. 432.

65. Where one signed a note as surety, for the benefit of the principal, and died, and the note was laid before commissioners of insolvency on his estate, and was by them allowed, but nothing was paid on it by the intestate or his administrator, it was *held*, that the administrator could not maintain an action against the principal. *Hoyt* v. *Wilkinson*, 10 Pick. 31.

66. Where an intestate had signed a note as principal, with another as surety, for the benefit of the payee, and the payee negotiated it, and the surety paid the sum due on it to the holder, and had the amount allowed

him by the commissioners of insolvency on the intestate's estate, but nothing was paid on account of the note by the intestate or his administrator, it was *held*, that the administrator might bring an action against the payee, the payment being considered to have been made by the surety as the agent of the administrator. *Ibid.*

67. One of two sureties, having paid the debt, recovered judgment therefor against the principal, but obtaining no satisfaction thereof, he received of his co-surety a moiety of the sum thus paid, and afterwards assigned said judgment to a third person, who made the principal his executor, and died. *Held*, that these transactions did not discharge the principal from his liability to repay the co-surety the amount of the moiety so paid by him. *Ilsley* v. *Jewett*, 2 Met. 168.

68. Where the administratrix of a surety was sued for the debt more than four years after taking administration, and, instead of pleading the statute of limitations, submitted all demands to referees, who awarded that she should pay the debt, the principal was held liable to the heirs of the surety upon a mortgage made to them, conditioned to save them harmless from such debt. *Shaw* v. *Loud*, 12 Mass. 447.

69. A surety in a promissory note may recover its amount from his principal, although the money was paid for the principal upon a usurious contract, which *he* might have avoided. *Ford* v. *Keith*, 1 Mass. 138; *Johnson* v. *Johnson*, 11 Mass. 359.

70. Nothing would excuse the principal in this case, but express notice to the surety forbidding him to pay the note. *Ibid.*

71. In an action upon a promise to save harmless one who had executed a bond as surety, it was *held*, that all the indemnity which the surety could claim was the amount he had paid on account of the bond, with such reasonable expenses as he may have been obliged to incur, not such extraordinary and remote expenses as might have been prevented by payment of the bond. *Hayden* v. *Cabot*, 17 Mass. 169.

72. A guaranteed payment of notes and bills of exchange which a bank might discount for B, during one year, to the amount of three thousand dollars only, in the whole. A having been held liable to the amount of three thousand dollars on the notes and interest, it was *held*, that on paying the notes to said amount, and interest, he would be entitled to have them delivered to him for his use and benefit, and as the first eight notes amounted to $2,782.29, and the ninth note was for $460, the bank would be trustee of A in the sum of $217.71, part of said note. *Washington Bank* v. *Shurtleff*, 4 Met. 30.

73. The provision in Rev. Stat. c. 63, § 5, that the judge of probate, in ordering a dividend among creditors who have proved their claims before commissioners against the estate of a deceased insolvent debtor, shall leave in the hands of the administrator a sum sufficient to pay a creditor who has a contingent claim against said estate, which could not be proved as a debt under the commission, a proportion equal to what shall be paid to the other creditors, does not apply to a surety on a promissory note of the deceased, which has been proved by the holder thereof, and been allowed to him by the commissioners. *Cummings* v. *Thompson*, 7 Met. 132.

74. If a creditor recovers one judgment on several notes, and a surety on one of the notes pays such note in full, and afterwards the creditor receives from the judgment debtor, either the balance, or even the whole amount of the judgment, this does not entitle the surety to recover back any portion of the money paid by him. *Dalton* v. *Woburn, &c. Association*, 24 Pick. 257.

75. When a surety on a promissory note pays the holder before it is due by its terms, a cause of action against his principal accrues at the time when the note becomes payable, and not before. *Tillotson* v. *Rice*, 11 Met. 299.

76. Where property was assigned by the principal in a promissory note, to a surety, to be applied in the first place to indemnify the surety against his liability, and the surplus to be paid over to a creditor of the assignor, it was *held*, that the surety's obligation to pay the notes was not increased by the assignment. *Blackstone Bank* v. *Hill*, 10 Pick. 129.

77. A mortgage deed, given by the principal maker of a promissory note, to his surety on the note, conditioned that the principal will save the surety harmless, creates a trust and an equitable lien for the holder of the note, and the surety holds the mortgaged property subject to such trust and lien, even after the holder's claim on him to pay the note is barred by the statute of limitations, and though the property, as between mortgager and mortgagee, may have become absolute by foreclosure. *Eastman* v. *Foster*, 8 Met. 19.

78. Where the surety on several promissory notes takes a mortgage from the principal promisor, conditioned to pay the notes and save the surety harmless, and thereby holds the mortgaged property in trust for the holders of the notes, and he remains liable on only one of the notes, and the property of the principal is assigned under the insolvent law of 1838, c. 163, the mortgaged property, if sufficient to pay all the notes, is to be applied to the payment thereof, and the surplus, if any, distributed among the general creditors of the mortgager. But if the mortgaged property be insufficient to pay all the notes, the surety is first to be indemnified therefrom, and the surplus is to be paid to the holders of the notes *pro ratâ*. *Ibid.*

79. A had several loans from a bank at different times, on notes indorsed by B, for his accommodation, and at the time when two of these loans were obtained, he lodged collateral security, which he agreed might be applied to the payment of any sum that he had obtained or might obtain on loan or discount from the bank. The bank made collections on the collateral security, and applied them in part payment of the notes that were discounted when such security was lodged, and then recovered judgments for the balance of those notes, in suits against B, the indorser, and satisfied these judgments by levying execution on B's land. C also recovered a judgment against B, and sold on execution B's right to redeem the land levied on by the bank, and then transferred the right thus acquired to D. After the judgments recovered by the bank against B were satisfied by said levies, the bank collected other sums on the collateral security, and applied them towards payment of other notes indorsed by B, and discounted for A. D thereupon demanded that said

sums should be applied towards the discharge of the judgments of the bank against B, and brought a bill in equity against the bank, to redeem the lands on paying only the balance which would be due on the judgments after deducting these sums. *Held*, that the bill could not be sustained. *Richardson* v. *Washington Bank*, 3 Met. 536.

80. Under an agreement to indemnify the plaintiff against loss by reason of his having indorsed notes, it was *held*, that, the plaintiff having paid the notes after regular notice to him as indorser, he had an immediate right of action against the defendant, without first bringing an action against the maker, and that evidence of the maker's ability to pay the notes was irrelevant and inadmissible. *Kempton* v. *Coffin*, 12 Pick. 129.

81. Where a negotiable note, signed by one person as principal, and others as sureties, is paid by the principal after it is due, no action can be maintained on it, by any person, against the sureties. *Merrimack Bank* v. *Parker*, 7 Pick. 88.

82. Where the promisor of a note, which is guaranteed as "perfectly good and collectable," is insolvent at the time, and continues to be so, the holder is not obliged to institute legal proceedings against him, and to prosecute the same to judgment and execution, before resorting to the guarantor. *Sanford* v. *Allen*, 1 Cush. 473.

83. The holder of a promissory note commenced an action against a surety therein, after the principal had assigned his property to the holder for the benefit of his creditors, but before the amount to be divided among them was ascertained, and while the action was pending received a dividend under the assignment. It was *held*, that the action was not prematurely brought, nor barred by the receipt of the dividend, but that the amount of the dividend should be deducted in estimating the damages. *Lincoln* v. *Bassett*, 23 Pick. 154.

84. A and B, partners in trade, after signing their individual names, as sureties, to a note given by C to D, took advantage of the insolvent laws, and their joint and separate estates were assigned for the benefit of their creditors. *Held*, that D was entitled to prove his note as a debt against the separate estates of the sureties. *Ex parte Weston*, 12 Met. 1.

85. A guaranteed payment of notes and bills of exchange which a bank might discount for B, during one year, to the amount of three thousand dollars only in the whole. The bank discounted ten notes for B, at different times during the year, amounting in the whole to three thousand six hundred and five dollars, which notes were not paid by the makers or indorsers, and notice of non-payment was given to A, as the notes severally fell due. In a suit by the bank against A on his guaranty, it was *held*, that he was liable, not for the gross sum of three thousand dollars, but for a sum not exceeding that amount on the notes discounted, and also for interest on the several notes, after they fell due, and notice of non-payment was given him. *Washington Bank* v. *Shurtleff*, 4 Met. 30.

(*Continued in the June No., p.* 945.)

FOREIGN ITEMS.

BANK OF ENGLAND.—At the general court held on Thursday, March 17th, the governor declared that the profits for the half year ending February 28, were £563,049; the rest, out of which the dividend is to be paid, is £3,594,233. A dividend of four per cent. on the half year was declared, free of income tax, leaving a rest of £3,012,113. The meeting only lasted six minutes.

The issues of the Bank have attained the enormous sum of £32,361,900 sterling, which has been rarely, or never, exceeded. The issues are on account of:

Government debt, as authorized by charter,	£11,015,100
Miscellaneous public securities,	2,984,900
Gold coin or bullion,	18,342,746
Silver bullion,	19,154
	£32,361,900
Deduct notes on hand,	10,086,030
In the hands of the public,	£22,275,870

The following table will show at a glance, the progressive increase of gold and the decrease of silver in the vaults of the Bank of England during the last seven years. It will be seen that the Bank has (voluntarily, of course—gold only being legal tender for sums over 40s.) parted with more than two millions sterling in silver since January, 1847; much of it, no doubt, at a premium.

A Return showing the Amount and Value of Specie and Bullion in the Bank of England on the 1st January, 1847, 1848, 1849, 1850, 1851, 1852 and 1853, distinguishing Gold from Silver, Specie from Bullion, and Foreign from British Coin.

	GOLD.			SILVER.			
	Bullion.	*Foreign Coin.*	*British Coin.*	*Bullion.*	*Foreign Coin.*	*British Coin.*	TOTAL.
1847,	£4,031,404	£3,081,971	£5,170,014	£1,936,835	£582,655	£198,693	£14,951,572
1848,	1,177,669	3,607,502	6,081,100	944,342	402,717	190,930	12,404,250
1849,	3,261,110	3,152,805	7,693,944	149,144	358,764	338,882	14,954,649
1850,	3,867,493	3,813,428	8,587,650	77,744	199,363	474,882	17,020,480
1851,	4,699,108	3,565,810	6,187,960	26,625	25,042	325,573	14,830,118
1852,	5,503,772	5,772,435	5,997,437	4,625	28,750	250,523	17,557,541
1853,	10,827,486	6,509,204	3,123,943		19,154	47,925	20,527,662

ENGLISH GOLD COINAGE.—Notwithstanding the large amount of coinage last year by the English Mint, (£8,742,270 gold, and £189,596 in silver,) the *European Times* says:

"Great inconvenience has of late been experienced from the want of a sufficient supply of coinage, and particularly of silver and copper. The demand for gold coin, notwithstanding the enormous amount coined last year, (£8,749,000,) continues as great as ever, and the whole strength of the mint requires to be devoted to it. Till a comparatively recent time, the largest amount of gold coin which it was considered could be turned out by the mint was £250,000 a week; at the present moment, the quantity coined has risen to about £520,000 a week; and yet, such is the demand, that even that quantity appears to be insufficient to supply it. In the month of January, during a short cessation of the pressure for gold coinage, a quantity of silver equal to £92,000 was coined, being equal to one half of the entire silver coinage of 1852, and being more than the entire silver coinage of 1851, which was £87,868. In the midst of this pressure for gold and silver coin, the manufacture of copper coin seems to have been impossible at the mint, while the demand has been, and still continues to be, extremely great. It is now understood that the mint authorities, in order to supply the want, are about to enter into a contract with private persons for the manufacture of so large a quantity of this coin as will effectually meet the demand."

Of the large amount of gold held by the Bank in January last, £10,827,486 was in bullion; £6,509,204 in foreign gold coin, and only £3,123,943 in British gold coins.

AUSTRALIAN MINT.—The London *Times* states that a company has been formed under the title of the Royal Australian Mint Association, for the establishment of a mint, with local branches, in Australia, for assaying and stamping, or coining the gold produced in that colony. The undertaking appears to be projected mainly on the readiness now shown by the imperial government to sanction the establishment of Australian mints. Mr. Wilson announced the other evening, in the House of Commons, that "Government would be ready, free of all charge to the Home Government, and with proper regulations for securing the purity and weight of the coin, to grant the establishment of mints wherever they were demanded." We understand, however, that Government do not propose allowing the Australian mints to coin sovereigns, but only local coins or tokens, a restriction of which it is not easy to perceive the wisdom.

Further shipments of gold to the Continent are taking place. We know of the dispatch of between £50,000 and £60,000 worth to-day, and more will probably be sent next week. The shipments are chiefly in bars. It is thus apparent that of the Australian gold that is now coming in, a considerable portion is leaving this country in the ordinary course of trade.

The customs' authorities have declined to permit gold dust, on arrival, to be taken out of the vessel and deposited in the Queen's warehouse until the owners can be apprized of its arrival and cause it to be removed, being unwilling, even for a time, to become officially responsible for the safe custody of property of such value. According to present rules, on the production of requisite authority, an order is issued by the proper officer for the specie to be landed from the vessel and conveyed at once to the Bank, immediately on the report of the vessel's arrival.

BULLION.—In reference to the Bullion market of England, the *London Economist* of the 5th March says:

"In the course of the week, the arrival has been announced of the *Alert*, from New South Wales, with 43,000 ounces of gold, valued at £172,000; of the *Roxburgh Castle*, from Melbourne, with about 200,000 ounces of gold; and of the *Chowringhee*, with 63,713 ounces. The imports of these vessels amount in value to rather more than £1,000,000. But all this gold does not remain in England. A part of it is sent to France and Germany. Of late many bills have appeared in the market, drawn from the wine districts of Spain, which it is understood are on account of very considerable shipments of low wines from that country to Australia. They are at short dates, and may be considered as present payments, while the returns for the cargoes must be necessarily delayed for many months. This is one of the circumstances that has made it advantageous for the moment to remit gold to the Continent, and made it be conjectured that a further rise will take place in the rate of interest."

LONDON MONEY MARKET.—We copy from the London *Banker's Magazine* the following summary of the money market for the month of February:

"The present month (February) has been quieter than the last. The Bank has not found it necessary further to raise its minimum rate of discount; and the decline in the rate of foreign exchanges against this country has generally been arrested; in some cases there has been an improvement in them in favor of this country. A good deal of attention was excited in the middle of the month by the appearance of a Treasury advertisement, to the effect that the Exchequer bills falling due on the 10th of March, (next month,) will only be renewed at an interest of 1*d.* per cent., or £1 10*s.* 3*d.* per cent. per annum. The present rate borne by Exchequer bills is 1¼*d.* per cent. per diem, or say 2½ per cent. The meaning and policy of this step are not very obvious. Its first effect has been to reduce the premium on Exchequer bills from 56*s.* to par, and to that extent to give a severe shock to the market. The reduction is the more remarkable, considering the recent sound policy of the Bank in raising its rate of discount, and in that manner arousing the attention of the mercantile classes to many proximate causes of disturbance. It may appear, perhaps, that there are some arrangements connected with the Exchequer which render it convenient to compel the holders of a large portion of the March bills not to renew them. In the absence, however, of any such special justification of the reduction, it will not be easy to vindicate it on general grounds.

The panic on the Paris market has subsided a good deal, but there is still great uneasiness there.

"The following is the state of the note circulation of the United Kingdom, for the month ending the 22d January, 1853:

Bank Note Circulation.	*Dec. 24th, 1852.*	*Jan. 22d, 1853.*
Bank of England,	£22,435,172	£23,887,885
Private Banks,	3,648,114	3,771,555
Joint Stock Banks,	2,914,077	2,989,602
Total in England,	28,997,363	30,148,592
Scotland,	3,764,064	3,612,710
Ireland,	5,685,441	5,689,651
United Kingdom,	£38,446,868	£39,450,953

DECIMAL COINAGE.—*To the Editor of the London Daily News.*—Sir,—I have read with great pleasure your article upon the absurd coinage of Great Britain. You justly say, "It is simply a disgrace to the nation. Its absurdities are not to be equalled in any other civilized country under the sun." To have coinage as follows, viz.: four farthings to make one penny, twelve pennies to make one shilling, and twenty shillings to make one pound, is barbarous indeed, and entirely unworthy of this enlightened age and country. Why not adopt the decimal system which the great nations, United States of America, France, Russia, and China, besides the small nations, Portugal, Brazil, Holland, Belgium, Naples, Tuscany, Kingdom of Sardinia, Lombardy, Venetian Kingdom, Greece, Papal States, Basil or Basle in Switzerland, have adopted with so much advantage and convenience to themselves?

In the four named great nations the currency is as follows, viz.:

		Population.
United States,	100 cents make 1 dollar, has	25,000,000
France, (also Belgium,)	100 centimes make 1 franc, has	38,000,000
Russia,	100 copecs make 1 ruble, has	65,000,000
China,	1000 cash make 1 tael, has	365,000,000

Among the small nations—

Portugal,	has 1000 reis for 1 milrei,	3,600,000
Brazil,	has the same,	7,000,000
Holland,	has 100 cents to make 1 florin,	3,000,000
Naples,	has 100 grani to make 1 ducat,	6,250,000
Tuscany,	has 100 centisimi to make 1 livre or pound,	1,500,000
Kingdom of Sardinia,	ditto, ditto,	4,700,000
Lombardy,	ditto, ditto,	4,800,000
Papal States,	has 100 bajocchi to make 1 scudo Romano,	2,785,000
Greece,	has 100 lapta to make 1 drachm,	700,000
Basil,	has 100 raps to make 1 Swiss franc,	65,000
Total,		526,250,000

March 19. A MERCHANT.

EUROPEAN RAILWAYS.—In reference to Continental railways, the London *Economist* adds:

"Business in the railway market has been steady, and the prices tolerably firm. For all kinds of French railway shares the demand is increasing, less on speculation than for investment; and the shares of more than one line are not to be obtained at the market price. The value of such property in France is increasing. The late check which the Paris market received cleared it of much unsound speculation, and since that it has become healthier and firmer. The market to-day for English shares was lively, and they generally increased in value."

The views of the *Economist* also in reference to the proposed Continental loans, are reliable, viz:

"The necessities of Turkey are drawing it again into the market for a loan, but as all attempts to negotiate one were at once put aside, unless the former loan were satisfactorily settled, its agents have been forced to take up that matter. A deputation has had an interview with the Earl of Clarendon on the subject, at which we

believe some terms were mentioned that are not regarded as quite satisfactory. But it is supposed that satisfactory terms, such as repayment with a premium of 5 per cent., will be agreed to, and then Turkey will probably again appear in the market as a borrower. Turkish bonds are again quoted at 1¼ to 2 premium.

"The city of Brussels (according to Lamond & Co.'s circular) has opened a subscription for a loan of 3,000,000f. (£120,000), to be raised in 30,000 bonds of 100f. (£4) each, bearing interest at the rate of 3 per cent., and redeemable in the space of sixty-six years, under the operation of a perpetual sinking fund. Accompanied with the sinking fund is a drawing, which, partaking of the character of a lottery, the premiums ranging from 25,000f. to 200f., affords a certain attraction to the speculation; and the interest being secured on the local revenue, there is no reason to doubt its punctual discharge. The subscription is 50 per cent. at the date of contract, and the remainder on the issue of the bonds."

Life Insurance.—Life Insurance Companies in England have recently undergone investigation by a Parliamentary Committee, in consequence of alleged abuses, and petitions that the companies might be placed on a more satisfactory footing. Several cases of gross fraud were discovered, such as the exhibition of deceptive balance sheets, the establishment of companies without any real capital, &c. It appeared that since 1844, nearly 400 life assurance companies had been projected, of which only about 50 are now in existence. The accumulated capital of the present companies in Great Britain is said to be about $750,000,000, and the annual income $25,000,000. In Scotland alone the liabilities of fifteen companies have risen to $160,000,000, and their annual income exceeds $7,500,000.

Australia.—Some idea may be formed of the large emigration and heavy exports from England to Australia, from the fact that in the London docks there were on the 3d inst. no fewer than seventy vessels bound for different ports of Australia, of which the greater part will have left their destination before the expiration of another month. Of this number, about one half are ships of from 500 to 1,000 tons burden, the remainder being smaller vessels. Nearly one half of the ships loading are foreign bottoms, chiefly Dutch, and all very fine ships. So great is the demand for ships, that the smallest vessels are laid down. There is one now loading of 150 tons only. In St. Catharine's Docks there are 26 vessels for Australia, 20 of these being for ports in the gold regions. There are also three fine ships loading for New Zealand.

New Bank of Constantinople.—It appears that an effort is to be forthwith made to establish a new Bank of Constantinople, and to bring about a re-adjustment of the circulation that shall correct the ruinous rates of exchange at which all the foreign payments of the country are now made. As this can only be effected, however, by an importation of the precious metals, either through a loan to the state or the opening of credits in London or Paris, the measures to be proposed will be regarded with curiosity. The recent repudiation puts the idea of a loan out of the question, and the fact of the solemn contracts of the late bank having been disavowed by the Government which created it, and which professed to make the maintenance of its honor a primary consideration, seems equally fatal to all prospect of credit being given to any future institution of the kind.

MINT STATISTICS.

The following circulars have been issued by the Director of the Mint:

Mint of the United States, *Philadelphia, March* 31, 1853.

By virtue of the 3d section of the Act of Congress, approved Feb. 21, 1853, the Treasurer of the Mint, with the approval of the Directors, gives notice that he is prepared to purchase Silver coin and Bullion delivered at the Mint, on the following terms, viz.:

For dollars of Mexico, Peru, Bolivia, Chili, Brazil, (restamped,) and Spain, for Francs, for silver coins of the United States other than the three-cents, the price paid will be $1,21 an ounce gross.

For Thaler of Sweden and the Northern States of Germany, $1,01 an ounce.

For Silver in bars, $1,21 for each ounce, at standard fineness (9-10ths) as determined on assay at the Mint.

The payment will be made in gold coins, or in silver coins of new emission, at the option of the seller. Parties furnishing silver to the Mint, according to the terms of this notice, will receive a preference, in exchange for the new coin, according to the order of priority of their sales to the Mint.

It is expected that an emission of new coinage will be made by the middle of April.

The prices herein fixed will be continued until further notice.

Approved. E. C. DALE, *Treasurer.*

G. N. ECKERT, *Director.*

MINT OF THE UNITED STATES, *Philadelphia, April* 9, 1853.

The Director of the Mint, with the approval of the Secretary of the Treasury, gives notice, that the distribution of three-cent pieces, at the expense of the Mint for freight is discontinued.

The Director has also, in pursuance of the discretion vested in him by law, temporarily suspended the coinage of three-cent pieces, with a view to the more active employment of the Mint in the manufacture of other silver coins. Over thirty-six millions of three-cent pieces having been put into circulation within two years, it is believed that a suspension of their coinage will cause no public inconvenience, especially as other silver coin will speedily be available for the uses to which the three-cent pieces are at present applied.

It is requested, therefore, that until further notice, orders and remittances for the purchase of three-cent pieces will be discontinued. GEO. W. ECKERT, *Director.*

THE NEW SILVER COINAGE.—The officers of the Mint at Philadelphia are now closely engaged in preparation for coining the new silver pieces of the denominations of three, five, ten and twenty-five cents. In order to meet the public wants for small silver change, the work at the Mint now goes on both at night and by day. The *new quarter of a dollar*, of which we have seen a specimen, weighs precisely four pennyweights, and is 7½ grains less than the former piece. As compared with the current Spanish *quarters*, the new coin is decidedly heavier and somewhat finer.

None of the new dimes or half dimes have yet been struck.

The moulds for the gold bars are intended to make bars of the value of $200, $1,000, and $4,000 each. An engraved ticket (printed on bank-note paper) will be affixed to each bar, to certify its weight, fineness, and its value in dollars and cents. These bars, when returned to the Mint for coinage at any future period, will be subject to a charge of *one half per cent.*, as prescribed by the new law.

This ticket is in the form annexed:

U. S. MINT,	FINE, 990.
1853,	
PHILADELPHIA,	OZS. 50.07.
No. 400.	

The present charges for making these bars (being the actual sum of labor, materials, and unavoidable wastage) will be six cents per hundred dollars, or about one-sixteenth of one per cent. This charge will be collected from the depositor, and not deducted from the bar.

We understand that the Director of the Philadelphia Mint anticipates being able to issue the new silver coin, authorized by the late act of Congress, on or about the 15th instant. The Mint has about five hundred thousand dollars worth of silver on hand.

THE MINT.—Among the serious evils produced by a change of administration in the General Government, is the discharge of competent and experienced men in offices where experience is quite as essential as talent. The recent change in the Directorship of the U. S. Mint is thus brought about by political machinery, when the services of such an officer are more valuable the longer he remains in office. The Philadelphia *Inquirer* says, in reference to this appointment:

"We have already announced the resignation of E. C. Dale, Esq., as Director of the Mint and Sub-Treasurer of the U. S., and the appointment of Robert Ewing, Esq., in his place. It may be, however, that the latter will not accept. The combined post

is one of great responsibility, immense security, and very moderate salary. The security is over $200,000—a sum that is not likely to be at the disposal of many citizens. The obligation, too, is a serious one—one, indeed, that few individuals like to submit themselves to, except under very peculiar circumstances. Indeed, a man must have very kind and considerate friends, as well as very rich ones, to enable him readily to obtain this amount; while a gentleman who is actively engaged in business, and is therefore not dependent on Governmental favor, would be disposed to hesitate, before accepting all the risks, duties and responsibilities of such a position."

THE PRECIOUS METALS OF MEXICO.—There has been a very exaggerated idea of the yield of the precious metals by Mexico since the Spanish conquest. We had an opportunity some time ago to examine authentic statistical documents—not easily accessible in this country—and we were satisfied that the following table, prepared by us with great care, exhibits the true result of Mexican coinage from the year 1535 to the 1st January, 1850:

Silver coinage from 1535 to 1844, inclusive,.....	$2,465,275,954
Gold coinage from 1535 to 1844, inclusive,.....	126,989,021
Copper coinage from 1811 to 1844, inclusive,.....	5,566,876
General coinage from 1845 to 1849, both inclusive,.....	70,000,000
Total coinage of Mexico in 314 years,.....	$2,667,828,851

Or, avoiding fractions, nearly $8,500,000 yearly.

This sum, as an average annual production spread over so long a period, does not appear to justify the calculations that have been made relative to the metallic production of Mexico. Still, in fairness to the wealth of the nation, we must remember that for nearly forty years the country has been constantly vexed by revolutions; and that, prior to the original outbreak, neither the population nor the mining machinery of Mexico was of such a character as to insure the most copious returns from the veins.

Some recent mining returns seem to confirm this view. An official table of gold and silver coined in the eight mints of Mexico from 1st of January, 1844, to the 1st January, 1845, shows that in that time $667,406 were issued in gold, and $13,065,454 in silver; or $13,732,861 in all. At that date it was said that more energy was about to be infused into mining throughout the republic, and that the veins promised a corresponding yield.

We are glad to say that this prophecy has been verified, and that it is likely Mexico will soon contribute a largely increased supply of silver for the world's commerce and circulation.

In February, 1850, an official report was made to the Mexican Chambers, by which it appears that in eighteen months, between the 1st of January, 1848, and the 30th June, 1849, the coinage at all the Mexican mints, exclusive of Hermosillo, amounted to $1,351,416 in gold, and to $27,003,989 in silver—total, $28,355,405.

To this increased emission since 1844, the author of the "Cuadro Sinoptico" of Mexico, in 1850, estimates that we should add $10,000,000 as having left the country in the same eighteen months in bullion. This would raise the entire yield of the mines, during that time, to $38,355,405; but, as it is likely that much of the coinage was only a reissue of old money, and that the *whole* of the $10,000,000 exported in bullion was not freshly taken from the mines during the same period, we think it quite likely that the true increase may be placed at $5,000,000 annually, or $20,000,000 in 1850, instead of $14,000,000, as in 1844.

These results are quite encouraging to all engaged in Mexican mining. We have long believed that the ores of the republic were inexhaustible, and that nothing was required to give Mexico her just supremacy in the control of silver, but an industrious population that would not be contented to live on bananas and revolution.—*Baltimore American.*

GOLD INGOTS.—Considerable interest has been manifested to know whether the bars or ingots to be struck at the new Assay Office would be received for government dues. We cannot find, from a careful reading of the law, that any provision was made for their reception, but have no doubt of the right of the Secretary of the

Treasury to order such an arrangement. The *Certificates*, however, which are received from the Assay Office when the gold dust or bullion has been assayed, can be used for the payment of duties at this port, any time within sixty days from their date, under the following section:

SEC. 11. *And be it further enacted*, That the owner or owners of any gold or silver bullion, in dust or otherwise, or of any foreign coin, shall be entitled to deposit the same in the said office, and the treasurer thereof shall give a receipt, stating the weight and description thereof, in the manner and under the regulations that are or may be provided in like cases for deposits at the Mint of the United States with the treasurer thereof. And such bullion shall, without delay, be melted, parted, refined and assayed, and the net value thereof, and of all foreign coins deposited in said office, shall be ascertained; and the treasurer shall thereupon forthwith issue his certificate of the net value thereof, payable in coins of the same metal as that deposited, either at the office of the Assistant Treasurer of the United States, in New York, or at the Mint of the United States, at the option of the depositor, to be expressed in the certificate, which certificates shall be receivable at any time within sixty days from the dates thereof, in payment of all debts due to the United States at the port of New York for the full sum therein certified.

All gold or silver bullion and foreign coin deposited, melted, parted, refined or assayed as aforesaid, shall, at the option of the depositor, be cast in the said office into bars, ingots or discs, either of pure metal or of standard fineness, (as the owner may prefer,) with a stamp thereon of such form and device as shall be prescribed by the Secretary of the Treasury, accurately designating its weight and fineness: *Provided*, That no ingot, bar or disc shall be cast of less weight than five ounces, unless the same be of standard fineness, and of either one, two or three ounces in weight. And all gold or silver bullion and foreign coin intended by the depositor to be converted into the coins of the United States, shall, as soon as assayed, and its net value certified as above provided, be transferred to the Mint of the United States, under such directions as shall be made by the Secretary of the Treasury, and at the expense of the contingent fund of the Mint, and shall then be coined. And the Secretary of the Treasury is hereby authorized, with the approval of the President of the United States, to make the necessary regulations for the adjustment of the accounts between the respective officers, upon the transfer of any bullion or coin between the Assay Office, the Mint, and the Assistant Treasurer in New York.

MINT OF THE UNITED STATES, *Philadelphia*, April 6, 1853.

The law regulating the new coinage of silver, leaves it optional with the Director of the Mint to pay in whatever denomination of coins he prefers. It has been deemed that the quarter dollars are the most useful of all silver coins, and the whole force of the Mint is now and has been engaged since the 1st instant, upon them only. It is useless, therefore, for parties to order returns in various coins.

For silver sold to the Mint, in accordance with the "circular," a check on the paying-teller, with value thereon, is given; this can be *drawn in gold or silver, at the option of the seller*. If, however, the silver be mixed, in other words, if it be composed of various kinds, a memorandum receipt is given, and when an assay is made and the net value determined at $1,21 per ounce, this receipt is released by a check on the paying-teller.

Silver checks will be paid in consecutive order, and it is possible that a statement, giving the number of ounces and net value, may be issued at the time of payment; this, however, is not positively decided upon. If it be not done, it is purposed marking the bags so that the whole story be told.

The amount of new coinage on hand at this time is said to be $150,000. If the Mint continue to coin, say $20,000 per day, by the 15th, (the time proposed for the general distribution,) I have no doubt but all the sales made to the Mint will be satisfied on that day. Hereafter all silver found in the California gold will be paid in standard silver, and not in gold, as heretofore.

The latter point is one that the California depositors have for a long time insisted on—and it is now granted for the first time.

SEIGNORAGE AT THE MINT.—"We are informed that in consequence of the seignorage of one-half of one per cent. on gold coin, it is the impression in the street

that no more American gold will be shipped. The shipments will be confined to gold in bars or ingots, which, at a saving of 7-16 per cent., (which is the difference between the cost of casting the gold in bars or stamping it into coin,) will enable the shippers to draw exchange at a range from 109¾ to 1·10 per cent. This is reckoned at the present rated allowance of the Bank of England of £3 16*s.* 2*d.* per oz. for American standard gold. By the last quotations from London, American gold was rated in the market at £3 16*s.* 4*d.* This slight advance over the price allowed by the Bank of England is owing to the small amount now in the London market. When shipments to any extent shall go forward, the Bank of England price will be the ruling one. The foreign exchange market is firm at 109¼ *a* ⅓, and if the above calculation is correct, the market is nearer the specie point than has hitherto been calculated."—*N. Y. Express.*

California Gold.—Messrs. Hussey, Bond & Hale, in their San Francisco Circular of the 28th February, remark in relation to gold, as follows:

The declared shipments of gold, by steamers and sailing vessels, during the year 1852, amount to	$45,800,000
Upon the basis of a calculation given in particulars in our Circular of July 30, 1852, we should add to this amount for sums taken away by individuals, (not declared,) and for the amounts retained in circulation 65 per cent.; but we believe a much larger sum has latterly been retained in the country than was previously the case, the business and capital of the State having increased. We add, therefore, 75 per cent. to the above sum,	34,350,000
Showing probable production for the year 1852,	$80,150,000
By a former table, and estimates more definitely stated than this, we gave the probable production up to January 1st, 1852, at	140,931,000
Showing an estimated production to January 1st, 1853, of	$221,081,000

The census statistics of population, agriculture, &c., officially prepared, are deemed by us so inaccurate, from the difficulties inevitably encountered, that we refrain from giving them as the basis of any calculation.

BANK ITEMS.

New York Banks.—A clearing house for the New York city banks has been suggested at different times during the last two or three years. A committee on the part of the Wall-street banks was appointed last summer to take this matter into consideration, and to suggest some plan by which the daily exchanges between the numerous city banks can be effected more readily than is done at present.

No plan has yet been matured, although several have been proposed. The only reason why the matter is not settled at once is, that those most competent to decide upon it, are too closely occupied with their immediate and laborious duties to give it that degree of attention which its importance requires.

At present there are fifty banking institutions in active operation in this city. Each of these, at present, is compelled to keep daily accounts with some thirty or forty of the others, and to make daily exchanges of checks and bills with every one of them. This daily task of exchanges involves much risk on the part of each institution, and the labor of keeping above twelve hundred accounts among them all.

This risk and labor, and loss of time, could be in a great degree obviated, by the selection of one bank in Wall-street, or the creation of a clearing house, where the daily exchanges could be effected in one hour, with more security to each institution, and a saving of time and labor.

The plan adopted by the London Clearing House could be adopted here, with some slight modifications, and would operate to the decided advantage of the various banks of our city; or, if some one bank in Wall-street were selected as the exchang-

ing bank, the only additional expense involved would be the rent of one room above the bank, where the exchanges of bank bills and checks could be effected.

An important saving would be made by avoiding the present mode, so annoying to all parties, of drawing and redrawing specie from each other. A board of cashiers should meet once a week, and the balances from and to each other could be liquidated by checks. Every bank is a creditor bank towards some, and a debtor bank towards others. All these balances could be discharged, with only an occasional transfer of specie.

All that is now wanted, in order to mature a plan, is for the committee, or some few leading bank officers, to give the subject a few days' attention. The convenience and interest of every moneyed institution in New York are involved in it.

Western Currency in New York.—Some of the city papers announced two or three days since, that a bank in Wall-street, hitherto occupying a respectable position, had consented, in alliance with the note brokers, to assist in foisting the circulation of the far-western banks upon this community, at a regular shave of three-fourths of one per cent. We have delayed noticing it, hoping that such a disgraceful connection would not be consummated; but as the statement has been uncontradicted, we presume it must be correct. The bills of the Indiana, Illinois and other new Western banks, are to be received on deposit at three-fourths of one per cent. discount, sold to the brokers who first issued them, thrust again upon the community, and again deposited. Between the currency which will thus be given to issues otherwise in doubtful credit here, and the shave by way of discount, this business will no doubt be profitable to those engaged in it; but it is far from reputable to the bank, and certainly injurious to the community. It will be seen that the brokers are under no obligation to take the bills from the bank longer than it suits their convenience; and as soon as the brokers stop buying them, the bank of course can no longer receive them on deposit; and the poor bill-holders, who have been led to take them only because the bank in a measure endorsed them, are of course left to suffer. We are sure we speak the sentiments of a large portion of our citizens, if not of every one who has no personal interest in the measure, in saying that the arrangement alluded to, is outside the pale of honorable business transactions.—*New York Journal of Commerce.*

Western Currency.—The St. Louis Republican of the 15th February states, that strong opposition is made to the plan adopted for the first time a few days since by the Pacific Rail-Road Company, in paying out Illinois money to contractors and laborers. Some of this money is one per cent. discount in St. Louis, and large amounts have come into the brokers' hands, at a loss to the holders.

The people of Missouri, Illinois and Indiana, have been so grossly imposed upon by the bank paper of the latter States, that the private bankers of St. Louis have consented to take and pay no bills that are not equivalent to specie in that city. In this measure Messrs. Page, Bacon & Co. and Messrs. Lucas & Simonds, wealthy bankers, have concurred, so that the irredeemable paper is utterly rejected. The Republican adds, in reference to the use of Illinois money by the Pacific Company:

"We say this is unbecoming conduct in a Company of the means and receiving the favors bestowed upon it by the people, the State, and National Governments. They ought to deal in nothing—receive nothing—pay out nothing which does not come up to the full legal standard—gold and silver. We do not believe that they have received anything else, and it is highly reprehensible to pay out anything else. This is a matter for the President and Directors to consider, and they should at once inquire into it, *and stop it.*"

Illinois Bank Law.—The following is a synopsis of the amended Bank Law of Illinois, which has been recently adopted:

Sec. 1. Provides that no company shall become incorporated under the General Banking Law, until stocks to the amount of $50,000 have been deposited with the auditor.

Sec. 2. Provides that no bank, broker, merchant, or anybody else, shall emit, circulate, pay out, or receive as money, anything but the secured notes of the Illinois banks, and the notes (not less than $5) of specie-paying, regularly incorporated banks of the states, territories, the District of Columbia and Canada.

The penalty for each violation of the law is fifty dollars.

Sec. 3. Provides that any broker, banker, or merchant who shall violate the law, shall be imprisoned not longer than one year.

Sec. 4. Makes it the duty of any one of the bank commissioners who has reason to believe, or who has been informed by any credible person, that any bank, banker, broker or merchant has violated any of the provisions of this act, to go forthwith to the place of business of such person, and there to inquire into the facts, with power to administer oaths and issue subpœnas. And if he shall think that the law has been violated, he is obliged to commence legal proceedings of a very stringent and effective kind, to punish the party, and prevent further violation of the law.

Sec. 5. Contains further provisions for the enforcement of the law, with a further provision that if any bank is legally adjudged to have been guilty of a violation of the law, such bank shall be put into liquidation by the auditor and wound up.

Sec. 6. Provides that the Bank Commissioners shall make oath to perform all the duties required of them by this act.

Sec. 7. Makes every payment utterly null and void which may be made in the kind of currency prohibited by this act.

Sec. 8. Provides that no action shall be maintained in any court on any contract, the consideration of which, in whole or in part, shall be any of the kinds of currency prohibited.

Sec. 9. Makes persons bringing suits for violations of this law, and defendants, competent witnesses.

Sec. 10. Provides that the act goes into operation on the first of August next.

The Belleville (Illinois) Advocate says that a certificate signed by J. L. D. Morrison, S. B. Chandler, Sidney Breese, Sanger & Co., for the Bank of St. Clair, to be started by them at Illinoistown, with a nominal capital of $5,000,000, has been filed and recorded with the county recorder.

Illinois Currency.—Among the new banks started in Illinois, we notice names quite familiar to Wall-street, such as "Butchers' and Drovers'," "American Exchange," &c. The object of this selection of titles, we suppose, is to give a fictitious currency to the notes in this section, under the shadow of our city banks. The same game was tried with the shinplaster institutions at Washington, D. C., the name, and in some cases the general appearance of the bills being copied from the issues of our city banks, in order to deceive the careless and ignorant.

We have it on authority of one of the brokers, who is a party to the arrangement between the American Exchange Bank of this city, and others in the shaving operation already noticed, that so far from relinquishing the scheme of taking the notes of the new Western banks, to facilitate their circulation in this vicinity, the bank alluded to has it in contemplation to extend their list to include all of the banks within the limits of the United States. We should suppose that after this plan has been adopted and all the bogus shinplasters in the country are thus legitimatized, good-looking counterfeits would be next on the list for promotion.—*New York Journal of Commerce.*

Bank of the State of New York.—Allusion having been made in several of the newspapers to the transactions between the Bank of Charleston and the Bank of the State of New York, we may be permitted to state briefly the facts of the case:

The Bank of Charleston has for many years kept a very large account with the Bank of the State, in the progress of which it happens occasionally (and almost periodically) that they anticipate the maturity of a portion of the bills receivable sent to the bank here, while at other periods of the year large sums accumulate at their credit. This mode of keeping the account is matter of agreement between the two banks, and interest is reciprocally charged at rates mutually profitable. The Bank of Charleston has never checked without having either cash at its credit, or bills receivable in the hands of the bank here, the latter to an amount generally five or six times greater than the sum checked for. Nor do they check on the bank here against sterling bills; this branch of their business is conducted through other parties. On the occasion referred to, the Bank of Charleston had anticipated its receivables very largely, but not to the amount stated. This was in the regular and ordi-

nary course of business, and the money pressure supervened so suddenly, that the Bank of the State could not admonish them in time to prevent it. As soon, however, as the pressure for money displayed itself, the Bank of Charleston with great promptitude reimbursed the bank here, by remittances of coin and other cash funds.

Considering the magnitude of the transactions between these institutions, there appears to be nothing in all this out of the ordinary course of business. The safety and prudence of the transaction, as far as the bank here is concerned, cannot admit of any doubt, for they held negotiable paper to five or six times the amount advanced. As to the Bank of Charleston, it is known throughout the United States to be one of the most solid and ably managed banking institutions in the country; and on the present occasion, so far from making any sacrifices, it is well known that, though a large dealer in sterling exchange, not one of their bills has been offered for sale during the whole period of pressure.—*New York Journal of Commerce.*

INDIANA.—A new institution, styled "The Fayette County Bank," has been recently started in that city, by a company whose integrity and banking qualifications, with a capital stock of $500,000, assures us that the organization is in competent hands, and will meet with abundant success. The organization was effected under the general banking law of that State. At a recent meeting of the board of directors, M. Helm, Esq., was chosen President, and L. D. Allen, Cashier. Its business operations commence on the 21st of this month.—*Connersville (Ind.) Times.*

OHIO.—The Legislature of Ohio has passed an act to confirm the action of the Township Treasurers of the State, by which a severe tax is levied on the *loans* of the Banks instead of their *capital.* The law is now known in the State of Ohio as the *Crow-Bar Bill.* The *Cleveland Herald* states that:

The 10th section gives the Treasurer power at his discretion to *break open* any outer or inner door, safe, vault, drawer, or other impediment to the execution of the law.

How the provisions of these sections *can* be defended, we are unable to see. It is clear that under their color great enormities may be committed. It certainly *authorizes* excessive violence and the most unreasonable seizures. And here we would remind whom it may concern, that both the Constitution of the United States, and of Ohio, contain the following provision:

The right of the people to be secure in their persons, *houses, papers and possessions,* against UNREASONABLE searches and SEIZURES, shall not be violated.

The 12th section provides that where a Treasurer be restrained by injunction from proceeding under the law, and the injunction be sustained on hearing, he may take an appeal to the District or Supreme Court and have an early hearing, even before a single judge and in vacation! But, on the other hand, if the injunction be dissolved in court below, the complainant has no appeal!

It will be seen that the five per cent. *penalty,* and five per cent. *poundage,* give to the Treasurers ten per cent. on the amount of their seizures. The amount of taxes which the law of 1852 exacts from the banking institutions of this city alone, is over $40,000. This throws into the private pocket of Treasurer Dodge more than $4000, in addition to his regular compensation.

Resisting the execution of the law is punishable by fine not exceeding $200, or by imprisonment in the county jail 20 days, on bread and water, or by both, at the discretion of the court.

Such are a few of the beauties of this Ohio Loco-foco monstrocity. If the people will carefully read it, or observe its practical operation, it will not long disgrace our statute-book. The banking institutions of Ohio are among the safest and most useful in the country. The people have at no time indicated a wish to wage against them a war, certainly not an unmanly and predatory war. The banks are at all times amenable to the laws, and would not hold themselves above the laws. They ask only what every citizen claims for himself, the right to ascertain *what the law is,* by an appeal to the judicial tribunals.

The decision of the courts and the above law will, together, serve to drive away a large amount of foreign capital now employed in the State of Ohio.

TENNESSEE CREDIT.—The following paragraph, copied from the New York Express of the 22d, appeared in the True Whig and the Union yesterday morning:

"The coupons of Tennessee, payable in New York, have not been met to-day, in consequence, it is said, of a change in the bank account. As soon as it is ascertained at what bank the new account has been opened, the coupons will undoubtedly be paid. Tennessee is a State in high credit, but this difficulty just at this moment creates anxiety."

The circumstance noticed by the Express seems to be accidental and temporary, and if there is fault any where, it is certainly with the Bank of the State of New York. The following facts have been communicated to us. The interest which was not promptly paid, was the March instalment of interest on $350,000 bonds of the State of Tennessee, loaned to the East Tennessee and Georgia Rail-Road Company, which company is required by law to pay the accruing interest on their bonds, and in default, the State is required promptly to meet it. The Rail-Road Company accordingly remitted $15,420 to the Bank of the State of New York, to meet this instalment, *as early as the 22d December last*, and the company has evidence that *the money was received* in New York.

Being apprized by telegraph that there was a failure to pay this interest, the Bank of Tennessee, on the evening of the day the failure occurred, promptly telegraphed its agent in New York to pay the interest, which was done, but not in time, it seems, to keep it out of the newspapers. The Bank and the State Comptroller also promptly sought an explanation from the Rail-Road Company, the substance of which we have given above. These facts show that there is no blame to be attached to any party here. The State is deservedly in high credit, having immense resources, and a rigid rule of promptly meeting all its moneyed engagements.

NEW YORK.—The Broadway Bank has removed from their former building, corner of Anthony-street, to the new building erected by it, at the corner of Broadway and Park Place.

Metropolitan Bank.—At the annual election, held on the 5th of April, J. Earl Williams, Esq., was elected vice-president. Henry Meigs, Esq., hitherto assistant cashier, was at the same time elected cashier, in place of Mr. Williams. The Metropolitan Bank has removed to the spacious building at the corner of Broadway and Pine-street.

Citizens' Bank.—The Citizens' Bank has removed to their new and convenient building in the Bowery, corner of Walker-street.

Empire City Bank.—The Empire City Bank has taken possession of the banking rooms at the corner of Broadway and Anthony-street, hitherto occupied by the Broadway Bank.

The Knickerbocker Bank.—The Knickerbocker Bank commenced business on Wednesday, April 6th, in the new building erected for it, at the corner of Eighth Avenue and Fourteenth-street.

Albany.—We learn from the Albany *Argus*, that the Bank of the Capitol, at Albany, commenced business on the 1st of April, and under the most auspicious circumstances. It has strength in its direction, and its president and other officers, and will be an important acquisition to the city. Until the new banking house is completed, which is now rapidly on the rise, the company have their place of business in the Exchange. Noah Lee, Esq., president; Thomas Schuyler, vice-president; Horatio Gates Gilbert, Esq., cashier.

Albany. The Merchants' Bank of Albany commenced business on Thursday, April 7th, at No. 59 State-street. President, John Tweddle, Esq.; cashier, John Sill, Esq.

Rochester.—A new bank has commenced business at Rochester, under the name of the Union Bank. President, Aaron Erickson, Esq.; cashier, E. M. Parsons, Esq.

Buffalo.—City Bank.—A new banking institution, with this title, has just been organized in this city. The following gentlemen compose the Board of Directors: John L. Kimberly, Francis H. Tows, Wm. Foot, David N. Tuttle, Edward S. Warren, A. Porter Thompson, and James C. Evans. The board have appointed John L. Kimberly, Esq., president, and Joseph Stringham, Esq., cashier. The banking office is to be located in the fine brick building on the corner of Lloyd and Prime streets.

The following Banks have been selected by the Canal Board as the depositories of the tolls to be collected the ensuing season:

At	*Proportion.*	*At*	*Proportion.*
New York,..Corn Exchange Bank,	¼	Troy,..Manufacturers' Bank,	¼
" ..Mercantile Bank,	¼	" .Merchants and Mechanics' Bank,	¼
" ..Empire City Bank,	¼	" .State Bank of Troy,	¼
" ..North River Bank,	¼	" .Union Bank,	¼
Albany, ...Albany City Bank,	¼	Albany,..Albany Exchange Bank,	¼
" ....Bank of Albany,	¼		

MASSACHUSETTS.—*Boston.*—Hon. Samuel H. Walley has resigned the Treasuryship of the Suffolk Savings Bank, a post he has filled since the establishment of the institution, some twenty years ago. No little of its success in its early days, was owing to his energetic exertions. He will visit Europe shortly, and return in time to take his seat in the next Congress. Charles H. Parker has been appointed his successor.

Chicopee.—Henry Harris, Esq., Teller of the Phenix Bank at Hartford, has been appointed Cashier of the Cabot Bank, at Chicopee.

CONNECTICUT.—*New London Bank.*—Ezra Chappell, Esq., having resigned his seat as president of this institution, E. F. Dutton, Esq., late cashier, was elected to fill the vacancy, and R. N. Belden, Esq., was chosen cashier.

Stamford.—D. R. Satterlee, Esq., has been elected Cashier of the Stamford Bank, in place of Charles G. Rockwood, Esq., resigned.

KENTUCKY.—John H. Van Culin, Esq., has been elected Cashier of the Branch Bank of Kentucky, at Hopkinsville, in place of Reuben Rowland, Esq., deceased.

TENNESSEE.—The Bank of East Tennessee, at Knoxville, was reported under suspension in March last, but the bank is paying its liabilities and is in good credit.

Nashville.—S. R. Anderson, Esq., having been appointed Postmaster at Nashville, has resigned the Cashiership of the Bank of Tennessee, and is succeeded by James Morton, Esq.

VIRGINIA.—The Virginia Legislature have passed the following bills: A bill authorizing the establishment of a Branch of the Exchange Bank, Farmers' Bank, Bank of Virginia, or Bank of the Valley, in the town of Harrisonburg; a bill incorporating the Martinsburg Bank; a bill to incorporate the Central Savings Bank at Staunton.

WORKS RECENTLY PUBLISHED.

DE BOW'S REVIEW OF THE SOUTH AND WEST. April, 1853.—This work has gradually assumed a more national character, contributing largely to the fund of valuable information in reference to the individual States, their history, industrial resources, improvements, &c. The articles in the April number are,—1. Progress of Ohio, Historical and Statistical. II. Florida—its history, position, resources and destiny. III. Early Life in the South and West. IV. China in 1852. V. The Baltimore Southern Commercial Convention. VI. The Fiscal History of Texas. VII. Progress of the United States. VIII. Commercial Growth and Prospects of St. Louis. IX. Commercial Progress—Home and Foreign. X. Internal Improvements. XI. Departments of Industry and Enterprise.

The writer upon Florida demonstrates the extreme disadvantages which that state labors under for the want of capital—no banks within its limits—only one rail-road in operation throughout the whole State, and that a distance of only twenty-three miles. The writer represents the climate and soil as highly favorable for the cultivation of cotton, tropical fruits, and other products. With an area of 59,268 miles, or 37,931,000 acres, Florida possesses many advantages not possessed by other States. Mr. De Bow, the editor of the *Review*, has been recently appointed superintendent of the U. S. Census, and will thus have the care of the publication thereof. The *Review* is issued in New-Orleans, and at No. 167 Broadway, New-York.

De Bow's Industrial Resources.—We are indebted to the author for volume III. of this work, handsomely printed and bound, and now completed in its facts and figures up to the first of January, 1853. The three volumes embrace about 1,800 large and closely printed pages, upon the commerce, agriculture, manufactures, internal improvements, slave and free labor, slavery institutions, products, etc., of the South, together with historical and statistical sketches of the different states and cities of the Union, statistics of the United States, commerce and manufactures from the earliest periods, compared with other leading powers, the results of the different census returns since 1790, and the returns of the census of 1850, on population, agriculture and general industry.

Nothing that we can say would be likely to have more weight than the following notice of Mr. De Bow's labors, which appears in the January number of Hunt's Merchant's Magazine, certainly one of the highest commercial authorities in the world:

"This is altogether the most important book on the industrial interests of the country which has been issued from the American press; important not only to the South-Western States, respecting which it is so rich in details, but equally important to whatever citizen in other sections desirous to become acquainted with the incalculable riches of this portion of our common country. The work is prepared with great labor and research, not only on the part of the compiler, but many intelligent co-operators in various parts of the South, and its contents have been prepared originally, or compiled or collected, or extracted from every source where industry and discrimination could obtain materials of value for such an important publication. But although so varied, so extensive, and so important may be the contents of these volumes, respecting the industrial resources of a portion of our country, yet they are entitled to high commendation on another ground: they furnish the first systematic attempt which has been made to gather and systematize within the compass of two or three volumes the commercial resources of half of the United States. The manner in which the work has been prepared and issued from the press, reflects credit upon the diligence, discernment and accomplishments of its author, while it can scarcely fail to meet with a very general and complimentary commendation for its fullness, accuracy and completeness, upon all the subjects upon which it treats. By reference to its title, its comprehensiveness of detail will be apparent, and some conception can be obtained by the reader of the assiduous labor and length of time required in the production of these volumes."

The work is for sale at the office of the Review, Merchants' Exchange, and at the leading bookstores.

The Chemistry of Gold. By Nathan Mercer. London, Whittaker & Co. Liverpool, Edward Howell.

The object of this work, as its title imports, is to explain the method of distinguishing, by chemical tests, between gold and other substances resembling it in appearance. A knowledge of these methods, it is obvious, is of the highest consequence to those engaged in the search for the precious metal; for in proportion to the value of the article are the number and ingenuity of the tricks employed to take advantage of the ignorance and credulity of the seekers. We read in the papers of the present week, for example, that spurious nuggets, ingeniously plated, are manufactured in England for the purpose of being sent out to Australia. There is necessarily, in a work of this kind, considerable technicality; but the author's aim appears to have been to render his language as simple and as easily understood as possible. He has so far succeeded, that no one of ordinary capacity will find any difficulty in putting his directions into practice, and thus ascertaining with certainty whether any substance brought under his notice is gold or not. A slight sketch of the history of gold, and some interesting statistical tables, will also be found in the work.

Letter to the Hon. J. W. Henley, M. P., President of the Board of Trade, regarding Life Assurance Institutions, &c. By Robert Christie, Esq. Edinburgh, Thomas Constable & Co. London, Hamilton, Adams & Co.

Life Assurance—Its schemes, its difficulties and its abuses. London, Bateman, 1852.

Life Contingency Tables. Part 1.—The chances of premature death, and the value of selection among assured lives. By Edwin James Farren, Actuary.

Notes on the Money Market.

NEW YORK, APRIL 26, 1853.

Exchange on London, at sixty days' sight, 9¼ @ 9½ premium.

THE month of March closed with an unfavorable condition of the Money Market in New York, and with reduced accommodations from the Banks. Since that period a reaction has gradually taken place, and the rates for loans are now much more in favor of the borrower. During the stringency existing in the month of March, the best business paper was negotiated through private hands at 10 to 12 per cent., and loans on demand were difficult to obtain, with the best collaterals, under 9 or 10 per cent. The Banks have since extended their line of discounts, and are now able to make discounts to the extent of their receipts at least.

The principal Stock operations of the month have been as follows, showing the abundance of capital for all legitimate and solid securities:

I. The North Carolina State Loan of $500,000, bearing six per cent. interest. These bonds bear date January 1, 1858, having thirty years to mature, with coupons attached: the principal and semi-annual interest payable in the City of New-York. They are issued under the authority of the Legislature of that State, for the construction of the North Carolina Rail-road; and in addition to the faith of the State, all the Stock held by the State in this company, and the dividends, are expressly pledged for their redemption. The bonds are exempted from taxation by the State. Messrs. Cammann & Co., of this city, took the whole loan at 105.2 per cent. This is the first instance in which her securities have appeared in this market. The small amount of the present and prospective liabilities of the State, and the prudence and economy manifested in the management of her fiscal affairs, give these bonds a deservedly high rank in the estimation of capitalists. A considerable portion of the amount has been resold to Savings Banks and others, at an advance of 2 a 2¼ per cent. upon the original price. There will be no further issue by the State for several months.

II. The New York State Loan of $467,000. This loan bears five per cent. interest, and the proceeds to be applied to the liquidation of the State debt to that amount. The successful bidders were: R. H. King, $175,000. C. S. Wilson, $10,000. W. Watson, $15,000. B. P. Bancroft, $10,000. A. Erickson, $50,000. Geo. W. Cuyler, $142,961. J. Gould, $80,000. The average premium realized on the amount awarded was 7.86 per cent.

III. Wisconsin State Loan of $50,000. The bids for the loan to the State of Wisconsin were opened on the 18th of April, at Madison, by the governor. The amount of bids received was $220,000, of which the following were accepted:

Names.	*Am't taken.*	*Per cent.*	*Names.*	*Am't taken.*	*Per cent.*
Alexander Mitchell,	$10,000	6.55	Joseph Smith,	$5,000	6.05
" "	10.000	6.05	C. L. Stephenson,	5,000	6.01
C. C. Washburne,	10,000	6.05	Alexander Mitchell,	10,000	5.55

Total premium $3,023, or a fraction over 6.04 per cent. The bonds bear 7 per cent. interest, and have five years to run, the interest payable semi-annually in New-York. The debt of Wisconsin is limited by its Constitution to one hundred thousand dollars.

A new Board of Brokers has been organized in New York, the business of which is to be confined to transactions in mining shares. It will meet in the Exchange, in rooms in the vicinity of the general stock board.

The Legislature of New York, at its recent session, adopted two important laws in reference to the currency. The first is, to prohibit the reception by any bank in the State, of any bank notes at a greater discount than one-fourth per cent. This will effectually keep out of our city the large amounts of Indiana and Illinois money which it was proposed to introduce here as a part of our currency. The other act was, to adopt certain city bonds as a basis of bank issues. We do not yet learn whether the governor has approved this bill.

The subject of Banking is before the Legislature of Massachusetts, and that body entertain favorably the proposition to increase the banking capital of Boston and other places, as recommended in the Report of the Bank Committee. Two bills have been already ordered to be engrossed in the House of Representatives, to increase the capital of the Waltham Bank, and of the North Bank at oston. The distinctive provision in the bills is, that each bank shall keep within its vaults coin to

the extent of ten per cent. of its capital; and shall not grant any further discounts in case the coin shall be reduced below this sum, or until the same shall be restored. It is probable that this rule will be insisted on, in all subsequent charters or recharters. At the last Report of the Boston Banks, they held eleven per cent. of their capital in coin.

The enormous importations of dry goods into the country through this port, are shown in the annexed table:

Importation of Dry Goods at the Port of New York during the months of January, February, March and April.

	1850.	1851.	1852.	1853.
Manufactures of Wool, . . .	$4,975,666	$4,926,776	$4,191,564	$7,258,159
" Cotton, . . .	4,975,819	5,118,069	4,017,916	6,408,122
" Silk, . . .	5,994,743	9,378,107	7,688,189	11,239,583
" Flax, . . .	3,843,664	3,022,182	2,379,782	3,450,764
Miscellaneous Dry Goods, . .	881,082	1,618,688	1,611,726	2,300,040
Total Entered for Consumption, .	$20,670,974	$24,064,042	$19,889,177	$30,651,928

It will be seen that the importations for the present year largely exceed any former period, being no less than $30,751,928 during the last four months, against $19,889,177 for the corresponding period last year, and $4,789,881 for the past month, against $2,562,408 in April, 1852.

It will be seen that the increase is greatest in silk goods, being more than 100 per cent. on the importations of April last. The importation of woollen goods for the month exceeds that of last year 100 per cent.; cotton goods, more than 50 per cent.; flax, 30 per cent.

These statements will strike many of our readers with surprise, as showing the enormous outlay by our people for the more costly manufactures of England and the Continent. We are no longer contented with fine cotton goods, de laines, and other manufactures, which, in by-gone years, were thought good enough for consumption among the States. These official tables exhibit no less than eleven millions of dollars' worth of silks alone brought into our port during the last four months. Seven millions and upward in woollen goods; over six millions in cottons, and a general aggregate of more than thirty millions in value.

This, be it remembered, when money has been in active demand at nine to eighteen per cent. per annum, for weeks in succession, on the best paper that could be produced. The dry goods business during the present season has been more active than at any former period, and the market is nearly bare of the various descriptions of French and British goods, the prices of which are fully sustained.

The receipts of duties at this port alone, for the quarter ending 31st of March, were, $28,623,965, against $22,227,197 for the same period of last year. We republish the summary of duties for each quarter of the year, viz.:

Quarter ending.	1851-2.	1852-3.
September 30, ...	$9,444,661	$10,466,718
December 31, ...	5,045,600	6,918,896
March 31, ...	7,786,936	11,243,351
June 30, estimated, ...	6,683,330	9,718,000
Total 1851-2 and 1852-3, .	$28,910,527	$38,286,965

The German papers remark an increased demand for American gold coins for the use of emigrants to the Atlantic cities. Emigration during the present year bids fair to exceed that of any previous period from the Continent to the United States. The London market is still largely drawn upon for account of foreign loans. Turkey, Austria, and other nations are in the market, not only for Government loans but for capital for new rail-roads and other improvements.

DEATH.

At Connorsville, Indiana, on Saturday, 26th March, in the fifty-seventh year of his age, George Feybarger, Esq., President of the Bank of Connorsville, and formerly a director in the Branch of the State Bank of Indiana, at Richmond.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. II. NEW SERIES. JUNE, 1853. No. XII.

ON THE COMPUTATION OF INTEREST:

TOGETHER WITH THE

LAW RELATING THERETO.

BY R. MONTGOMERY BARTLETT, OF CINCINNATI, OHIO.

ALL commercial nations have, at some period of their history, enacted laws establishing a rate of interest, and for the punishment of usury. There being no certain criterion by which to ascertain the value of the use of money, the rate of interest that might be taken has always been regulated by position, or statute law.

Prior to the reign of Henry VIII., the lending of money at interest was entirely prohibited in England. By the statute of 37 Henry VIII., it was enacted that no person by way or means of any corrupt bargain, loan, &c., of any wares, merchandise or other thing, shall take in gains for the forbearing of one year for his money or other thing, that shall be due for the same wares, merchandise or other thing, above the sum of ten pounds in the hundred, and so after that rate for a more or less sum, or for a longer or shorter time, upon pain of forfeiting treble value of the wares or other things sold, imprisonment, fine and ransom, at the king's pleasure.

There being no mention in this statute of the loan of money, the statute of 13 Elizabeth was passed, by which it was enacted, that all bonds, contracts, &c., for payment of any principal or money to be lent, or covenant to be performed, upon or for any usury in lending or doing of any thing against the statute of 37 Henry VIII., upon or by which loan or doing there shall be reserved or taken above the rate of ten

pounds for the hundred for one year, shall be utterly void. By the statute of 21 James I., the rate of interest was reduced to eight per cent.; and by that of 12 Charles II. to six per cent.

The statute of 12 Anne was afterward passed,* by which it was enacted, 1st. That no person, upon any contract, shall take, directly or indirectly, for loan of any money, wares, merchandise, &c., above the value of five pounds for the forbearance of one hundred pounds for a year, and so after that rate for a greater or lesser sum, or for a longer or shorter time. 2d. That all bonds, contracts and assurances whatsoever, whereby there shall be reserved or taken above the rate of five pounds in the hundred, as aforesaid, shall be utterly void. 3d. That every person who shall receive, by way of any corrupt bargain, loan, &c., of any wares, merchandise or other thing, or by any deceitful way for the forbearing or giving day of payment, for one year, for their money or other thing, above the sum of five pounds for one hundred pounds for a year, shall forfeit the treble value of the moneys, &c., so lent.

These statutes vary but little in their form, the expressions used being nearly the same in each. They have served, moreover, as the model for most of the American statutes, although the latter are much less severe in their penalties. In some of the States, there is still a forfeiture of the whole debt; in others, of the whole amount of interest; but in others, the loss of the excess of interest is the only penalty of a usurious contract. As a consequence of this uniformity of expression in the English, and between them and most of the American statutes, the decisions made under any one of them are, as a general rule, to be taken as authorities applicable to all the rest.

Many questions have arisen as to the cases in which interest will be allowed; and in this, as well as other respects, the law upon this subject has undergone, and is still undergoing very essential modifications, in conformity with the progress of public opinion. But it is not proposed to consider this branch of the subject. The only questions which will be examined, are those relating to the legal mode of computing interest.

The calculation of interest might at first appear to be so plain and simple a matter, that no doubt could occur with regard to the manner in which it should be performed. And yet, so far from this being the fact, there is no point in the law on which questions of more difficulty have been raised, or which still remains in greater doubt or uncertainty. Of these questions, the three most important may be stated as follows, and will be considered in the order in which they are here arranged: 1. Is the practice of discounting bills of exchange, promissory notes, &c., by taking interest in advance, legal?—and if so, to what extent may it be carried? 2. Is it legal to compute interest according to the rule that 30

* By the act of 3 and 4 Wm. IV., ch. 98, the Usury law of Great Britain was essentially changed, by excepting from the operation of the statute all bills of exchange and promissory notes not having more than three months to run; these might be discounted *at any rate of interest agreed upon with the holder*. By a subsequent act, (July 1837, 1 Victoria, ch. 80,) this relaxation was extended to all such mercantile instruments which have not twelve months to mature. By the act of 1 and 2 Vict., ch. 110, all judgment debts are to carry interest at the rate of four per cent. per annum, from the time of returning the judgment.

days make a month, and 360 days a year? 3. What is the correct and legal method of computing interest where partial payments have been made, or where there are mutual credits, as upon running accounts?

1*st. Bankers' Discount, or Interest in Advance.*

It has, from a very early period, been the practice of bankers, in discounting bills of exchange and promissory notes, to deduct interest on the same for the whole time they have to run in advance; and interest thus taken has for this reason been called Bankers' Discount. This method of discounting has not only come into general use, but has been repeatedly sanctioned by the decisions of the courts, both in England and in this country, and may now be regarded as firmly established by authority. Although they have for a long time uniformly sustained the practice, they have, however, as uniformly admitted what in fact could not be denied, that it gives more than legal interest.

The decisions having thus engrafted a rule upon the law of interest in conflict with its acknowledged principles, the reasons which have from time to time been adduced in its support, whenever an attempt has been made to defend it, will form a curious if not instructive subject of inquiry. But what is of still more importance, as the rule is based in a great measure if not exclusively upon authority merely, it will be necessary to refer to the decisions themselves, in order to ascertain its extent and application. The leading cases will therefore be very briefly reviewed.

The earliest case in which this question is noticed is *Barnes* v. *Worlick*, decided about the year 1600, and reported in Cro. Jac. 25, Moore, 644, and several other of the old reports. It was there held, that if the lender had agreed to take his money for the forbearance instantly when he lent it, that had made the assurance void; for then he had not lent the entire sum for one year, and the other had not had the use of his money according to the intention of the law.

"And in a case in Bulstrode, which was an information upon the statute of the 13th of Elizabeth for usury, an agreement for the loan of £100, at lawful interest, which interest the lender received ten days after the loan, was holden to be usurious by the whole court. Noy. 171. And so, in Dalton's case, it was ruled by Popham, chief justice, that if it be agreed that the interest shall be paid within the time for which the principal is lent, it is usury. Anon. 1 Bulstr. 20." Comyn on Usury, 86.

On the other hand, *Lloyd* v. *Williams*, 2 W. Blacks. 792, which was decided in the year 1771, contains a contrary dictum by Blackstone, J., who "conceived that interest may as lawfully be received beforehand for forbearing, as after the time is expired for having forbearance; and it shall not be reckoned as merely a loan of the balance, else every banker in London who takes five per cent. for discounting bills, would be guilty of usury. For if, upon discounting a £100 note at five per cent., he should be construed to lend only £95, then at the end of the time he would receive £5 interest for the loan of £95 principal, which is above the legal rate."

A more full report of this case will be found in 3 Wilson, 250, in which the opinion of the court is delivered by De Gray, C. J., Blackstone, J.,

not appearing to be present. And the chief justice does not seem to have coincided in opinion with Mr. Justice Blackstone, for he says: "Worley's case, Moore, 644, (*Barnes* v. *Worlick*,) shows that taking the interest out of the principal when it is at first advanced and lent is usurious and contrary to the statute, and 1 Bulst. 20, upon an information on the 13 Eliz. c. 8, for usury. S. P."

The next case, which likewise contains merely a dictum on this subject, is *Floyer* v. *Edwards*, Cowper 112, decided in 1774. The question in this case was, whether it was usurious for the vendee, according to the general usage of the trade of gold refiners, to allow a half penny an ounce per month from the expiration of the stipulated credit till the debt was discharged. This exceeded lawful interest, but it was held that the contract being a *bona fide* sale, was not usurious. It would have been otherwise, had the sale been merely colorable to cover a loan and evade the statute. Lord Mansfield, in delivering the opinion of the court, said: "It is true that the use of this practice will avail nothing if meant as an evasion of the statute, for usage will not protect usury. But it goes a great way to explain a transaction, and in this case is strong evidence to show that there was no intention to cover a loan of money. Upon a nice calculation, it will be found that the practice of the bank in discounting bills, exceeds the rate of five per cent., for they take interest upon the whole sum for the whole time the bills have to run, but pay only part of the money, viz: by deducting the interest first; yet this is not usury."

The great case, however, which is considered in England as having settled the legality of taking interest in advance, and defined the extent to which it may be carried, is *Marsh* v. *Martindale*, 3 Bos. and P. 154. But this, so far from having been a decision directly in favor of the practice, was a case in which the transaction was held to be usurious. The plaintiff, upon the redemption of an annuity, had discounted a bill of exchange, payable in three years, and deducted the interest in advance for the whole time. Lord Alvanley, C. J., in delivering the opinion of the court, said: "It certainly has been determined that such a transaction on a bill of exchange in the way of trade, for the accommodation of the party desirous of raising money, is not usurious, though more than five per cent. be taken upon the money actually advanced. In such cases, the additional sum seems to have been considered in the nature of a compensation for the trouble to which the lender is exposed:" "but the rule must be confined strictly to that sort of transaction; for if discount be taken upon an advance of money, without the negotiation of a bill of exchange, it will amount to usury." And again: "The jury were impressed with a notion that a bill at three years was such a bill as no respectable man would discount; though it was said some East India bills of two years' date had been discounted. Indeed, Lord Chief Justice Eyre seems to have thought that the length of the date of a bill was sufficient to afford a presumption that the discount was intended as a cover for a loan. And if we consider the effect of discounting bills at very long dates, the strength of this presumption will be manifest; for if the practice be carried to a great length, the interest will annihilate the principal." In conclusion, he said: "In the present case, no man looking at the circumstances can doubt that

the transaction was not a discount in the way of trade, but was merely employed as the means of obtaining more than legal interest."

The decisions before this, so far as appears from the reports, merely sanction the taking of interest in advance as a general existing usage introduced for the convenience of commerce. But in the present case, the learned chief justice, as if not satisfied with that ground, refers them to another, namely, the trouble to which the lender is exposed, for which, he says, the additional sum seems to have been considered in the nature of a compensation.

There is a distinct class of cases in which a commission beyond the legal rate of interest has been allowed. But this is made a separate charge, and is claimed as a remuneration for extraordinary expense and trouble; as, where a broker or agent advances money for his principal, and takes a commission in addition to lawful interest, as a compensation for transacting the business. *Palmer* v. *Baker*, 1 Maule & Sel. 56; *Carstairs* v. *Stein*, 4 ib. 192; *Harris* v. *Boston*, 2 Camp. 348; *Nourse* v. *Prime*, 7 John. C. R. 69; *Coster* v. *Dilworth*, 8 Cowen, 299; *Trotter* v. *Curtis*, 19 John. 160; *Suydam* v. *Westfall*, 4 Hill, 211; *Ketchum* v. *Barber*, ibid. 224; *De Forrest* v. *Strong*, 8 Conn. 513.

In like manner, country bankers in England have been allowed to charge an extra per cent. for discounting bills, either because of the trouble and risk of transporting the specie to meet them, or, where the money is to be paid in London, for providing funds there; and bankers in general to charge a commission for accepting and paying, or for remitting bills, on account of the expense of keeping up an establishment for that purpose. *Winch* v. *Fenn*, 2 Term R. 52, note; *Masterman* v. *Courie*, 3 Camp. 491; *Baynes* v. *Fry*, 15 Ves. 120; *Jones, ex parte*, 17 Ves. 332; *Henson, ex parte*, 1 Mad. 70; *Auriel* v. *Thomas*, 2 Term R. 52. In every case of an advance or loan of money, however, if there has been a commission charged in addition to legal interest greater than can fairly be referred to extra expense, trouble or risk, the transaction will be regarded as usurious.

The last English case which will be cited upon the subject more immediately under consideration, is *Hammet* v. *Yea*, 1 Bos. & P. 144. In this case, a country banker, upon discounting certain bills, paid part of the amount in bills on London, at three, seven and thirty days' sight, according to the direction of the person procuring the discount, but made no charge for commission, &c. The defense was usury; and the chief justice told the jury that it rested wholly on the plaintiff having made no rebate of interest on the bills on London; that they appeared to be in the nature of a remittance of the borrower's money; and that if the plaintiff had not taken more than a reasonable compensation for his trouble, unless indeed the mode of payment had been made a term on which alone the bills would be discontinued, it was not usury. The jury found a verdict for the plaintiff, which, on a motion for a new trial, was unanimously sustained by the court. An able opinion was pronounced by the chief justice (Eyre,) and the case, though somewhat peculiar in its circumstances, forms one of the leading cases on the subject of usury. The plaintiff, in discounting the bills, took the whole interest for the time

they had to run, and it is therefore an authority in favor of allowing interest in advance.

The practice of deducting interest on the whole sum in discounting negotiable instruments, appears to have been as general and uniform in this country as in England, and, although its correctness in principle has frequently been questioned, there is no contrariety in the decisions respecting its legality. Some of the principal American cases will now be referred to.

In the *Manhattan Co.* v. *Osgood*, 15 John. 168, it was said that it had been the uniform practice of all banking institutions, since their establishment, to exact payment of interest in advance; and this practice is supported by law.

Fleckner v. *The Bank of the United States*, 8 Wheat. 388, was a suit brought on a promissory note, payable nearly two years from date, on which interest had been reserved in advance. Story, J., delivered the opinion of the court, in the course of which he said: "If a transaction of this sort is to be deemed usurious, the same principle must apply with equal force to bank discounts generally, for the practice is believed to be universal; and probably few, if any, charters contain an express provision authorizing in terms the deduction of the interest in advance upon making loans or discounts. It has always been supposed that an authority to discount, or make discounts, did, from the very force of the terms, necessarily include an authority to take the interest in advance. And this is not only the settled opinion among professional and commercial men, but stands approved by the soundest principles of legal construction."

In the *Maine Bank* v. *Butts*, 9 Mass. 49, it was decided that banks as well as individuals are subject to the statutes against usury; that an authority in their charter to discount on *banking principles* formed no exemption. Sewell, J., said: "That expression, if it has any peculiar meaning, is an authority to deduct the interest at the commencement of loans, or to make loans upon discounts, instead of the ordinary forms of security for an accruing interest. But individuals have a like authority, although in both cases the construction is a relaxation of the prohibitions of the statute against usury, and allows a rate of interest which may be estimated at a small extent beyond six per cent. per annum."

That interest may be deducted as discount by incorporated companies not possessing banking powers, or individuals, but is only allowable on such instruments as circulate in the way of trade, see *The New York Firemen Ins. Co.* v. *Sturges*, 2 Cowen, 664; *Same* v. *Ely*, ibid. 678; *The Bank of Utica* v. *Wager*, ibid. 712.

In the *Insurance Co.* v. *Ely*, 2 Cow. 704, Sutherland, J., says the principle to be extracted from the cases is this: "That the taking of interest in advance is allowed for the benefit of trade, although by allowing it, more than the legal rate of interest is in fact taken; that being for the benefit of trade, the instrument discounted, or upon which the interest is taken in advance, must be such as *will*, and usually does, circulate or pass in the course of trade. It must, therefore, be a negotiable instrument, and payable at no very distant day; for without these qualities it will not circulate in the course of trade. Under these limitations, the taking of

interest in advance, either by a bank or incorporated company without banking powers, or an individual, is not usurious."

The following cases may be referred to, in addition to those which have already been cited: *Agricultural Bank* v. *Bissel*, 12 Pick. 86; *Thornton* v. *The Bank of Washington*, 3 Peters, 36; *The Utica Ins. Co.* v. *Bloodgood*, 4 Wend. 652; *Stribling* v. *The Bank of the Valley*, 5 Randol. 132; *Planters' Bank* v. *Snodgrass*, 4 How. Miss. R. 573; *State Bank* v. *Hunter*, 1 Dev. N. Car. 100; *McGill* v. *Ware*, 5 Scam. *Ill.* R. 21.

It will thus be seen that the right to deduct interest in advance, or to take what is called Bankers' Discount, is firmly established by authority, although it is admitted to exceed the legal rate of interest. To extract from the cases, however, a well-defined and satisfactory principle on which to rest this exception to the law of usury, is a task of no small difficulty. The earlier English cases, and many of the cases in this country, seem to have been decided on the ground of general usage alone. And in 4 How. Miss. R. 628, this is said to be the only ground upon which it can be upheld by any consistent principle. Custom or usage is thus made to overcome the plain letter of the statute. Yet the legality of this practice is not better established than the doctrine that a statute cannot be abrogated by custom or usage—that where the law is clear no usage can control it. *Gristling* v. *Wood*, Cro. Eliz. 85; Per Lord Kenyon in *Matthews* v. *Griffiths*, Peak's N. P. Ca. 202; *Noble* v. *Durrell*, 3 T. R. 271; *The King* v. *Major*, 4 ib. 650; *The King* v. *Arnold*, 5 ib. 353; *Aynsworth, ex parte*, 5 Ves. 678; *Dunham* v. *Gould*, 16 John. 367; *and the cases last above cited.*

Upon a similar question, Chancellor Kent said: "It is perfectly idle to talk of a custom of merchants to take a commission above a legal rate of interest on the exchange of notes. The custom of merchants is not applicable to such a case. It is not a matter of trade and commerce within the meaning of the law merchant. And if there was such a local usage in New York, it would be null and void, and could not be set up as a cover or pretext to trample down the law of the land." *Dunham* v. *Gould*, 16 John. 374. In other cases under the statute usage has been allowed to be shown to repel the presumption of a corrupt agreement, but not of itself to sanction the taking of an excess above the legal rate of interest.

As before stated, the opinion in *Marsh* v. *Martindale*, 3 Bos. and P. 154, advanced another ground to sustain the decisions upon this subject—that the surplus obtained by this practice may be considered in the light of a commission for discounting; and a similar construction was placed upon the transaction in *Hammet* v. *Yea*, 1 Bos. and P. 144.

All commissions, however, where a loan of money exists, must be ascribed to and considered an excess beyond legal interest, unless as far as they can be referred to trouble and expense *bona fide* incurred; but whether any thing, and how much, can be justly ascribed to the latter account, is always a question for the jury—who must, upon a view of all the facts, exercise a sound judgment thereupon; *Carstairs* v. *Stein*, 4 Maule and Sel. 192. And where a factor advances money to purchase goods, it will first be a question of fact, whether his commission exceeds

what can fairly and reasonably be referred to his trouble and risk in making the purchases. If it does, then by an inference of law, it must be ascribed to the advance and forbearance of money; and the contract is usurious. *Harris* v. *Boston*, 2 Camp. 348; *Kent* v. *Lowen*, 1 ib. 177; *Masterman* v. *Cowrie*, 3 ib. 488; *Trotter* v. *Curtis*, 19 John. 160; *Ketchum* v. *Barber*, 4 Hill, 234.

In *Hammet* v. *Yea*, there was a remittance as well as a discount; and in *Marsh* v. *Martindale*, the court clearly contemplate that there must be some additional trouble of this sort. And the reference in these cases of the excess of interest to the right to charge a commission for unusual trouble and expense, was evidently a mere expedient resorted to in favor of trade. But however that may be viewed, the principle advanced will not apply to a case where no extraordinary expense or trouble has been incurred. Upon a mere discount, therefore, a commission, as such, would not be allowed, and much less could an excess of interest reserved and taken as interest, be treated as a commission and thereby sustained.

In some of the American cases, another reason still is given in favor of the legality of this practice, which is made to turn on the meaning of the words "discount" and "discount on banking principles," as they occur in the charter of various banks. An authority to discount clearly allows and contemplates the taking of the premium for the money lent, in advance. But the question is, whether that premium shall be equal to the interest on the whole sum, or only equal to the interest on the balance after taking out the premium. According to the strict and proper signification of the word *discount*, such a sum should be deducted that the remainder, together with the interest on the same for the time the discount is made, shall be equal to the original sum, or the amount to be paid at the end of that time. *State Bank* v. *Hunter*, 1 Dev. 124. If it has acquired any other meaning, such meaning is derived from the very cases now under consideration, and cannot, therefore, be referred to in support of them. To say that such is the settled opinion of professional and commercial men, is but to recur to the principle of usage, or to reason in a circle, since that opinion must be derived either from practice or from the cases themselves. When the practice is once shown to be legal, the use of the word "discount" in acts of incorporation, may properly be considered as relating thereto; but the principle of the cases by which that legality is established remains still unaccounted for. This ground is, moreover, evidently insufficient to support all the cases, since it will neither apply to the English decisions, nor to those cases in this country where it has been held that corporations without banking powers, and individuals, may discount by taking interest in advance.

As usage, then, was the original principle on which this series of decisions rested, so it is the only one that affords a plausible reason that will embrace them all. And yet it is difficult, if not impossible, to reconcile them with that other series of decisions which declare that the custom of merchants is not applicable to such a case—that a statute cannot be controlled by usage.

The later cases are many of them decided exclusively upon the authority of those which precede. The courts in them, while they express an

unqualified opinion that the practice is in violation of the statute, still feel themselves bound to pronounce it legal, in view of the long and uninterrupted course of decision in its favor—of the popular sanction which it has received from universal adoption and acquiescence, or of the legislative sanction derived from the fact, that while the United States Bank and the banks of the several States had been for a long time discounting upon this principle, under charters containing the words before mentioned—in each succeeding act of incorporation these words were substantially or literally repeated—and in view of the incalculable injury which, under all the circumstances, would result from a change in the exposition of the statutes. At the present day, therefore, these reasons are sufficient, and are, perhaps, the only satisfactory ones that can be given in favor of the practice of discounting by taking interest in advance. 2 Cow. 767; *State Bank* v. *Hunter*, 1 Dev. 125; *M'Gill* v. *Ware*, 4 Scam. 27.

The extent to which this practice may be carried is not clearly defined. Resting, as it does, in a great measure on authority, the cases themselves will have to be consulted in order to ascertain its limits. Having been introduced for the benefit of trade and the convenience of mercantile transactions, it is said that it will not apply to an ordinary loan of money, but must be confined strictly to the discounting of such instruments as will, and usually do, circulate in the course of trade—that is, negotiable instruments payable at no distant day. This rule will be found to have been recognised and observed in all the decisions, with the exception, perhaps, of a few of the later American cases. In *Fletcher* v. *The Bank of the U. States*, 8 Wheat. 338, the note discounted was drawn at nearly two years from date, and in its origin was clearly not intended as a mercantile transaction. In the *Maine Bank* v. *Butts*, 9 Mass. 49, a mortgage was executed to secure the payment of one note for $4,000 in two years; another for $6,000 in three years, and eight other notes for smaller sums payable at sundry times respectively within three years. The latter were claimed to be usurious for one reason, because given for the interest on the larger sums, made payable in advance. And in *M'Gill* v. *Ware*, 4 Scam. 21, there was a loan on mortgage for five years, and notes executed for the payment of the interest yearly in advance. The reservation or taking of interest in advance, in two of these cases, was expressly held to be legal, and in the other it was impliedly sanctioned. It is a question, however, worthy of serious consideration, whether there has been such an extension of the course of trade with regard to the discounting of negotiable instruments, as will include transactions of this character, and whether they can otherwise be sustained.

2d. *Interest for* 360 *or* 365 *days to the Year.*

The calculation of interest for whole years is simple and easily performed. But there seems to have been some difficulty in arriving at a rule for fractional parts of a year, combining the requisites of accuracy and convenience. Either may be secured separately; but whether they can be reconciled, and if not, which is to be sacrificed, and to what extent, are questions that have given rise to very considerable differences

of opinion and practice. The difficulty which has been encountered, is in dividing the year into fractional parts of exactly equal duration. Its natural division, which is of course recognised by law, is into 365 days. But there is still another division according to the calendar, alike known to the law, into twelve months, containing an unequal number of days.

A less space of time than a year can always be accurately expressed by a fraction, of which the number of days that it contains is the numerator, and 365 the denominator. The calculation of interest by days, therefore, will secure the first requisite above mentioned; but to a certain extent is wanting in the second. This fact gave rise to the practice of computing interest by months, when the time was so expressed—whether it consisted of whole months only, or contained the fractional part of a month—each month being regarded as the twelfth part of a year. But when the fraction of a month was stated in days, the question again occurred as to the manner of disposing of the days. And the difficulty was overcome by treating the days in this case as the fraction of a month of 30 days; which produced but a trifling variation from the result obtained by calculating interest on them as days.

The rule thus introduced, however, was afterward carried further. As it was more convenient to compute interest by months than days, the time when expressed in days, was for that purpose converted into months. This would have given the same result as if originally expressed in months, had the months of the calendar been employed. But as the months of the calendar were considered of equal duration, in calculating interest by months, and as a month of 30 days had before been adopted for the fractional days less than a month, the rule of dividing the time into months of 30 days each, was extended to this case; and the year was thus regarded as containing twelve months of 30 days, or 360 days only.

In practice this rule has not been confined even here. Not only has the time, when expressed in days, been reduced to months, according to the arbitrary standard of allowing 30 days to each month, but when originally given in calendar months, it has first been converted into days by ascertaining the exact number of days it contains, and that number afterward divided into months of 30 days, with a view to calculate interest in the manner first stated.

The three forms here noticed of the rule of regarding 30 days as a month for the purpose of computing interest, have all been more or less used in this country; and the second is very generally, though not universally employed by business men. It applies more conveniently to six per cent. than any other rate of interest; the calculation being first made at that rate when a different one is given. Either for this reason, or because of its inaccuracy, the rule seems never to have been adopted in England.

In its form, or for fractional days less than a month, it has been claimed to be entirely legal.* The third form of the rule clearly cannot be sus-

* Remarks prefixed to Rowlett's Interest Tables. These remarks apply, however, only to *years, months, and the days less than a month*; and in the examples given in his Introduction, with

tained by any satisfactory or even plausible reason. Its second form, however, although admitted to be slightly inaccurate, has been sustained by judicial decisions, and affords room for more serious controversy. The subject is of sufficient importance, to require that it should be noticed in all its aspects; and this design it is proposed, as far as practicable, to carry out.

The question as to the legality of the rule may arise in three different cases, namely: first, upon an instrument bearing interest in which the time is expressed in days; second, upon an instrument bearing interest in which the time is expressed in months, or in months and the fraction of a month—the latter being stated either in the form of a fraction, or as so many days; and, third, where interest is to be computed from one fixed day to another—as upon an instrument in which the time of payment is specified by a particular day, or upon any sum of money remaining unpaid after it becomes due—from the time it becomes due to the time of payment. And the order here indicated will be observed in the remarks which follow.

1. *When the time is expressed in days.* This case presents the rule in its second form, and will require to be more fully examined than either of the others.

The only argument in its favor, is that of convenience. When interest at six per cent. per annum is calculated by months, every two months will give one per cent. And for time expressed in days, if it is assumed that 30 days make a month, and twelve such months a year, every sixty days will produce one per cent., and the interest for a less number of days may be readily found by taking the aliquot parts of sixty. If interest at a different rate is required, it will first be calculated at 6 per cent., and a proportional part either added or subtracted. And there can be no doubt that this is a more convenient process than to compute interest in the first place for one day, and afterward multiply that result by the given number of days. But it is liable to the serious, if not insuperable objection, of inaccuracy.

On the other hand, the calculation of interest by days, although slightly less convenient than by months, or according to the rule under consideration, may readily be performed, and produces perfect accuracy in the result. If, therefore, the question was abstractly presented, whether time and interest should both be reckoned by months or by days, the accuracy of the latter method would, it is conceived, be sufficient to outweigh any difference of convenience in favor of the former. But this is supposed not to be the fact. The time is given according to that measure or division which, if carried out in the calculation, would render it accurate. Nor is the question even, then, whether it shall be reduced into that division which is more convenient but less accurate, but whether an arbitrary and manifestly inaccurate measure shall be assumed because of its convenience. For the proposition that 30 days make a month, and 360 days a year, is entirely arbitrary, unknown to the law, untrue in point of fact, and inaccurate when applied to the calculation of interest.

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one exception, the time is stated in that form. And, moreover, rules are there laid down in each one, for obtaining the true answer at 365 days to the year, to be used, as it is said, if *greater exactness* than the tables themselves afford, is, for *special reasons*, required.

The legal, as well as the natural year, contains 365 days, and no argument from convenience can overcome this stubborn fact. It must be admitted, therefore, that by the method of calculating just referred to, when applied to days, the interest is gained on five days in every year. This may be said to be but a small excess; but the existence of that excess, however small, cannot be denied.

The bearing and effect of the authorities upon this subject will now be considered. It may be premised, however, that the question has always arisen upon a defense of usury, and therefore involved other elements than a mere comparison of the interest reserved with that allowed by law. For usury is not merely the taking of an excess of interest, since that may be done innocently, as by a mistake in the calculation; but it is said that to constitute usury there must be a corrupt agreement at the inception of the contract to receive more than lawful interest. The origin of this definition will readily be traced to the wording of the English statutes, and to the fact that they are penal in their character. An important inquiry in all the cases, therefore, is, whether there was a *corrupt agreement*, within the meaning of the law.

The leading decision adverse to the computation of interest by the rule before mentioned, is *The Bank of Utica* v. *Wager*, 2 Cowen, 712. This was an action upon a note payable ninety days after date, being the second renewal of a like note discounted by the bank. Upon each of these notes interest had been received for ninety days as the fourth part of a year, and for the three days of grace as the tenth part of a month. It was there held that this mode of calculating interest rendered the transaction usurious. And the case was afterwards affirmed by the Court of Errors, 8 Cowen, 398. Similar decisions were made in *The N. Y. Firemen's Ins. Co.* v. *Ely*, 2 Cow. 678; *The Bank of Utica* v. *Smalley*, ibid. 770; and *The Utica Ins. Co.* v. *Tillman*, 1 Wend. 555. Reference may also be had to *The Utica Ins. Co.* v. *Kip*, 3 Wend. 369.

In the foregoing cases it was contended that there was not sufficient evidence of a corrupt agreement. But the fact was found that a mode of calculation which would produce more than legal interest had been knowingly adopted; and it was held, that receiving usurious interest intentionally was sufficient evidence of a corrupt agreement; 2 Cowen, 769. And again it was said, that the presumption of a correct agreement from the payment and receipt of usurious interest, could not be repelled by showing that the excess arose from the adoption of a principle of calculation which the parties knew would give more than the legal rate of interest, though they believed it was not in violation of the statute. Ibid. 705. See further as to the nature of the corrupt agreement necessary to constitute usury, *Button* v. *Downham*, Cro. Eliz. 643; *Roberts* v. *Trenayne*, Cro. Jac. 508; *Murray* v. *Harding*, 2 W. Black. 865; *Mason* v. *Abdy*, 3 Salk. 390; *Floyer* v. *Edwards*, Cowp. 112; *Hammet* v. *Yea*, 1 Bos. and P. 144; *Marsh* v. *Martindale*, 3 ib. 154; *Solarte* v. *Mellville*, 7 Barn. and C. 431; *Smith* v. *Beach*, 3 Day, 268; *Gibson* v. *Fristoe*, 1 Call. 73; *Price* v. *Campbell*, 2 ib. 123; *Nourse* v. *Prime*, 7 John. C. R. 77; *Childers* v. *Deane*, 4 Rand. 406; *Stribling* v. *The Bank of the Valley*, 5 ib. 145; *Bank of the United States* v. *Owens*, 2 Peters, 537; *The same* v. *Waggoner*, 9 ib. 399.

An endeavor was also made to sustain the rule which had there been employed, on the ground of general or universal usage, but without success. The courts held that such a usage, if proved to exist, would not alter the law of the case; that a statute could not be abrogated by the custom or usage of a particular trade; that when the law is clear, no usage can control it. Upon the question of usage, the cases of *Grisling* v. *Wood*, Cro. Eliz. 85; Per Lord Kenyon in *Matthews* v. *Griffiths*, Peak's N. P. Ca. 202; *Noble* v. *Durell*, 3 T. R. 271; *The King* v. *Major*, 4 ib. 750; *The King* v. *Arnold*, 5 ib. 353; *Aynsworth, ex parte*, 4 Ves. 678; *Dunham* v. *Gould*, 16 John. 374, already cited in another connection, may be examined.

On the other hand, in the *Agricultural Bank* v. *Bissell*, 12 Pick. 586, the payment of interest, computed according to the above method, was held not to be usurious. Shaw, C. J., in delivering the opinion of the court, said: "That this sum (the interest paid) a little exceeds six per cent. for one year, as fixed by the statute, is obvious. If this were done with design, and with the intent of taking more than lawful interest, or if done in pursuance of the adoption of a principle of computation, which would give more than the legal rate, we are not prepared to say that it would not be usurious, however small the excess over the legal rate." After stating, however, that when interest is to be computed in days or months, it is impossible to follow the prescribed rule precisely, without taking the fraction of a day, and explaining the mode which had been adopted, he says: "Such being the universal practice of other persons, as well as banks, we think a jury would not be warranted, from the mere fact that the interest thus computed slightly exceeds the legal rate, to infer a corrupt and usurious agreement."

A dictum to the same effect will be found in *Camp* v. *Bates*, 11 Conn. 495, where it is said that in those cases where the legality of the practice of banks to receive interest for a portion of a year calculated upon the principle that a year consists of 360 days, or 12 months of 30 days each, had been called in question, although the sum received upon such computation somewhat exceeds six per cent. for one year, the transaction was held not to be usurious, unless it was done with design and with the intent to take more than lawful interest, which was left as a matter of fact to the jury; that such had been the decisions in the Superior Court of that State, and such was the rule in Massachusetts. See also 5 Conn. 566, note.

Again, in *The Bank of Burlington* v. *Durkee*, 1 Verm. 399, this question was considered, though not fully presented upon the record, in consequence of the rejection by the court below of a portion of the defendant's testimony. The court stated that they were not prepared to go the length of the decision in 2 Cowen, but held, that the casting of interest according to the above rule gave a small sum more than the legal amount of interest, which ought to be deducted in making up the judgment. They said: "The same being taken as excess of interest, and taken corruptly and against the statute, would constitute usury and avoid the note. The taking it deliberately and understandingly, realizing that it was an excess of interest, would be *prima facie* usury, and would need to be rebutted by such circumstances as are now alluded to, of that long

and settled practice which renders the taking consistent with good intentions, and a well grounded supposition of obedience to the laws."

The *Bank of St. Albans* v. *Scott*, 1 Verm. 426, was a decision of the same court, in which the whole subject was brought before them by an agreed statement of facts. It was there said: "The case shows the taking of about *eight cents* too much for the interest of $600 for 64 days; but it shows this to be according to the uniform course of business at the bank. From these facts merely, and as heavy as the penalty of the statute is, creating a forfeiture of the whole debt, we cannot decide this a corrupt agreement in violation of the statute. The sum is so small that every presumption is against its being taken as an intentional violation of the statute. Its being an invariable rule of the bank, and uniformly and publicly followed, and to cast interest in this way, affords a strong presumption that the plaintiffs thought this perfectly conformable to the statute. If they acted honestly, but mistook in their construction of the statute with regard to the fraction of a year, their debt must not be lost by this." In conclusion, however, the court declared "the *eight cents* extra must be deducted from the amount, in making up the judgment. And we wish it fully understood, that the bank must change their mode in future, or they will act with their eyes open."

A similar decision was made in the *Bank of St. Albans* v. *Stearnes*, 1 Verm. 430. The court there stated that they could with propriety judge that the case was within the statute prohibiting the taking of more than six per cent. interest; but no corrupt agreement, no intention to violate the statute, could be legally inferred in such a case: that a change in the practice by a judicial decision operating on past transactions could not but work injustice; but they had no difficulty in correcting the mistaken construction of the statutes of usury and prescribing a rule for future contracts.

The case, however, of the *Planters' Bank* v. *Snodgrass*, 4 How. Miss. R. 573, contains a more elaborate examination of the subject than any other in which the practice is sustained. The note in this case was payable eighteen months after date, and interest thereon reserved according to the rule by which the year is estimated at 360 days only. There was a special verdict, in which it was found that "the mode of calculating interest, which was pursued in ascertaining the interest on the note sued on, was the uniform mode of calculating interest in the Planters' Bank, and was adopted for the purpose of convenience merely, and not with any design to evade the laws of usury, or to take a greater amount of interest than allowed by the charter." And it was decided that the facts thus presented did not make out a case of usury.

The decision was not placed upon the ground that the mode of calculation adopted was correct; on the contrary, the arguments of counsel and the opinion of the court alike proceed upon the opposite supposition. The judge, delivering the opinion of the majority of the court, after a few introductory remarks, proceeded to examine the question whether the special verdict found an agreement at all between the parties as to the rate of interest, and concluded that it did not. Assuming the position, however, that an express agreement had been made, he said: "It then

remains to be seen, whether this agreement was corruptly made, or, in other words, was entered into with the full knowledge of *the excess which would result*, and with an intention to violate the law." After referring to and commenting at length upon the authorities relating to this point, he says: "It is true, that if the special verdict finds that there was an agreement by which the lender knowingly receives or takes illegal interest, the court may infer the intent to violate the law. But this can only be so when no other conclusion would be consistent with the facts found in the verdict." And afterward: "In this case, it is manifest to me, there was no corrupt intention. That in calculating the interest, the only object was convenience and accuracy." "I come to this conclusion from two facts which are found by the verdict: 1st. That the clerk acted in obedience to the uniform and long-established custom of the bank. And, 2d. The amount of the excess over the lawful interest, which is so trifling as not to be an object to any money-lender. It has been argued that usage cannot excuse a willful violation of the statute laws of the country, or furnish an apology for trampling them down. This is unquestionably true. And yet custom may go a great way to explain a transaction and unfold the motives of the parties to it." "In this case, the motive is the gravaman of the controversy. And surely the party who is sought to be charged on a corrupt motive, is entitled to the benefit of every circumstance which in its nature is calculated to repel the imputation. For this purpose he may invoke the usage which influenced the obnoxious act, and ask to have it put in the balance and weighed in his favor. The argument it furnishes is, that it is not fair to impute a wicked intention for doing an act which is every day committed by almost every bank, merchant, broker and business man in the United States." He then cites and argues from the cases which sanction the taking of interest in advance, and the practice of banks to include the day of payment fixed in the old note in the new one upon a renewal; and concludes with an examination of several modern, and some quite recent decisions upon the subject under discussion, in conformity with his own opinion. The latter are the cases referred to above, from 1 Verm. R. 399, 426, and 430, together with *Lyon* v. *The Bank*, 2 Stewart's Ala. R. 469; *The State Bank* v. *Hunter*, 1. Dev. N. Car. R. 100; and *The Bank of North Carolina* v. *Cowen*, 8 Leigh, 238. An able dissenting opinion was pronounced in the foregoing case, the argument in which deserves an attentive consideration.

The decisions on this side of the question have thus been noticed at length, in order that the reasons on which they are founded might be clearly perceived. It appears, that without exception, the authorities regard the mode of calculation above mentioned, as producing an excess of interest. And that the question, which has given rise to so much discussion, and to the conflict in the decisions, has been, whether the fact of its adoption, with the knowledge that it would produce this result, was sufficient evidence of a corrupt agreement to make out a case of usury—or, whether the smallness of the excess, the convenience of the rule, and the extent and uniformity of the custom to employ it, should be considered as repelling any such presumption in point of fact, and as therefore overcoming it in law.

There is an evident desire in the cases last examined, to avoid, if possible, the infliction of the penalties of the statutes against usury. With this view, an attempt is made to explain away or soften the rigor of the old definition of usury, and of the corrupt agreement which forms its essential feature. It may be doubted, however, whether they are sufficient to overcome that long and almost unbroken series of decisions, that nothing more is required to constitute usury than knowingly to take an amount of interest which in fact exceeds the rate established by law; that an intention to violate the law need not exist, but, on the contrary, the party may suppose he is acting in conformity thereto—a mistake of law affording no excuse.

Admitting, however, that a want of knowledge that the principle of computation made use of would give more than legal interest, and the existence of a custom to employ it might have overcome the evidence which the taking of it afforded of a corrupt agreement, it can hardly be safe to pursue the rule now under consideration, after the repeated decisions which have been made, that it produces an excess of interest. The cases in Vermont, although they sustain the adoption of it under particular circumstances, contain a distinct warning that it should not be persisted in. And in the other cases, there is a labored effort to explain the transactions in such a way as to avoid the legal conclusion of a corrupt agreement, from the fact that an excess of interest has knowingly been taken, without even an attempt being made to defend the rule upon principle.

The only argument that has ever been offered in favor of the correctness of this practice, is derived from the maxim, that the law disregards the fractions of a day. 2 Cowen, 723, 731-2, 759; 12 Pick. 588. It is thus presented by Cady, *arguendo*, in the *Bank of Utica* v. *Wager*, 2 Cowen, 759: "The division of time is of human invention, and there is no such absolute certainty and plainness in measuring as to preclude mistake. We are told that the statute speaks of a year, or a longer or shorter time, and that quarters or months are not taken into account; but we are not informed what operation to adopt, in order to reach the law, of less than a year. You divide 365 days by 12, if you are seeking for a month, and reject the fractions. This gives a quotient of 30, which, multiplied by 3, gives 90 days, or a quarter of a year—if fractions are still to be disregarded. Upon this principle, on a 60 days' loan, you get the interest for a year and divide by 6. But suppose 90 days are improperly called one-fourth of a year; on looking at the calculation, the court will see that the interest is calculated for 90 days, excluding the first or day of the date, which was also the day of the lending; so that in truth the only question is, whether the lender is entitled to interest on the day upon which he loans the money."

It is not true, however, that perfect accuracy is unattainable in the measurement of a less space of time than a year. A year contains exactly 365 equal parts, or days; and if this, which is the legal and natural measure, be adopted, there will be no room for error or inaccuracy. When the year is divided equally in any other manner, it will almost invariably produce a fraction of a day in the result. But where is the necessity for such a division? If interest could not be calculated by

days, or if this was not the natural division of time, there might be some plausibility in the argument. But as it is, especially where the time is expressed in days, there can be no necessity or excuse for dividing it according to a different rule, and thereby producing fractions that must be discarded; in other words, there is no occasion for abandoning an accurate for an inaccurate method of calculation.

Neither is the process of division, above resorted to, correctly carried out; for although 30 days are the twelfth, and 60 days the sixth part of a year, as near as can be computed without fractions—unless, indeed, in the latter case, the remainder, which is five-sixths, be called a whole day—90 days are not the quarter, nor 180 days the half, nor 270 days three quarters of a year, disregarding the fractions of a day, but 91, 182, and 273 days respectively. In these cases, then, one, two, or three whole days would be rejected as well as the fractions; and the maxim that the law disregards fractions of a day will not apply. Nor can it be said that for 90 days the only question is, whether the lender is entitled to interest for the day on which he loans the money, because the law either does or does not allow him interest for that day. If it does, that day is included in computing the time. If it does not, which is true, he has no more right to claim it than any other day.

It thus appears that the rule of regarding 30 days as a month, and 360 days a year, is illegal when applied to time expressed in days. No one has ever thought of reducing days to calendar months, for the purpose of calculating interest; and such reduction would be improper, because, aside from the trouble required in performing it, this would amount to the abandonment of an accurate for an inaccurate mode of computation. The only correct rule in this case, therefore, is to calculate interest by days, considering each day as the three hundred and sixty-fifth part of a year.

2. *When the time is expressed in months.*—The manner in which the rule under consideration is applied to time expressed in months, embracing its first and third forms, has already been explained.

An excuse for the adoption of the rule may be sought in the fact that the calculation of interest by calendar months has been allowed. As before stated, the division of the year into months is alike recognised in law, with that into days; and it may therefore be claimed, that when the time is given in months, the correct method of calculating interest is by months. That it is legal and proper, or, at least, established and practised, in this case, cannot be denied. 2 Cowen, 707-8. In the last edition of Chitty on Bills, there are interest tables for months and for days, computed according to different methods. The months in the one are reckoned as twelfth parts of a year—while in the other the year is estimated as containing 365 days, and interest is calculated on each day separately.

In favor of the propriety of computing interest by months, when the time is so expressed, it may be said, that although the months of the calendar are not exactly, they are very nearly, equal in duration—that where a certain number of months are given, the particular month may not be known—and that no more accurate rule can be adopted, therefore, in such case, than to regard each month as the twelfth part of a year. This

is undoubtedly true, if we suppose the time to be stated in months generally and indefinitely, without any data from which to ascertain what months are included. But such is not the fact with regard to business transactions—for in them, whether the indebtedness is upon a bill, note, or account, the month and day from which the interest commenced to run is known. The particular months during which it has accrued, are therefore known; and, although the time is expressed in months, the exact number of days contained in it may be ascertained.

In examples of this description, although the time is stated in months, it may be reduced to days if required. Although it may be proper, therefore, in such cases, to compute interest by months, there is no necessity for resorting to this mode, since the calculation may be made by days. And, although it is improper to reduce days to months for the purpose of reckoning interest, because the one affords an accurate, and the other an inaccurate measure of time, the same objection will not hold against the reduction of months to days. On the contrary, the very reason just mentioned may be strongly urged in its favor, and the only ground upon which it can be opposed is that of inconvenience.

Where the time can thus be ascertained with precision, its limits being known, the fact that one unit of measure is employed in expressing it rather than another, cannot add to or shorten its duration. In calculating interest, it is to be considered as the fraction of a year, and no method of computation can be incorrect or illegal, which assigns to that fraction its true and accurate value.

But whether interest should, in any case, be computed by months or not, is a question aside from that under discussion. It has already been stated, and should be borne in mind, that the calculation of interest by months is entirely different from the application of the rule of regarding 30 days as a month and 360 days as a year, to time expressed in months. When the word month is used in any mercantile instrument, it is understood to mean a calendar month, and such is its legal signification. The correct method, therefore, of computing interest by months, is to estimate the time by calendar months, and consider each calendar month as the twelfth part of a year.

When the above rule is applied to time expressed in months, however, they are first reduced to days, by ascertaining the exact number of days they contain, and the time is then reduced back again to months, by allowing thirty days to the month, and the calculation made on that basis. This practice is more clearly illegal than to apply the rule to time expressed in days, for it has not even the argument of convenience in its favor; since, by computing interest on the months in their original form, the trouble of both deductions will be avoided. Although it may be correct and proper, therefore, to calculate interest by calendar months, it is manifestly improper and illegal to extend the above rule to time expressed in months.

There is one case, however, coming under the present division, in which there may seem to be a necessity for resorting to this rule. It is where the time consists of months and days—the number of days being less than an entire month—and the interest is calculated by months. The method

generally employed here, is to treat the days as the fraction of a month of thirty days. If the calculation were made by days instead of months, there would be no difficulty—the months would then be reduced to days, as in any other case, and the fractional days added.

In support of the method usually adopted, it may be said that the calculation of interest on the given number of days, as the fraction of a month of thirty days, is as accurate as to compute it by calendar months; and the latter being legal when applied to the main part of the time, the former must be so as to the fraction. Although the excess above the legal rate of interest, upon a less number of days than thirty, is very small, no difference in principle can be perceived between extending the above rule to this case and to that of a greater number of days. The inaccuracy in each is alike in kind, though not in degree. Nor can the allowance of an inaccurate rule, with regard to months, afford any reason for applying a rule of the same character to days, whether more or less than thirty. The rule referred to cannot, therefore, be properly employed even in this case.

Another case still remains to be noticed, which is where the time consists of months and the fraction of a month expressed as such. Here there can be no doubt that it would be correct to compute interest by calendar months, and for the fraction to take the proportional part of the interest for one month; and the above rule, therefore, would not come in question. If it was desired to calculate the interest in this case by days, there might, indeed, be a question as to the proper manner of making the reduction—whether by finding the particular month in which the fraction would fall, and taking the number of days that it contained to be divided, or by assuming a month of thirty days for that purpose; and in either event the result would be likely to contain the fraction of a day. This difficulty, however, does not relate to, or affect, the method of computation where the time is once ascertained; nor, indeed, is the case one which is likely to occur in practice.

The conclusions, therefore, which may be drawn under this head, are: That for time expressed in months, the calculation of interest by calendar months, regarding each as the twelfth part of a year, is legal; but that it is equally legal, and more accurate, to reduce the months to days, and compute interest by days, and the latter method, therefore, should be preferred. That where there is a fraction of a month expressed as such, interest may be calculated upon it in that form, although it would be proper to reduce the fraction, as well as whole months, to days. That where the time consists of months, and days less than an entire month, interest should be calculated on the days as such, and not as the fraction of a month, even though the other method be adopted for the months. And, finally, that it is equally illegal to apply the rule that thirty days make a month, and 360 days a year, to time denoted by months, by making the reduction before noticed, as to time originally expressed in days, and less excusable, because the reason of convenience is here reversed in its operation.

3. *Where Interest is to be computed from one fixed day to another.*—This branch of the general subject has been so fully examined under the

two former divisions, that but little need be said under that which remains. The question whether interest should be computed by days or months, is here presented abstractly, and unembarrassed by the manner in which the time is expressed. The day from, and that to, which it has accrued being given, the intermediate time may be measured either by months or days, and the calculation made in accordance with the corresponding method. In support of the former, its convenience may be urged; and of the latter, its accuracy: and these reasons may thus be fairly weighed the one against the other.

This is true, however, only of the calculation by calendar months; for it is as incorrect and illegal to make use of the rule of regarding 30 days as a month, and 360 days as a year in this case, as in those already considered. That rule is only adopted to time measured by days; and, as under the head last noticed, the months had first to be reduced to days before it could be employed, so here the time for which interest is computed must be reckoned in days, or it will not apply. And it always produces the excess before stated of the interest on five days in every year.

In order to ascertain the amount of interest on a given sum, therefore, from one fixed day to another, the correct method is to estimate the time in days, and compute the interest for 365 days to the year, or in months, and calculate the interest by calendar months. The latter mode, as already stated, may be regarded as legal, but can properly only embrace those cases where time is measured in months. The former, on the other hand, can always be used at least in actual business, for the time is then either expressed in, or can be reduced to, days. And as a day is the only exact unit of measure for a less space of time than a year, and by this method alone perfect accuracy can be attained in the result, it should be preferred here as well as in every other case.

The general conclusion has thus been arrived at, that the calculation of interest by days, or upon each day in the year separately, is the only true and correct method for all cases.

3*d*. *Interest where Partial Payments are made.*

The remaining question is more important, and at the same time more embarrassing, than either of those already examined. It is true that this question has been presented in different forms, and under a variety of circumstances, in a large number of reported cases, but this accumulation of authority serves rather to bewilder the mind than to throw any clear and reliable light upon the subject. The conflict in the decisions is so great, that it is not only vain to attempt to reconcile them, but difficult, after having consulted them, to arrive at any satisfactory conclusion whatever.

With some few exceptions that are peculiar in their character, the cases arrange themselves into two classes, in which opposite rules are laid down for the calculation of interest where partial payments have been made, or upon running accounts with mutual credits. This has given rise to a distinction between what is called the legal and the mercantile method of computing interest in such cases—the one class conforming to

the one method, and the other, the other. Whether this distinction is well grounded or not, remains to be seen; but as the classification is convenient, it will be used for want of a better.

The rule which is known as the legal method, has assumed a variety of forms. In a note in Kirby, page 49, for example, it is thus stated: "Compute interest to the time of the first payment; if that be one year or more from the time the interest commenced, add it to the principal, and deduct the payment from the sum total. If there be after payments made, compute the interest on the balance due to the next payment, and then deduct the payment as above; and in like manner from one payment to another, till all the payments are absorbed; provided the time between one payment and another be one year or more. But if any payment be made before one year's interest hath accrued, then compute the interest on the principal sum due on the obligation for one year, add it to the principal, and compute the interest on the sum paid, from the time it was paid up to the end of the year; add it to the sum paid, and deduct that sum from the principal and interest added as before. If any payments be made of a less sum than the interest arisen at the time of such payment, no interest is to be computed, but only on the principal sum for any period."

The qualifications here introduced, depending upon the time when the payments were made and their amount, were afterward disregarded, and the rule expressed in general terms, that when there have been several payments, the interest should be calculated to the time of the first payment, which should be deducted from the sum of the principal and interest, and interest calculated on the residue till the next payment; and so throughout. *Merideth* v. *Banks*, 1 Halst. 408; *Dean* v. *Williams*, 17 Mass. 417.

But it has finally assumed the form in which it is stated by Chancellor Kent, with his usual clearness and precision, in the case of *The State of Connecticut* v. *Jackson*, 1 Johns. C. R. 17:—"The rule for casting interest," he says, "when partial payments have been made, is to apply the payment, in the first place, to the discharge of the interest then due. If the payment exceeds the interest, the surplus goes toward discharging the principal, and the subsequent interest is to be computed on the balance of principal remaining due. If the payment be less than the interest, the surplus of interest must not be taken to augment the principal; but interest continues on the former principal until the period when the payments, taken together, exceed the interest due, and then the surplus is to be applied toward discharging the principal; and interest is to be computed on the balance of principal as aforesaid."

The mercantile method, on the other hand, which derives its name from the fact that it has by custom long been used amongst merchants in keeping their accounts, is this:—Cast interest on each item of debt from the time it becomes due to the time of settlement, and add the principal and interest together; compute interest on the several items of credit in like manner, and add the principal and interest together; deduct the one sum from the other, and carry the remainder to the new account;

and proceed in this manner whenever the account is balanced, until the final settlement."

Another form of this rule, which gives the same result, but is less convenient, and has therefore been disused, is as follows:—Whenever a payment is made on an account, interest up to that day is calculated on whatever balance may then be due; this is entered in a separate column, and the payment is deducted from the principal sum; and so on with every succeeding payment until the end of the year, or time when the account is balanced—when the interest that has accrued since the last payment is carried into the column of interest, the footing of which and the principal then due are added together, and their sum introduced as the first item in the subsequent account."

One essential feature of this method, which, in discussing its merits has sometimes been disregarded, is, that generally once a year, sometimes oftener, and in some cases not so often, rests are made in the account and a balance struck, consisting both of principal and interest, which is carried into the new account as the first item.

In further considering this branch of the general subject, it is proposed: first, to examine the cases which relate to the mercantile method of computing interest; second, to refer to the decisions which sustain the legal method; third, to notice one or two cases in which, under peculiar circumstances, a rule different from either was adopted; fourth, to inquire how far the law upon this question can be regarded as settled by authority; and, fifth, as far as may be, to investigate the principles by which it is governed, and the propriety of the rules that have been established.

1. The nature and importance of the subject require that the authorities in favor of the mercantile method should be cited with a fulness which, under ordinary circumstances, would not be justifiable; but it is believed the space allotted to them will not be deemed unreasonable or misapplied. The English cases will first be noticed.

In *Caliot* v. *Walker*, 2 Austr. 495, "where the defendants were sued by their bankers for a balance of an account, and it appeared that *every quarter* the bankers struck a balance in which were included the principal sum of money advanced, *all interest due upon it*, and a commission of five shillings for every £100 advanced; which balance at the end of the quarter, having been handed to the defendants, was converted into principal, and made to carry interest; the Court of Exchequer declared themselves strongly of opinion that this case was not usurious, but that the striking of a balance every quarter brought it to a fresh agreement at the beginning of each quarter to lend the sum due." Comyn on Usury, 150.

Again, in *Bruce* v. *Hunter*, 3 Camp. 467, which was an action of assumpsit to recover the balance of an account, the plaintiffs had effected insurances and advanced the premiums for the defendant, and had transacted other business as agents for him, from the year 1801 down to the year 1813. They had delivered an account to him annually, and at the close of each year, from the expiration of the first, had charged interest; and at each rest the interest of the preceding year was added

to the principal. It was proved, that at the several times when the annual accounts were rendered to the defendant, he had never objected to the charge of interest, until the year 1811, when he said that he was not bound to pay any interest. Lord Ellenborough declared that it was fair and reasonable the defendant should pay interest in the manner charged, and that the accounts to which he had not objected for a number of years afforded sufficient evidence of a promise on his part to pay interest in this manner. One of the special jury said it was the uniform manner of making up accounts of this description.

And in *Bevan, ex parte*, 9 Ves. 233, upon a petition to be admitted to prove under a commission of bankruptcy, to which the second objection was that in settling accounts half yearly, interest had been turned into principal, Lord Eldon said: "As to the question of compound interest, it is clear you cannot *a priori* agree to let a man have money for twelve months, settling the balance at the end of six months; and that the interest shall carry interest for the subsequent six months: that is, you cannot contract for more than 5 per cent.; agreeing to forbear for six months. But if you agree to settle accounts at the end of six months, that not being part of the prior contract, and then stipulate that you will forbear for six months upon those terms, that is legal. So this is legal between merchants: where there is no agreement to lend to either; but they stipulate for mutual transactions, each making advances; and that, if at the end of six months the balance is with A, he will lend to B, and *vice versa*."

So in the case of *Eaton et al.* v. *Bell et al.* 5 Barn. & Ald. 34, Abbott, C. J., observed: "As to the question of compound interest, it is now settled, that a party advancing money to another is entitled to charge interest, and at the end of every year, then to add the principal to the interest." He then cited the language of Lord Eldon in *Ex parte Bevan*, and said: "It is clear, from the facts stated, that the defendants assented to that mode of keeping the accounts, and the bankers who advanced the money, might have done it on the faith that they should have been permitted to convert the interest from time to time into capital; and that they would not otherwise have continued to make the advances."

Again; in *Ex parte Champion*, 3 Brown's C. R. 436, the Lord Chancellor said: "In the case of interest upon interest, though in other cases the court will not allow of it, yet when there are regular accounts settled from time to time, interest on interest is allowed. That is admitted in all cases but that of a mortgage; and that exception only stands on authority. I see no reason why interest on interest should not be allowed in that case, but that it is inconsistent with the rule of jurisdiction; but in merchants' accounts it is always admitted, on the ground of an original contract, and the settling accounts in that way is evidence of an original contract."

And in *Clancarty* v. *Latouche*, 1 Ball & Beat. 420, which was a bill for an account, filed by the executors of the late Mr. Connolly against the defendants, his bankers, it appeared that the latter had furnished fourteen annual accounts. The principle on which those accounts were

kept, which was the usual one adopted by bankers, was: at particular periods, balances of principal and interest were struck, and the consolidated sum was introduced as the first item in the subsequent account, and interest calculated on it. The Lord Chancellor remarked: "The acquiescence by Mr. Connolly does not in my opinion amount to a settlement of the accounts; but it certainly must have considerable effect, for, by not objecting to the accounts when furnished, he has deprived the defendants of the opportunity of declining any further dealings, as not beneficial to them." "It was in the regular course of business, that the capital of their banking house should not lie idle; and when Mr. Connolly or his representatives came to be relieved, this court may fairly impose terms by directing annual rests; for otherwise the defendants would not have legal interest for their money. If the interest was paid to them regularly at the end of the year, that interest in their hands would become capital, and be invested; if it were not paid, they would not, at the end of the second year, receive legal interest upon the whole debt due to them from Mr. Connolly, unless that part of the debt which consisted of interest due at the end of the first year, was treated as capital; what is there in law or equity against this transaction?" An account was therefore directed according to the principle of the accounts furnished by the defendants; which was said to be so far fair that the plaintiffs got interest on their advances by their being applied to reduce the principal.

The American authorities sustaining the mercantile method of computing interest will now be referred to; and first, the case of *Kissam* v. *Burrall*, Kirby, 326. This was an action upon a bond dated June 10th, 1761, to which there was a plea of payment. Evidence was given of sundry payments from 1761 to 1783. Ten accounts were also introduced, from some of the principal merchants of New York and elsewhere, in which interest was computed and settled in the following manner, viz: First casting interest on the bond or account to the time of settlement, add the principal and interest together—then computing the interest on the several payments, from the time they were made to the time of settlement, and deduct the aggregate of payments and interest from the sum of debt and interest. The merchants from whom these accounts came, testified that the interest was computed agreeably to the custom of merchants in New York. Sundry other witnesses testified to the same effect; and further, that they knew no difference in computing interest on bonds and accounts. There was also evidence to show a final settlement between the parties. The court said the determination of the question in dispute depended upon the application of payments. "If the payments had been applied to the interest due at the time they were made, and only the surplus to the principal, there would have remained a considerable sum due to the plaintiffs; but if all the payments had been applied to the principal until that was fully discharged, and the residue to the interest, the debt would have been overpaid. It is a settled rule of law, that he who pays money has the right to direct the application, if there are several debts to which it may be applied; but if he neglects to do it, the receiver may make his election. In this case,

there does not appear to have been any particular application made by either party, but the sums paid were simply endorsed on the bond. Therefore the intention of the parties must be inferred from the custom of the place where the contract and payments were made, and their own conduct respecting the matter."

Again, in *Barclay & Co.* v. *Kennedy*, 3 Wash. C. C. R. 350, which was an action to recover the balance of a stated account, sent by the plaintiffs, merchants of London, to the defendants, of Philadelphia, in 1803, it appeared that the usage of the parties was for the plaintiffs to state the accounts between them, generally, annually—sometimes semi-annually—charging interest on the balance, on whichever side it might be, and adding it to the balance of principal, to bear interest from the day on which the account was so stated. These accounts, presenting a balance with the interest added to it, sometimes in favor of the defendants, and sometimes in favor of the plaintiffs, were regularly transmitted to the defendants, who never, until at the trial of this cause, objected to the mode of adding the interest to the principal. Washington, J., charged the jury. "In the case of *Smith* v. *Shaw's Administratrix* (hereafter noticed) this court decided that the proper mode of charging interest was, to deduct the payments from the interest, and if any surplus remained, to apply it to diminish so much of the principal. This decision was grounded upon two well-established principles of law: first, that interest is incapable of producing interest, inasmuch as it forms no part of the *debt*, and is a mere compensation for the detention of the debt or principal sum, and is recoverable as damages, the rate of which is ascertained by the laws against usury; second, that where the creditor has different demands against his debtor, and a partial payment is made, if the latter does not make the application to the one or the other, the former may make it; and, as the interest does not and cannot, upon general principles, carry interest, he will of course, and may, lawfully apply the payment to the discharge of the interest. But although interest cannot, as such, bear interest, there can be no doubt but that the creditor and debtor may agree to give it that capacity, either at the time the contract is made or after it has become due. Whenever the creditor has a right to demand it, he may waive that right and lend it to the debtor as so much money due, and thus change its nature, by contract, into debt. In running accounts, the parties may agree, at stated periods, to settle their accounts, strike the balance, and convert the interest into principal. The general principle of law, before mentioned, does not forbid such an agreement, nor is it opposed to the provisions of the statute of usury. In such cases the credit expires, and the principal debt becomes due at the time the account is settled; and the creditor, or the party in whose favor the balance is, has a right to stipulate for a prolongation of the credit, upon the condition of making the interest principal, instead of insisting upon a payment of the whole. If such an arrangement may legally be made by an express agreement, it may be done by an implied one; and accounts regularly stated and balanced, and the interest added to the balance, received by the debtor, and acquiesced in without objection, may fairly be considered by the jury as evidence

of such agreement. In like manner, a well-established usage of trade, sanctioning such a mode of stating the account, may have the effect of an agreement. But, in such a case, the usage should be fully proved, and should appear to be sufficiently ancient and uniform to leave no doubt of its being known to all persons concerned in that particular trade."

And in *Denniston* v. *Imbrie*, 3 Wash. C. C. R. 396, where there was a similar course of dealing and of rendering accounts between the plaintiffs, merchants of Glasgow, and the defendant, a merchant of Philadelphia, from 1806 to 1809, and evidence to show that this was the uniform usage of the trade; but from 1809 these transactions ceased, and the defendant objected to paying interest upon interest after that time. Washington, J., in charging the jury, remarked: "The court need only refer to what was said in relation to this subject in the case of *Barclay & Co.* v. *Kennedy*, decided at this term. Whether the usage is sufficiently proved by the evidence, is submitted to the jury, as also whether the mode of charging the interest in this case is conformable with the usage so proved. We shall make but this observation: that if the usage proved is applicable only to cases of running accounts annually stated, and furnished to the merchant here, it will not govern a case where an account is sent after all commercial transactions have ceased; and particularly where the adding the interest to the principal has not received the implied sanction of the debtor, but, on the contrary, payment is refused, and a suit is brought to recover such balance. Neither would such a usage authorize the creditor to make other rests in the account, thereby accumulating the amount by converting interest into principal."

In *Bainbridge & Co.* v. *Wilcocks*, 1 Bald. 536, however, where suit was brought to recover a balance of account, principally for bills accepted by the plaintiffs, bankers and merchants in London, for the defendant, a merchant of Philadelphia, before and in the year 1810. The defendant left the United States in June, 1811, and did not return till 1825, but appointed an agent in his commercial transactions. Accounts current were rendered to the agent in September, 1811, and in March, 1813, 1815, and 1817, the last of which was also delivered to the defendant. These accounts were made up of the items of charge and credit, beginning with the old balance, on which interest was charged till the making up of the new account. And the three last accounts were made up of the balances of the former accounts with interest added. Baldwin, J., instructed the jury, that the plaintiffs were entitled to recover interest as charged. But the jury found for the plaintiffs with simple interest only, and no motion was made for a new trial.

Again, in *Von Hemert* v. *Porter*, 11 Metc. 219, the courts say in reference to this subject: "As between merchants upon their mutual accounts, it is the usage of trade to cast interest upon the several items, and to strike a balance, at the end of the year, of the items of principal and those of interest, and to carry the footing of the two to a new account, as forming the first item of principal for the ensuing year. In

this manner, yearly rests have for a long time been made, and acquiesced in, by the mercantile world. *Stoughton* v. *Lynch*, 2 Johns. Ch. 214; *Barclay* v. *Kennedy*, 3 Wash. C. C. 350. But it is not the usage of trade, after all dealings have ceased between the parties, to leave accounts standing for upward of twenty years, compounding the interest yearly, and then claiming, as matter of right, such accumulated balances. And though such neglect to demand payment by suit may be reasonably ascribed, in this instance, to forbearance toward the defendant, yet it furnishes no rule of law upon which to predicate a right to claim compound interest, without proof of a specific agreement to pay it. The law, as well between merchants as other classes of the community, is this: that after the mutual trade and dealings have ceased, the right to make annual rests ceases, and the creditor is entitled to simple interest on the balance of his account, in the absence of any specific agreement to allow compound interest; the right to make the annual rests growing out of the mutuality of the debts and credits, and the allowing of interest on each side."

And in *Hart* v. *Dewey*, 2 Paige, 207, it is said by Chancellor Walworth, that, "In running accounts between merchants, they have a right to agree upon the manner in which interest shall be charged and credited on the several items of debt, and credit therein; provided, it is not intended to be, and is not, in fact, a cover for usury. Where there is no agreement or understanding to the contrary between the parties, the party receiving a partial payment has a legal right to apply so much thereof as is necessary to the satisfaction of the interest then due, before any part of the principal is cancelled. But the parties may agree upon a different mode of doing the business, and may keep an interest account upon the items received and paid out. And this is the difference between the legal and the mercantile mode of computation. Perhaps in running accounts the latter is the most convenient mode. It certainly is not usurious." Reference may also be made to *Morgan* v. *Mather*, 2 Ves. 15; *Hollister* v. *Barclay*, 11 N. Hamp. 501; and *Lotard* v. *Graves*, 3 Caines, 226.

There are a few other cases in which the legality of the mercantile method of computing interest has come in question, and where it has been either wholly denied, or the application of the rule limited and restrained. In *Moore* v. *Voughton*, 1 Starkie, 487, for example, where the right to recover interest, calculated upon half yearly rests, according to the universal practice of the house, was claimed, Lord Ellenborough held that the claim could not be supported, unless it could be proved that the defendant knew that it was the practice to charge interest from such rests. In *Smith* v. *Shaw's Administratrix*, 2 Wash. C. C. R. 167, referred to by Washington, J., in *Barclay* v. *Kennedy*, Rawle, for the plaintiff, insisted that interest should be calculated according to the legal method; and Ingersoll, for the defendant, according to the mercantile method. The latter said, moreover, that if this be not the correct rule in general, still, in this case, it should be adopted, as the plaintiff had so stated the interest in his account forwarded to the defendant. As to the general rule, also, he contended that although Mr. Rawle's mode might

be correct as to bond debts, it was not as to all open accounts. *By the court:* "There is no difference as to the application of the general rule, between these debts, whose interest is of course to be charged, and those where the jury may allow it by way of damages: and in both, the rule mentioned by the plaintiff's counsel is the right one. But as the plaintiff has stated it otherwise, we think he ought to be bound by it." Again, in *Lewis's Executor* v. *Bacon's Legatee, &c.*, 3 Hen. & Munf. 89, where a creditor kept an interest account with his debtor, in which he charged interest on the several items of debt to a particular period, and gave credit by interest on the several payments to the same period, and a balance being then struck, interest was again charged on the balance, thus consisting of principal and interest, the court held it to be compound interest, and not allowable. And in *Wheelock* v. *Moultons*, 13 Verm. 434, it was said: "No custom of merchants, however uniform and long standing, will justify a court in this State in allowing a party to cast interest upon interest on a running account." See, also, *Morr* v. *Southwick*, 2 Porter, 351.

2. The cases in which the legal method of computing interest has been established, will now be referred to: and, first, *The State of Connecticut* v. *Jackson*, 1 Johns. C. R. 13, where the rule in New York is set forth. This case came up on a motion to confirm the report of the master to whom it had been referred to compute the amount of principal and interest due on the bond and mortgage executed by the defendant, which contained a calculation allowing compound interest, or interest upon interest. The Chancellor said: "This allowance of compound interest is inadmissible, and the report must be sent back to the master for correction. There are cases in which interest is considered as changed into principal, and permitted to carry interest; as where a settlement of accounts takes place after interest has become due, or an agreement is then made that the interest due shall carry interest, or the principal and interest are computed in a master's report, and the same is confirmed. But except in some such special cases, interest upon interest is not allowed, and the uniform course of decisions is against it, as being a hard and oppressive exaction, and tending to usury." He then stated the rule for casting interest when partial payments have been made, in language already cited.

The same rule was recognised in *Stoughton* v. *Lynch*, 2 Johns. C. R. 209. The Chancellor there said: "The correct method of crediting payments, as between debtor and creditor, is to carry them, in the first place, to the extinguishment of the interest due, according to the principle of this third exception; and it is susceptible of mathematical demonstration, that if credits be not so applied, but the principal of the debt is left to continue upon interest, and interest is computed upon the payments as they are successively made, a debt will, in the course of a few years, (and the time will be longer or shorter according to the rate of interest,) be wholly extinguished by payments of interest, without paying a cent of principal. I have, however, always understood and observed that the usage among merchants, in stating their accounts, is different and conformable to the master's report."

And in a note to *Williams* v. *Houghtailing*, 3 Cowen, 87, the legal method was again affirmed, in the following terms: "The Judges of the Supreme Court, in answer to the question put to them as to the mode of calculating interest when sundry payments have been made, state that they do not know that the question has been judicially settled; but, according to their understanding, the rule of practice is to calculate interest on the principal up to the time when the payment has been made, add this interest to the principal, and deduct the payment without regard to the time when made, whether before or after the expiration of the year. This rule, however, is to be adopted only in cases where the payment exceeds the interest due; otherwise it will be taking interest upon interest. When the payment falls short of the interest due, interest must be calculated on the principal up to the time when the payments will overrun the interest due on the principal debt; and the deduction then be made."

Substantially the same rule has been established in Maine, *Doe* v. *Warren*, 7 Greenl. 48; Massachusetts, *Dean* v. *Williams*, 17 Mass. 417; *Fay* v. *Bradley*, 1 Pick. 194; Connecticut, Kirby, 49; *Treat* v. *Stanton*, 14 Conn. 445; New Jersey, *Merideth* v. *Banks*, 1 Halst. 408; Pennsylvania, *Penrose* v. *Hart*, 1 Dall. 378; *Commonwealth* v. *Miller*, 8 Serg. & R. 452; Maryland, *Lamotte* v. *Sterrett*, 4 Harr. & J. 42; Virginia, *Ross* v. *Pleasants*, Wythe, 147; *Lightfoot* v. *Price*, 4 Hen. & Munf. 431; North Carolina, *Bunn* v. *Moore's Ex'rs*, 1 Hayw. 279; South Carolina, *Norwood's Adm'rs* v. *Manning*, 2 Nott & McC. 395; *Wright* v. *Wright*, 2 McC. Ch. 188; *Tague* v. *Dendy*, ibid. 207; Tennessee, *Scanland* v. *Houston*, 5 Yerg. 310; *Jones* v. *Ward*, 10 ibid. 170; Kentucky, *Guthrie* v. *Wickliffe*, 1 A. K. Mar. 584; *Kay* v. *Fowler*, 7 Monroe, 593; and Indiana, *Harvey* v. *Crawford*, 2 Blackf. 43; *Wasson* v. *Gould*, 3 ibid. 18. See also *Story* v. *Livingston*, 13 Peters, 371.

3. As already stated, there are one or two cases in which a rule was made use of varying from both the legal and mercantile methods. They differ from the cases already noticed, in the fact that the interest was, according to agreement, to be paid at stated periods, and was not due when the partial payments were made. In *Williams* v. *Houghtailing*, 3 Cowen, 86, for example, the court say: "When, according to the terms of a bond payable by instalments, interest cannot be demanded till the principal is payable, (as in this case,) payments made on an instalment not due and payable, should be applied to the extinguishment of the principal, and such proportion of the interest as has accrued on the principal so extinguished. For instance, an instalment on a bond of $500 is due on the 1*st of January*, 1825, with interest from the 1*st of January*, 1824; on the 1*st of July*, 1824, the obligor pays $207: the $7 should be applied to pay the 6 months' interest accrued on $200, and the $200 extinguishes so much principal. If the whole be applied to the extinguishment of principal, no interest could be recovered upon the principal money extinguished; for interest ceases and is not due after its principal is paid." And in the *Miami Exporting Co.* v. *The Bank of the U. States*, 5 Ohio R. 260, under the like circumstances, the same rule was employed. But in *Tracy* v. *Wikoff*, 1 Dallas, 124, McKean, C. J., in laying down the

rule for computing interest in a supposed case similar to the two last, adopted the mercantile method.

An imperfect idea, only, can be derived from the foregoing citation of authorities, of the confusion and uncertainty that exists in this branch of the law. The legal and mercantile methods of computing interest, and the decisions by which they are respectively sustained, are, however, manifestly inconsistent. They differ in form, application, and in result; and both, therefore, cannot be right if the distinction between them turns upon a point essential to the correctness of either. That distinction is supposed to be the rejection or adoption of compound interest in the calculation. Before it can be ascertained, therefore, either from authority or principle, how the law upon this subject is or should be settled, it will be necessary to inquire what has been decided with regard to the legality of compound interest.

And here it will be gratifying, amid the prevailing uncertainty, to have arrived at one point that may be regarded as established beyond dispute; for the authorities are full and conclusive in favor of the proposition that the reserving or taking of compound interest is *not usurious*. In *La Grange* v. *Hamilton*, 4 Term R. 613, it was held, that a memorandum, forming part of the original contract, by which it was agreed that at the end of the year interest should be added to the principal, so that the accumulated sum should carry interest in future, was not usurious. And in *Kellogg* v. *Hickok*, 1 Wend. 521, the court state, that "Compound interest has nothing to do with the question of usury. It is illegal upon a different principle. Interest annually compounded and added to the principal, does not give the creditor more than seven per cent. per annum for his money; and, unless a rate of interest greater than that be taken, there is no usury." So in *Otis* v. *Lindsey*, 1 Fairf. 316, it was said: "The note declared on in this case is clearly *not usurious*. *Compound interest* is not *usury*. In the note before us, nothing more than *lawful* interest was cast upon interest which had become due. No law prohibits such a transaction." *Chambers* v. *Goldwin*, 9 Ves. 271; *Connecticut* v. *Jackson*, 1 John. C. R. 13; *Mowry* v. *Bishop*, 5 Paige, 98; *Camp* v. *Bates*, 11 Conn. 500; *Wilcox* v. *Howland*, 23 Pick. 167; *Breckenridge* v. *Brooks*, 2 A. K. Mar. 335; *Childers* v. *Dean*, 4 Rand. 406; *Quackenbush* v. *Leonard*, 9 Paige, 344; *Townshend* v. *Corning*, 1 Barbour, 627; *Pawling* v. *Pawling*, 4 Yeates, 220; *Forbes* v. *Cantfield*, 3 Ohio R. 17.

The fact that courts of equity are in the constant habit of requiring the payment of compound interest, under special circumstances, is of itself conclusive to show that it is not prohibited by statute; for, as it is said in *Camp* v. *Bates*, 11 Conn. 501, "if compound interest is usurious in one case, it must be so in all cases. The usury, if it exist at all, consists in the taking or reserving, corruptly, of a greater sum than at the rate of six dollars for the forbearance of one hundred dollars for one year. The term, *compound interest*, has but one meaning. It signifies the adding of the growing interest of any sum, to the sum itself, and then the taking of interest upon this accumulation. If, therefore, it be usurious to calculate interest in this way, because it is within the statute, it is equally within it, in every supposable case, and cannot be permitted, without violating the

provisions of the statute." "The inference is unavoidable—the taking or contracting for interest upon interest is never, *per se*, usurious."

It is true that courts of equity refuse to compel the performance of contracts for the payment of compound interest, when it is a part of the original agreement at the time of the loan, that the interest, if not paid at stated periods, shall become principal and carry interest; and it is said that perhaps a court of law would not give effect to such a provision. *Connecticut* v. *Jackson*, 1 John. C. R. 14. This doctrine, however, is not placed upon the ground that such contracts are contrary to the statutes against usury, but is sustained upon the general principles which govern the jurisdiction of courts of equity in cases of hard and oppressive bargains. In *Childers* v. *Dean*, 4 Rand. 408, Carr, J., says an agreement made at the time of the loan that at the end of the year interest shall become principal, will not be allowed; not that it is usury, and will render the contract illegal and void, but because the chancery considers it hard and oppressive, and tending to usury. And in *Breckenridge* v. *Brooks*, 2 A. K. Mar. 335, the court declare that such an agreement is clearly not forbidden by the statute against usury; but it is held to be iniquitous and oppressive, and a court of equity will not enforce a contract of that sort. *Ossulston* v. *Yarmouth*, 2 Salk. 449; *Thornhill* v. *Evans*, 2 Atk. 330; *Van Benschoten* v. *Lawson*, 6 John. C. R. 313; *Connecticut* v. *Jackson*, 1 ibid. 13; *Mowry* v. *Bishop*, 5 Paige, 98; *Toll* v. *Hiller*, 11 ibid. 231; *Rodes* v. *Blythe*, 2 B. Monroe, 336; *Rose* v. *The City of Bridgeport*, 17 Conn. 243. Whether these decisions will apply to the case of a running account, where there are mutual credits, will be considered hereafter.

And it has also been held, that the reservation in a new security of compound interest that had accrued upon a sum previously due *against the will of the debtor, and as a condition of forbearance upon the new security*, was illegal. *Townshend* v. *Corning*, 1 Barbour, 627; *Thornhill* v. *Evans*, 2 Atk. 330; *Van Benschoten* v. *Lawson*, 6 John. C. R. 313; *Childers* v. *Dean*, 4 Rand. 409. But see *Camp* v. *Bates*, 11 Conn. 487.

It is clearly settled, however, both in equity and at law, that an agreement, voluntarily made after interest has become due, to convert it into principal and compute interest on the same is valid, and will be enforced. *Camp* v. *Bates*, 11 Conn. 487; *Townshend* v. *Corning*, 1 Barbour, 627; *Tylee* v. *Yates*, 3 ibid. 222; *Childers* v. *Dean*, 4 Rand. 406; *Rodes* v. *Blythe*, 2 B. Monroe, 336; *Wilcox* v. *Howland*, 23 Pick. 167; *Fitzhug* v. *McPherson*, 3 Gill, 408; *Forbes* v. *Cantfield*, 3 Ohio R. 17; *Mattocks* v. *Humphreys*, 17 ibid. 336. And compound interest, after it has been paid, cannot be recovered back. *Moury* v. *Bishop*, 5 Paige, 98; *Camp* v. *Bates*, 11 Conn. 487; *Dow* v. *Drew*, 3 N. Hamp. 40; *Forbes* v. *Cantfield*, 3 Ohio R. 17.

But where interest is reserved, to be paid annually or at any other stated intervals, upon a loan of the principal sum for a longer time, there being no express agreement for compound interest, it still remains an unsettled question whether the lender can recover interest upon the interest from the time it became due. In the following cases it was held, that compound interest should be allowed under such circumstances: *Pierce* v. *Rowe*, 1 N. Hamp. 179; *Kennon* v. *Dickens*, Cameron & Nor. 357; *Greenleaf*

v. *Kellogg*, 2 Mass. 568; *Cooley* v. *Rose*, 3 ib. 221; *Toll* v. *Hiller*, 11 Paige, 231; *Hollingsworth* v. *The City of Detroit*, 3 McLean, 472. And the contrary doctrine was adhered to in *Doe* v. *Warren*, 7 Greenl. 48; *Sparks* v. *Garrigues*, 1 Binney, 165; *Hastings* v. *Wiswell*, 8 Mass. 455; *Rose* v. *The City of Bridgeport*, 17 Conn. 243.

It thus appears that compound interest is not usurious, and in many cases may lawfully be reserved and taken. "The principle of not giving effect to a stipulation for the compounding of future interest upon a debt does not arise from the usury laws. It is merely adopted as a rule of public policy, to prevent an accumulation of compound interest in favor of negligent creditors, who do not collect their interest when it becomes due, which negligence is found, in the end, to be an injury rather than a benefit to the debtor." *Quackenbush* v. *Leonard*, 9 Paige, 345.

The reasons for the decisions against the allowance of compound interest, under the circumstances above mentioned, are stated more at length, and with much force and perspicuity, by Chancellor Kent, in *Connecticut* v. *Jackson*, 1 John. C. R. 16. The learned chancellor there says: "Though creditors will be very apt to think, with Lord Thurlow, that there is nothing unjust in compelling a debtor, who neglects to pay interest when it becomes due, to pay interest upon that interest, yet the wisdom of our law has ordained otherwise. The *Roman* law was constant in its condemnation of compound interest. *Nullo modo usuræ usurarum a debitoribus exigantur, et veteribus quidem legibus constitutum fuerat*, &c., (*Code* 4, 32, 28; *Voet. Com. ad Pand.* lib. 22, tit. 1, pl. 20.) And it appears to me that this provision in the law is not destitute of reason and sound policy. Interest upon interest, promptly and incessantly accruing, would, as a general rule, become harsh and oppressive. Debt would accumulate with a rapidity beyond all ordinary calculation and endurance. Common business cannot sustain such an overwhelming accumulation. It would tend also to inflame the avarice and harden the heart of the creditor. Some allowance must be made for the indolence of mankind, and the casualties and delays incident to the best regulated industry; and the law is reasonable and humane which gives to the debtor's infirmity or want of precise punctuality, some relief in the same infirmity of the creditor. If the one does not pay his interest to the uttermost farthing, at the very moment it falls due, the other will equally fail to demand it with punctuality. He can, however, demand it, and turn it into principal, when he pleases; and we may safely leave this benefit to rest upon his own vigilance or his own indulgence."

It may here be remarked, that inasmuch as the taking of compound interest does not conflict with the statutes against usury, the decisions referred to under the two preceding heads, to the effect that a statute cannot be abrogated by the custom or usage of a particular trade—that when the law is clear no usage can control it—can have no application to the present subject.

4. The next point in order is the inquiry how far the law upon the question now under examination may be considered as settled by authority. This inquiry will be directed first to the legal, and afterward to the mercantile method of computing interest; for it will be perceived that

they are both, to a certain extent, and with certain qualifications, sustained by the decisions. Nor does this involve any contradiction, since they only differ in principle, if at all, in the rejection or allowance of compound interest in the calculation, which, it has just been seen, does not of itself affect the validity of either method.

And, first, it must be admitted that the decisions above cited, in favor of the legal method of computing interest, are to be regarded as binding authorities in the several States in which they were pronounced. But it will be observed, that there is not a single English case in which this method has been adopted or recognised. It has there been held, indeed, that, as between mortgagor and mortgagee, annual rests will not be made but under special circumstances only; *Davis* v. *May*, 19 Ves. 383. And it has also been said, that, as to such parties, every receipt forms a rest in discharge, first of the interest, then of the principal; *Raphael* v. *Boehm*, 11 Ves. 103. Yet the rule there laid down does not amount to an adoption of the legal method in the form it has assumed in this country, and, as has already been seen, is to be regarded as an exception which stands upon authority merely. *Ex parte Champion*, 3 Brown's C. R. 436. Lord Eldon said in the latter case, that he saw no reason why interest on interest should not be allowed as between mortgagor and mortgagee, but that it was inconsistent with the rule of jurisdiction.

It will be further noticed that, although it is stated there is no difference in principle between computing interest on bond debts and on running accounts, there is a well defined line of separation between the cases upon this subject, those in which the legal method is established, with few if any exceptions, having arisen from transactions in which partial payments were made upon notes, bonds, &c.; and those on the other hand, in which the mercantile method was employed, having as uniformly related to dealings with bankers, or between merchants, where there were running accounts and mutual credits.

And again it will be observed, that in a number of instances the legal method has been adopted by the courts of the several States as a rule of practice merely, and apparently from the consideration that as some rule must be resorted to in such cases, and as there was no principle involved which of itself pointed out one rule rather than another, as the only true and correct rule, they were at liberty to establish such a rule as to them seemed just and equitable. The state of fact here conceived to exist will be referred to hereafter, in connection with the inquiry how far the existing rule may be regarded as open to change or modification.

With reference to the mercantile method of computing interest, it may be considered as settled that it is not usurious, but may be employed by merchants and bankers in making up their accounts; and that interest so charged can be recovered where there is either an express or implied contract to pay it. That such a contract will be implied by law, first, where accounts made up in this manner have from time to time been rendered and received without objection; and secondly, where there is a well established usage of trade sanctioning such a mode of stating accounts. That receiving and assenting to an account in which interest is charged in this manner will amount to an express contract to pay it,

which will afterward be enforced. And that, although in other cases it is not allowable before interest becomes due, to agree that when due it shall be converted into principal and carry interest; yet, in case of running accounts where there are mutual credits and a fluctuating balance, it is lawful to contract *a priori* that interest shall be computed in this manner. The latter proposition is fully sustained by *Bevan, ex parte*, 9 Ves. 223; *Barclay & Co.* v. *Kennedy*, 3 Wash. C. C. R. 350; and *Hart* v. *Dewey*, 2 Paige, 207. It also seems that where the mutual dealings between parties have ceased, it is not lawful to continue to strike balances for the purpose of compounding the interest on the sum remaining due. And the reason of this is said to be because such is not the custom of merchants.

5. The only remaining division of the subject is the proposed investigation of the principles by which this branch of the law is governed, and the propriety of the rules that have been established in connection therewith. And here the difficulties to be encountered, aside from the hesitation and diffidence that is felt in calling in question the correctness of rules that seem to be well settled and are sanctioned by the highest authority, would almost induce an abandonment of the undertaking. But the importance of the subject, and the contradiction and doubt by which it is embarrassed, will justify an attempt, however imperfect, to promote uniformity of practice and consistency of decision in relation thereto, and may serve to call forth other and more successful efforts to accomplish the same object.

So far as can be collected from the cases, the correctness of the legal in opposition to the mercantile method of computing interest has been advocated and sustained upon three grounds. (1.) By reference to the principles of law which govern the appropriation of payments. (2.) Because, as it is claimed, the former avoids the compounding of interest, whilst the latter is admitted to require it. (3.) Because, according to the latter method, as it is stated, the payment from time to time of the interest only will in a few years extinguish the whole debt. The doctrine of the appropriation of payments as recognised in other cases will first be noticed with a view to ascertain how far it will apply to the present case; and afterward, the question will be considered whether any rule of appropriation, as between principal and interest, has been adopted into the common law.

(1.) The general principles which govern the appropriation of payments are these: Where there are two distinct debts owing by one person to another, and the debtor pays a sum of money which is not sufficient to satisfy both, he may at the time of payment direct to which debt it shall be applied. But if the debtor makes a general payment on account without specifying, at the time, to which debt he intends it to apply, the creditor may appropriate the payment to either debt, at his option, unless the circumstances show a contrary intention on the part of the debtor. And where neither party appropriates the payment, the law will do so according to the presumed intention of the debtor in the manner most beneficial to him. Chitty on Cont. 752 to 757; *Devaynes* v. *Noble*, Clayton's case, 1 Meriv. 570, 604; *Bodenham* v. *Purchase*, 2

Barnw. & Ald. 45; *Field* v. *Carr*, 5 Bing. 13; *Williams* v. *Rawlinson*, 3 ibid. 71; *Smith* v. *Wigley*, 3 Moore & S. 174; *Lamprell* v. *Bellencay*, 18 Law Jour. R. 281; *Pattison* v. *Hull*, 9 Cowen, 769; *Gass* v. *Stinson*, 3 Sumner, 98; *Allen* v. *Culver*, 3 Denio, 284; *U. States* v. *Kirkpatrick*, 9 Wheat. 720; *Postmaster Gen.* v. *Furber*, 4 Mason, 336; *Cremer* v. *Higginson*, 1 ibid. 338; *U. States* v. *Wardell*, 5 ibid. 85; *Baker* v. *Stackpole*, 9 Cowen, 420; *Niagara Bank* v. *Rosevelt*, ibid. 509; *Gwinn* v. *Whittaker*, 1 Har. & J. 754.

These rules are admitted to be derived from the civil law; and as stated by Sir William Grant, the Master of the Rolls, in Clayton's case, the leading rule that the option of applying the payment is given in the first place to the debtor, and in the second to the creditor, was taken literally from thence. He further says, however, that according to that law, the election was to be made at the time of payment, as well in the case of the creditor as in that of the debtor. If neither applied the payment, the law made the appropriation according to certain rules of presumption depending on the nature of the debts or the priority in which they were incurred. And as it was the actual intention of the debtor that would in the first instance have governed, so it was his presumed intention that was first resorted to as the rule by which the application was to be determined. In the absence, therefore, of any express declaration by either, the inquiry was, what application would be most beneficial to the debtor. The payment was consequently to be applied to the most burdensome debt—to one that carried interest rather than to that which carried none—to one secured by a penalty rather than to that which rested on a simple stipulation; and if the debts were equal, then to that which had been first contracted.

The above statement of Sir William Grant contains a concise and accurate enumeration of the leading rules of the civil law, with reference to the appropriation of payments. 1 Domat's Civil Law, Cushing's Ed., p. 1, book 4, tit. 1, sec. 4; 1 Pothier on Obligations, p. 3, c. 1, art. 7; Burge on Suretyship, book 2, c. 2, sec. 2.

And those rules have, almost in a body and without change, been adopted into the common law. The only point that remains in doubt, or about which there has been serious controversy, is with regard to the time when the creditor must make his election; it being claimed on the one hand that as by the civil law it must be made at the time of payment; and on the other hand, that he may make it at any time thereafter. For, although there are one or two of the older cases that seem to sustain the doctrine that in the absence of the application by either party, the law will appropriate the payment to that debt which is most for the benefit of the creditor, the weight of authority both in England and in this country is decidedly the other way, and in favor of that appropriation which is most beneficial to the debtor.

The whole subject is very fully examined, and all the leading authorities cited by Cowen, J., in *Pattison* v. *Hull*, 9 Cowen, 747, and the conclusion drawn therefrom, that the right of the creditor to direct the application of the payment in the absence of an appropriation by the debtor, is confined to the time when the payment is made, unless there

are two debts upon the face of which it must be altogether indifferent to the debtor how the money shall be applied; and that where the debts are of different characters, and neither party applies the payment at the time, the law will apply it upon the presumed intention of the debtor to that debt, a relief from which will be most beneficial to him. This decision has been approved by Mr. Justice Story, who expressed himself strongly inclined to the adoption of the doctrines of the Roman law throughout. *Gass* v. *Stinson*, 3 Sumner, 111, 112.

A somewhat different rule was laid down by Jewett, J., in *Allen* v. *Culver*, 3 Denio, 290, 291. After stating the general doctrine, he says, that if neither party make any specific application of the payments, the presumption is that the first items of a running account, or that the debts which are first in point of time, are to be thereby discharged. That in all cases, if the parties themselves have omitted to make any specific appropriation of payments, the law will appropriate them according to the justice and equity of the case for the benefit of both parties. The latter doctrine is announced in general terms merely, without examples or reference to particular circumstances, and to its full extent cannot be admitted to be correct. In all cases of controversy, one application is more favorable to the debtor and another to the creditor, and an election must be made between them. The very cases, moreover, cited in support of this proposition, are those which go to show that the debtor will be favored in preference to the creditor. Nor can it be intended, by this and similar remarks, which occur in other cases, that the matter is to be left to the arbitrary discretion of the court, according to the circumstances of each particular case; but only that they are to exercise a sound judicial discretion, by reference to the rules of justice and equity, as established in the reported decisions of other courts. The learned judge further remarks, that the creditor is not bound to make an immediate decision as to the particular debts or accounts to which he will appropriate payments, where there are several debts or accounts, or where there is a running account, but he will be allowed a reasonable time to decide to which account or debt he will place it. This statement, however, is made without reference to authorities, and evidently introduces a new rule, since the point in controversy heretofore has been whether the creditor must make the appropriation at the time of the payment, or may make it at any subsequent time.

But whatever is considered to be the correct rule upon this point, the following propositions may be treated as clearly settled, or rather they may be stated as the elementary principles of this branch of the law. And, first, there must be two or more *distinct debts*, or *separate accounts*, owing by the one party to the other, between which an election can be made. So necessary is this, that if debts which would otherwise be distinct, are blended together and treated as one entire account, a general payment will be regarded as made on the whole account, and applied in satisfaction of the earlier items. Chitty on Cont. 756; Clayton's case, 1 Meriv. 572, 608; *Bodenham* v. *Purchase*, 2 Barn. & Ald. 45, 47: *Stoveld* v. *Eade*, 12 Moore, 370; *United States* v. *Kirkpatrick*, 9 Wheat. 720; *Postmaster General* v. *Furber*, 4 Mason, 330; *Baker* v. *Stackpole*, 9

Cowen, 435; *Gass* v. *Stinson*, 3 Sumner, 98. The right of appropriation belongs, in the first place, to the *debtor*. And it is said that unless he has an opportunity of making it, the creditor cannot, and the doctrine of appropriation does not apply. Chitty on Cont. 757; *Waller* v. *Lacy*, 8 Dowl. P. C. 563; *per* Tindall, C. J., ib. 573, 574; 1 Scott's N. R. 186; 1 Man. & Gr. 54, S. C. If the debtor does not exercise the right at the time of payment, and if the creditor has failed to make the appropriation within the time allowed by law, whatever that may be, the presumed intention of the debtor must govern, and the application will be made so as to favor him and not the creditor. *Heyward* v. *Lomax*, 1 Vern. 24; *Meggott* v. *Mills*, 1 Ld. Raym. 286; Anon. 12 Mod. 559; *Gwinn* v. *Whittaker*, 1 Har. & J. 754, '5; *Dorsey* v. *Gassaway*, 2 ib. 402; *Pattison* v. *Hull*, 9 Cowen, 747; *Gass* v. *Stinson*, 3 Sumner, 98. Where there are running accounts, if neither party makes an express appropriation at the time of the payment, the law will apply the items of credit in satisfaction of the items of debt in the order of their priority. This is the doctrine established by Clayton's case, which has been followed ever since, and it is placed upon the ground before mentioned, that the different items are treated as one entire account. But it seems that in other cases, if the debts are of the same nature, and there is no other circumstances to show which it would most favor the debtor to discharge, the law will apply the payment to the oldest debt, or that which first became due; unless, indeed, according to the impression of Mr. Justice Cowen, in *Pattison* v. *Hull*, 9 Cowen, 767, where it is altogether indifferent to the debtor how the money shall be applied, the creditor may make the appropriation at any time, and the civil law rule is, to this extent, to be regarded as superseded. *Dawe* v. *Holdsworth*, Peake's N. P. C. 64; Clayton's case, 1 Meriv. 608; *Hamersly* v. *Knowlys*, 2 Esp. R. 66; *Gass* v. *Stinson*, 3 Sumner, 98; *Allen* v. *Culver*, 3 Denio, 290.

In order to ascertain how far, if at all, these rules may be applied to the subject in hand, it will be necessary to inquire with regard to the several cases in which interest is allowed or may be recovered by law,—what is its nature, and what relation does it sustain to the principal debt or demand? A particular investigation, or even a distinct enumeration of those cases, is not proposed. This task it would be difficult, if not impossible, satisfactorily to accomplish; and the bearing it would have upon the present investigation would not justify the undertaking. The law, with reference to the payment of interest, has undergone many and very essential changes in England, has been still further modified in this country, and there is so much inconsistency in the decisions, that it has been remarked, "it would fortunately be a very difficult matter to fix upon another point of the English law, in which the authorities are so little in harmony with each other."

It may be stated in general terms, however, that interest is allowed by law on judgments and decrees; on awards of arbitrators; on bonds, bills of exchange and promissory notes; wherever there is an express contract to pay it; and where a contract can be implied from the usage of trade, or from particular circumstances, such as the course of dealing between the parties; and that it may also be recovered as damages at the discretion

of the jury in other cases, both of actions *ex delicto* and actions upon contracts, for money received to the use of another and improperly retained, or where there has been long delay under vexatious and oppressive circumstances. It has been held in England, however, that it cannot be claimed for money lent, money paid, money had and received, nor upon the balance of any account stated, except where a contract may be implied as just seen. But in the cases last mentioned, it has been allowed in this country, where the more liberal doctrine prevails of giving interest whenever there is a sum of money certain due and withheld. It cannot be recovered, however, upon an unliquidated demand, nor in general upon the balance of an open account. Chitty on Cont. 642; 2 Stark. on Ev. 7th Amer. Ed. 575; *Atkins* v. *Wheeler*, 2 New Rep. Mr. Day's notes, 205; *Gordon* v. *Swan*, 12 East. 419, and notes; *Calton* v. *Bragg*, 15 East. 223; *De Haviland* v. *Bowerbank*, 1 Camp. 50; *De Barnales* v. *Fuller*, 2 ibid. 427; *Higgins* v. *Sargeant*, 2 Barn. & Cres. 348; *Farquhar* v. *Morris*, 7 Term R. 124; *Hoar* v. *Allen*, 2 Dall. 104, notes; *Lotard* v. *Graves*, 3 Caines, 226; *Dilworth* v. *Sinderling*, 1 Binney, 494; *Reid* v. *Rens. Glass Manuf. Co.*, 3 Cowen, 393; *Same case* in the court of Errors, 5 Cowen, 587; *Walden* v. *Sherburn*, 15 John. 409; *Selleck* v. *French*, 1 Conn. 32; *Gibbs* v. *Bryant*, 1 Pick. 118; *Raib* v. *McAllister*, 8 Wend. 109.

The distinction between the cases in which interest follows the debt as a legal consequence, and those in which it may be allowed by juries as a measure of damages, is clear and well defined. *Per* Spencer, Senator, in *Rens. Glass Manuf. Co.* v. *Reid*, 5 Cowen, 610, 614, 615; *De Barnales* v. *Wood*, 3 Camp. 258; *Arnott* v. *Redfern*, 3 Bing. 353; *Parker* v. *Hutchinson*, 3 Ves. 133; *Eckert* v. *Wilson*, 12 Serg. & R. 393. In the latter, whether to allow interest or not rests entirely in the discretion of the jury; and if given, it is regarded as damages merely, and does not partake in any respect of the nature of a debt or liquidated demand; although it has been said the same rule of computation should be employed as in other cases. *Guthrie* v. *Wickliffe*, 1 A. K. Mar. 584; *Story* v. *Livingston*, 13 Peters, 371.

Interest is allowed in the other cases above enumerated, however, upon altogether a different principle. Attempts have been made to refer them to a common ground, as by Spencer, Senator, in *Rens. Glass Manuf. Co.* v. *Reid*, 5 Cowen, 609, who claimed that they were all founded solely upon the agreement of the parties, either express or implied. The doctrine of implied contracts has been extended very far by the common law, in a great measure because of the peculiar remedies which that system affords. The ancient writs or forms of action being found incomplete, the action on the case was allowed by the common law, which was afterward enforced by the statute of Westminster 2d. In order that it might supply the defects of the other writs, it was at first not bound down by any rigid rules, but left to accommodate itself to the peculiar circumstances of each case. The disposition to adopt fixed forms of action, however, at length prevailed here, and the action on the case was divided into two branches; the first applying to acts committed without force, or where the damages were consequential; and the second to cases where there was

an assumpsit or promise to do a particular thing. But in order that this latter branch might within its sphere accomplish the objects of the original action on the case, it was found necessary, in many instances, where there was no express promise, to imply one from the relationof the parties, or the circumstances attending the transaction. And this doctrine of implied contracts was extended to meet new cases as they arose, until it was found that they could only be comprehended by the general principle, that wherever there is a legal duty resting upon a man, the law will imply a contract on his part to perform it. This is believed to be the origin of the extensive class of implied contracts embraced by this principle, although it is not now confined to the action of assumpsit. And if it is in this sense that the language of Judge Spencer with regard to implied contracts to pay interest is to be understood, and no other will include all the cases which he himself enumerates, there can be no particular objection to the proposition advanced. In a number of these cases, however, an action of assumpsit will not lie, and it would seem more accurate, as far as they are concerned, if not indeed wherever a sum of money certain is due either upon a written security, or without it, and withheld, to say that interest is allowed by law, or follows the debt as a legal consequence—and such is the language of many of the books.

Not only has no well defined principle been adopted to which the allowance of interest in the present class of cases can be referred, but there is much confusion in them with regard to its nature, and the relation it sustains to the principal debt; and also as to the form of action in which it may be recovered. *Trelawney* v. *Thomas*, 1 H. Black. 303, note a. In many of them, it is said to be an incident to the principal debt which cannot be recovered in a separate action; and it has been repeatedly decided, that after the principal has been paid, no action can be maintained for the interest. *Robinson* v. *Bland*, 2 Burr. 1087; *Dixon* v. *Parkes*, 1 Esp. R. 110; *Tillotson* v. *Preston*, 3 John. 229; *Johnson* v. *Brannan*, 5 ibid. 268; *Guthrie* v. *Wickliffe*, 1 A. K. Mar. 584.

In a number of these cases, however, the distinction does not seem to be drawn between interest given by a jury as damages merely resting in their discretion, and interest allowed by law as a matter of right. And it has been said even with regard to bills of exchange and promissory notes, that they do not carry interest by force of the contract, but that damages are allowed in respect of a breach of it for the detention of the debt. *Williams ex parte*, 1 Rose, 401. Since that distinction has become well settled, however, the principle just stated would be regarded as manifestly incorrect.

In other cases, it has been held that interest when due becomes a part of the debt which the one party owes the other, and may be recovered in an action of debt; and further, that it is so far a distinct debt that it may be sued for in a separate action. *Williams* v. *Fowler*, 1 Stra. 410; *Heries* v. *Jamieson*, 5 T. R. 556; *Doran* v. *O'Reilly*, 5 Dow. 133; *Dickenson* v. *Harrison*, 4 Price, 286; *Baylis* v. *Ringer*, 7 Carr and P. 691.

Laying aside the notion of damages, there does not seem to be much difference between saying that interest is an incident to the debt, and that it forms a part of it. In the cases in which the former mode of expression

is adopted, the language used is very strong, to show the intimacy of the connection between the principal and its accruing interest. In *Robinson* v. *Bland*, 2 Burr. 1087, for example, Lord Mansfield says, where a man brings an action of assumpsit for principal and interest upon a contract obliging the defendant to pay such principal with interest from such a time, he complains of the non-payment of both; the interest is an *accessory* to the principal; and he cannot bring a new action for any interest grown due between the commencement of his action and the judgment in it. See also *Guthrie* v. *Wickliffe*, 1 A. K. Mar. 584. Again, in *Reid* v. *Rens. Manuf. Co.*, 3 Cowen, 425, Sutherland, J., after citing a number of authorities to show that interest may be recovered for money lent, money had and received, &c., remarks: "These cases appear to me to put the claim of interest upon its true principle. They consider it as a necessary incident to the principal debt, and imply a promise to pay it from the day the *debt* becomes due, if it is not paid. This promise is supported by the universal obligation which rests upon every man to render a just equivalent for the use or detention of that which does not belong to him." And in the same case, before the Court of Errors, 5 Cowen, 609, Spencer, Senator, as already noticed, declares the great principle in the law of interest to be that its allowance by the courts as an incident to the debt, and invariably following it, is founded solely upon the agreement of the parties. He adds, however, referring to the leading decisions in which interest has been held to follow the debt as a legal consequence, as distinguished from its allowance by the jury by way of damages: "In these classes which have been enumerated, the interest is considered a necessary incident to the debt, following it, as is said in one of the cases, like a shadow following its body."

But it is believed to be a more correct form of expression to say that in such cases, the interest becomes a part of the debt itself. Such was the language used by Holroyd, J., in *Higgins* v. *Sargeant*, 2 Barn. & Cres. 348, who observed, that when the interest becomes payable by virtue of a contract, express or implied, then it becomes a part of the debt itself, and consequently it would then be no answer to an action of debt for the defendant to show that he had paid the principal sum advanced. And by Baldwin, J., in *Bainbridge & Co.* v. *Wilcocks*, 1 Bald. 539, who stated that in all cases of interest accruing from the time when an account is liquidated by the parties, when it is settled or liquidated by presumption of law from the conduct of the parties, or their implied agreement, by an award, a report of auditors or a master, an inquest or a jury, it becomes as much a part of the debt due by the contract, as the original sum out of which it arose.

As to the right to bring a separate action for the interest, this it would seem cannot be done under ordinary circumstances, but only where by express contract it is made payable at a different time, or otherwise severed from the principal. In *Hollis* v. *Palmer*, 2 Bing. 713, Tindall, C. J., says in reference to the claim to sever the contract to pay interest from the contract to pay the principal: "Perhaps in cases where there is an express contract to pay interest independently of the principal, there might be ground for such an argument; but in ordinary cases, interest has

always been deemed a mere accessory of the loan, and when the demand for the principal is barred, the accessory falls along with it."

Having thus seen the relation between the interest and principal, as recognised by the authorities, there will be no difficulty in applying the general rules of law with regard to the appropriation of payments to such cases; or rather their want of application is obvious.

Where interest is given merely as damages, at the discretion of the jury, it is clear there are not two debts between which an election can be made. Until the verdict is rendered, the claim to interest is not only unliquidated, but altogether uncertain and contingent. The instruction of the court in such cases is not that the jury must give interest if they find for the plaintiff, but that they may allow it if they see proper, by way of damages. And after the verdict is rendered, and judgment entered thereon, the interest becomes a part of the debt due upon the judgment.

Where interest is allowed by law, whether it is considered as an incident merely, or as forming part of the principal debt, it is equally evident there are not two distinct debts. But if that objection be waived, the doctrine that a payment must first be applied to the satisfaction of the interest cannot be sustained. The principal is the debt which bears hardest upon the debtor—alone carries interest—is the debt first created, and unless there is a special agreement to the contrary, first becomes due. Every circumstance which would indicate the intention of the debtor, and it is his presumed intention that must govern, requires that the payment should be applied to the principal rather than the interest, as more favorable to him. It is therefore conceived that the inquiry, how a payment must be applied upon a debt bearing interest, cannot be answered by a reference to the general principles of law above stated as to the appropriation of payments.

But, it may be said, one rule of the civil law upon this subject is, that in debts which are of a nature to produce interest, the application is made to the interest before the principal: 1 Domat's Civil Law, 907; 1 Pothier on Obligations, 530; Burge on Suretyship, 131, 132; and that this, as well as the other branches of the civil law doctrine of appropriation, has been incorporated into the common law. Cowen, J., in his learned note to *Pattison* v. *Hull*, 9 Cowen, 773. If such be the fact, it must be either because this rule forms an essential part of the civil law doctrine, or has been distinctly adopted by the common law decisions. So far from its being an essential part of that doctrine, however, it is clearly an anomaly, contradicting all its other rules, and is based upon reasons entirely different from those by which they are sustained. In the first place, it does not allow an election either to the debtor or creditor, but makes the appropriation without regard to any presumed intention on their part. Again, if the principal and interest are treated as one debt, there is no room for choice between them; if as distinct debts, the application should be made to the principal rather than the interest, because, as before stated, it is most burdensome to the debtor—alone carries interest—is first created, and, unless by agreement, first becomes due. The adoption into the common law, therefore, of the general principles of the civil law with

regard to the appropriation of payments, does not of necessity involve the recognition of this rule.

To ascertain whether it has been expressly sanctioned, the cases themselves must be examined. In *Kissam* v. *Burrall*, Kirby, 326, already cited in another connection, there is a statement indeed that the doctrine of appropriation applies to the case of principal and interest; but all that follows is an announcement of the general rule of appropriation, and a declaration that the principal case must be decided according to the custom of the place where the transaction occurred, and the conduct of the parties. And in *Barclay & Co.* v. *Kennedy*, 3 Wash. C. C. R. 350, also cited in the same connection, there is a direct reference to the doctrine of appropriation as one of the grounds upon which the legal method of computing interest is supported; but the general rule only is mentioned, and there is an evident error in the opinion that if neither party directs the application of a payment, the law will appropriate it according to the presumed intention of the creditor to the interest, because it does not carry interest. Each of these cases proceeds upon the supposition that the principal and interest are so far distinct debts that an election may be made between them. In *Gwinn* v. *Whittaker*, 1 Har. and J. 756, Chase, C. J., after stating the general principles of appropriation as favoring the debtor, says: "Money paid by the debtor must first be applied to extinguish the interest, and the surplus, if any, to consume so much of the principal, and the debtor has no election to make a different application." This is a direct statement of the civil law rule that partial payments shall first be applied upon the interest, and excluding an election; but that law is not referred to, nor is any reason given for the opinion. No other case has been met with, unless indeed those in which the legal method of computing interest is laid down, that has any bearing upon the adoption of the rule in question. Of the cases just noticed, the two former rather contradict that rule in its distinctive features; and the latter, although it adopts the rule, cannot be considered as borrowing it from the civil law, but in this particular merely announces the legal method of computing interest, in language somewhat peculiar.

With regard to the cases themselves, in which that method is established, it will be observed that they do not proceed upon any supposed application of the doctrine of the appropriation of payments; nor is an argument in their favor drawn from that source. The general principles of the doctrine do not afford any; and the civil law rule upon this particular point has been seen to be an anomaly, having no necessary or even appropriate connection therewith. It can only claim consideration, therefore, so far as it is founded in reason and justice; and in these cases, and very properly, the reasons themselves are sought after, which may be regarded as having caused its introduction into the civil law, and by which it must be sustained, if at all, as a part of the common law, and not the mere naked fact of its existence in another system, which could confer upon it no binding authority. It will thus be seen that the legal method of computing interest cannot be supported, by reference to the doctrine of the appropriation of payments. In our law, at least, it does not form a part of that doctrine; and it will therefore be necessary, in order to

arrive at a satisfactory conclusion as to its correctness, when compared with the mercantile method, to examine the other grounds upon which it has been made to rest.

(2.) The second and principal argument in favor of the adoption of the legal in opposition to the mercantile method of computing interest, is, that compound interest is thereby avoided. That this is considered the essential feature and groundwork of that method, is obvious from the fact that, in the form of an exception, it is incorporated into the rule itself, namely: that where a payment is made which is not equal to the interest then due, the surplus of interest must not be added to the principal so as to carry interest. After such scrupulous care to avoid the compounding of interest, it will be regarded as strange if that end has not been accomplished; and yet such is the fact. What is equally strange is, that a principle, which admits of mathematical demonstration, and is, therefore, of universal application, should in this case alone have been overlooked. That principle is, that whenever a rest is made in an account, and balance struck by adding principal and interest together, and such balance is taken as a new principal, the interest is thereby compounded. This is recognised to be true when applied to merchants' accounts, and the calculation of interest according to the mercantile method, although at each settlement the sum of the payments may exceed the interest then due. It is continually admitted and acted upon by courts of chancery, in the directions given to masters, to make rests in their accounts against persons acting in a fiducial capacity, who have made a profit out of funds in their hands. *Raphael* v. *Boehm*, 11 Ves. 92; *Schieffelin* v. *Stewart*, 1 John. C. R. 620. And yet, in those cases where the legal method of computing interest is laid down, it has been supposed that because interest is at no time calculated upon a larger amount than the original principal, there is no compounding. That there is would be evident, if the different items were arranged in the form of an account; but because the payments are applied upon the sum of debt and interest whenever made, leaving but a single item of indebtedness, this fact is lost sight of.

The statutes against usury prohibit the taking of more than a certain sum for the forbearance of a certain other sum for one year, and so after that rate for a longer or shorter time. Where the whole debt is foreborne for the whole time, no more than that rate can be allowed, whatever the length of time may be. But if a part of the interest is paid before the expiration of the time, it will give the creditor more than that rate for the whole time, namely: the use of the money from the time it is paid. It was for this reason that the older cases prohibited the taking of interest in advance, or at any time during the term for which the principal was lent. Again: the law regards the principal and its accruing interest for other purposes, at least, as forming but one debt; and for that reason, as already seen, the general rule governing the appropriation of payments will not apply to this case. If this be correct, it cannot be said, when there is an aggregate amount due for principal and interest, and a payment is made, that the surplus consists of principal merely, upon which interest may afterward be computed without compounding.

But for all the purposes of the present argument, the proposition that at every rest there is a compounding of interest, may be clearly established by reference to one or two facts, whose correctness, if doubted, can readily be verified. If payments are made for a number of years, regularly at the end of each year, upon a debt consisting either of but one item or of several items, created from time to time, each payment being more than the interest then due, and interest be computed according to the legal method, and also according to the mercantile method, by balancing the account once a year, the results will be precisely the same. If the payments are made less frequently than once a year, the balance of debt shown by the legal will be less than by the mercantile method. And if they are made oftener than once a year, the amount due the creditor will be greater by the legal than the mercantile method. The reason of this is obvious: in the first case, there are an equal number of rests occurring at the two periods by the two methods; in the second, the rests are more frequent by the mercantile than the legal method; and in the third, more frequent by the legal than the mercantile method. If, then, in the first case, the latter necessarily produces compound interest, the former does likewise, because the results are the same. And if, in the third case, the amount shown to be due by the latter contains compound interest, that shown to be due by the former contains compound interest by so much the more, because it is greater, and the excess can be attributed to no other source than the difference in the method of computing interest. The conclusion is therefore stated without hesitation, that by the legal as well as the mercantile method, every rest in the calculation gives compound interest, and where the payments are made oftener than once a year, the compounding is more frequent, and the accumulation of interest, therefore, greater by the former than the latter.

It may here be remarked, with reference to the cases of *Williams* v. *Houghtaling*, 3 Cowen, 86, and the *Miami Exporting Co.* v. *The Bank of the United States*, 5 Ohio R. 260, before cited, where the interest was, by agreement, to be paid at stated periods, and was not due when the partial payments were made, and where it was held that the payments should be applied to the extinguishment of the principal, and such proportion of the interest as had accrued on the principal so extinguished—that even in them there was a compounding of interest corresponding with each payment, and though not as great as by either the legal or mercantile method. The payments being applied to the principal, and a proportionate part only of the interest, at each rest there was a surplus of interest which was not added to the principal, and did not afterward carry interest. As far as this surplus was concerned, there was no compounding; but that part of the interest which was added to the principal before the payment was deducted, was thereby compounded.

(3.) The third ground on which it is contended that the legal method of computing interest is more correct than the mercantile, is stated in the form of an objection to the latter. Thus it is said that if the principal debt is left to continue upon interest, and interest is computed upon the payments as they are successively made, a debt will, in the course of a few years, be wholly extinguished by payments of interest, without

paying a cent of the principal. *Stoughton* v. *Lynch*, 2 John. C. R. 214; *Commonwealth* v. *Miller*, 8 Serg. & R. 457. The proposition, as thus announced, is true; for that result would follow, if the rate of interest was six per cent. per annum, in less than twenty-five years, and if a higher rate was employed, within a shorter period. This argument, indeed, will go very far to show the justice and propriety of allowing compound interest in many cases, because the result just stated is a consequence of the computation of simple interest only on the debt, for the whole time, and on the payments from the time they are severally made, or which is the same thing, applying each payment upon the principal exclusively. But so far as it is intended to refer to the mercantile method of computing interest, it is based upon a misconception. According to that method, rests are made in the account, and a balance struck at the end of every year, or, sometimes, by the course of dealing between the parties, at shorter or longer intervals; but that rests shall be made, is one of its essential features. And if this qualification should be attached to the above statement, it would be found wholly untrue. By the mercantile, as well as the legal method, the payments are applied first in satisfaction of the interest, and afterwards, as to the surplus, upon the principal. The only difference between them is, that by the latter the application is made at the time of payment, and by the former at the end of each year or other regular interval. They both give compound interest, though in a different form; and the foregoing argument, therefore, which can only be brought to bear against simple interest, does not touch the real distinction between them.

It will thus be perceived that the present discussion, as to the relative merits of the legal and mercantile methods of computing interest, is narrowed down to a single point, namely: whether it is more correct to make a rest at each payment, and thereby compound the interest as often as payments are made, or to balance the account at the end of each year (for this is the regular mercantile method), and thereby compound the interest yearly. Only one or two brief suggestions will be made upon this point by way of conclusion.

It may be advisable, however, in the first place, to introduce a single example for the purpose of illustrating the relative amounts obtained by the different modes of computing interest. Suppose, then, that there is a debt due of $20,000, bearing interest at the rate of six per cent. per annum, and that payments are made on the same to the amount of $2,000 a year for ten years, in equal quarterly instalments of $500 each. It is evident that if no interest is allowed on either side, the payments will, at the end of that time, just cancel the debt. If simple interest only is computed on the debt for the whole time, and on each payment from the time it is made, the amount due the creditor at the end of ten years will be $6,150. If the mercantile method is adopted, or the account balanced at the end of every year, and the balance thus found, consisting of principal and interest, carried to the new account, and made to carry interest, there will be $8,862,23 due. And if the legal method is employed, or interest computed at the end of every quarter, and the payments applied first to the interest and the remainder to the principal,

the amount due will be $9,146,41. It will thus be seen, that the calculation of simple interest only, and the legal method, form the two extremes—the one allowing no compounding, and the other that interest shall be compounded whenever a payment is made, in this case every quarter—and that the mercantile method, by which interest is compounded once a year, is intermediate in its results. Other examples might have been employed, which would have shown, in a more striking manner, the difference between the legal and mercantile methods, for that difference is augmented in an accelerated ratio as the payments are multiplied or the time prolonged. But the one already given will show that it is of real and practical importance, and the extent to which it may and has been carried, will be seen by reference to the case of *Clancerty* v. *Latouche*, 1 Ball & Beat. 420, already cited, where the only point in issue was, which of the two methods of computing interest should be adopted, the difference in their results appearing to be about £24,000.

The first suggestion that will be offered on the relative merits of the legal and mercantile methods of computing interest is, that the former discourages prompt and rapid payment on the part of the debtor. At each payment a rest is made, and the oftener he pays the oftener the interest will be compounded against him. Every payment, therefore, being the occasion of a new compounding of interest, it is evidently to his advantage to delay the payments as long and make them as seldom as possible. By the mercantile method, on the other hand, the time of compounding does not depend upon the time when the payments are made, but occurs at regular intervals without regard to them.

Again: the mercantile method has been uniformly employed almost from time immemorial, by that class in the community who are more interested than any other in establishing a correct rule for computing interest where partial payments are made, who have more frequent occasion to use such a rule in practice, and therefore have better opportunities of judging of its convenience and justice. The unanimous approval of this method, by mercantile men, affords a strong argument in its favor; the more so, as it is less beneficial to them than the legal method. As already seen, where payments have been made oftener than once a year, the latter produces a greater accumulation of interest, and it would be to the advantage of the creditor, or person keeping the interest account, to employ it rather than the other. And it has been a matter of surprise with some, in view of this fact, that merchants should continue to adhere to the method which is less favorable to them. The reason seems to be this: that as they have dealings with those who are their creditors as well as with those who are their debtors, as between the same parties the transactions are often mutual, and the balance uncertain and fluctuating, it is desirable for all concerned not only that some uniform rule of computing interest shall be observed, but that it shall be convenient and equitable. Under the influence of this motive, and with every means of judging of the fairness of its operation, they have adopted what has before been explained as the mercantile method,

and their sanction thus given, is entitled to the highest consideration in deciding upon its correctness.

There is a notion, moreover, which is not confined to merchants, but prevails amongst all classes of the community, that interest accrues from year to year. Whether it originated in the language of the statutes against usury, in a supposed analogy between the profit or increase of money and the natural productions of the earth, which can only be prepared for, brought to perfection and secured, within the compass of the four seasons, or in some other source, it would be difficult to ascertain. And yet the fact of its existence is no less certain. The language of Lord Elden, in *Raphael* v. *Boehm*, 11 Ves. 102, that in the ordinary case of a mortgagee in possession, there is a debt *de die in diem* carrying interest, may indeed be strictly accurate. And this opinion may equally apply to every other case where there is a debt already due. But there is, nevertheless, much reason and justice in the popular impression. The profit realized from the use of money does not grow out of the money itself, but of the business or adventure in which it is invested, and cannot, therefore, be said to have arisen until returns have been had from that business. Although, in many cases, there may be a more rapid accumulation of profit, yet, in the regular course of the ordinary and permanent business of the community, the return of the money employed, with its accruing gain, cannot safely be relied upon in less space of time than a year. And the notion that interest accrues from year to year has thus a strong foundation in experience of practical men, if not in law. Interest, moreover, promptly exacted at short intervals, not only partakes of the nature of interest regularly and rapidly compounded, but is, in fact, the same hardship in another form.

The principal, or rather the only ground of objection to the mercantile method is, that it gives compound interest. There appears to be an unreasonable, not to say a blind, prejudice against the compounding of interest, which can be considered in no other light than as the last remnant of the prejudice which in early times caused the school divines to brand the practice of taking interest as being contrary to the divine law, both natural and revealed, and the canon law to proscribe the taking of any, the least, increase for the loan of money as a mortal sin. 2 Blacks. Com. 454. It is based upon a mere abstraction, without regard to circumstances. For although in certain cases, and under particular forms, the compounding of interest may be unjust and oppressive, it by no means follows that such must be the fact always, and under all cirumstances. The unreasonableness of this prejudice is fairly illustrated by the present case, where, without investigation or a comparison of results, the desire to avoid compound interest in name has caused its adoption in a more aggravated form.

For the foregoing reasons, but especially because uniformity would thus be secured in the mode of computing interest, it is conceived that the mercantile method of making rests only at the end of every year should be employed in all cases where there have been partial payments, as well upon bonds, notes, &c., as upon running accounts. The confusion and uncertainty that exists in every part of the law respecting inter-

est may well excite surprise. But it is above all a matter of astonishment, not only that different courts should have followed different modes of calculating interest, but that the same court should have allowed of opposite and conflicting rules in cases which were precisely the same in form, and which, it was acknowledged, could not be distinguished from each other in principle. The continuance of this inconsistency in the decisions should not be tolerated; and in the selection of the mercantile method for the cases just mentioned, not only would uniformity be introduced, but a rule adopted which is alike fair and equitable, under all circumstances. The balance would thus be struck, and interest compounded, at the end of every year, and not, as by the legal method, at the time of the several payments, let them be as frequent or irregular as they might.

If the inquiry should be made whether the courts of the several States in which the legal method is already established by express decision, should change their rule, it may be answered, that they would violate no principle in so doing. The taking of compound interest is not usurious; and where the parties contract for it after the interest has accrued, their contract will be enforced. Besides, as between the legal and mercantile methods, there is no choice whether the interest shall be compounded or not, the former in all ordinary cases giving a greater amount of compound interest than the latter. The only plan upon which the compounding of interest can be entirely avoided is to compute simple interest only upon the whole debt for the whole time, and upon each payment from the time it was made. But if this rule should be adopted, the result already noticed would follow, that in a few years, by the payment of interest only, the whole debt would be extinguished; from which it appears that in many cases justice requires that interest shall be compounded.

There will be less objection to the proposed change where the legal method has been avowedly introduced as a rule of practice merely. This, indeed, is the real effect of all the decisions in its favor. It is recognised not as being right in itself and of necessity, but as appearing to be just and equitable under the circumstances in which it has been adopted. And the same reason would require that it should be abandoned for another and more fair and correct rule, if any such can be found. A rule of this description existing in the mercantile method of computing interest with yearly rests, the latter should be established and acted upon by the courts in all cases where partial payments have been made.

A DIGEST

OF THE

DECISIONS OF THE SUPREME COURT OF MASSACHUSETTS, ON BANKS, BANKING, BILLS OF EXCHANGE, &c.

Continued from page 912, May No.

☞ *Will be completed in next No.*

18. *At what Time a Bill or Note falls due, and at what Time Actions may be brought thereon by the Different Parties.*

1. The maker of a promissory note is bound to pay it, upon demand made at any seasonable hour of the last day of grace, and may be sued on that day, if he fail to pay on such demand. *Staples* v. *Franklin Bank*, 1 Met. 43; *Henry* v. *Jones*, 8 Mass. 453; *Farnum* v. *Fowle*, 12 Mass. 89; *Shed* v. *Brett*, 1 Pick. 401; *New England Bank* v. *Lewis*, 2 Pick. 125; *City Bank* v. *Cutter*, 3 Pick. 414; *Boston Bank* v. *Hodges*, 9 Pick. 420; *Church* v. *Clark*, 21 Pick. 310.

2. If a note is made payable at a bank, there is no default of payment on the part of the maker until the close of the usual banking hours, on the last day of grace, at such bank. *Church* v. *Clark*, 21 Pick. 310.

3. If no particular bank is named, the hour will be determined by the usual banking hours at the bank, or several banks, in the place where the note is payable. *Ibid.*

4. In the absence of proof to the contrary, the legal presumption is, that throughout the United States three days' grace is allowed by law on bills of exchange and promissory notes. *Wood* v. *Corl*, 4 Met. 203.

5. Post-notes, issued by a bank, are payable on demand made at any time, on the last day of grace, after the known and usual hour of opening the bank for business, and may be put in suit on that day, if payment is refused. *Staples* v. *Franklin Bank*, 1 Met. 43.

6. Under the Rev. Stat. c. 33, § 5, grace is to be allowed on post-notes issued by a bank and made payable at a day certain, "with interest until due, and no interest after," though the bank insert a memorandum on the margin of the note that it is "due" on such day. *Mechanics' Bank* v. *Merchants' Bank*, 6 Met. 13.

7. A bank post-note was made payable in a certain period of time, with interest "until due, and no interest after," and a memorandum on the margin stated that it was "due" on a day named, which was the last day of such period. It was *held*, that the bank was entitled to grace on such note. *French* v. *Franklin Bank*, 21 Pick. 483.

8. No usage, nor any agreement, tacit or express, of the parties to a promissory note, as to presentment, demand, and notice, will accelerate the time of payment, and bind the maker to pay it at an earlier day than that which is fixed by the law that applies to the note. *Mechanics' Bank* v. *Merchants' Bank*, 6 Met. 13.

9. A usage among banks to regard a bank post-note payable at a future day certain as payable without grace, (there being no express stipulation to that effect in the note itself,) would be invalid, inasmuch as it would be contrary to the provision in Rev. Stat. c. 33, § 5, that on all promissory negotiable notes, payable at a future day certain, in which there is no express stipulation to the contrary, grace shall be allowed. *French* v. *Franklin Bank*, 21 Pick. 483.

10. The acceptor of a bill of exchange for the accommodation of the drawer, may pay it on the last day of grace before the commencement of business hours, and forthwith bring his action against the drawer to recover an indemnity. *Whitwell* v. *Brigham*, 19 Pick. 117.

11. A payment of such a bill of the acceptor on the second day of grace, may take effect as a payment at the commencement of the last day of grace, as against the drawer. *Ibid.*

12. An action may be maintained upon a note against the maker, where the writ is made after sunset on the last day of grace, and is delivered to an officer on the next day, although there is no demand of payment before the writ is made. *Butler* v. *Kimball*, 5 Met. 94.

13. An action was sustained which was commenced against the indorser on the day the note was due, but after notice had been put into the post-office, though before it could be received by due course of mail. *Shed* v. *Brett*, 1 Pick. 401.

14. Where a writ against the indorser of a note was delivered to an officer, with instructions not to serve it until after he had given the indorser notice of the non-payment of the note by the maker, and the writ was not in fact served until after such notice had been given, it was *held*, that the action was not commenced until the service of the writ. *Seaver* v. *Lincoln*, 21 Pick. 267.

15. In an action by the indorsee of a note against the indorser, both of whom had their place of business in the same town, the writ was served on the day when the note became due, before notice to the indorser. *Held*, that the action was prematurely brought, and that it was an immaterial circumstance, that the notice had been put into the hands of the notary before the writ was in the hands of the officer. *New England Bank* v. *Lewis*, 2 Pick. 125.

16. Where a note was made without the knowledge of the payee, who was liable as a surety for the maker for a debt due, but not paid, against which liability the maker had promised to secure the payee, and the maker caused his own property to be attached for the purpose of securing the payment of the note; it was *held*, that the note, until assented to by the payee, did not constitute a debt "justly due" to him, within the meaning of Rev. Stat. c. 90, § 83 *et seq.*, and that therefore the attachment might be vacated under that statute, on the petition of a creditor of the maker, who had attached the same property subsequently, but before such assent was given. *Baird* v. *Williams*, 19 Pick. 381.

17. An action will lie against the drawer and indorsers of a bill of exchange protested for non-acceptance, before the time of payment has come. *Watson* v. *Loring*, 3 Mass. 557.

18. Where a bill of exchange is protested for non-acceptance, a right of action accrues immediately to the holder: he is not bound to present it for payment, or protest it for non-payment, nor, if he does so, does he thereby affect his right of action on the non-acceptance. *Lenox* v. *Cook*, 8 Mass. 460.

19. A note payable on demand is not regarded as dishonored within one month after its date. *Ranger* v. *Cary*, 1 Met. 369.

20. A promissory note made payable in a given number of days, is payable in so many days *from* the day of the date, and exclusive of the day of the date. *Henry* v. *Jones*, 8 Mass. 453.

21. Upon a note payable in eight years, with interest payable annually, an action lies for the interest as it falls due, and before the principal is

payable. Interest is allowed upon each year's interest unpaid. *Greenleaf* v. *Kellogg*, 2 Mass. 568; *Cooley* v. *Rose*, 3 Mass. 221.

22. In a declaration upon a note payable by instalments, the plaintiff declared that the intervals of two instalments had elapsed, and alleged that the whole sum of the note was due: this allegation was rejected as surplusage, and judgment given for the two instalments due. *Tucker* v. *Randall*, 2 Mass. 283.

23. A promissory note payable on demand, with interest after a limited term, will support an action brought before the expiration of the term; and where goods are sold and delivered, to be paid for by such a note, if the vendee neglects or refuses to give the note, the vendor may forthwith bring "*indebitatus assumpsit*" for the price. *Loring* v. *Gurney*, 5 Pick. 15.

24. Where a promissory note was made payable on demand, but with a clause that it was not to draw interest during the life of the promisor, it was *held*, that an action might have been commenced on the note immediately after it was given, and that consequently the statute of limitations began to run on the note from its execution, and not from the time of the promisor's death. *Newman* v. *Kettelle*, 13 Pick. 418.

25. In assumpsit on a promissory note payable "on demand, with interest after four months," it was *held*, that payment might be demanded immediately, and that collateral evidence to prove that the intent of the parties was that payment should not be demanded within four months, was inadmissible. *Wright* v. *Fisher*, 13 Pick. 419, in note.

26. A promissory note for a gross sum, payable on demand, given by the maker of several notes to the indorser, upon the promise of the indorser to pay the notes and indemnify the maker, will enable the indorser to commence an action and attach the maker's property before the indorser has paid any of the original notes, and before they have become due; but he will not be able to recover damages beyond the amount which he shall have paid on the original notes before the rendition of judgment. *Little* v. *Little*, 13 Pick. 426.

27. The maker of a note, made payable on time, is not liable to an action thereon before the time has elapsed, although he before that time has unfairly obtained possession thereof and refuses to return it to the payee. *Ilsley* v. *Jewett*, 2 Met. 168.

14. *Evidence and Witnesses.*

1. *Witnesses.*

1. A party to a negotiable security shall not be a witness to prove that at the time he gave it currency it was void, but to any facts happening afterwards, he may (if not interested) be permitted to testify. *Warren* v. *Merry*, 3 Mass. 27.

2. The rule that a witness shall not be permitted to invalidate a security which he has put into circulation, and given credit to by his transfer, is confined to negotiable instruments indorsed and put into circulation in the usual course of business, and does not apply to a note overdue, or

otherwise dishonored. *Thayer* v. *Crossman*, 1 Met. 416; *Warren* v. *Merry*, 3 Mass. 27; *Churchill* v. *Suter*, 4 ib. 156; *Packard* v. *Richardson*, 7 ib. 122; *Looker* v. *Haynes*, 11 ib. 498; *Fox* v. *Whitney*, 16 ib. 118; *Barker* v. *Prentiss*, 6 ib. 430; *Parker* v. *Hanson*, 7 ib. 470; *Knight* v. *Putnam*, 3 Pick. 184; *Butler* v. *Damon*, 15 Mass. 223.

3. The payee of a note cannot be admitted as a witness to prove the note usurious, in an action by the indorsee against the maker. *Parker* v. *Lovejoy*, 3 Mass. 565; *Churchill* v. *Suter*, 4 Mass. 156.

4. The declarations of the payee made before the indorsement of the note were admitted to prove that it was obtained from the maker by fraud, when the note was overdue at the time of the indorsement. *Sylvester* v. *Crapo*, 15 Pick. 92.

5. The indorser of a note negotiated after it is overdue is a competent witness to prove that it was paid before it was negotiated. *American Bank* v. *Jenness*, 2 Met. 288; *Thayer* v. *Crossman*, 1 Met. 416.

6. The payee of a note, who had indorsed it without recourse, is a competent witness to prove an alteration subsequent to its execution. *Parker* v. *Hanson*, 7 Mass. 470.

7. Where the promisee has indorsed a note without recourse, he is a competent witness to prove the execution of the note in an action by the indorsee against the maker. *Rice* v. *Stearns*, 3 Mass. 225.

8. Where a bill was indorsed to A. B. as agent to collect it for the payees, and A. B. indorsed it to C, in trust for the plaintiffs, and without recourse to himself, A. B. was received as competent to prove the trust. *Barker* v. *Prentiss*, 6 Mass. 430.

9. One who executes a note as agent for another is a competent witness to prove his authority. *Rice* v. *Green*, 22 Pick. 158.

10. Where one gives a note as agent of a joint-stock company, of which he is a member, and a suit thereon is brought against the other members of the company, he is a competent witness to prove his authority as agent, and also to prove other facts necessary to support the action. *Tappan* v. *Bailey*, 4 Met. 529.

11. The indorser of a promissory note is not a competent witness to prove the handwriting of the maker, unless he has a release from the indorsee. *Barnes* v. *Ball*, 1 Mass. 73.

12. In an action by the holder of a bill of exchange against an indorser, a subsequent indorser is not a competent witness to charge the defendant without a release from the plaintiff. *Talbot* v. *Clark*, 8 Pick. 51.

13. The maker of a note is not an admissible witness for the indorser, without a release, nor if the note is an accommodation note. *Bird* v. *Cole*, 6 Met. 326; *Peirce* v. *Butler*, 14 Mass. 303.

14. But if released by the indorser, the maker is a competent witness for him. *Wheaton* v. *Wilmarth*, 13 Met. 422.

15. In an action by the indorsee against the maker of a note indorsed in blank, the indorser, although he may have released his claims upon the note, is not a competent witness to prove that it was pledged to the indorsee as collateral security for a debt less than its amount. *Knights* v. *Putnam*, 3 Pick. 183.

16. In an action by the indorsee of a negotiable note against the

maker, — the confession of the plaintiff that he was not interested in the note, except as collateral security for a small part of its amount, having been given in evidence, — it was *held*, that the declarations or admissions of the indorser could not be received to defeat the action. *Butler* v. *Damon*, 15 Mass. 223.

17. In an action by one who had pledged a promissory note payable to himself, against the pawnee, for not returning it, the defendant cannot introduce the testimony of the maker to prove that the maker told him that nothing was due to the payee on the note. *Thomas* v. *Waterman*, 7 Met. 227.

18. Where a sale of chattels is made by A, and he receives the purchaser's note for the price and negotiates it, or it is paid, and the chattels are afterwards attached as the property of A in an action of replevin brought by the purchaser against the attaching officer, A is not a competent witness to prove that the sale was in fraud of his creditors. *Bailey* v. *Foster*, 9 Pick. 139.

19. But if it be doubtful whether the note is negotiable or not, and if negotiable, whether it has been in fact assigned, or still remains in the hands of A, he is a competent witness. *Ibid.*

20. Where the drawer of a bill of exchange exhibited to the payee, at the time of drawing the bill, an absolute engagement on the part of the drawee to accept it, and at the same time communicated to him certain conditions to which the engagement was subject, it was held, in an action by the payee against the drawee, that the drawer was a competent witness to prove such communication. *Storer* v. *Logan*, 9 Mass. 55.

21. *It seems* that the drawer of a bill of exchange payable to his own order, and by him indorsed, is a competent witness in a suit brought by the indorsee against the acceptor. *Pacific Bank v. Mitchell*, 9 Met. 297.

22. In an action by the indorsee against the drawer of a bill of exchange, the acceptor is a competent witness to prove that he has not had in his hands any funds of the drawer. *Kinsley* v. *Robinson*, 21 Pick. 327.

23. In an action by the indorsee against the maker of a promissory note, the payee is a competent witness to prove the time of the indorsement. *Spring* v. *Lovett*, 11 Pick. 417.

24. In an action by an indorsee against one who signed a promissory note on the back thereof, the indorser is a competent witness to prove that the defendant signed the note at the same time with the promisor whose signature was on the face of the note. *Richardson* v. *Lincoln*, 5 Met. 201.

25. In an action by B against C, on a note made by A, payable to B, and indorsed at the time it is made by C, the declarations and admissions of A are not admissible against C, as A is himself a competent witness. *Baker* v. *Briggs*, 8 Pick. 122.

26. A note was made by a failing debtor, on which the plaintiff immediately made an attachment of the debtor's property. Part of the alleged consideration of the note was an acceptance made by the payee of an order drawn on him by the debtor in favor of another creditor. A subsequent attaching creditor being admitted to defend an action on the note

under the Stat. 1823, c. 142, it was *held*, that the plaintiff could not introduce evidence of his own declarations, made on the day the note was given, to show that the acceptance was given before the attachment was made. *Carter* v. *Gregory*, 8 Pick. 164.

27. The confession of one of two joint promisors is admissible as evidence against them both. *Martin* v. *Root*, 17 Mass. 222.

28. A subsequent declaration of the same party in his own favor cannot be used to impair the effect of the first, though made under oath, at the instance of the plaintiff, and used by the plaintiff in another trial. *Ibid.*

29. Where a note was signed by the defendant and one A, and A gave in renewal of it a note in which the defendant's name was forged, and a suit was brought on the last note, and the plaintiff gave in evidence declarations and admissions of the defendant, to show an adoption of the note and take it out of the statute of limitations, in one of which declarations the defendant spoke of the suit's having been commenced; it was *held*, that the service of the writ on the defendant did not raise a legal presumption that his declarations referred to the new note rather than the old one, without proof that he knew of the new note, or of the contents of the writ; that the burden was on the plaintiff to prove such knowledge; and that it was proper for the jury to determine, upon the whole evidence, to which of the notes the declarations and admissions referred. *Phillips* v. *Ford*, 9 Pick. 39.

30. In an action to recover the amount of a draft drawn on the plaintiff by partners, and accepted by him, the admissions of one of the partners, that the draft was accepted by the plaintiff for the accommodation of the firm, may be given in evidence to charge the other partner. *Gay* v. *Bowen*, 8 Met. 100; *Cady* v. *Shepherd*, 11 Pick. 400; *Bridge* v. *Gray*, 14 Pick. 55.

31. In an action against partners on a promissory note made by one of them in the name of the firm, the confessions of that partner are not admissible to prove the note a partnership transaction. *Tuttle* v. *Cooper*, 5 Pick. 414.

32. In a suit against surviving partners, to recover the amount of a note given by a deceased partner in his single name, his declarations that the transactions for which the note was given were for the partnership business, and that it was a company note, are not admissible in evidence, if there be no evidence *aliunde* that those transactions were for the partnership. *Ostrom* v. *Jacobs*, 9 Met. 454; *Tuttle* v. *Cooper*, 5 Pick. 414; *Robbins* v. *Willard*, 6 Pick. 464.

33. Nor is evidence admissible, in such suit, that one of the surviving partners, after the death of the partner who signed the note, recognized the note as one which the firm was bound to pay, and attempted to borrow money to pay it, and offered to take it up and give the note of the survivors in lieu of it, if it be not shown that this was known or consented to by the other survivor. *Ostrom* v. *Jacobs*, 9 Met. 454.

34. Where, in such suit, there is no evidence that the surviving partners, before the death of the other partner, had knowledge of, or gave consent to, his giving notes in his own name alone for the debts of the

firm; and there is evidence that he, when he gave such notes, charged the amount thereof against the firm, as cash; and also evidence that the plaintiff knew of the partnership, and made charges against the firm in other cases; the declarations of the deceased partner, when he borrowed the money for which the note was given, are not admissible in evidence against the survivors. *Ostrom* v. *Jacobs*, 9 Met. 454; *Green* v. *Tanner*, 8 Met. 411.

35. In an action by an indorsee against W. on two promissory notes, one of which was made by W. and indorsed by J., the other made by J. and indorsed by W., it appeared, that after the execution of the notes, but before their maturity, J. had failed, and assigned his property for the benefit of his creditors, and had been, in consequence thereof, released by W. from all liabilities to him. It was *held*, that J., who was offered as a witness by the plaintiff, was not incompetent, as being interested in the event of the suit; for he would still be liable to the plaintiff, whether the plaintiff recovered judgment against W. or not, and the judgment in this suit could not be given in evidence in an action against J. *Eastman* v. *Winship*, 14 Pick. 44.

36. The payee of a promissory note indorsed it, without consideration, to K., another creditor of the maker, to enable K. to sue both of their claims in one action, and K., having recovered judgment in such action, extended his execution on the land of the maker, and so became a trustee for the payee. In a subsequent action brought by K. to recover the land, it was *held*, that the declarations of the payee, made before the indorsement of the note, were admissible in evidence to defeat such extent. *Kendall* v. *Lawrence*, 22 Pick. 540.

37. A promissory note, signed by A as principal and by B and C as sureties, was made payable to the order of D, and placed in his hands for a special purpose, which was not effected. D afterwards, with the consent of A, but without the knowledge of B and C, indorsed the note to an officer, as security for property attached by him as the property of a corporation of which D was the treasurer and agent. *Held*, in a suit on the note, brought by the officer against A, B, and C, that D was a competent witness for the defendants. *Strong* v. *Buck*, 11 Met. 279.

38. A signed a promissory note with B, payable to D, for money lent by D to B and C, and B and C gave him a written promise of indemnification. A paid the note, and brought an action against B and C for money paid. C was never served with the writ, and it was *held*, that his deposition was admissible, B having released him. *Gibbs* v. *Bryant*, 1 Pick. 118.

39. In an action by an executor upon a promissory note due his testator, brought for the benefit of the residuary legatee, who had indemnified the executor against costs, it was *held*, that, as the executor was a party of record, he was not a competent witness for the defendant, although released by him. *Page* v. *Page*, 15 Pick. 368.

40. In the trial of an action brought by one of the makers of a note, who has paid it in full, to recover of the other a moiety of the amount so paid, the individuals for whose use the note was given and paid are competent witnesses for the plaintiff. *Packard* v. *Nye*, 2 Met. 47.

41. In an action against certain parties who had agreed to be interested, in certain specified proportions, in a voyage, upon several notes given by the agent of the parties for goods bought for the voyage, brought by one of the vendors, of one of which notes the plaintiff was payee, and of the others the indorsee, it was *held*, that the payees of such other notes were competent witnesses on the part of the defendants, and compellable to testify on the question whether, at the time when the notes were taken, the plaintiff and the other vendors had knowledge that other persons besides the agent were interested in the purchases of the goods. *French* v. *Price*, 24 Pick. 13.

42. The letters from an agent to his principal, and the answers of the principal written before and soon after the guaranties of two notes by the agent for the principal, and relating thereto, are admissible in evidence as part of the *res gestæ* against the guarantor; also the letters of the person whose notes were guaranteed to the principal and agent, and the letters of the principal to such person. *N. Eng. M. Ins. Co.* v. *De Wolf*, 8 Pick. 56.

43. In an action on a promissory note against principal and surety, the principal, after being defaulted, is a competent witness to disprove the surety's liability. *Chaffee* v. *Jones*, 19 Pick. 261.

44. In an action by the payee against one of the sureties on a note, the principal promisor, and also the other surety, are competent witnesses for the defendant, to prove that the sureties have been discharged by the plaintiff. *Greely* v. *Dow*, 2 Met. 176.

45. A promissory note was made by a firm, payable to A, B, and C, and a corporation, joint owners of a vessel; the promisees assigned the note to A towards his share of the earnings of the vessel; the corporation assigned all its property, under the insolvent law, for the benefit of all its creditors, one of which creditors was a bank. A suit against said firm was brought on said note in the name of all the promisees, for the benefit of A. *Held*, that a stockholder in the bank, which was a creditor of said corporation, was a competent witness for the plaintiffs. *Hathaway* v. *Crocker*, 7 Met. 262.

2. *When a Note is Admissible in Evidence, and of what it is Evidence.*

1. A promissory note may be given in evidence, on the money counts, in a suit by an indorsee against the promisor. *Goodwin* v. *Morse*, 9 Met. 278; *Moore* v. *Moore*, 9 Met. 417.

2. A note, though it does not purport to be for value received, is admissible in evidence to support a count for money had and received of the payee by the maker. *Townsend* v. *Derby*, 3 Met. 363; *Hemmenway* v. *Hicks*, 4 Pick. 500.

3. The plaintiff may give in evidence, under a count for money had and received, a promissory note due when the action was commenced, but which at the time he did not intend to include in the action. *Webster* v. *Randall*, 19 Pick. 13; *Adams Bank* v. *Anthony*, 18 Pick. 238; *Hodges* v. *Holland*, 16 Pick. 395.

4. A promissory note expressed in the following terms: "We, the

members of Company G, &c., jointly and severally agree to pay," &c., — and signed by an individual, with the words "Treasurer for Company G" appended to his name,— does not, of itself, necessarily import that the signer is a member of the company; and therefore the mere production of such a note, on the trial of an action against the signer, without proof that he is a member of the company, is not sufficient evidence of that fact. *Kingman* v. *Kelsie*, 3 Cush. 339.

5. A promissory note may be given in evidence on the money counts, as well when the action is defended by subsequent attaching creditors as when it is defended by the original defendant. *Moore* v. *Moore*, 9 Met. 417.

6. A promissory note, given on condition that the payee will assign to the maker a mortgage of land, is admissible in evidence, under a count for money had and received, the condition having been performed. *Payson* v. *Whitcomb*, 15 Pick. 212; *Randall* v. *Rich*, 11 Mass. 494; *Floyd* v. *Day*, 3 Mass. 403.

7. The possession of a bill of exchange by the acceptor, after it has been in circulation, is *prima facie* evidence that it has been paid by him. *Baring* v. *Clark*, 19 Pick. 220.

8. When a promissory note, that has been negotiated, comes into the possession of one of the parties liable to pay it, such possession is *prima facie* evidence of payment by him, and he is to be treated as the *bona fide* holder, unless the contrary is made to appear. *McGee* v. *Prouty*, 9 Met. 547; *Baring* v. *Clark*, 19 Pick. 220; *Northampton Bank* v. *Pepoon*, 11 Mass. 288.

9. Where four notes, made by the same maker and indorsed by the defendant, were in the hands of the same holder, the defendant gave the holder an order for the payment of the notes out of property conveyed by the maker to assignees for the payment of the notes in full or proportionably, and the assignees made a payment, after all the notes had fallen due, which the holder applied to all the notes *pro rata*, instead of applying it wholly to the notes which first fell due, the defendant not having directed any mode of appropriation. It was *held*, that, in an action on two of the notes, the other two, with the indorsements thereon, were admissible in evidence to explain the appropriation of the money paid on the order. *Washington Bank* v. *Prescott*, 20 Pick. 339.

10. A plea of tender is not supported by proof of a tender of a promissory note due from the plaintiff to the defendant. *Cary* v. *Bancroft*, 14 Pick. 315.

11. Where an action brought upon a promissory note was tried upon the merits, and a verdict of judgment rendered against the plaintiff, and the note was given in evidence and then placed on the files of the court; in another action upon the same note by the same plaintiff against the same defendants, with one other defendant, it was *held*, that the plaintiff ought not to have permission to take the note from the files in order to use it as evidence in support of his second action. *French* v. *Neal*, 24 Pick. 55.

3. Signatures, — when necessary to prove them, and how proved.

1. An indorsee of a bill of exchange cannot maintain an action against the drawer, or acceptor, without proving the signature of the payee. *Blakely* v. *Grant*, 6 Mass. 386.

2. In an action by one as bearer, on a note payable to A or bearer, indorsed by A, it is not necessary for the plaintiff to prove the handwriting of the indorser. *Wilbour* v. *Turner*, 5 Pick. 525.

3. A promissory note, payable on demand, with the payee's name indorsed, was put into the hands of a broker, to raise money upon it, and one S. lent the money, but upon a verbal agreement that the broker should himself be responsible as guarantor, and should repay the money at short notice; the broker, on payment being demanded of him, applied to the maker, who said he could not then take up the note, but requested the broker to do so, which he did, and afterwards the broker negotiated the note to the plaintiff, in a settlement between himself and the plaintiff. In an action by the plaintiff against the maker, it was *held*, that the note was not admissible in evidence in support of the money counts, without proof of the signature of the payee. *Dana* v. *Underwood*, 19 Pick. 99.

4. Where the subscribing witness to a note was absent from the State, other evidence of the maker's signature was admitted without proving the handwriting of the witness. *Homer* v. *Wallis*, 11 Mass. 309.

5. The comparison of the contested signature of a party to a note with other writings proved to be genuine, is by the common law of this State proper evidence. *Ibid.*

6. Upon the question as to the genuineness of a signature, the opinion of a writing-master, professing to have skill in detecting forgeries, formed from a comparison of hands, without any actual knowledge of the handwriting of the person whose signature is in controversy, is competent evidence. *Moody* v. *Rowell*, 17 Pick. 490.

7. Also the opinion of such a witness, formed on a mere inspection of the controverted hand, whether it is a free, natural, and genuine hand, or a stiff, artificial, and imitated one. *Ibid.*

8. Upon the question as to the genuineness of a signature, the genuine signature of the same person to a paper not otherwise competent evidence in the case, is admissible to enable the court and jury, by a comparison of hands, to determine the question. *Ibid.*

9. Notwithstanding evidence of the promisor's acknowledgment of his signature to a note, he was permitted to introduce evidence of persons acquainted with his handwriting, that the signature was not genuine, and also to prove the same fact by signatures known to be his. *Hall* v. *Huse*, 10 Mass. 39.

10. A deposition in which the witness testified that a professed imitation of the handwriting of his father, who was a public officer, bore a strong resemblance to the genuine handwriting, was held to be admissible, notwithstanding it was objected, that the witness had not laid a foundation for such opinion, by stating that he had seen his father write; for if the party objecting had doubted whether the son was sufficiently acquainted with his father's handwriting, he should have interrogated him directly

as to his means of knowledge when the deposition was taken. *Moody* v. *Rowell*, 17 Pick. 490.

11. The deposition of a witness, out of the Commonwealth, was taken, under a commission from the court, to be used by the plaintiff in an action on a promissory note, and the interrogatory put by the plaintiff to the witness was, whether he signed his name as attesting witness to the note, and the answer of the witness was, that he had no recollection of seeing the note executed, or of signing his name thereto, as attesting witness, although he might have done so. *Held*, that, by a reasonable implication, it must be understood from the answer, that the attestation to the note was in the handwriting of the witness; but that if this were left doubtful in the answer, the plaintiff might introduce other evidence of the handwriting, both of the attesting witness to the note and of the promisor. *Walker* v. *Warfield*, 6 Met. 466.

4. *Of the Evidence to prove Presentment, Demand, and Notice.*

1. In an action against the indorsee of a note, evidence that he had said that the maker had told him that payment had been duly demanded, is not evidence of such demand. *Tower* v. *Durell*, 9 Mass. 332.

2. In an action against an indorser, proof of waiver of notice will support an allegation of actual notice. *Taunton Bank* v. *Richardson*, 5 Pick. 435.

3. But proof of due diligence will not sustain an allegation of actual notice. *Blakely* v. *Grant*, 6 Mass. 386. But see, as to this, *Shed* v. *Brett*, 1 Pick. 411.

4. Where the indorser of a note takes security from the maker before it is due, to indemnify himself against his liability as indorser, and after it is due receives from the maker the property for which the note was given, and thereupon promises to deliver up the note to him without further compensation, the taking back of the property and the promise to deliver up the note are evidence from which a jury may infer that the indorser has received due notice of non-payment by the maker. *Andrews* v. *Bond*, 3 Met. 434.

5. When a deponent, who testifies to the presentment of a bill of exchange to the acceptor, and a demand on him for payment, annexes to his deposition a copy of the bill thus presented, the deposition is competent evidence, in an action by the indorsee against the drawer, of the presentment and demand of such bill, and will be conclusive, unless the drawer shows a different bill of the same tenor. *Sabine* v. *Strong*, 6 Met. 271.

6. In an action on a note discounted by a bank, against an indorser conversant with the usage of such bank, an allegation of a presentment and demand on the maker is supported by evidence of a written demand being left at his place of business according to such usage. *City Bank* v. *Cutter*, 3 Pick. 414.

7. In an action upon a note payable at a bank, against the indorser, an averment of a presentment and demand of payment on the promisor is supported by evidence that the promisor had notice that the note was at

the bank on the day it became due, ready to be delivered up on payment. *North Bank* v. *Abbott*, 13 Pick. 465.

8. Evidence that the indorser of a note was frequently at a certain bank, transacting business there, and that he frequently took up notes there, was held sufficient proof of his being conversant with a usage of the bank to give notice to promisors to pay at the bank, instead of sending the notes to them and demanding payment. *Shove* v. *Wiley*, 18 Pick. 558.

9. Evidence of the usages of the banks of the place where the parties to a promissory note do business, in regard to notifying the parties, is admissible as evidence of the agreement of the parties. *Jones* v. *Fales*, 4 Mass. 245.

10. The usages of a bank at which the parties to a note are accustomed to do business, respecting the time of notice and demand on such notes, may be proved as evidence of the assent of the parties to such usages, and of their having waived their legal rights. *Blanchard* v. *Hilliard*, 11 Mass. 85.

11. The book of a messenger of a bank who was dead, in which, in the course of his duty, he entered memoranda of demands and notices to the promisors and indorsers upon notes left in the bank for collection, was received in evidence of a demand on the maker, and notice to the defendant as indorser, of a note so left for collection. *Welsh* v. *Barrett*, 15 Mass. 380.

12. A record book kept by a bank, in which a clerk regularly entered certificates of his having given notices to the makers and indorsers of promissory notes, taken in connection with the testimony of the clerk, that it was his practice to carry the notices himself to the residence or place of business of the parties, and that he has no doubt they were carried as usual in the case of a certain note mentioned in the book, though he has no recollection in relation to such note, is competent and sufficient evidence to prove that notices were so given in that particular case. *Shove* v. *Wiley*, 18 Pick. 558.

13. Where such clerk produced a printed form, in common use, and testified to his belief that the notices in question were in the same form, it was held to be competent and sufficient evidence of the fact. *Ibid.*

14. A book belonging to a bank, and labelled "Notices to Indorsers," in which the entries were in this form: —

"Discount Sept. ½.

A. B.	. . 100	. . Lady.	. .	House.
C. D.	. . 100	. . on desk.	. .	C. R.

Attest, E. F., Messenger,"—

not stating that A. B. was maker and C. D. indorser, nor that notice was given to the indorser after a demand on the maker, was held to be admissible in evidence to prove a demand on the maker and notice to the indorser of a note discounted at the bank, it being first testified, that it was the duty of E. F. as messenger to make a demand on the makers and give notice to the indorsers of notes held by the bank, and make the entries in the book, that the entries were in his handwriting, and that he was dead. *Washington Bank* v. *Prescott*, 20 Pick. 339.

15. In an action upon a promissory note which was discounted at a bank, it appeared that the messenger of the bank, whose duty it was to give notices of the non-payment of notes to the promisors and indorsers, and to enter their names, and the places to which notices were sent, in a book kept for that purpose, had absconded and left the State, and that, after diligent inquiries had been made for the purpose, it was found impossible to procure his testimony. It was *held*, that the book of the messenger was competent evidence to prove notice to the indorser. *North Bank* v. *Abbott*, 13 Pick. 465.

16. The entry in the messenger's book stated the amount of the note, the day when it fell due, and the names of the promisor and indorser, with a mark against their names indicating, as was testified by the cashier, that they had been notified. It was *held*, that this evidence was sufficient to authorize the jury to infer the fact of notice to the indorser. *Ibid.*

17. The testimony of the cashier of a bank, that a letter was received, either by a director of the bank, or by himself, and that they both had searched for it, and that it was probably lost when a fire happened at the bank, is not sufficient, without the affidavit of the director also, to let in parol evidence of its contents. *Taunton Bank* v. *Richardson*, 5 Pick. 435.

18. But if the cashier had further testified, that the letter was kept on the files of the bank, it seems that secondary evidence of its contents would have been admissible. *Ibid.*

19. The contents of a written notice to an indorser of a promissory note may be proved by parol, without giving notice to produce such writing. *Eagle Bank* v. *Chapin*, 3 Pick. 180.

5. *Of the Admissibility of Parol Evidence to affect the Construction of Notes, and the Liability of the Parties.*

1. Parol evidence is admissible, as between the original parties to a promissory note, to show a want of consideration, or that the transfer was upon trust, and not absolute, or an illegality or fraud in the transaction. *Stackpole* v. *Arnold*, 11 Mass. 27.

2. Parol evidence of the conversation of the parties, at the time a note is given in part payment, is admissible to show for what debt it was given. *Ilsley* v. *Jewett*, 2 Met. 168.

3. In an action between the original parties to a promissory note, evidence of an agreement originally by parol, but subsequently reduced to writing, varying its terms, may be admitted. *Lewis* v. *Gray*, 1 Mass. 297.

4. Where notes of a certain description, made after a certain day, had been declared void by statute, it was held competent for the makers of such notes, in an action brought against them on the notes, to prove that, though antedated, they were in fact made after the day. *Bayley* v. *Taber*, 5 Mass. 286.

5. Where one makes a promissory note as agent of another, it is necessary that it should appear upon the face of the note that he acts as agent,

and if this does not so appear, it cannot be proved by other evidence. *Stackpole* v. *Arnold*, 11 Mass. 27.

6. A conveyed his property, in trust for his creditors, to five assignees, who appointed two of their number to transact the business of the trust. These two authorized A to act as their agent, and he gave a note "for the assignees." *Held*, in a suit against the two on the note, that parol evidence was admissible to show that they were intended as promisors, and not the five assignees. *Paige* v. *Stone*, 10 Met. 160.

7. The defendant having written his name on the back of a promissory note before it was delivered to the payee, and the promisee having written his name above the defendant's, for the purpose of negotiating the note, and having erased his name on receiving back the note from the indorsee, it was *held*, in an action by the promisee against the defendant, that the promisee might introduce parol evidence of the circumstances under which he had written and erased his name, showing that it was not his intention to change the character of the defendant as an original promisor into that of a second indorser. *Austin* v. *Boyd*, 24 Pick. 64.

8. In an action by the holder of a joint and several note signed by two makers by their individual names, against an officer, for levying the execution of a prior attaching creditor of one of the makers upon an undivided half of their joint property, to the exclusion of the execution of such holder, on whose behalf the officer had attached the same property, parol evidence was held to be admissible to show the existence of a partnership between the makers, and the time and manner of executing the articles of partnership and the note, and to prove that such note was given for the partnership account; and the officer having had notice of the claim of such holder, he was adjudged to be liable in such action, although it did not appear by the original writ or the execution issued in favor of the holder against the makers of such note, that the makers were in partnership. *Trowbridge* v. *Cushman*, 24 Pick. 310.

9. Where a note was given by a son for money received by him of his father, it was *held*, under Rev. Stat. c. 61, § 9, that oral testimony was not admissible to prove that the money so received was an advancement. *Barton* v. *Rice*, 22 Pick. 508.

10. In an action by the plaintiff as indorsee upon certain promissory notes indorsed by the promisee in blank and delivered to the plaintiff's mother, with intent to transfer the legal interest, and delivered to the plaintiff by his mother, a writing was produced in evidence, given by the plaintiff to his mother, in which he acknowledges to have received the notes in question, signed by the defendant and indorsed by the promisee, and says, "Said notes I am to collect, and after said notes are paid by the promisor to me, I will account to her for the same, or deliver the notes to her, if I cannot recover them of the promisor." It was *held*, that by the legal construction of this writing it did not necessarily import that the plaintiff received the notes merely as agent to collect them in the name of his mother, and not as indorsee; and that it might be explained by parol evidence; for as it was collateral to the contracts upon which the action was brought, it did not fall within the rule, that parol evidence is

not admissible in aid of the construction of a written instrument. *Badger* v. *Jones*, 12 Pick. 371.

11. Parol evidence is not admissible to prove a substitution by parol of a collateral and conditional contract for an absolute contract in writing. *Hunt* v. *Adams*, 7 Mass. 518.

12. In an action on a note that is made payable absolutely, evidence is not admissible to prove an oral agreement, when the note was given, that it should not be payable unless the promisor should have certain funds in his hands. *Adams* v. *Wilson*, 12 Met. 138.

13. Where one had given his promissory note for the amount of his subscription to increase the ministerial fund of a religious society, it was *held*, that parol evidence that such notes were given upon the condition that the principal should not be called for so long as the interest continued to be punctually paid, was admissible. *Trustees, &c. in Hanson* v. *Stetson*, 5 Pick. 506.

14. Where the words, "one half payable in twelve months, the balance in twenty-four months," were written at the bottom of a promissory note on demand, it was *held*, that either party might introduce evidence to show at what time, by whom, and under what circumstances, the memorandum was affixed to the note. *Heywood* v. *Perrin*, 10 Pick. 228.

15. But the memorandum being proved to have been affixed to the note before it was delivered to the promisee, and so constituting a part of the contract, it was *held*, that parol evidence was not admissible to show that the stipulation for credit was provisional, and on condition that the promisor should remain solvent. *Ibid.*

16. In an action by the payee against a surety on a promissory note payable in five months, at which time the principal was able to pay it, but had become insolvent before the action was commenced, the defendant cannot give in evidence the plaintiff's admission that the defendant refused to sign the note, unless the plaintiff would agree that he should not be held if the plaintiff should not sue the note as soon as it was payable, and that the plaintiff agreed to sue it at that time. *Hanchet* v. *Birge*, 12 Met. 545.

17. In a suit by the payee against the maker of a promissory note, made payable absolutely, the defendant cannot give evidence, in defence, that he took property of the plaintiff, at his request, to sell and dispose of as if it were his own, and sold it to A, and took A's note therefor, which note he had not collected, and could not collect; and that he gave to the plaintiff the note in suit, upon an oral agreement between him and the plaintiff, that said note was not to be paid unless the defendant should collect A's note; such evidence is not admissible to prove that a condition was annexed to the payment of the note, and has no tendency to show want or failure of consideration. *Underwood* v. *Simmons*, 12 Met. 275.

18. In an action by the payee against the maker of a negotiable note, in the common form, the defendant cannot give in evidence, by way of defence, a parol agreement, that, upon his giving a deed of real estate to the plaintiff, the note should be given up. *Spring* v. *Lovett*, 11 Pick. 417.

19. A borrowed money of an insurance company, and gave an unconditional promissory note therefor, payable in twelve months, to the

order of B, who at the same time indorsed it to the company for the accommodation of A. *Held*, in a suit on the note, brought by the company against B, that he could not give in evidence, by way of defence, an oral agreement between himself, the company, and A, made when the note was given and indorsed, that such sum as should be found justly due from the company to A, on a certain policy of insurance made by them to him, should be set off and applied in or towards the satisfaction of the note. *St. Louis Perpetual Ins. Co.* v. *Homer*, 9 Met. 39.

20. In an action on a promissory note against the promisor, it was *held*, that parol evidence was admissible to show that when the note was given he had made an assignment of all his property, to be divided, ratably, among such of his creditors as should become parties thereto, and thereby discharge him from all their claims against him; and that the note was given to induce the plaintiff to become a party to the assignment, and was post-dated; and that when it was given, it was agreed between the parties, that it should stand as security for the difference between the amount of the plaintiff's claim against the defendant and the amount which he should receive under the assignment, and that only such part of the note should be paid as the assigned property should be insufficient to pay. *Case* v. *Gerrish*, 15 Pick. 49.

21. In an action by H. against R., for money had and received, H. gave in evidence a due bill signed by R. of this tenor: "Due H. 3314 pounds of hay, at my barn, on demand"; and also gave in evidence, to prove the consideration of said due bill, a receipt, of a previous date, signed by R., in these words: "Received of H. $150, in full for contract for fifteen tons of hay; the hay to be delivered to order, or, if sold, to be accounted for with H." H. also gave evidence, that he had received part of the hay mentioned in the receipt, and that, when the due bill was given, there was due to him the quantity of hay therein mentioned, which he had demanded of R., and which R. had refused to deliver. *Held*, that R. might give parol evidence that, before he gave the receipt to H., H. agreed with him for the purchase of more than fifteen tons of hay, at ten dollars per ton, and that when the receipt was given, R. agreed not to require H. to take more than fifteen tons, if H. would then pay $150; that H. then paid R. that sum, and took the receipt; that H. was to take the hay at R.'s barn, and R. was to sell the hay as he might have opportunity; that H. took part of the hay, and R. sold a part of it, and accounted for the proceeds with H.; that when the due bill was given, the quantity of hay therein mentioned remained in R.'s barn, and R. requested H. to take it away; that H. thereupon requested R. to take it, and R. did so, and gave the due bill therefor. *Held*, also, that on proof of these facts H. could not maintain his action for money had and received. *Hill* v. *Rewee*, 11 Met. 268.

22. In an action against the maker of a promissory note, payable upon the death of a widow, brought by the administrator of the payee, it was *held*, that parol evidence was admissible to prove that the note was given upon an agreement previously made between the defendant and the payee, that, if the estimated value of one third of the land of which the widow was dowable should be expended by the defendant in her support,

the note should be void; that the promisee had declared, in a conversation in relation to this note, subsequently to its execution, and in the absence of the defendant, that the interest, and the principal also, if required, were to be expended in support of the widow, and that the note was dead; and that, upon the death of the widow, the expense of her support by the defendant had exceeded the value of one third of the land. *Crossman* v. *Fuller*, 17 Pick. 171.

23. In an action on a promissory note, against a surety, it appeared that, just before the execution of the note, the principal and the plaintiff conversed together in relation to the agreement in pursuance of which the note was alleged to have been given, but that the defendant was not present during such conversation; that the defendant hesitated or refused to sign the note, until the plaintiff stated what the agreement was, and that he then signed it. It was *held*, that such portion of the conversation as took place in the absence of the defendant was inadmissible in evidence on the part of the plaintiff. *Dexter* v. *Clemens*, 17 Pick. 175.

24. In an action against the surety upon a promissory note, it appeared that, the plaintiff having sold a horse to the principal, a small note was executed by the principal, and the note in suit was executed, together with a bond, by the principal and surety, the bond being conditioned that the principal should not redeem certain real estate then in the possession of D., whose title would thereby be rendered indefeasible; and the defendant contended that the plaintiff was to derive some advantage through D. from the neglect to redeem the estate, and that the small note and the bond were the whole consideration for the sale of the horse, and that the note in suit was without consideration. It was *held*, that the fact that an agreement had been made at the time between D. and the plaintiff to pay the plaintiff something if the estate should not be redeemed, was material towards establishing the defence, and therefore the testimony of D. that no such agreement was made was admissible in evidence on the part of the plaintiff. *Ibid.*

6. *When Secondary Evidence of the Contents of a Note, &c. is admissible.*

1. In an action by two co-executors, upon a promissory note made to their testator, the affidavit of both the executors, dated Feb. 14, 1832, was filed in court, alleging that they had never had the note in their possession. Another affidavit of one of the executors, dated Nov. 22, 1832, was read to the court, which alleged that the other executor had had very little to do with the settling of the estate, and was out of the country; that after the death of the testator, the deponent had sent for a trunk belonging to the testator, which he had understood was in the hands of the defendant; that he received the trunk without the key, which the defendant said was not in his possession; that deponent had opened the trunk and looked over the papers therein carefully, and that he had searched diligently among the papers of the testator, but that no such note had come to his knowledge or into his possession. This was held to be sufficient presumptive evidence of the loss of the note to let in evidence of its contents. *Page* v. *Page*, 15 Pick. 368.

2. The jury were also instructed that this affidavit was such evidence of the loss of the note as to let in secondary proof of its contents, and that if the jury were of opinion, upon the whole evidence, that the note was not paid to the testator in his lifetime, but remained in the hands and custody of the defendant, at the time of the testator's decease, this would be sufficient to rebut the presumption of payment arising from the non-production of the note by the plaintiffs. It was *held*, that the instructions were unexceptionable. *Ibid.*

3. The question, whether the loss of a promissory note has been sufficiently proved to entitle the plaintiff to introduce secondary evidence of its contents, is to be determined by the court, and not by the jury. *Ibid.*

4. A accepted a draft drawn on him by two partners, and they procured from a bank a discount of the acceptances, by presenting a copy thereof, which the officers of the bank supposed to be the original. The partners soon after failed, and assigned to the bank all their dues, demands, &c., and delivered to the bank a trunk of papers; but the acceptance was not among them. One of the partners was soon after committed to the State prison, where he died unmarried in about three years, leaving no papers there, and no administration was taken on his estate. The other partner, soon after the failure of the firm, absconded, leaving his wife, and went to New York, where he resided three or four years, and then went to parts unknown, and was never again heard of. In about five years and a half after the acceptance was payable, the bank commenced an action against A, in the name of the surviving partner, to recover the amount of the acceptance; and, in order to introduce secondary evidence of the contents thereof, first gave evidence that inquiry had been made of the near relations of the partners, who said that the original was not and never had been in their possession; that it was not among the papers of the firm which were left by the surviving partner with his wife and with his attorney; but that there was, among the papers so left, the account of sales, signed by A, for the balance of which the acceptance was given, as was noted on the margin of said account. *Held*, that this evidence was sufficient to warrant the introduction of secondary evidence of the acceptance. *Foster* v. *Mackay*, 7 Met. 531.

7. *Burden of Proof.*

1. Where by statute promissory notes of a certain description issued after a certain day were made void, it is incumbent on the defendant, in an action on certain notes bearing date before the day, to prove that they were issued after it, and not on the plaintiff to prove that he received them before the day. *Bayley* v. *Taber*, 6 Mass. 452.

2. In an action by the indorsee against the maker of a negotiable note, the burden is on the defendant to prove that the note was negotiated after it was due and dishonored; and that burden is not removed by proof that the note was transferred and delivered to the plaintiff before it was dishonored, but was not indorsed until afterwards. *Ranger* v. *Cary*, 1 Met. 369.

3. In a suit by the payee against the maker, on a promissory note, given in consideration of a promise to forbear to sue a third person for six months, the burden of proof is not on the payee to show that he has forborne according to his promise, but on the maker to show that he has not. *Jennison* v. *Stafford*, 1 Cush. 168.

4. In an action against the indorser of a note by an indorsee, who received it of the maker, the burden of proof, as to facts set up in avoidance of the note, is on the defendant, although he was apprised, when he received the note, that the defendant indorsed it merely for the maker's accommodation. *Lincoln* v. *Stevens*, 7 Met. 529.

5. In an action upon a promise to pay a sum of money, in such iron castings as the plaintiff might wish, he furnishing his own patterns in case the defendant should not have such as the plaintiff might want, and the plaintiff having requested that the castings should be made on a basket belonging to the defendant, the burden of proof was on them to show that the basket was not a pattern. *Perry* v. *Botsford*, 5 Pick. 189.

6. Where a partnership is carried on in the name of an individual, the burden of proof, in an action on a note in common form signed by such individual, is on the holder, to show that it was given for the use of the partnership. *Manufact. Bank* v. *Winship*, 5 Pick. 11.

7. Where one partner gives a note in the name of the firm for his private debt, the burden of proof is on the person taking such note, in an action against one who indorsed it without any consideration, to show that the indorsee knew the circumstances under which the note was made. *Chazournes* v. *Edwards*, 3 Pick. 5.

8. In an action against a firm as a party to a note or bill made or indorsed for the accommodation, or as surety of another, where the contract is the act of an individual partner, the burden of proof is on the plaintiff to show that such partner was authorized by the others so to bind the firm, or that they subsequently ratified his act. A precedent authority may be implied from the common course of business of the firm, or the previous course of dealing between the parties. A subsequent ratification may be inferred from the acts or omissions of the other partners after they know, or have the means of knowing, of the act of such individual partner. *Sweetser* v. *French*, 2 Cush. 310.

9. In assumpsit by the bearer of a note against the maker, the burden is on the defendant to show that a partial payment, not indorsed, was made before the transfer. *Wilbour* v. *Turner*, 5 Pick. 525.

8. *Evidence, in General.*

1. It is competent for the defendant, in an action by the indorsee of a bill of exchange against the drawer, to prove that the plaintiff holds the bill merely as agent for the payees, and that they have ordered the drawer not to pay it. *Barker* v. *Prentiss*, 6 Mass. 430.

2. In an action upon a note payable to a single woman, brought by her husband and herself after marriage, it is incompetent for the defendant to prove the marriage unlawful, such matter being wholly in abatement. *Coombs* v. *Williams*, 15 Mass. 243.

LATE BANKING LAWS.

Louisiana Free Banking Law.

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 last week. It is entitled "The Bank of New Orleans," with a capital of one million of dollars, and the following gentlemen as directors: W. P. Converse, John Fox, Stephen Price, E. H. Wilson, C. Yale, Jr., L. H. Place, F. F. Folger, H. F. McKenna, J. C. Goodrich, L. C. Jurey, and E. G. Rogers. W. P. Converse, Esq., has been chosen President, W. P. Grayson, Cashier, and the Bank will probably commence operation in October next. The *N. O. Bulletin* adds:

"It affords us real pleasure to chronicle this first organization of a Free Bank in our State. It will commence business under the most favorable auspices. Its capital is ample; its subscribers are among our most wealthy and responsible citizens; and the officers elected last evening are not only well known as sagacious, prosperous and enterprising merchants, but enjoy in an eminent degree the confidence of the commercial community. With such elements of success, it cannot fail to be profitable to the stockholders, and of great public benefit."

As the general banking law of Louisiana differs from those of other States, we furnish a synopsis of the act, as passed April, 1853.

§ 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 powers 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 stock 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 residences 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 responsibility of shareholders shall cease in respect to stock duly transferred by them in good faith, and without intent to evade any responsibility 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 blank 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 Auditor 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 an 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 banker 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 imposed 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.

NEW YORK.

Foreign Bank Notes.

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

§ 1. Section two of the act entitled "An act concerning Foreign Bank Notes," passed May 7, 1839, is hereby amended, so as to read as follows: It shall not be lawful for any incorporated banking institution within this State, or any association, or any individual or individuals authorized to carry on the business of banking by virtue of the act entitled "An act to authorize the business of Banking," directly or indirectly, on any pretence whatever, to procure or receive, or to offer to receive from any corporation, association, person or persons whomsoever, any bank bill or note, or other evidence of debt, in the similitude of a bank note, issued by any corporation, association or individual, situated or residing without this State, at a greater rate of discount than is or shall be at the time fixed by law, by the redemption of the bills of the banks of this State at their agencies; nor shall it be lawful for any banking institution, association, individual or individuals in the first part of this section mentioned, to issue, utter or circulate as money, or in any way, directly or indirectly, to aid or assist in the issuing, uttering or circulating as money, within this State, of any such bank bill, note or other evidence of debt, issued, or purporting to have been issued, by any corporation, association or individual, situate or residing without this State, or to procure or receive in any manner whatsoever, any such bank bill, note or evidence of debt, with intent to issue, utter or circulate, or with intent to aid or assist in issuing, uttering or circulating the same as money within this State. But nothing in this act contained shall be construed to prohibit any bank or banking institution receiving and paying out such foreign bank bills as they shall receive at par in the ordinary course of their business. But nothing in this section contained shall prohibit the said banking institutions, associations and individual bankers in the first part of the section mentioned, nor shall they be prohibited from receiving foreign notes from their dealers and customers in the regular and usual course of their business, at a rate of discount not exceeding that which is or shall be at the time fixed by law for the redemption of the bills of the banks of this State, at their agencies, or from obtaining from the corporations, associations or individuals, by which or by whom such such foreign notes were made, the payment or redemption thereof.

§ 2. It shall not be lawful for any person within the State to issue, utter or circulate as money, or in any way, directly or indirectly, to aid or assist in the issuing, uttering or circulating as money, within this State, of any bank bill, note or other evidence of debt, in the similitude of a bank bill or note, issued, or purporting to have been issued, by any corporation, association or individual, situated or residing without this State, which shall have been received by such person at a greater rate of discount than is or shall be, at the time, fixed by law for the redemption of the bills of the banks of this State, at their agencies, or to procure or receive, in any manner whatsoever, or to offer to receive any such bank bill, note or evidence of debt, at a greater rate of discount than is, or for the time shall be fixed by law for the redemption of the bills of the banks of this State at their agencies, with intent to issue,

utter or circulate, or with intent to aid or assist in issuing, uttering or circulating the same as money, within this State; but nothing in this section contained shall prohibit any person not authorized to carry on the business of banking within this State, nor shall any such person be prohibited from receiving foreign notes in the regular and usual course of business, or from obtaining from the corporations, associations or individuals, by which or by whom such foreign notes were made, the payment or redemption thereof.

§ 3. The penalties provided in section four of the act hereby amended, shall apply to any violation of this act.

§ 4. This act shall take effect immediately.

WEEKLY STATEMENTS.

The following is a copy of the law providing for weekly statements to be made by the Banks of New-York:

§ 1. In addition to the quarterly statements now required by law to be made to the Superintendent of the Banking Department, by incorporated banks, banking associations and individual bankers in this State, every incorporated bank, banking association or individual banker, located and doing business in the city of New York, shall publish, or cause to be published, on the morning of every Tuesday, in a newspaper printed in said city, to be designated by the Superintendent, a statement, under the oath of the President and Cashier, showing the true condition of the bank, banking association or individual banker, making such statement on the morning of each day of the week next preceding the date of such statement, in respect to the following items and particulars, to wit: Averagement of loans and discounts, specie, deposits and circulation.

§ 2. Such statement shall be published at the expense of the bank, banking association or individual banker making the same; and if any bank, banking association or individual banker shall neglect or refuse to make the statement required in the first section of this act, for two successive Tuesdays, it shall forfeit its charter, (if an incorporated bank,) and its privileges as a banking association or individual banker; and every such bank, banking association or individual banker may be proceeded against, and its affairs closed in any manner now required by law, as in case of an insolvent bank or banking association. The terms "banking association" and "individual banks," as used in this act, shall be deemed to apply only to such banking associations and individual banks as are or may be organized under the act of April 18, 1838, and the several acts amendatory thereto.

§ 3. This act shall take effect August first, one thousand eight hundred and fifty-three.

LAWS OF WISCONSIN.

The following law, enacted by the recent legislature, is of general interest:

AN ACT to prohibit the circulation of legalized bank paper.

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

§ 1. No person or persons shall issue, pay out or pass, and no body corporate shall issue, pay out, pass or receive, in this State, as money, or as an equivalent for money, any promissory note, draft, order, bill of exchange, certificate of deposit or other paper, of any form whatever, in the similitude of bank paper, circulating or intended to circulate as money or banking currency, that is not, at the time of such issuing, paying out, passing or receiving, expressly authorized by some positive law of the United States, or of one of the United States, or of Canada, and redeemable in current gold and silver coin at the place where it purports to have been issued; and the burden

of proving the existence of such law, and the redemption of the promissory note, bill of exchange, draft, order, certificate of deposit, as aforesaid, at the place of issue, shall rest upon the person or body corporate paying out, passing, receiving or issuing the same.

§ 2. From and after the first day of January, 1854, no person or persons, or body corporate, shall pay, give, or receive in payment, or in any way circulate as money, any bank bill, promissory note, check, draft, or other evidence of debt, which shall purport to be for the payment of a less sum than five dollars, and which may have been issued by any banking association or corporation out of this State; and any person or persons, or body corporate, offending against any of the provisions of this section, shall forfeit and pay, for every such offence, not less than five nor more than one hundred dollars, to be recovered by any person sueing therefor, as debts of the like amount are by law recoverable—one half for his own use, and the other half to be paid into the county treasury.

§ 3. Any person who shall knowingly violate the provisions of the first section of this act, shall be deemed guilty of misdemeanor, and shall, upon conviction, be punished by a fine of not less than ten nor more than one hundred dollars, or by imprisonment in the county jail for a term of not less than one nor more than six months, or by both such fine and imprisonment, in the discretion of the court.

§ 4. Any body corporate that shall violate the provisions contained in the first section of this act, shall forfeit all the rights, privileges and franchises conferred by the charter or act of incorporation of such body corporate, and shall also forfeit and pay for every such violation, for the use of the school fund of this State, the sum of five hundred dollars, to be recovered by an action of debt, in any court of competent jurisdiction, in the name of the State of Wisconsin, on the relation of any person who may see fit to prosecute the same. And any officer, director, stockholder or agent of such body corporate, who shall, in the name of such corporation, or otherwise, violate any of the provisions of said first section, shall be subject to all the pains and penalties prescribed in the second section of this act, the same as if said violation had been committed in his individual capacity; and any such offence committed by any person named in this section, may be prosecuted in any county of this State where any of said paper may be found circulating.

§ 5. Any person who shall inform against, and cause to be prosecuted to conviction, any person, or who shall, in his own relation, cause to be prosecuted to judgment any body corporate, for violating the provisions contained in the first section of this act, shall be entitled to receive one half of the fine or forfeiture imposed for such violation when collected.

§ 6. Justices of the peace shall have full power and concurrent jurisdiction to try and determine all misdemeanors arising under the provisions of this act, upon complaint, on oath, being made for that purpose by any person, in the same manner, and with the same privilege of trial by jury to the accused, as provided in chapter eighty-nine of the Revised Statutes of Wisconsin.

§ 7. All contracts that shall be made or entered into, of any kind whatever, the consideration of which, in whole or in part, shall consist of any such circulating paper as is prohibited by the first and second sections of this act, and all payments made in any such unauthorized paper, shall be null and void for any purpose whatever.

§ 8. The certificate of the Secretary of State of any of the several States of the United States, under his hand and seal, shall be legal evidence of the corporate existence of any and all banking corporations within such State.

§ 9. This act shall be immediately published by the Secretary of State, and take effect and be in force from and after the first day of July, 1853; and the Secretary of State shall cause this act to be published in every newspaper in this State.

H. L. PALMER,
Speaker of the Assembly.

D. C. REED,
President, pro tem., of the Senate.

THE MINT.

We have received a copy of the following circular from T. M. Pettit, Esq., Director of the Mint of the United States, dated—

PHILADELPHIA, April 18, 1853.

The Director of the Mint gives notice, that the preparations are now complete for the issue of bars of refined gold, to such parties as may prefer the same to coin, in payment of their deposits of gold bullion.

These bars will be stamped with the inscription, "U. S. Mint, Philadelphia," with the year of issue, the weight of ounces and hundredths, and the fineness in thousandths. In addition to these particulars, which include all that are required to be stated by law, a label will be attached to each bar, covering information as to the gross value of the bar, and its net value if returned to the Mint for coinage, after deduction made of half per cent. as the legal charge therefor.

The cost of procuring the bars from the Mint, in addition to the charge for parting, when that operation is required, has been fixed by the Secretary of the Treasury at six cents per one hundred dollars worth. The cost of procuring coin, in addition to the same parting charge, has been fixed by law at fifty cents a hundred dollars worth. It is manifest, therefore, that there is an economy in procuring bars instead of coin, amounting to forty-four cents to the hundred dollars.

So far, then, as the issues demanded from the Mint are designed for other purposes than domestic circulation, there can be no doubt of the economical advantage, if no other, of selecting bars instead of coin. It may consequently be anticipated that the use of coin for manufactures, and for exportation, will in a great measure cease, and that bars will be substituted. But irrespective of any economy growing out of the Mint tariffs, there are some special advantages in the use of fine bars, instead of coin, for manufacture and export. Their high standard fits them at once for the use of the gold beaters, and facilitates the preparation, by mixture with base bullion, of any quality of metal required in gold manufactures; and on their exportation to Great Britain, and sale to the Bank of England, precludes the refining charge now imposed on American coin, and possibly the delays and expenses incident to the re-melting and re-assay.

To what extent these bars may prove useful as substitutes for coin, in large payments, experience must determine. The facility with which large sums may be counted in them, and their freedom, with moderate care, from the abrasion and loss consequent upon the use of coin, are advantages which must be taken into account in forming a judgment on that point. It must also be left to experience to determine at what rate these bars shall pass; whether at the gross value, that is, at the amount which would be equivalent thereto in coin, or at the net value payable on deposit at the Mint, being half per cent. less than the gross value, by reason of the coinage charge, or at the value intermediate between the gross and the net value, and varying according to the circumstances of demand and supply. On this point, it may be remarked, that, at all events, the bars should never be estimated at less than their net value, since they can be cashed for that sum at the Mint, and hereafter at the New York Assay Office. On the other hand, for export or manufacture, they are intrinsically worth the gross value, and purchasers will always find it to their advantage to pay that amount for them rather than use coin for such purposes.

GOLD ROBBERY.—On receipt of the gold from the steamship Union, at New York, two boxes, one assigned to Davis, Brooks & Co., the other to Johnson & Lowden, valued at about thirty thousand dollars, were found to be filled with lead, the gold having been abstracted. From the appearance of the covers of the boxes and the seals, it is supposed the robbery was committed on board the steamer.

THE MINT.—The Director of the Mint has prepared the following statement for the information of the public, concerning the new issue of bars of gold authorized by act of Congress: "The bars of gold issued by the Mint, are required by law to contain a designation of the weight and fineness, and these, accordingly, are stamped upon them. The label, which is also glued to the bar, is not of any legal value, but is a mere memorandum of information, which it was supposed an owner might wish to

have, namely, as to the contents of the bar in value, and as to the net amount which would be paid if the bar was afterwards returned to the Mint. The label accordingly states, first, the gross value, or the amount in dollars which can be made from the bar, at which value it is paid out to the owner. Secondly, a statement is made of the deduction of one-half per cent., which will be levied for the expense of coining, in case the bar is returned to the Mint for that purpose. Third, the net amount which can consequently be realized in coin at the Mint. The last amount constitutes the cash value below which the bars should never be sold, as they can always be realized at that rate at the Mint, and hereafter at the New York Assay Office, for purposes of export, for sale to manufacturers and other commercial purposes. They should have a still higher value, varying according to the circumstances of demand.

The Mint will be abundantly supplied with silver for the creation of the small coins contemplated by the late act of Congress. The Western banks have kept back their silver, awaiting the passage of the new Mint law. A shipment of $400,000 in silver was made by the several Louisville banks last week to the Philadelphia Mint. There are large sums, in dollars and half dollars, held by the banks of Indiana, Tennessee and other States, which will now be brought forward for re-coinage.

NEW YORK ASSAY OFFICE.—On the 3d of May, the Chamber of Commerce of New York city appointed a committee of three gentlemen of their body, Mr. Charles L. Frost, Charles H. Marshall and Caleb Barstow, to communicate with the Secretary of the Treasury, and urge the immediate establishment of the Assay Office authorized by an act of the last Congress. Mr. Frost, as chairman of the committee, visited our city yesterday, and had an interview with the Secretary upon the subject. He was assured by the Secretary that he had already matured a plan for the organization of the Assay Office, and had placed it before the President for his approval, which he had no doubt would be obtained in a few days; that the appropriation of $100,000 made by Congress for the establishment of the office could not be had before the 1st July, at which time his department would be prepared to put the office in operation.

The Committee left the Secretary, satisfied that he was willing and anxious to carry out the law of Congress as soon as possible. By the act creating the Assay Office, it is placed under the superintendence of the director of the Mint. The sub-treasurer at New York, (General Dix,) is made the treasurer of the office; the Secretary of the Treasury is authorized to appoint all other necessary officers, such as assayer, refiner, coiner, clerks and workmen. We learn that the committee left the Secretary highly gratified with their reception, and at the disposition manifested by him to promote the great national interests represented by them.—*Washington Union.*

The following letter has been received by DAVID LEAVITT, Esq., President of the American Exchange Bank, in answer to inquiries relative to the late coinage law:

MINT OF THE UNITED STATES, *Philadelphia, April* 4.

SIR:—In reply to the question of your letter of yesterday, I have to present the following statements relative to the operation of the late laws on the operation of the Mint:

1. The additional charge over and above the deductions heretofore customary, will be six cents per $100, for the preparation of ingots of fine gold. If a deposit be collected in coin instead of ingots, the additional charge above the former rates will be fifty cents per one hundred dollars. The advantage of receiving bars instead of coins will be equivalent to forty-four cents on the one hundred dollars. So far, therefore, as gold is to be employed for export or for purposes other than speculation, I think it will be found economical, not to speak of other advantages, for depositors to demand payment in bars.

2. You ask whether "if coined at the Mint, can the proceeds be paid at the Sub-Treasurer's office, in this (New York) city?" I presume you mean to ask whether the bars can be so paid, although it is improper to use the term *coined* to express the manufacture of a bar. In reply, I have to say, that there is nothing in present laws authorizing the receipt or redemption elsewhere, than at the Mint, of its issues, whether of bars or certificates of deposit. On the organization of the Assay Office in your city, it will be competent to deposit there the bars issued from this Mint, for

which the value will be paid in coin, less ½ per cent. for coinage. Or, they may be returned at any time to the Mint here for coin, and paid on the terms just mentioned.

3. With regard to the silver separated from the gold, the Mint now pays the full weight in silver dollars. The former practice of paying in gold was, by consent of the Treasury Department, changed by the late Director, who, after mature reflection, was convinced of its impolicy and irregularity. The dollars paid for silver, parted, are, of course, at a premium, which the depositor may realize, either by sale in the bullion market, or to the Mint at our fixed price of $1 21 per oz., say 4 per cent. premium.

4. Your fourth question is not very clearly understood, but I presume you wish to inquire whether the Mint certificates of the net value of deposits must be issued singly, for the total value, or whether we might divide them into convenient sums, say of $50, $100, $500, &c., the aggregate of which should be equal to the sum total. In reply, I have to state that there is no authority for the latter course. A suggestion asking for such authority was made in Mr. Corwin's Treasury Report of 1851, but not acted on.

5. The charges at the Mint would not be varied by reason of any private melting or assay of bullion. Nor will there be any practical difference to depositors between deposits at the proposed Assay Office at New York, and at the Mint. There will be the same charges and the same advantages at that office as at this Mint, or at a Mint in New York. The difference to the Government will be, that instead of procuring coin for the payment of New York depositors, by coinage in that city, it will be necessary, from time to time, to transmit the bullion here, to manufacture; but this in no manner affects the depositors.

Any further information or explanations which you may desire, I shall be happy to furnish. Very respectfully, your obedient servant,

T. M. Pettit, *Director.*

D. Leavitt, Esq., President Am. Ex. Bank, New York.

Shipments of Gold Dust from San Francisco.—The amount of gold dust manifested and shipped from that port during the year 1851, according to a table compiled by Messrs. Adams & Co., was $34,492,634 12; the amount shipped in 1852 was $45,801,321 63, showing an increase in the latter year of $11,308,687 51. The shipments in each month of the two years were as follows:

	1851.	1852.	Increase in 1852.
January,	$2,806,848 00	$2,915,770 00	$108,922 00
February,	2,278,928 00	1,791,120 00	Dec. 487,808 00
March,	2,054,999 20	2,191,704 20	136,705 00
April,	1,187,642 85	3,497,298 00	2,309,650 15
May,	1,997,261 75	5,472,585 00	3,475,323 25
June,	2,516,283 93	3,575,266 00	1,058,982 08
July,	3,056,285 26	4,180,967 43	1,124,682 17
August,	3,185,492 41	3,619,929 00	434,436 59
September,	3,585,256 00	4,108,630 00	573,374 00
October,	3,955,969 73	5,117,386 00	1,161,416 27
November,	4,494,582 00	5,274,499 00	789,917 00
December,	3,433,085 00	4,056,172 00	623,087 00
Total,	$34,492,634 12	$45,801,321 63	$11,308,687 51

The following were the destinations of the shipments for the two years:

	1851.	1852.
For New York,	$30,062,498 49	$39,007,367 00
" New Orleans,	404,294 11	470,783 00
" London,	3,892,760 88	6,020,027 00
" Panama,	150,304 64	46,000 00
" San Juan,	.....	43,626 00
" Valparaiso & Talcuahano,	460,232 00	97,907 43
" Chinese Ports,	2,544 00	115,611 20
" Other Ports,	20,000 00	
Total,	$34,492,634 12	$45,801,321 63

It will be seen by the foregoing, that the amount shipped direct to New York, in 1852, was $9,044,868 51, greater than in 1851, and to London, $2,627,267 greater. The shipments to these two ports constitute the bulk of the exports of gold dust for both years.

MINT CIRCULAR.

MINT OF THE UNITED STATES,
Philadelphia, 30th May, 1853.

Notice is hereby given, that in compliance with a very general request by depositors of gold, no labels will hereafter be affixed to the bars of gold issued from the Mint, but the gross value of each bar will be stamped thereon. This value is subject to a deduction of half per cent. as a coinage charge, should the bar be returned to the Mint to be coined.

ROBERT PATTERSON, *Acting Director.*

BANK STATISTICS.

Capital of the Boston Banks; additional capital authorized in 1853; *undivided profits, September,* 1852, *and market value of stocks, May,* 1853.

NAME.	*Capital.*	*Additions.*	*Profits,* 1852.	*Stock.*
Merchants' Bank,	$3,000,000	$2,000,000	$452,950	110
State Bank,	1,800,000	....	251,576	64
Bank of Commerce,	1,500,000	500,000	119,205	104½
City Bank,	1,000,000	....	129,500	105
Exchange Bank,	1,000,000	....	128,573	110
Globe Bank,	1,000,000	....	173,074	111
New England Bank,	1,000,000	....	116,054	110
Shoe and Leather Bank,	1,000,000	....	147,774	110
Suffolk Bank,	1,000,000	....	194,970	130
Tremont Bank,	1,000,000	250,000	115,260	110
Union Bank,	1,000,000	100,000	150,554	111
Boston Bank,	900,000	....	120,288	57
Massachusetts Bank,	800,000	....	76,467	255
Granite Bank,	750,000	150,000	77,983	104
North Bank,	750,000	150,000	84,704	104
Traders' Bank,	600,000	....	65,076	104
Market Bank,	560,000	....	124,400	86
Atlantic Bank,	500,000	....	107,773	113
Atlas Bank,	500,000	....	57,331	101
Bank of North America,	500,000	250,000	38,404	104
Columbia Bank,	500,000	....	36,548	108
Eagle Bank,	500,000	200,000	65,781	109
Faneuil Hall Bank,	500,000	....	32,448	105
Hamilton Bank,	500,000	....	98,760	111
Shawmut Bank,	500,000	200,000	91,264	105
Washington Bank,	500,000	....	45,270	108
Freeman's Bank,	300,000	50,000	52,870	110
Grocers' Bank,	300,000	200,000	31,177	104½
Blackstone Bank,	250,000	100,000	16,475	105
Boylston's Bank,	250,000	50,000	40,334	110
Cochituate Bank,	250,000	....	21,444	100
Mechanics' Bank,	150,000	50,000	27,356	107
Totals,	$24,660,000	$4,250,000		

State Bank, par, $60. Boston Bank, $50. Market Bank, $70. Massachusetts Bank, $250.

Dividends of the Boston Banks, for each year, 1845 *to* 1853.

	1845.	1846.	1847.	1848.	1849.	1850.	1851.	Year. 1852.	Apr. 1853.
Merchants',	7	7	7	8	8	8	8	8	4
State,	6	6	6	6½	7	7	7	6½	3½
Bank of Commerce,	..	..	..	..	..	*new*	9	8	4
City,	6	6	6	7	7	7½	7	7	3½
Exchange,	..	..	*new*	8½	8	8	8	8	4
Globe,	6	6½	7	7½	8	8	8	8	4
New England,	6	6	8	8	8	8	8	8	4
Shoe and Leather,	6½	7½	8	9	8½	8½	8	8	4
Suffolk,	8	8	10	10	10	10	10	10	5
Tremont,	6	6	6½	7	7½	8	8	8	4
Union,	6	6	7	7	7	8	8	8	4
Boston,	7	7	7	8	8	8	8	8	4
Massachusetts,	5.80	6	6	6	6	6	6	6	3
Granite,	6	7	6½	7	7	7	7	8	4
North,	6	6	6	6	6½	7	7	7	3½
Traders'	6	6	7	7½	8	8	8	7½	4
Market,	8	9	9½	10	10	10	10	10	5
Atlantic,	6	6	6½	7	8	8	8	8	4
Atlas,	6	6	6½	6½	7	7	6½	7	3½
Bank of North America,	..	..	..	..	..	*new*	7	8	3½
Columbian,	5½	6	6	7	7½	7	7	6½	3
Eagle,	6½	6½	6½	7	7	7	7	7	3½
Faneuil Hall,	..	..	..	..	..	..	*new*	7	4
Hamilton,	6	7	7	7	7	7	8	8	4
Shawmut,	6	6½	7	7½	7½	8	8	8	4
Washington,	5½	6	6½	6½	6	6	6	6½	3
Freeman's	7	8	8	8½	9	9	9	9	4½
Grocers'	..	..	..	*new*	8	8	8	8	4
Blackstone,	..	..	..	..	..	..	*new*	7	4
Boylston,	*new*	5	8	8½	8	9	9	9	4½
Cochituate,	..	..	..	..	*new*	7	8	8	4
Mechanics',	7	8	8	8	8	8	8	8	4
Average per annum,	6½	6.40	7.10	7.56	7.68	7.78	7.81	7.78	7.81

NEW BANK LAW IN MASSACHUSETTS —MAY, 1853.

No bank now incorporated, or which may hereafter be incorporated in this Commonwealth, shall issue, loan or receive any bank note or bill designed for circulation or use as currency, which is or shall be for any fractional part of a dollar, or any such bank note or bill, any part of which is or shall be for a fractional part of a dollar; and any bank which shall offend against the provisions of this act, shall forfeit and pay to the Commonwealth, the sum of one hundred dollars for each and every such offence, to be recovered by indictment or information before any court of competent jurisdiction.

No bank note or bill for any fractional part of a dollar, or any bank note or bill, any part of which is or shall be for a fractional part of a dollar, shall be received or put in circulation within this Commonwealth as currency; and any and every person who shall receive or put in circulation as currency any such note or bill, shall forfeit and pay the sum of twenty-five dollars for each and every such reception, or putting in circulation, to be recovered as aforesaid, one half to the use of the complainant and the other half to the use of the Commonwealth.

North Carolina.

Bank of Cape Fear and Branches.

Liabilities.	*May*, 1846.	*May*, 1848.	*April*, 1851.	*Dec.*, 1851.	*Dec.*, 1852
Capital,	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
Circulation,	1,528,292	1,847,625	1,978,100	1,917,365	1,974,201
Individual deposits,	202,816	192,755	342,250	334,513	426,897
Bank balances,	16,627	17,526	23,452	20,366	20,477
Surplus,	75,265	79,435	187,775	158,418	208,164
Total liabilities,	$3,323,000	$3,147,341	$4,026,577	$3,930,662	$4,134,239
Resources.	*May*, 1846.	*May*, 1848.	*April*, 1851.	*Dec.*, 1851.	*Dec.*, 1852.
Discounted notes,	$1,817,906	$1,771,688	$1,982,873	$2,108,181	$2,366,615
Bills of exchange,	.....	239,337	529,600	241,050	476,456
Bank balances,	656,725	65,087	381,185	339,505	273,562
Notes of other banks,	229,206	142,185	214,417	262,716	192,518
Specie on hand,	552,515	608,162	747,367	763,560	605,092
Real estate,	66,648	70,737	70,645	70,700	67,996
United States stock,	.....	250,000	150,000	150,000	150,000
Total resources,	$3,323,000	$3,147,341	$4,026,577	$3,930,662	$4,134,239

Bank of the State of North Carolina and Bank of Cape Fear.

1853.	*Capital.*	*Circulation.*	*Deposits.*	*Loans.*	*Specie.*
Bank of Cape Fear,	$1,500,000	$1,974,000	$426,000	$2,845,000	$605,000
Bank of the State of N. C.,	1,500,000	1,642,000	410,000	3,122,000	655,000

It will be seen that the specie of both banks is somewhat less than at any period since 1848, although still ample for all probable demands.

Philadelphia Dividends.

Banks.	Capital.	*Year.* 1848.	*Year.* 1849.	*Year.* 1850.	*Year.* 1851.	*Year.* 1852.	*May.* 1853.
Farmers and Mechanics' Bank,	$1,250,000	12½	9	15	10	12	7
Girard Bank,	1,250,000	..	..	5	6	6	3
Philadelphia Bank,	1,150,000	12	15	14	11	11	7
Commercial Bank,	1,000,000	8	8	8	8	9	5
Mechanics' Bank,	800,000	10	10	12	12	12	6
Western Bank,	500,000	10	10	12	12	13	5
Bank of Northern Liberties,	350,000	10	10	15	10	10	5
Manufacturers and Mechanics' Bank,	300,000	7½	8	8	8	8	4
Southwark Bank,	250,000	10	10	15	12	10	5
Kensington Bank,	250,000	10	10	10	15	12	6
Bank of Commerce,	250,000	6	6	10	10	10	5
Bank of Penn Township,	225,000	10	10	10	10	10	5
Tradesmen's Bank,	150,000	*new*	3	6	6	7	4
	$7,725,000						
Bank of Pennsylvania,	1,875,000	8	8	9	9	15	10
Bank of North America,	1,000,000	10	15	10	15	8	4

The two last named banks declare their dividends in January and July; all the others in May and November.

New York Banks.

In order to show the increase of banking capital and banking facilities in our State since the discovery of the California Gold Mines, we republish the following tables:

LIABILITIES.	Dec., 1848.	Sept., 1851.	Feb., 1853.
Capital,	$44,380,558	$57,572,025	$67,628,326
Profits undivided,	6,635,450	9,409,488	8,873,266
Circulation,	23,206,290	27,254,458	30,063,014
Due State of New-York,	3,092,960	2,184,564	1,768,450
Individual Deposits,	29,205,333	48,901,810	81,316,058
Bank Balances,	13,829,687	17,288,465	30,472,105
Miscellaneous,	961,727	1,461,947	3,570,108
Total Liabilities,	$121,281,950	$164,022,702	$223,681,328
RESOURCES.			
Loans and Discounts,	$69,733,890	$100,460,690	$135,176,741
Loans to Directors,	5,265,040	6,304,651	6,410,204
Loans to Brokers,	2,092,236	1,973,975	6,100,588
Bonds and Mortgages,	2,654,558	4,257,165	5,396,008
Stocks,	12,476,758	15,333,571	18,684,167
Other Loans,	154,660	145,708	
Total Loans,	$92,377,142	$128,475,760	$171,717,658
Real Estate,	$3,475,088	$3,853,402	$4,583,698
Loss and Expense account,	632,103	633,965	784,744
Overdrafts,	166,107	283,713	375,088
Specie,	6,817,814	7,021,590	10,089,306
Cash Items,	5,955,472	12,018,250	16,144,816
Notes of other Banks,	2,506,846	2,095,510	3,670,205
Bank Balances,	9,351,378	8,840,583	16,258,332
Miscellaneous,			107,486
Total Resources,	$121,281,950	$164,022,703	$223,561,328

It will be seen, that while the bank capital has increased in four years more than fifty per cent., and the loans have nearly doubled, the specie does not keep pace with the general increase under other heads.

The most remarkable feature in the present exhibit is the increase of individual deposits—from $29,000,000 to $81,000,000, showing the vast accumulation of capital from abroad, for temporary or permanent investment.

The Superintendent of the Banking Department at Albany, states, that the amount of mutilated bills returned to that department to be cancelled and destroyed in the last year was $8,123,216; equal to about $26,000 for each business day in the year.

List of Banks organized in the State of New York since 1st Dec., 1852, their location, and the amount of securities deposited.

NAME.	TOWN AND COUNTY.	ENTITLED TO CIRCULATE.
Bank of America,*	City of New York,	$10,000
Butchers' and Drovers' Bank,*	City of New York,	20,000
Corn Exchange Bank,	City of New York,	100,000
Continental Bank of City of N. Y.,	City of New York,	100,000
Central Bank of City of N. Y.,	City of New York,	100,000
Bank of the Commonwealth,	City of New York,	100,000
Marine Bank of the City of N. Y.,	City of New York,	100,000
Bank of N. Y. in the City of N. Y.,*	City of New York,	200,000
Shoe and Leather Bank,	City of New York,	100,000
Saint Nicholas Bank,	City of New York,	100,000
Union Bank of the City of N. Y.,	City of New York,	10,000
Buffalo City Bank,	City of Buffalo, Erie Co.,	100,000
Catskill Bank,*	Catskill, Greene Co.,	10,000
Bank of Cooperstown,	Cooperstown, Otsego Co.,	100,000
Bank of the Capitol,	Albany, Albany County,	100,000
Chittenango Bank,	Chittenango, Madison Co.,	100,000
Bank of Coxsackie,	Coxsackie, Greene Co.,	100,000
Central Bank of Troy,	Troy, Rensselaer Co.,	100,000
Farmers' Bank of City of Troy,*	Troy, Rensselaer Co.,	28,000
Bank of Geneva,*	Geneva, Ontario Co.,	72,000
Hamilton Bank,	Hamilton, Madison Co.,	100,000
Huguenot Bank of New Falls,	New Falls, Ulster Co.,	100,000
Mechanics' and Farmers' Bk. of Albany,*	Albany, Albany Co.,	46,000
Mohawk Bank of Schenectady,*	Schenectady, Schenectady Co.,	10,000
Merchants' Bank of Albany,	Albany, Albany Co.,	100,000
Mutual Bank of Troy,	Troy, Rensselaer Co.,	100,000
Mechanics' Bank of Williamsburgh,	Williamsburgh, Kings Co.,	100,000
Niagara River Bank,	Tonawanda, Erie County,	100,000
Bank of Port Jervis,	Port Jervis, Orange Co.,	100,000
Rensselaer County Bank,	Lansingburg, Rensselaer Co.,	100,000
Bank of Troy,*	Troy, Rensselaer Co.,	11,000
Union Bank of Rochester,	Rochester, Monroe Co.,	170,000

* Banks the charters of which expired Jan. 1st, 1853, and have organized under the provisions of Chap. 318, Laws of 1849.

From a late Report of the Banking Department we learn the total amount of circulating notes issued to banking associations and individual bankers, outstanding on the first day of December, 1852, was $19,159,056; for the redemption of which, securities were deposited and held in trust by the Superintendent, amounting in the aggregate to $20,230,112 67, viz:

Bonds and mortgages,					$4,114,443 00
New York State stocks, 4½ per cent.,			$337,600 00		
do.	do.	5 do.	4,126,661 29		
do.	do.	5½ do.	1,156,400 00		
do.	do.	6 do.	3,007,840 26		
				$8,628,501 55	
United States	do.	5 do.	1,788,600 00		
do.	do.	6 do.	2,963,562 52		
				4,747,162 52	
Canal revenue certificates, 6 per cent.,					1,371,500 00
Illinois State stock,		6 do.			646,687 83
Arkansas	do.	6 do.			355,000 00
Michigan	do.	6 do.			181,000 00
Cash in deposit for stocks matured, bonds and mortgages paid, and banks closing business,					185,817 77
Total,					$20,230,112 67

BANK ITEMS.

NEW-YORK.—*The Bank of the Commonwealth* commenced business on Thursday, May 5th, in the Merchants' Exchange, corner of William-street and Exchange Place. President, James B. Wilson, Esq.; Cashier, George Ellis, Esq., lately Cashier of the Catskill Bank. The capital, at present, is $750,000.

The Marine Bank has commenced business at its banking house, No. 90 Wall-street. Discount days, Tuesdays and Fridays. T. Williams, jr., President; J. C. Beach, Cashier; Directors, James R. Keeler, James D. Fish, Joel Seymour, James B. Thompson, Charles A. Secor, Oliver H. Jones, E. B. Crocker, N. H. Stockwell, Isaac H. Smith, George Bulkley, Thomas Williams, jr., James Hall, Walter R. Jones, jr., James W. Elwell, Joshua Atkins, jr., Amos Howes, John S. Young, James McKay, Wm. Ward, Morris Reynolds.

American Exchange Bank.—The capital of the American Exchange Bank will be increased from $1,500,000 (its present amount) to two millions of dollars. Shareholders will be entitled to the new shares at the rate of one new share for three now held.

Alliance Bank.—The Alliance Bank commenced business on 25th April last, at No. 87 Sixth Avenue, near Eighth-street. President, Jacob R. Pentz, Esq.; Cashier, Charles Phillips, Esq.

The Oriental Bank.—The Oriental Bank will commence business at No. 311 East Broadway, corner of Grand-street. Cashier, W. A. Hall, Esq.

Troy.—The Mutual Bank, at Troy, commenced business on 16th May, at the corner of First and State streets. Capital, $200,000. President, John P. Albertson, Esq.; Cashier, George A. Stone, Esq. This bank has a Savings department connected with it. The Savings deposits are thus secured, not only by the bona fide capital paid in, but by the individual liability of the stockholders.

Farmers' Bank of Onondaga.—We learn from Albany, that the bonds and mortgages held in trust for the Farmers' Bank of Onondaga, which failed some months since, were disposed of at Albany, under the direction of the Superintendent of the Banking Department. The amount of sales was $13,505. These securities were pledged to the department for the sum of $50,317, being two-fifths only of the estimated value of the property.

There is a growing dislike to this species of security as a basis for banking. They may form a good security for permanent loans, but are not as available as all securities should be that are adopted as collaterals for bank issues. The new bill passed by the Legislature, respecting the reception of city bonds for banking, *has failed to become a law.* There is no doubt that a similar bill, or one near it, will meet with more favor at the next session.

The stocks have since been disposed of, and the Bank Department has issued the following notice:

FARMERS' BANK OF ONONDAGA.—*Notice to Bill Holders.*—Bank Department, Albany, May 23, 1853. Horace Frizelle, an individual banker, having failed to redeem the circulating notes issued to him according to law, notice is hereby given, that the securities held in trust for the redemption of the circulating notes of the Farmers' Bank of Onondaga, have been sold and converted into cash according to the act in such case made and provided, and that a dividend of 85 per cent. has been made, which will be paid to the bill holders on presenting their notes at this department.

D. B. ST. JOHN, *Superintendent.*

Catskill.—John A. Cook, Esq., for some years teller of the Catskill Bank, has been appointed Cashier of that institution, in place of George Ellis, Esq., now Cashier of the Bank of the Commonwealth, New-York.

MASSACHUSETTS.—Josiah Little, Esq. has been elected President of the Mechanics' Bank, Newburyport, in place of John Wood, Esq., deceased.

Charlestown.—The trustees of the Phenix Bank, at Charlestown, Mass., have declared a further dividend of 19 per cent. to holders of claims against the Bank. This, in addition to prior dividends, makes a total of 94 per cent. of claims outstanding at the time of the failure of this Bank.

The Boston *Courier* furnishes the annexed list of new banks in Massachusetts, and additional capital authorized:

NEW BANKS.

Name.	*Where Located.*	*Capital.*	*Name.*	*Where Located.*	*Capital.*
Eliot Bank,	Boston,	$300,000	Metacomet Bank,	Fall River,	400,000
Howard Banking Co.,	do.	500,000	Mt. Wollaston Bank,	Quincy,	100,000
National Bank,	do.	800,000	Pittsfield Bank,	Pittsfield,	150,000
Webster Bank,	do.	1,500,000	Pynchon Bank,	Springfield,	150,000
Broadway Bank,	South Boston,	100,000	Wamesit Bank,	Lowell,	100,000
Cambridge City Bank,	Cambridge,	100,000	Woburn Bank,	Woburn,	100,000
Lechmere Bank,	do.	100,000	Spicket Falls Bank,	Methuen,	100,000
Rockland Bank,	Roxbury,	100,000			
Hopkinton Bank,	Hopkinton,	100,000	Fifteen new Banks, . . .		$4,200,000

ENLARGEMENT CAPITAL.

Merchants' Bank,	Boston,	$2,000,000	Dedham Bank,	Dedham,	50,000
Bank of Commerce,	do.	500,000	Franklin County Bank,	Greenfield,	50,000
Bank of North America,	do.	250,000	Hadley Falls Bank,	Holyoke,	100,000
Blackstone Bank,	do.	100,000	Hampden Bank,	Westfield,	50,000
Boylston Bank,	do.	50,000	Hampshire Manuf. Bk.,	Ware,	50,000
Eagle Bank,	do.	200,000	Laighton Bank,	Lynn,	50,000
Freeman's Bank,	do.	50,000	Lee Bank,	Lee,	50,000
Granite Bank,	do.	150,000	Leicester Bank,	Leicester,	50,000
Grocers' Bank,	do.	200,000	Lynn Mechanics' Bank,	Lynn,	100,000
Mechanics' Bank,	do.	50,000	Machinists' Bank,	Taunton,	50,000
North Bank,	do.	150,000	Massasoit Bank,	Fall River,	100,000
Shawmut Bank,	do.	250,000	Mechanics' Bank,	Worcester,	50,000
Tremont Bank,	do.	250,000	Milford Bank,	Milford,	50,000
Union Bank,	do.	100,000	Old Colony Bank,	Plymouth,	50,000
Asiatic Bank,	Salem,	10,000	Plymouth Bank,	do.	50,000
Gloucester Bank,	Gloucester,	100,000	Prescott Bank,	Lowell,	50,000
Mahaiwe Bank,	Gt. Barrington,	50,000	Taunton Bank,	Taunton,	50,000
Atlas Bank,	Boston,	250,000	Union Bank of Weymouth and Braintree,	Weymouth,	50,000
Hingham Bank,	Hingham,	35,000	Village Bank,	Danvers,	40,000
Millbury Bank,	Millbury,	25,000	Waltham Bank,	Waltham,	50,000
Abington Bank,	Abington,	50,000	Westfield Bank,	Westfield,	50,000
Barnstable Bank,	Barnstable,	50,000	Worcester Bank,	Worcester,	50,000
Bristol County Bank,	Taunton,	50,000	Warren Bank,	Danvers,	50,000
Cambridge Market,	Cambridge,	50,000			
Central Bank,	Worcester,	100,000			

RECAPITULATION.

New banks chartered in Boston—capital, ...	$2,700,000
Increase of capital of other Boston banks, ...	4,550,000
Total in Boston, ...	$7,250,000
New banks chartered out of Boston, ...	1,500,000
Increase of capital of banks out of Boston, ...	1,810,000
Total increase by the present Legislature, ...	$10,560,000

MAINE.—*New Banks Incorporated*, 1853.

Name.	*Location.*	*Cap. Stock.*	*Name.*	*Location.*	*Cap. Stock.*
Bank of Winthrop,	Winthrop,	$50,000	Orono Bank,	Orono,	Chart. reviv.
China Bank,	China,	50,000	Oxford County Bank,	Paris,	50,000
City Bank,	Bank,	125,000	Richmond Bank,	Richmond,	Cha'r reviv
Cobbossee Contee Bank,	Gardner,		Sandy River Bank,	Farmington,	50,000
Farmers' Bank,	Bangor,	50,000	Searsport Bank,	Searsport,	50,000
Hancock Bank,	Ellsworth,	50,000	Ship Builders' Bank,	Rockland,	100,000
Machias Bank,	Machias.	50,000	Somerset Bank,	Skowhegan or Bloomfield,	50,000
Maritime Bank,	Bangor,	75,000			
Mount Waldo Bank,	Frankfort,	50,000	Traders' Bank,	Bangor,	50,000
North Anson Bank,	North Anson,	50,000	Waldoboro' Bank,	Waldoboro,'	50,000

Bank Capital Stock Increased, 1853.

Name.	*Location.*	*Cap. Stock.*	*Name.*	*Location.*	*Cap. Stock.*
Atlantic Bank,	Portland,	100,000	Freeman's Bank,	Augusta,	25,000
Bank of Hallowell,	Hallowell,	50,000	Lewiston Falls Bank,	Lewiston,	25,000
Calais Bank,	Calais,	25,000	Merchants' Bank,	Bangor,	25,000
Canal Bank,	Portland,	100,000	Merchants' Bank,	Portland,	75,000
Casco Bank,	do.	100,000	Union Bank,	Brunswick,	25,000
City Bank,	Bangor,	50,000	Waterville Bank,	Waterville,	25,000
Ellsworth Bank,	Ellsworth,	25,000			

RHODE ISLAND.—Several banks have been chartered by the Legislature at its recent session, viz: 1. The Continental Bank. 2. The What-Cheer Bank. 3. The Atlantic Bank. 4. The People's Bank. 5. The Peacedale Bank. 6. The Butchers and Drovers' Bank. 7. The Grocers and Producer's Bank.

CONNECTICUT.—A new institution, entitled "*The Shetucket Bank*," has been established at Norwich, of which Charles Osgood has been elected President, and David O. Strong, Esq., Cashier.

PENNSYLVANIA.—The Bank of Chester County, at Westchester, Penn., has for some weeks past been compelled to decline receiving further deposits—its charter prohibiting its liabilities beyond three-fold its capital. The capital is $225,000, while its circulation and deposits are about $675,000. In Massachussetts the limit would be $450,000. In New York there is no limit in cases of this kind; several of our Banks having liabilities to the extent of five times their capital.

Erie.—The Legislature of Pennsylvania have chartered the Erie City Bank, with a capital of $250,000, and the act has been approved by the Governor. It is understood that this bank is established in place of the old Erie Bank, which is winding up its affairs, and will not apply for a re-charter. Without the new bank, Erie would have been without a banking institution, and with none in Pennsylvania nearer than Pittsburg.

Applications are pending for the charter of a new bank for Philadelphia, but it is understood that the Governor is opposed to any further charters of banks for that city. The bank capital of Philadelphia is less now than in the years 1842-3, and only one third of what it was twenty years ago, when the U. S. Bank was in operation.

Harrisburg.—I. M. Haldeman, Esq., has been elected President of the Harrisburg Bank, in place of Thomas Elder, Esq., dec'd. Mr. H. has been connected with the Bank upwards of thirty years.

MARYLAND.—We learn that B. U. Campbell, Esq., Cashier of the Patapsco Bank at Ellicott's Mills, has resigned that office, and has become connected in the banking-house of Brown, Brothers & Co., in Baltimore, in place of the late Herman Perry. Mr. Campbell has long been familiar with banking operations, and while by this

change his own interests will no doubt be advanced, he will prove a valuable acquisition to this extensive concern. Mr. Wm. Graham, of the house of Gittings, Donaldson & Graham, also goes into the same house.

VIRGINIA.—At the annual meeting of the stockholders of the Exchange Bank of Virginia, at Norfolk, May 4th, it was decided to establish a branch of this Bank at Lynchburg. Propositions for the establishment of Branches at Danville and Port Royal, were laid over to the next annual meeting. The President and Directors of the parent Bank were authorized to increase the capital of the Branches at Richmond, Petersburg, Alexandria, Clarksville, Weston and Salem, by such amount at each place as may be raised by the sale of stock in the next twelve months, at such place, on the terms to be prescribed by the Board. The increase at Richmond not to exceed $200,000; at Petersburg, $100,000; and at the branches above named, $50,000 each.

The President laid before the stockholders a statement of the general condition of the institution. We learn that the present valuation of the stock is, according to it, $111 75.

The Branch at Lynchburg will commence operations in a few weeks.

Petersburg.—Books of subscription will be opened on the 1st of June to the stock of the Merchants and Mechanics' Bank of Petersburg. The charter for this Bank was granted on the 26th February last.

Richmond.—The Legislature, at its last session, chartered the Virginia State Stock Bank, to be located at Richmond. Books of subscription to the Stock were opened in May, 1853.

Bank of the Valley.—At the annual meeting of the Bank of the Valley of Virginia, held on the 11th May, a resolution was adopted to increase the capital of the Staunton Branch not less than $30,000 nor more than $50,000. Applications were made for the establishment of Branches at Fincastle, in Bottetout; Rocky Mount, in Franklin; Lexington in Rockbridge; Kingwood, in Preston, and Port Royal in Warren—which were referred to the Board of Directors of the mother Bank, but no final favorable action to be taken until consent is given by a general meeting of stockholders.

SOUTH CAROLINA.—The books of subscription to the Farmers' and Exchange Bank at Charleston, S. C., closed a few days since. The total subscription was 141,603 shares, when only 40,000 were required for the full capital at $25 each. The surplus subscription will be returned, pro rata. At the first meeting of the stockholders it was

Resolved, That the act of the Legislature of this State, passed the 16th of December, 1852, chartering, among other banks, the Farmers' and Exchange Bank of Charleston, be accepted by the subscribers; and that the Report of the Commissioners for receiving subscriptions to the capital stock of said Bank, be received by this meeting as information.

The People's Bank at Charleston, S. C., has been organized, and the first instalment of its capital paid in. Edwin P. Starr, Esq., has been chosen its first President.

WILLIAM W. MARTIN, Esq., has been elected President of the Farmers' and Exchange Bank at Charleston, S. C., and W. C. Breese, Esq., Cashier.

Columbia.—At a meeting of the Board of Directors of the Exchange Bank of Columbia, held on Friday, May 15th, James S. Scott was elected Cashier.

Chester.—The Comptroller General of South Carolina gives notice that the Commissioners appointed to receive subscriptions to the capital stock of the Bank of Chester, have produced satisfactory evidence to his office, that the whole amount of Three Hundred Thousand Dollars has been subscribed, and the first instalment of Five Dollars on each share has been paid in. The subscribers are therefore notified to assemble at Chester C. H., on Thursday, the 26th of May, for the purpose of organizing the Bank.

GEORGIA.—Messrs. George Smith & Co., of Chicago. bankers, give notice that the Atlanta Bank, chartered by the Legislature of Georgia, 1852-3, is owned and controlled by them; and, as such owners, that they are liable, personally, for all its issues, according to the terms of the act of incorporation. The notes of this bank will be received by them on the same terms that Ohio and Indiani bank paper is received, and will be redeemed in New York at ¼ of one per cent. discount.

NORTH CAROLINA.—The Farmers' Bank, of Elizabeth City, chartered by the last Legislature, has been organized by the election of Joseph H. Pool as President, and W. W. Griffin, Esq., as Cashier. About $225,000 of the stock has been subscribed.

TENNESSEE.—An important arrangement has been effected by the Union Bank of Tennessee, the Planters' Bank of Tennessee, and by the Bank of Tennessee, whereby their paper is received on deposit at par by the Cincinnati banks. This will secure to the Tennessee banks a much larger circulation than they have hitherto kept out.

MISSOURI.—The *Branch of the Bank of the State of Missouri*, at Jackson, is to be removed to Cape Girardeau, a few miles below St. Louis.

ILLINOIS.—We learn that the affairs of the Bank of Illinois, at Shawneetown, are likely to be brought to a final settlement during the present year. The bills and certificates, worth, eighteen months since, 40 cents on the dollar, are now held at 75 cents, and they may, in a short time, be worth 90 cents. The banking house at Shawneetown, which cost upwards of $60,000, will be sold at auction on the premises, on the first Monday in April, for bank indebtedness. Looking at the position of Shawneetown, we shall be led to the belief, that if banking can be made profitable at any point in Southern Illinois, this is the place. The trade and business of the counties of Gallatin, White, Wayne, Hamilton, Saline, parts of Franklin, Williamson and Jefferson, most naturally tends to this point—and it cannot be long before these counties will supply the market with as much produce as the same extent of territory in any part of the State.—*Alton Courier, March* 10.

New Orleans.—At a meeting of the stockholders of the Mechanics and Traders' Bank, of New-Orleans, held at the banking-house, on the 7th of April, in accordance with an act of the legislature, approved on the second day of March, 1850, Messrs. U. H. Dudley, G. Cruzat, and S. Jamison, were duly elected commissioners to liquidate the affairs of said bank.

For particulars in reference to this institution, the reader is referred to page 860, May No. The commissioners have since given notice that a dividend of fifty per cent. of the capital stock will be payable to the stockholders on or after May 23, 1853.

Bank of New Orleans, May 5, 1853.—At a meeting of the subscribers to the capital stock for a new bank to be established under the Free Banking Law lately passed by our legislature, the charter being submitted, was adopted, and the above name determined on, to be used by the bank in its dealings.

The capital was fixed at one million of dollars, divided into ten thousand shares of one hundred dollars each, the whole to be paid in by instalments within twelve months from the tenth instant, as required by law.

It was also agreed that the bank should commence operations on the first day of October next.

The following named gentlemen were declared elected as the first Board of Directors: William P. Converse, Stephen Price, H. F. McKenna, John Fox, L. H. Place, E. L. Wilson, F. F. Folger, C. Yale, Jr., E. G. Rogers, L. C. Scurey, John C. Goodrich, H. Rodewald.

After the adjournment of the subscribers, the Board of Directors convened, and William P. Converse, Esq., was unanimously elected president of the bank, and William P. Grayson, Esq. cashier.

New Orleans.—Mr. R. W. Montgomery, one of our most intelligent and influential citizens, has lately retired from the position he occupied for the last few years as President of the Canal Bank. The able and efficient manner in which he performed the duties of that responsible office are well known in the business community, and as fully appreciated. A natural desire for repose after years of active life in the tumult

and toil of an arduous business, leads Mr. Montgomery, though still a young man, to retire somewhat from the circles of a laborious occupation; he has well earned the right to do so, and we trust he may live long to enjoy it.—*N. O. Pic.*

New Orleans.—On the 2d of May a purchase of real estate was made in the lower part of the city which has caused quite an excitement, as it will be likely, for various reasons, to enhance the price of property in the neighborhood. Mr. P. C. Wright, on behalf of the New-Orleans Canal and Navigation Company, purchased of the agents of M'me Pontalba fifty-seven squares of ground situated on Hagan avenue, Bienville-street, Carrollton avenue and Canal-street. It adjoins the property claimed by the heirs of Gen. Lafayette, which is now in suit. The property, in part, lies along the banks of the canal, and will be partially used in widening the canal, making a basin, erecting warehouses, cotton presses and dwellings. The price paid for the property was $125,000, and good judges think the price paid a remarkably low figure. The large improvements and outlay of capital by the Canal Company in that part of the city, will necessarily attract business and stimulate other improvements in that neighborhood. The increasing importance of the Alabama, Mississippi and general Lake and Gulf trade, demands more facilities than it has hitherto enjoyed, but which this canal improvement is intended to accommodate.

Upper Canada.—It gives us pleasure to state, as an evidence of public confidence in the prosperity of the Bank of Upper Canada, that the undisposed balance of its new stock, amounting to £75,000, to complete its subscribed capital to the amount of £500,000, the limit of its present charter, was all taken up last week by citizens of Toronto. We have no doubt that with an increasing dividend next July—which, we trust, the bank will be in a position to give—the stock of this old and popular bank will soon be at the same premium as most of our other well managed banking institutions.—*Toronto Patriot, March*, 1853.

Indiana.—The Indiana State *Sentinel* publishes the following as a list of concerns which are issuing bills for circulation hundreds of miles distant from the residence of the man whose hat, if he owns one, is probably his place of business. They are all supposed to exist in perpetual violation of the law under which they are organized, by not having on hand a single penny in specie:—State Stock Security Bank, at Newport; Drovers' Bank, at Rome; Merchants' Bank, at Lafayette; Bank of North America, at Newport, (failed once); Plymouth Bank, Plymouth; State Stock Bank, Logansport. The *Sentinel* remarks that the bills, being intended for circulation, and not for redemption, they can never be exchanged for specie, except under protest at the office of the Auditor of State. The notes of several of these concerns are received on deposit at the American Exchange Bank, New York.

Connorsville.—The Fayette County Bank is in active operation at Connorsville, organized under the general banking law of that State, with a capital limited to $500,000. A. B. Conwell, Esq., has been elected President of the Bank of Connorsville, in place of George Flybarger, Esq., deceased.

Indiana Bank Laws.—The Auditor of the State of Indiana has issued a circular, stating that no bank can be organized with a less capital than $50,000; and that banks on commencing business must deposit with the Auditor at least $50,000, before receiving any notes for circulation. Stockholders are not required to be citizens of the State. The name of a cashier must be attached to bills and notes intended to circulate as money; these must also have the words "secured by pledge of public stock," engraved on the face. The engraving and printing are to be under the direction of the State Auditor.

The new constitution prescribes that stockholders shall be liable for the debts of their company, to an amount over and above their stocks, equal to their respective shares. Bill holders are secured a preference.

Bank Checks.—Mr. Stimpson, of the Merchants' Bank, Boston, has prepared and copy-righted a very beautiful check, which he calls a "safety seal check," that if availed of, precludes, in a great degree, the possibility of forgery. The check is of ordinary form, but has a circular space left in its lower left hand corner for the insertion of the impression of the merchant's seal, in whose name it is drawn. The seals

may be engraved and printed for a trifling sum, and may be stuck to the check in the same manner that postage stamps are secured. The forger, with one of these checks, must likewise forge the stamp, which would be hardly practicable.

WISCONSIN.—The bankers of Wisconsin, and portions of Michigan, give notice that the notes of the Erie and Kalamazoo Rail Road Bank will be received by them at par. This bank has been recently established at Adrian, Michigan.

Messrs. George Smith & Co., bankers of Chicago, give notice that the Atlantic Bank of Georgia, recently chartered by the Legislature of that State, is now owned by them, and as such owners, they are personally liable for all its issues, in terms of the act of the incorporation. The notes of the banks will be received on deposit by them on the same terms that Ohio and Indiana money is received, and they will be redeemed in New York by the agents of the bank, at three quarters of one per cent. discount.

WORKS RECENTLY PUBLISHED.

Bartlett's Commercial and Banking Tables, embracing Time, Simple Interest, Unexpired Time and Interest; Interest, Account Current, Time and Averaging, Compound Interest, Scientific Discount, both Simple and Compound, Annual Income and Annuity Tables. Equally adapted to the Currency of all Commercial Nations. The True or Intrinsic Value of the Gold and Silver Coins, and the Standard Weights and Measures of all Commercial Countries. Also, American, English, French and German Exchange; together with the Exchange of Brazil and the Importation of Rio Coffee, arranged with reference to the Harmonizing of the Accounts and Exchange of the World: the whole upon an original plan. By R. MONTGOMERY BARTLETT, *Principal of Bartlett's Commercial College, Cincinnati, Ohio. Cincinnati: Moore, Anderson, Wilstach & Keys. New York: Newman & Ivison. Philadelphia: Lippincott, Grambo & Co.* 1853.

This is a quarto volume of 348 pp., full of elaborate and reliable materials, adapting it to the use of the merchant and banker, and of those who have occasion to refer to calculations of interest and exchange. The author is an accountant by profession, and has devoted many years of his life to the careful preparation of the numerous tables contained in the work. One of the most important features of the volume is the combination of time and interest in the same table. We have copied the title page in full, so as to show our readers the comprehensiveness of the work; and in our present No. we have extracted in full, by permission of the author, his Preliminary Treatise "On the Computation of Interest; together with the law relating thereto." The author has furnished numerous authorities and cases in support of the positions laid down in his Treatise. To all these we commend the attention of the reader.

Hartshorn's Commercial Tables, comprising Simple and Compound Interest, at ten different rates, in Dollars, Pounds Sterling, France, and other currencies of Europe and Asia. Also, Exchange and Advance Tables of Dollars, Pounds Sterling, France and other currencies. Tables of the Valuation of Stock and Annuities; Perpetual Time Tables; Tables of cost of Importing, into the United States and England, Indigo, and the numerous products of the East and West Indies, South America and other countries. Also, Hartshorn's System of Bookkeeping, and Blank Model Forms, with other tables; Comparative Custom House Value of the Currencies of the Commercial World; Tables of the Decimals of Currencies, Weights, Measures, &c. By JOHN HARTSHORN. *Sold by Norton, 71 Chambers-street.*

This elaborate and reliable work is admirably suited to the use of our insurance companies, importers, dealers in exchange, bankers, and numerous others who have occasion to refer to tables of interest, annuities, exchange, cost of importations, &c. The work is the result of *twenty-four years' labor* on the part of the compiler or author, who has taken the utmost care to *prove* all the tables before the pages went to press. The great mass of the calculations are made decimally. The valuation table

annexed to each form, enables the calculator to ascertain the result, not only in pounds, but in shillings and pence, at one view; and this system is carried out in all the currencies of Europe, Asia and America.

The tables of compound interest are among the first ever published *in extenso*. The calculations are continued at all the rates to the exact period when the principal will double. The stock and annuity tables contained in the volume render them of great value to all parties engaged in investing funds. These latter tables cost the author eight years' labor in their preparation and revision.

We commend the volume to the careful consideration of moneyed institutions and capitalists. There is only one objection to be made to the work, and that is *its size*. Being in large folio, it is not so readily handled as a quarto or octavo; but as a work of reference, and not of study, this objection will not interfere with the sale of a volume containing an immense mass of well digested materials that are not found elsewhere in a compact form.

A Practical Treatise on Business; or how to get, save, spend, give, lend and bequeath MONEY; *with an inquiry into the chances of success, and causes of failure in Business. By* EDWIN FREEDLEY. *One vol., 12mo., pp.* 320. *Lippincott, Grambo & Co., Philadelphia.*

This work is a practical work by a practical man, and well adapted to the reading and the consideration of business men of all classes, trades and professions. The volume has gone through several editions already in this country, and has been recently reprinted in London, where it is in use as a standard work. Mr. Freedley divides his Treatise into fifteen chapters, under the following heads: I. Business—introductory. II. Business education—choice of a business. III. Habits of business. IV. Getting money. V. Getting money by farming. VI. By merchandising. VII. Buying and selling. VIII. How to get customers. IX. The true man of business. X. How to get rich by speculation. XI. Interest—banking—private banking. XII. Getting money by inventions—patent medicines. XIII. How to become a millionaire—opinions of millionaires. XIV. Losing money—chances of success—failure. XV. Saving, spending, giving, lending, bequeathing money.

BANK NOTE PROTECTION. *A new plan to prevent fraud by the alteration of bank notes from low to higher denominations.* Messrs. Danforth, Wright & Co., Bank Note Engravers, have prepared for the Corn Exchange Bank of New York, a set of plates with the Atwater Patent improved. The notes are divided into two classes.

Class First, embraces the denominations of *one, two, three, four* and *five dollars*. These are distinguished by strips at the *right* ends of the notes, composed of *geometric lathe work*, and running towards the centre: the number of strips corresponding with the amounts of the notes. Thus: one strip for one dollar, two strips for two dollars, and so on; and upon the centre of these strips a large figure, readily seen, designates the denomination of each note. In this class of notes, there are no borders on the *left* ends—which are occupied by vignettes and other work. The President's name will be placed under and near the *right* end strip work on all notes of this class, and that of the Register, or some other name, above it, thus protecting the strip work from alteration—no place being left for adding another strip, either above or below the signatures.

Class Second, embraces the denominations of *ten, twenty, fifty, one hundred* and *five hundred dollars*. On these the whole arrangement is reversed. The strips of lathe work (different from those used upon the other class of notes) commence at the *left* ends, and run towards the centre, the vignettes and other work being upon the *right*. On this class the Cashier's name is placed under the strip work, and that of the Register directly over it, their names being separated by one strip on a ten dollar note, by two on a twenty, three on a fifty, four on a hundred, and by five strips upon a five hundred dollar note, *presenting a perfect contrast between the two classes of notes*.

Notes on the Money Market.

NEW YORK, MAY 28, 1853.

Exchange on London, at sixty days' sight, 9¼ @ 9⅜ premium.

The money market, during the month of May, has exhibited more firmness and more ease than for some months past. Loans on call are now readily negotiated at 6½ *a* 7 per cent. on good collaterals. Prime business paper meets with purchasers outside the banks, at 7 per cent.

There is an advance perceptible in the market value of several securities, in which the sales are the largest at the stock board; but the stock market does not fully participate in the obvious improvement existing in money matters. The annexed quotations will show the variations, in some few instances, within the last four weeks:

Shares.	April 20.	May 28.
Erie Rail-Road,	91	87½
Harlem Rail-Road,	67	64½
Norwich and Worcester Rail-Road,	58½	56½
Stonington Rail-Road,	56¼	56½
Hudson River Rail-Road,	72¾	74¾
New York and New Haven Rail-Road,	114	106½
Reading Rail-Road,	90¾	89
Michigan Central Rail-Road,	115½	117
Michigan Southern Rail-Road,	131	133
Canton Company, Baltimore,	32½	30½
Nicaragua Transit Co.,	32	30
Pennsylvania Coal Company,	118	117
Phenix Mining Company,	23	26
Parker Vein Coal Company,	34½	32

For bank stocks there is a steady demand, and few upon the market. Several of the older institutions command a premium of 15 to 30 per cent., and their stocks are rarely sold at the Board.

City loans are much in request, and bear a premium in our market. We quote Brooklyn six per cents. 106; Philadelphia, 107 *a* 107½; Jersey City, 109½ *a* 110; St. Louis, 103½ *a* 105½; Baltimore City, 108¼ *a* 109.

For rail-road bonds there is a steady demand, from abroad and at home, for investment: Erie seven per cent. first mortgage bonds command 117 *a* 117¾; second mortgage, 108½ *a* 109; convertible bonds of 1862, 102 *a* 102½; of 1871, 98¾ *a* 98⅞; Hudson River seven per cents., 107 *a* 107½; New York and New Haven seven per cents., 103 *a* 105; Michigan Southern Rail-Road seven per cents., 103¼; Cleveland and Pittsburgh seven per cents., 106½ *a* 107½.

The companies forming the rail-road communication between Albany and Buffalo have formed a combination, under the name of the "New York Central Rail-Road Company." A meeting of the stockholders will shortly be held for the choice of directors for the coming year. The company have reduced the *through fare* from New York to Buffalo (via Albany and Hudson River Rail-Road) to seven dollars; they have also reduced the fare from Buffalo to Boston to $10. The express train will go through from New York to Buffalo in fifteen hours—an average of thirty-two miles per hour. This is certainly very rapid travelling, and very cheap, and will increase the business of the two roads.

WM. R. HALLETT, Esq., for many years President of the Bank of Mobile, has been selected as the agent for the sale of the bonds of the Mobile and Ohio Rail-Road Company. Mr. H. will visit Europe for this purpose. The whole sum required for the construction and completion of this important road will be six millions of dollars. Congress has liberally granted 1,100,000 acres of public land to this company, which will be available security, in addition to the mortgage which the bondholders will have from the road itself.

The State of Missouri is now in the market for the sale of $200,000 of its bonds. The bonds are for the sum of $1,000 each, dated April 15, 1853, at six per cent. interest, redeemable in thirty years—the principal and interest payable at the Bank of Commerce, in New York. The taxable property of the State amounts to $115,000,000, producing an annual revenue of $326,000, which is rapidly increasing. The public debt of Missouri is small, while its resources are large, and the investments

now proposed in the new rail-road from St. Louis, will contribute essentially to the promotion of the great interests, agricultural, manufacturing and commercial, of the whole State.

The Memphis Convention will be in session in a few days. Of the measures contemplated at this meeting, the St. Louis *Republican* says:

"The object and purpose of this adjourned meeting, and the interest which has been taken in it by the Executive of States, and the people of the South, make it manifest, that one of the prominent purposes is to influence public opinion as to the location of the rail-road to the Pacific. That this subject will be prominent in the deliberations of the Convention, there is not a doubt. It is a matter intimately and directly connected with the commerce of the West and South. It is a fixed determination, that a rail-road from the Mississippi to the Pacific must be built. Everywhere in the Union its necessity is admitted, and the duty of the United States government to encourage and assist in its construction, is not denied."

The Hudson River Rail-Road Company invite proposals for $1,000,000 convertible bonds of the company, bearing seven per cent. interest; the principal redeemable in the year 1867, or at the option of the holder, convertible into stock at any period between 1855 and 1865, and the interest payable semi-annually.

The Custom House revenues of the port of New York are larger than at any former period, and may be considered a criterion of the increase at other points. For the first four months of 1853, the duties were nearly fifty per cent. beyond those of last year, at six of the leading ports, viz:

	January.		*February.*	
	1853.	1852.	1853.	1852.
New-York,	$3,254,044	$2,609,000	$3,805,107	$2,295,000
Boston,	568,536	455,500	686,637	490,000
Philadelphia,	288,378	311,000	640,824	480,000
Baltimore,	38,911	35,000	70,660	68,000
New Orleans,	322,500	173,000	113,000	267,000
Charleston,	45,000	43,000	22,000	26,000
	$4,467,364	$3,626,500	$5,888,228	$3,626,000
February,	5,338,228	3,626,000		
March,	5,732,250	4,010,008		
April,	4,474,651	3,697,349		
Four months,	$20,012,493	$14,959,857		

Here we find for the period of four months only, an aggregate of twenty millions of dollars at the six ports named.

The actual receipts for the quarter ending September 30, 1852, were stated by the Treasury Report as amounting to $15,728,992, while the aggregate receipts for the year were estimated by Mr. Corwin at $49,000,000; but the above figures demonstrate that the receipts for the entire year will approach sixty millions of dollars for the whole United States.

DEATHS.

At Harrisburg, Pa., on Friday, April 29th, in the 87th year of his age, THOMAS ELDER, Esq., President of the Harrisburg Bank.

Mr. ELDER was well known as one of the ablest lawyers at the Harrisburg bar; and no client had ever cause to complain either of the want of ability in the advocate, or of that strict integrity which should ever characterize the intercourse between the suitor and his counsel. In his public capacity, as Attorney General of the State, and as President of the Harrisburg Bank, (a station which he filled for the last thirty-seven years,) he exhibited the same high moral attributes which marked his career in the walks of private life.

Mr. ELDER retained his vigorous faculties until the last, and had been able to discharge his duties as President of the Bank until the last week of his life.

At Charleston, S. C., in May, Hon. JACOB TEN EYCK, President of the Madison County Bank, Canenovia, N. Y.

At Lowell, Mass., on Monday, May 16th, BENJAMIN FREDERICK FRENCH, Esq., President of the Rail-Road Bank, aged 61 years.

At New York, on Sunday, May 22d, WALTER MEAD, Esq., aged 65 years, Cashier of the Merchants' Bank of the city of New York from the year 1824 till 1838.