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ART. I.—THE COMMERCIAL RIGHTS OF NEUTRAL
NATIONS.*

THE "Commercial Rights of Neutral Nations,"—the subject of our remarks at this time, are founded on the Law of Nations, itself, the result of the civilization of modern times. It is scarcely necessary to add, that the system which we style the Law of Nations is not Law, as this word is understood, when applied to the internal regulations of a country. It does not emanate from superior authority, for independent nations, however variant in magnitude, wealth, or power, acknowledge no superior; nor is its infraction, like that of the civil regulations of government, visited by a fixed or determinate punishment, which law-writers term, the *sanction*. Doubtless a violation of the Laws of Nations subjects the wrong-doer to such penalty as the injured may choose, and be able to inflict; but there is not, nor of necessity can there be, any common arbiter of causes, with authority to determine national questions, and power to carry its determinations into effect. These rules are rather certain propositions of public justice, certain maxims embodying acknowledged principles, which the experience and accumulated wisdom of ages have collected, and which rest on the foundation, less impalpable than might, at first, be supposed, of the common conscience and moral sense of civilized man.

This system, which modifies the intercourse of nations in peace, and limits the severity of their hostilities in war, may be claimed as the proudest achievements of modern civilization. It may temper the involuntary humiliation with which we contemplate the fragments of Grecian genius, which have survived to us through two thousand years, and which, in the graceful arts—in poetry—in rhetoric—in philosophy, defy our rivalry, while they excite our wonder,—to reflect that this astonishing people, in humanity, in public justice, in common national honesty, were scarcely superior to the barbarians by whom they were surrounded. Piracy, avowed and practised by the most polished republics; the received opinion that a State was bound to no duties, where no

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treaty existed; the unquestionable right to put prisoners to death, or reduce them, and their wives and children, to perpetual slavery, do not more attest the absence of public law than the career of their great conqueror. Sparkles of generosity and magnanimity could not but appear in the noble nature and dazzling genius of Alexander; but, throughout the wonderful course of this hero-boy, it seems never to have been dreamed of to inquire whether any cause of war existed against the nations whom he subdued; and, when weeping on the banks of the Hydaspes over the lassitude of his armies, a doubt of his right to devastate countries, whose names had never reached his distant Macedon, seems never to have suggested itself to the mind of the pupil of Aristotle.

In the successors to the fame and power of Greece, some ideas of regular public law may be observed, and appear to have been more congenial to the sober mind and graver dignity of Rome. But the end and object of the Romans were foreign warfare; and in the accomplishment of their destiny, cunning interpretation of treaties, sophistical evasions of compacts, cruel rules of war, and haughty triumphs, seem the attendants of their legions in their steady progress in the conquest of the world. And when the tide, at length, became recedent, and the God that had so long proudly extended the boundaries of the republic, commenced retreating, in the reign of Adrian, all law, all humanity, and all civilization, gradually corrupted and circumscribed, were irretrievably overwhelmed in the ruins of the Empire.

While the resuscitation and gradual improvement of Christian Europe, from the long continued debasement which ensued on the fall of Rome, is, perhaps, the most interesting and instructive portion of history, never, on the other hand, did the world present so dreary and hopeless a prospect as during the earlier half of the period of time designated as the dark ages. The state of society (if it deserve the name) differed from that of primeval barbarism, as the decrepitude of age from the weakness of infancy. It was not unformed, but decayed; not merely imbecile, but worn out. The noble language of Rome became corrupted into numerous and barbarous dialects, which the slow operation of centuries was required to form, again, into the mellifluous languages of Southern Europe. The libraries, formed with such difficulty and labor before the invention of printing, were irretrievably scattered by barbarian soldiery; while isolated manuscripts, containing, perhaps, the lost treasures of Cicero or Tacitus, were erased to make room for some monkish legend, at once fabulous, yet destitute of fancy. The rulers of the earth, even the illustrious one of France, who, in his character and the extent of his conquests, affords the best parallel to Napoleon, were unable to write their names. The Roman civil law, probably the noblest monument of human genius, and raised by the accumulated labors of a thousand years, gave place to absolute anarchy, except so far as the stern maxims of the feudal system intervened, by which the barbarians of the North were garrisoned, as it were, in the countries they had subdued, and secured in the licentious privileges of a military aristocracy. The destruction of trade—of manufactures—of almost every useful art; the degradation of agriculture to the feeble and unskilful labors of predial slavery; the depravation of morals, the indifference to faith, and the grossness of manners, during the 8th, 9th, 10th and 11th centuries, seemed to indicate that the empire of Chaos and Old Night were returning to cover the earth. Yet a philosophic observer, if we

can imagine such a one to have existed during these times, might still have perceived, under all these disheartening appearances, that absolute death, yet, was not, and that the pulse, though fluttering and low, still beat, and vitality had not entirely fled from the aspect of Europe.

So complicate and inextricably interlaced are the relations of all human events, and so feeble and limited the powers we bring to their examination, that we can scarcely designate, with confidence, the primary cause of the simplest transaction of individual life. How difficult, then, the task to pronounce the distant causes, by which government, and law, and order, and art, and science, were reintroduced among the kingdoms of Europe! Of all the causes, which have been pointed out by the historian, I have always been most impressed by the operation of two, which I the more readily mention as most directly connected with the creation of public law. I allude to the influence of COMMERCE, and of THE INSTITUTIONS OF CHIVALRY.

It is not my purpose, or part, to dwell on the usual effects of commerce in exciting industry, and producing wealth; stimulating the rude inhabitants of uncivilized countries, by precious luxuries before unknown, and by wants, though, in themselves, possibly selfish or frivolous, yet introducing civilization among nations, and rendering the earth fruitful of its produce. Neither is this the occasion to describe the early manufacture and trade of Flanders—causes mutually acting and reacting upon each other—nor the emigration of the Flemish artizans into England, and their encouragement by the wisdom of the 3d Edward, conduct far more useful and more entitled to his subjects' gratitude, than his barren laurels at Cressy and Poitiers. Equally striking, but beyond our plan, was the rise and confederacy, in the 12th and 13th centuries, of the free Hanseatic towns, by which, in an age of barbarism, wealth, and civil right, and orderly government, and republican liberty, were planted, never utterly to fail, along the bleak and stormy shores of the Baltic: while on the Mediterranean commenced, still earlier, the more splendid career of the Italian Commercial Republics—Amalfi—Pisa—Genoa, and Venice—holding, for a long time, the gates of the "gorgeous East," and sole access to the wealth of "Ormuz and of Ind," and forming in their rise and decline, more than any other portion, the romance of history.

The inference, it is our design to draw from the fact of such extended commerce, is, that it must have tended, beyond any other cause, to the creation and general recognition of principles of justice and universal law. Commerce implies a jealous observance of rights of property. Commerce, between different nations, implies a reference to established customs, obedience to acknowledged tribunals, and the discrimination of the principles of natural justice. And so, what we could thus preliminarily suppose, we find confirmed by actual history. The word *stranger*, in modern Europe, ceased to be identical in meaning, as it had been in Latin, with the word *enemy*. The shipwrecked mariner remained no longer beyond the protection of the law, and his goods ceased to be permitted objects of confiscation and plunder. And community of interests, and increasing appreciation of the blessings of trade, lead rapidly to the circumscription and final extinction of ocean piracy.

While commerce was thus aiding the civilizing process in maritime countries, where trade could penetrate, the interior of the continent was benignly affected by the institutions of Chivalry, commencing with

Charlemagne and his paladins, nor ceasing till the discovery of gunpowder and the inventions of modern science had destroyed the importance of individual valor. Without minutely pointing out the features of this extraordinary system, we may remark, that it banished treachery, the universal vice of barbarism, and restored fidelity to engagements, which had sunk amid the corruptions, and wily intrigues, and mendacities of the Lower Empire. It induced courtesy to the enemy in the field, and humanity and generosity to the prisoners after battle. Well may history love to linger over the knights of the 14th century—over the Du Guesclins of France—and the Chandos and Black Prince of England; for by their conduct was war moderated in its terrors; and virtues, which antiquity but imperfectly knew—deep devotion—polished deference to the sex—candor, and modesty, and courtesy, and fidelity, became, for a long period, the distinguishing qualities of the European gentlemen! The deeper researches are made into this system, the greater becomes our admiration. A celebrated writer of the present day, of unsurpassed learning, and in the interest of liberty, can find nothing but unmixed good in the consequences of these institutions. The lamentations of Burke over their fall are scarcely extravagant; and if it be true that “Cervantes laughed Spain’s chivalry away,” it remains a question of doubtful solution, whether his inimitable writings have done more good or harm; and whether more pleasure or pain have been caused by the perusal of Don Quixote.

These two great causes have always appeared to me the primary motive powers, which arose the movement of modern resuscitation. Other secondary causes, to which writers have attached importance, obviously proceeded from one or both of the antecedents we have mentioned; and none more evidently than the elevation and freedom of the female sex, which forms the peculiar feature of modern manners. This cannot be so well explained as in the language of the profound and eloquent historian to whom I have already alluded.

“In a rude state of manners, in all ages, woman has not full scope to display those fascinating graces by which nature has designed to counterbalance the strength and energy of man. But as a taste for the more elegant enjoyment of wealth arises, a taste which it is always her policy and her delight to nourish, she obtains an ascendancy, at first, in the lighter hours, and from thence in the serious occupations of life. She chases or brings into subjection the god of wine, and calls in the aid of divinities more propitious to her ambition. The love of becoming ornaments is not to be regarded in the light of vanity; it is rather an instinct, which woman has received from Nature, to give effect to those charms that are her defence; and when commerce began to minister to the wants of luxury, the rich furs of the north, the gay silks of Asia, the wrought gold of domestic manufacture, illumine the halls of Chivalry, and cast, as if by the spell of enchantment, that ineffable grace over beauty, which the choice and arrangement of dress are calculated to bestow.”

Having thus imperfectly alluded to the rise of modern civilization, I shall not pursue its majestic progress to its present splendors; and I will only allude to its wonderful discoveries and inventions, its arts and sciences, as causing a permanent distinction in the intercourse of nations, unknown to antiquity, by the immense superiority they have conferred, in war, on a civilized over a barbarian nation. There is no passage of history more deeply interesting than the effort of Archimedes, in the

siege of Syracuse, to repel the Roman army. His burning the Roman galleys with his sun-glasses, and lifting them in the air with his levers and pulleys, were the unsuccessful, because *premature*, struggle of science with mere physical strength. It occurred some centuries too soon.

The difference between the civilized nations of antiquity, and their barbarian opponents, though decisive in favor of the *phalanx* and the *legion*, was yet too slight to afford that confidence of power, which gives scope to the exercise of magnanimity and mercy. But, in modern times, the discovery of an obscure chemist, or alchemist, with the accumulated inventions of his successors, the art of fortification, and of attack, and, more than this, the concentrated art and science exhibited in naval architecture, and navigation, have placed, between civilized and barbarous people, a distinction as wide as separates untutored man from the beast of the forest, whom his intellect enables him to subdue.

It was under the increasing operation of such influences, as have been most imperfectly alluded to, that the modern community of Christian nations reached the commencement of the Seventeenth Century, under forms and maxims of government, varying in degree, rather than essence, from those now existing, and observing, in their international intercourse, practices and rules, which the present times do not entirely reject. But they were not governed by any precise and definite system, or, indeed, by any system whatever; and vagueness and obscurity covered the Law of Nations, which it required some mighty genius, like Bacon and Newton, to dispel and control. Such intellect was found in one, whom it was the glory of Holland to produce, and her shame to persecute—in Hugo Grotius,—whose character is thus given by Sir James McIntosh, who, in depicting another, was unconsciously, but not inaccurately, describing himself:—"Grotius combined the discharge of the most important duties of active and public life, with the attainment of that exact and various learning, which is the portion only of the recluse student. He was distinguished as an advocate and a magistrate, and he composed the most valuable works on the law of his own country; he was almost equally celebrated as an historian, a scholar, a poet, and a divine; a disinterested statesman, a philosophical lawyer; a patriot, who united moderation with firmness; and a theologian, who was taught candor by his learning. Unmerited exile did not damp his patriotism; the bitterness of controversy did not extinguish his charity. In times of the most furious civil and religious faction, he preserved his name unspotted, and knew how to reconcile fidelity to his own party, with moderation towards his opponents."

The great work of Grotius,—his treatise on the Law of War and Peace,—should be read, not merely by every lawyer or statesman, but by every philosophic student, who would mark the epochs of the human mind, or examine those primary works of genius, which have apparently changed the destiny of man. The modern reader will be surprised to find in this celebrated work, as, indeed, in the more celebrated treatises of Bacon, many examinations of doctrines, which, to him, are perfectly plain, many elaborate discussions of rules and theories, which he receives, at once, as acknowledged truths. Let it be remembered that Bacon and Grotius were the pioneers of modern science; that we criticise their works with aids themselves have furnished; and that to undervalue the hardihood of genius that led them, in the unknown regions of mind, to conquer prejudice and develop truth, is as if, amid

the luxuries and comforts of our cities, we lessened the merit of the early settler, who encountered, unshielded, the severity of the elements, and with his unaided right arm subdued the forest and its tenants. Nor will the modern reader be less surprised by the quotations and authorities with which Grotius supports his positions. He invokes the aid, not of lawyers or civilians, but of orators and historians, dramatists and poets.

Yet how beautifully philosophic was this invocation! In enforcing a rule, for the government of all, he shows that what many men of different professions, at different times, in different countries, unanimously affirm to be true and right, is, with propriety, to be acknowledged by all. In his labors you are reminded of the ingenious allegory, which represents truth given, originally, to man, as a perfect statue, but broken by his violence, and scattered in pieces over the earth. It was the part of Grotius to collect the precious fragments from various regions, and to reinstate the goddess on her crystal pedestal, in original symmetry and beauty.

This rapid, though most imperfect glance, at the origin of the Law of Nations, has encroached so much upon the time allotted to the consideration of neutral rights; a subject on which volumes, I might add, libraries, have been written by modern diplomatists, that I can do no more than touch on the subject to which I am about to advert. I shall address myself, therefore, but to one proposition, and limit myself, in it, to a summary history and explication of its nature and condition.

In the discussions that have taken place between neutral and belligerent nations, the former have insisted on the following propositions:

1. That free ships make free goods, thereby meaning, in the words of one of the writers, that the flag of a neutral vessel is inviolable as the veil of a vestal virgin, and absolutely forbids the examination of a belligerent cruiser.

2. Which is a corollary from the preceding, that neutrals have a right to trade from port to port, from colony to colony, and from the colonies to the mother country of belligerents, without being liable to search or detention, except for articles contraband of war, such as arms, ammunition, and, perhaps, naval stores.

The affirmative of these propositions has been maintained by the weaker maritime nations, by argument and arms, while the converse has been claimed, and with varied success, supported by the great naval power, which, from the time of Oliver Cromwell to the present day, has been paramount on the ocean.

The state of the question may be thus further explained. It was formerly, and, to a great degree, still is, the practice of European nations, owning colonies, to permit them, in time of peace, to trade only with the mother country, for the double purpose of supplying a market for the commodities of the mother country, and of furnishing, to the mother country, the peculiar commodities of the colonies. Such was the policy of England herself, and of France, and Denmark, and Sweden, and Holland, and Spain. But when hostilities broke out between any of the latter nations and England, they generally resulted in such entire predominance of the English fleets, that all direct trade between the mother country and the colony was annihilated. In such case, it has been the policy of the feebler maritime powers, to throw open, during war, their colonies to the trade of the world, that neutral vessels might supply their place, and carry to them the colonial produce, which their own vessels were prevented from carrying by the predominating force of the enemy.

Hence have arisen endless discussions, with much apparent reason on both sides, between England, always contending for the sternest rules of naval war, and the neutral powers, like Russia, Denmark, and the United States, supporting the interests of peace. Say the English:—"We are at war with France—we have the right to possess ourselves of places belonging to France. By our decided superiority at sea, we do this with the French colonies, which depend on foreign supplies. These we can cut off, unless you neutrals step in, and, safe from our seizure, under your pacific flag, engross the trade with the colonies. This you will not do in peace, for the mother country would not let you. She permits it now, to escape from the effect of our victories. We will not permit you to injure us, and strengthen our adversary; and we deprive you of no privilege, since, till we had driven the enemy from his monopoly, you were not allowed by him to share it." This is, in a nut-shell, the argument of England, and it certainly is not destitute of plausibility.

But the Russian, or the American, neutral replies:—"Every independent nation has a right to trade with all that choose to trade with them, and no third party has a right to limit this freedom of intercourse. We admit we have no right to carry arms or ammunition to your enemy, because likely to be employed immediately to your prejudice; nor can we enter a blockaded port, as we may thereby immediately defeat an expensive and laborious measure of hostility. But a trade with your enemy in sugar, cotton, hardware, or wines, does you no injury, except by promoting the general welfare of the enemy's country; and the stoppage of this trade will injure us, out of all proportion, more than its going on will injure you. You wish to injure us, that France may be hampered in her finances, and the spirits of your sailors kept up by occasional prizes, and your commercial jealousy indulged, under the pretext of following out legitimate warfare."

At this stage of the controversy, England, like Jupiter in the fable, has generally had recourse to her thunder, and the argument between nations, like too many verbal disputes between individuals, has ended in blows.

The English doctrine is known, among lawyers, as the rule of '56, having been promulgated in the year and war of 1756, when the French fleets were driven from the ocean, and Wolfe stormed the heights of Abraham, and the national supremacy was secured by the vigor of the elder Pitt, who, in the well-known language of his eulogist, with one hand smote the house of Bourbon, and wielded in the other the democracy of England.

A second, and memorable epoch in the history of this rule of law, occurred in the year 1780, when was formed the celebrated league of the Northern Powers of Europe, called the "Armed Neutrality." The circumstances of England were wonderfully changed. The American rebellion had become a revolution. Burgoyne had surrendered; Clinton lay cooped up in New York; Cornwallis was vainly marching and countermarching in Carolina; Rochambeau and the French army had landed at Rhode Island; and France, with Spain, having openly declared war against England, was contending on the ocean with her ancient rival, with equal valor, and not unequal success. At this period, Catharine II. was Empress of Russia, whom, with her neighbor, the great Frederick, Gibbon contrasts with the Bourbon kings of Spain and France, in his well-known sentence, which gave so much mortification to the unfortunate Louis XVI.: "A Julian or Semiramis may reign in the north, while Arcadius and Honorius slumber on the thrones of the south." At this time, when another great nation of the world is sub-

jected to a female reign, it may be pardonable to linger a moment over the character of Catharine. It was the remark of Napoleon that female reigns were dangerous, as the government was influenced more by the heart of the sovereign than the head. But it may be well doubted if this ungallant remark is sustained by history. It was "the fatal gift of beauty," and not the diadem, that brought misery on the Egyptian and the Scottish queen; and rarely, by masculine sovereign, has the frailty of the heart been more restrained than by Zenobia and Elizabeth. But Catharine of Russia was masculine in her mind, her taste, her virtues, and her vices. The sanguinary violence with which she seized the sceptre, — the unflinching grasp with which she held it, — the schemes of conquest she partly executed, and partly left for, perhaps, her grandson Nicholas to complete, — her personal magnanimity, — her utter indifference to human carnage — form a life and character foreign to her sex, and in which we see

"Much that we love, and more that we admire, and all that we abhor!"

This sovereign will, at all events, live in the records of commercial law. In 1780, her minister delivered to the Courts of London and Versailles, her declaration, setting forth the principles of maritime freedom, to which I have already adverted, and accompanied it with the explicit avowal, that she "had fitted out a considerable part of her naval forces, and if forced to depart from the strict and rigorous neutrality, which her Imperial Majesty was resolved, religiously, to observe, her fleet will be ordered to act in this extremity, wherever her honor, interest, and necessity, should require." To this declaration the king of France gave his immediate adhesion, avowing, what at that time was not deemed precisely accurate, that "he had no other object in the war, in which he was engaged, than his attachment to the principles of perfect liberty at sea." Spain, of course, assented; and Denmark and Sweden forming alliance with Russia for mutual co-operation of fleets, the confederacy was enabled to give irresistible force to their pretensions. To the action of this powerful league, the conduct of England is thus described by one of her writers: — "Solitary, and abandoned by the whole world; struggling with a fatal schism among her own children; opposed to all the greatest maritime powers of Europe, to the continent of America, and almost to the continent of Asia; without a single ally, and before her ancient vigor shone out under Rodney, nothing could be more fair and honorable than the conduct of Great Britain." The king of Great Britain declared that, "strongly attached to her majesty of all the Russias by the tie of reciprocal friendship, and common interest, he had given the most precise orders respecting the flag of her imperial majesty, and the commerce of her subjects, according to the Law of Nations, to which he would adhere with the most scrupulous exactness; and that if irregularities should occur, the Courts of Admiralty would redress every hardship in so equitable a manner that her imperial majesty should be perfectly satisfied, and acknowledge a like spirit of justice which she herself possessed." The peace which followed our revolution, left the rule of '56 in this condition. In reading similar descriptions of England's facing a hostile world, which she has often done, and which her writers love to describe, we may remark, that it proves, indeed, the spirit of our ancestral island, and if it proved any thing more than spirit, our applause would be more unmingled. But there has been another nation, whose hand has always been against every man,

and every man's hand against it, simply because Ishmael's ideas of property and travellers' rights, are similar to the regulations of the English code of billigerents' privileges.

The third epoch of the rule of '56 occurred in the commencement of the present century, when the situation of England, as to universal hostility, was, with the exception of America, not unlike that of 1780; and the armed neutrality was attempted to be renewed, but with widely dissimilar results. Napoleon, then First Consul, by the battle of Marengo, had broken up the coalition against France, and crushed, for a time, the power of Austria. Paul, the Emperor of Russia, in the vacillation of his later life, from the enemy had become the admirer of Napoleon, and through his influence, on the 16th December, 1800, a new league was formed between Russia, Sweden, and Denmark, re-affirming the great principles of the armed neutrality, and reciprocally engaging to make common cause in defending each other. It may afford some light to those, among us now, who suppose that Great Britain is unable to undergo the expenses of a war, to remind them that in 1801, as Mr. Addington, then Cancellor of the Exchequer, exhibited, the public expenditure amounted to more than £68,000,000 sterling, exceeding the income by about £30,000,000; yet, with this immense burden, she threw down the gauntlet to combined Europe, and supported her maritime doctrines with a vigor that will be memorable in history. Perhaps naval annals record no events more interesting, in all its associations, than the British expedition to Copenhagen, in 1801. The passage of the Sound, where the commerce of the Baltic pays a hereditary tribute to the Dane, between the picturesque and varied hills of Sweden, and the rich plains of Holstein—the spot which the genius of Shakspeare has hallowed, with the imaginary musings of the philosophic and melancholy Hamlet—the conduct of Nelson, commencing battle with a part only of the squadron—turning his blind eye to his commander's signal of recall, and at the crisis of his fate, by heroic diplomacy, sealing and despatching a note to the Crown-Prince, which converted defeat into victory—the noble valor of the undisciplined citizens of Copenhagen, crowding to the batteries to die, by thousands, for their country and homes. These remembrances will throng the memory, as, in the words of Campbell's splendid ode, we

“Think of them that sleep,
Full many a fathom deep,
By thy wild and stormy sleep,
Elsinore!”

Contemporaneously with this battle was the death of the Emperor Paul, who was cut off by (what Tallyrand called the natural death of a Russian prince) assassination, and Napoleon did not scruple to ascribe his demise to the machinations of England. “Paul I.,” says he, “died on the night of the 23d March. The English fleet passed the Sound on the 30th. History will unveil the connexion between these events.”

Alexander, who succeeded on the throne of Russia, inclining to policy adverse to France, the Baltic confederacy was dissolved, and the English maritime pretensions received, in 1801, the sanction of success.

In the fourth and last stage, under which the rule of '56 has displayed itself, as in the first, the United States have been a party, and our last war with England is to be attributed directly to our denial of this rule of marine law. It will be perceived that to a nation who denies the

doctrine that "free ships make free goods," or that neutrals may enjoy the colonial commerce of belligerents in war, from which they are debarred in peace; the right of search of neutral vessels is absolutely essential. It is a necessary consequence of their primary pretensions; and although, under certain limitations, it has never been entirely denied by the United States, it is to its universal application, and the pretensions of England, who applied it not merely to the search for enemies' goods, but for their native seamen in our vessels, that the war of 1812 is to be ascribed.

When, after the short peace of Amiens, the wars of Europe recommenced, and the death-conflict between England and Napoleon ensued, which terminated only at Waterloo, the questions of colonial trade speedily engaged the attention of diplomatists. The French fleets were almost immediately annihilated at Trafalgar, and all the trade which France, or the numerous countries in her alliance, or under her influence, could enjoy, was, through the utter predominance of the British navy, limited to that carried on under neutral flags.

In the year 1806, a clever pamphlet was written by Mr. Stephens, an English lawyer, afterwards an eminent member of Parliament, entitled, "war in disguise," describing a state of commerce, natural enough, and right enough to our neutral feelings, but well calculated to excite the indignation of the English, to see that their treasure and blood had been lavished to no effect. France, Italy, Spain, Holland, Austria, (reduced to the single port of Trieste, and beaten down in the bloody fight of Austerlitz,) and Northern Germany, constituting the greater part of Europe, were all excluded by the English squadrons from foreign commerce; but Denmark and Prussia were ostensibly, and the United States of America were really, neutral; and this neutrality sufficed to cover the ocean with commerce, which surpassed the English. "Not a single merchant ship," says the pamphlet to which I have alluded, "under a flag inimical to Great Britain, now crosses the equator or traverses the Atlantic. With the exception, only, of a very small portion of the coasting trade of our enemies, not a mercantile sail of any description now enters or clears from their ports in any part of the globe, but under neutral colors. But enormous is the amount of the produce of the new world poured into the south, as well as the north, of Europe, under cover of the neutral flag. At Cadiz, Barcelona, and other Spanish ports, neutral vessels are perpetually importing the sugar of Havana; the cocoa, indigo, and hides of South America; the dollars and ingots of Mexico and Peru; and returning with European manufactures, the rivals of our own. Hamburg, Altona, and Gottenburgh, are glutted with the produce of the West Indies, and the fabrics of the East; and by the rivers and canals of Germany and Flanders, they are floated into the warehouses of our enemies. They supplant, or rival, the British planter and merchant, throughout the continent of Europe. They supplant even the manufactures of Manchester, Birmingham, and Yorkshire, for the looms and forges of Germany are put in action by the colonial produce of our enemies. Antwerp has become the favorite haunt of the American West-Indiamen. Beyond the Atlantic, Cayenne is prosperous, and the Isles of France and Bourbon are becoming warehouses for the commerce of Batavia. The gigantic infancy of Cuba is aided in its portentous growth by boundless liberty of trade, and the perfect security of carriage. In short, all hostile colonies, whether Dutch, Spanish, or

French, derive, from the enmity of Great Britain, not inconvenience, but advantage. Happy has it been for them, that the naval superiority of their enemy has been too decisive to be disputed. They may say as Themistocles to his children, when enriched, during his exile, by the Persian monarch — ‘we should have been ruined, if we had not been undone!’”

The author then shows that the rates of insurance, on British vessels sailing with convoy, are four times greater than those of neutrals. While the latter are moreover insured at Lloyd’s Coffee-house in London, and are insured, too, even against legal captures by his majesty’s cruisers, upon which the author reads a moral lecture to that impracticable class, the English underwriters, who, like our gentlemen of the Stock Exchange, will regard contracts of honor, though unsanctioned by law.

To restrict this trade by a rigid enforcement of the rule of ’56, became the employment of the English Court of Admiralty, over which then presided the celebrated Sir William Scott, the brother of Lord Chancellor Eldon. These brothers, sons of a Newcastle coal-merchant, became, it is well known, by talent and assiduity, the most accomplished and richest lawyers of the age, and though plebeian in birth, effective champions of the aristocracy of England. But Sir William Scott is best known to us by his unremitted, though unavailing efforts, to control the neutral trade of the United States.

There was reason enough to believe that this immense trade, of which we have spoken, was carried on, in part at least, by the concealed capital of the enemies’ countries. “Merchants,” says our friend of the pamphlet again, “who, immediately prior to the last war, were scarcely known, even in the obscure sea-port towns at which they resided, have suddenly started up as sole owners of great numbers of ships, and sole proprietors of rich cargoes, which it would have alarmed the wealthiest merchants in Europe to hazard, even in peaceable times. A man, who, at the breaking out of the war, was a petty shoemaker in a small town of East Friesland, had, at one time, a hundred and fifty vessels navigating, as his property, under Prussian colors. The cargoes of no less than five East-Indiamen, composed of the richest exports of Batavia, were the contemporary purchases of a single house at Providence, in Rhode Island, and were all bound to that American port. One neutral house, inconsiderable before the war, had contracted for all the merchandize of the Dutch East India Company at Batavia, amounting to £1,700,000 sterling.”

The mode in which the litigation between the Courts of Admiralty and the neutrals grew up, and was conducted, was something in this way:— The English government dared not venture to exclude America, the near neighbor to the West Indies, from buying her necessary commodities in the colonial markets of France or Spain, while shut out by law from the British islands. This would have been too harsh a monopoly; and instructions were accordingly issued to his majesty’s cruisers, “not to seize any neutral vessels which should be found carrying on trade, directly, between the colonies of the enemy and the neutral country to which the vessel belonged, and laden with property of the inhabitants of such neutral country.”

Again, it was never doubted that a direct trade might, by the Law of Nations, be carried on between America, a neutral nation, and the mother countries, as France and Spain, direct, if no actual blockade existed at the port of destination.

American ingenuity, out of these two permitted direct trades, soon

constructed a circuitous trade quite as effective, and almost as convenient, as neutrals could desire.

The first method of the neutrals was to clear from Havana, or Martinique, for some port in the United States, and then, when examined by a British frigate, though laden with coffee and sugar, instead of rum or molasses, the ordinary home cargo, the letter of instructions protected them from the hungry captors, and the vessel was allowed to proceed. Arrived at Charleston, or New York, a new voyage was immediately projected. The old ship papers were given up, not a document was left disclosing the fact that the cargo was taken in at a colonial port; and new bills of lading, invoices, clearances, and passports, were put on board, all importing that it had been shipped in America; and the vessel sailed for Europe, to slip into the first port she should find unguarded.

This practice went on very well, till a ship sailing from Havana to Charleston was stopped by a British privateer, and her papers being perfectly clear, was allowed to proceed. After a stay of a few days in that port she sailed, apparently for Hamburgh, really, perhaps, to Spain, with an entire new set of papers, but was unluckily encountered by the same privateer, who recognised the ship, the crew, and the cargo. The case came before Sir William Scott, who condemned the ship, on the ground that the voyage was a continuous one; and three circumstances, he said, must concur to break the continuity of the voyage:—1st, the cargo from the colony must be landed in the neutral country;—2d, the duties, on importation, must be paid; and, 3d, the insurance must terminate in the neutral country.

The first requisite, of the landing of the cargo, was readily complied with by the Americans, as the repairing of a vessel in the West India trade, in their own ports, either on the outward or inward voyage, was, if not necessary, quite advantageous and convenient.

The second rule, as to insurance, was complied with in an equally satisfactory manner; and where they had previously insured from Havana to Hamburgh, with liberty to touch in America, they now insure for two voyages, first to America, and second from America to Hamburgh. This was not only a compliance with the English rule, but it was found to be cheaper in point of premium, and John Bull's wishes were therefore readily obeyed.

The third requisition, as to payment of duties, was equally well performed. Our revenue laws allowed bonds for duties, on cargoes destined for re-exportation, which bonds were discharged on the production of debentures, and other instruments, certifying the re-exportation of goods. Thus the duties were paid, in the eye of the law, and Sir William Scott's three requisites, so elaborately excogitated, left the neutral trade exactly as it was found.

In vain did the British Courts vary their decisions to meet the ever-varying ingenuity of the neutrals. Proteus himself never changed his form more rapidly, until at length the Court gave up in despair the pursuit of the American merchant, and the panting lawyer toiled after him in vain. The English government was obliged to have recourse to the sweeping tyranny of the orders in Council, which prohibited all trade of neutrals, and which may be attributed, certainly as much to the American trade, as to the Berlin and Milan Decrees of Bonaparte, to which they profess to be merely retaliatory. And the conclusion of the whole, was the war of 1812, in which, after three years' hostilities, like the last chapter of *Rasselas*, nothing was concluded. And the rule of '56,

having passed through three eventful wars, undetermined, remains to furnish alimnt for the wire-drawn disquisitions of ambassadors, and the more summary, but not always more effectual diplomacy of sailors and soldiers.

In ascribing to such causes the last war, it might also be added, that the style and temper of the negotiations must have been productive of great exacerbation of feeling in the United States, and in reading over the correspondence of ministers, after more than thirty years have intervened, it is impossible not to feel admiration at the ability, and a glow of indignation at the spirit, with which it was conducted on the part of England.

The Secretary of State for Foreign Affairs, during the most momentous era of our negotiations, when the Chesapeake frigate was attacked by the Leopard, and the embargo was laid, was George Canning, whose name belongs to the history of the world, but is not favorably inscribed in our own. Rarely does the individual talent of an ambassador display itself under the most cumbrous drapery that ever enveloped the thoughts of men, I mean, the conventional phraseology of diplomatists. Their pompous periods, and swelling phrases, seem indeed invented (as one of the most eminent professors of the art said of language in general) to conceal their thoughts; and every thing vapid and dull, except the ludicrous etiquette, with which "the undersigned seize every opportunity to renew to each other assurances of their much distinguished consideration." The pungent sarcasm and varied talent of the author of the *Anti-Jacobin* surmounted those obstacles, and impressed his correspondence with the qualities of his oratory. His skilful statement of the question, his adroit evasion of argument, his glowing invective against the tyranny of France, his half-uttered insinuation of our co-operation, the ingenuity of his logic, and the richness of language and allusion, will be perceived in his negotiation as well as in his oratory; while the point of his wit is felt by the American reader with vexation, divided by involuntary esteem for its keenness and its polish. Such, for example, was his letter in September, 1808, much too long to be quoted, wherein, in answer to some incautious remarks of Mr. Pinckney about the embargo, which, it will be remembered, was intended as a measure of great severity towards England—he says: "His Majesty would not hesitate to contribute, in any manner in his power, to restore to the commerce of the United States its wonted activity; and he would gladly facilitate the removal of the Embargo as a measure of inconvenient restriction upon the American people."

The same spirit manifested itself in 1826, in his correspondence with Mr. Gallatin on the West India trade.

But the wit of diplomatists should be cautiously exercised. It falls upon sensitive ears. And when excited nations hold parley upon real or supposed rights, and felt or imagined grievances, a joke has been known to cost a crown, or drench a country in blood. But peace to the memory of George Canning!—When he sunk at last, he had few sincerer mourners than in America. It was not to the cajoling speeches at Liverpool in 1824, that we forgave him, when he talked of England and America "as the mother and daughter," for we remembered that under his guidance the mother had been but a step-dame to the offspring. It was not for the transient liberality of his late years that we forgave him, for we contrasted it with a life devoted to the service of power. We forgave him, for the genius which led him to victory in the cabinet and debate—for his "beautiful fancy, his elegant wit, his manly courage, and all the splendors of his astonishing eloquence."

Nor is our patriotic pride wounded by the reflection that the cause of our country was in those troubled times confided to inadequate hands. Pride and exultation rather will be excited, as we observe the ability and learning with which the arguments of peace were conducted by the same distinguished statesman, who also wielded with discretion and firmness the weapons of war. We are now in the position of posterity to James Madison, and in an examination of his conduct, conducted in entire freedom from party spirit, we look in vain for the materials of the fierce hostility which was kindled against him, by some of his contemporaries. As a negotiator, he opposed foreign pretension with an ingenuity, learning, and talent, which Europe admired. President of the Union, he resorted to arms only when war became inevitable, unless, in his language to Congress, we should concede that "on the element, which forms three-fourths of the globe we inhabit, and where all independent nations have common rights, the American people were not an independent people, but colonists and vassals." Through the war thus produced, he conducted his country with external success, and with the higher praise of never violating, in the smallest particular, the refined constitutional liberty of the source of peace. Be this his praise; and be our feelings gratitude to him,

"The Pilot, who weathered the storm!"

ART. II.—THE THEORY OF MONEY AND BANKS.

The Theory of Money and Banks Investigated. By GEORGE TUCKER, Professor of Moral Philosophy in the University of Virginia, and Member of the American Philosophical Society.

IN the necessarily brief account of this work, given in our last, we were unable to enter into any examination of those points which involve the disputed questions of the present day. For the purpose then in hand, it was sufficient for us to express general confidence in the principles of the author and the spirit of his book, without foreclosing ourselves from an opportunity, at a subsequent moment, of presenting our own views upon some of the particular propositions contained in it. To the end of doing this more satisfactorily, we have again gone over it, and it gives us pleasure to state, that the second and more deliberate reading has confirmed us in the favorable opinion created by the first.

In truth, an elementary work of this kind was much needed in the United States, where, notwithstanding the universally trading character of our population, crude notions upon the subject are very prevalent. The connexion between the currency and banking, and the causes of the fluctuations in the circulating medium, are very little understood; less, perhaps, than they would have been, had not a large admixture of political feeling, passion, or prejudice, taken place in every discussion respecting them, of late years. The monstrous proposition of an exclusively metallic medium has been started by one class of politicians, perhaps least of all qualified to judge of its probable operation, with views not entirely limited to the amendment of the currency; whilst another, and larger body, have confined themselves to a more general denunciation of the system of credit, carried on in a tone which appears, to a calm observer, to partake quite as much of mortified pride as of disinterested patriotism.

The fact cannot be denied by any one, that the pecuniary affairs of the United States have, latterly, been subjected to most unnatural and excessive irregularity of impulse—and that this has been most sensibly the case ever since the subject has been subjected to the caprice of partisan legislation. The truth must, sooner or later, make itself felt, even by the obtusest sense, that money cannot be dealt with in a manner at variance with the natural laws which regulate its movement, without producing public embarrassment. It has a force of its own which escapes the power of laws. If a body of men could be supposed arbitrary enough to decree that gold and silver should be the only medium used in the settlement of all debts, or payments of every kind whatsoever, they would decree nothing but an absurdity, which the first disposition of a debtor's assets would sufficiently establish. So if they were to declare, by statute, that credit should be abolished, it would exist not the less firmly, by mutual understanding. A horse, a cow, a bale of cotton, or an acre of land, will serve, *pro hac vice*, the purpose of a tender, in payment of debt, provided always, the creditor is satisfied in his mind that he shall not do better by refusing them, and insisting upon gold or silver. We are stating extreme cases, because such only can be used to illustrate the tendencies of our legislation. One of the lessons we have yet to learn in America, is that of understanding the limit to which laws should go. Nothing positively impracticable, nor excessively inconvenient, nor easily to be evaded, nor purely of a moral nature, can be fairly regarded as within the scope of a statute. We regard it as most dangerous to our free institutions, to admit of a violation of any law with impunity. But all trifling, or unjust, or capricious injunctions, will be violated, and that violation will inspire a habit of disregard of all law, even of that which is most essential to the general security. We have lately seen, in some States, attempts to prescribe the quantity in which ardent spirits shall be sold, and the highest price which shall be demanded for board and lodging; and if the present rates of all domestic commodities continue, we shall not be surprised to find suggestions made of fixing, by law, the maximum at which they shall be sold. To be sure, this is an antique notion, exploded by the progress of knowledge; but even antique notions appear to return upon us with almost the regularity of our fashions. Butchers are found to combine not to buy cattle of drovers, and citizens combine not to buy meat of butchers, just as if these were the modes of attaining the desired equality between demand and supply. People do not reflect that if beef is very high, the profit of raising cattle will become so great as to induce the only true remedy, a multiplication of them. The dearer an article becomes, the smaller does the class of persons grow who feel themselves able to afford it. Hence, whilst on one side the demand diminishes, on the other the supply increases, until the price graduates itself to the ordinary rate of living profit, which sustains every interest in the community, far more unerringly than any laws or combinations can do. Exactly the same rule applies to the subject of money itself, which is thus applied to commodities. Legislation will not regulate the demand nor the supply, though it may do much mischief in the attempt. We think it would rarely be tried, if only a sufficient degree of attention was paid to the principles which Professor Tucker has endeavored to extend the knowledge of in the present work.

In the first and least debatable part of the author's treatise, we can recommend, most particularly, that chapter which has for its title, "The circumstances which determine the amount of circulation in different

countries," and those which treat of a single or double standard of value. Perhaps the most unfortunate measure of Congress, that has lately been adopted, was that commonly called the gold bill, by which a preference was given to gold, as currency, though it cannot, in the nature of things, serve as such in the United States, (or not, at least, until a great and highly improbable revolution in our bank-note system shall take place,) and inducements were presented to the rejection, or exportation, of silver, which must have the effect of confining the extent to which that metal might otherwise be expected readily to circulate. Half dollars form the most convenient of all our pieces of coin — are least of all hoarded — and most quickly adapt themselves to the channels of communication throughout the Union. Had the national legislature adapted its system more to what was practicable, and less to party visions, by assuming silver as the only standard, whilst it admitted of payments in gold, according to its value estimated in silver, and by charging a sufficient seignorage at the mint for coining, to prevent the melting which now constantly takes place, we think it would then have exercised all the beneficial influence over the subject of which it is capable. But the reason why it did nothing of all this, but a great deal that was contrary to it, probably was, that a majority of the representatives not then having an impartial work, like Professor Tucker's, at hand, to teach them what to do, preferred, in their indolence, to follow the bugle call of a political file-leader, rather than be at any pains to investigate the truth.

In the fourth chapter of the first part, which treats of the cost of a metallic currency, we perceive some observations upon the proportion which the circulation of the United States bears to its income, or the annual value of its products, which appear to us not to have been thoroughly well considered. The topic is one which we regard, at all times, as rather curious than useful to discuss, inasmuch as there is very great difficulty in arriving at any facts upon which calculations can be safely based. The author, in taking up such an estimate of the circulation as that made by Mr. Webster, in a speech to the Senate, in March, 1838, for the purpose intended, has adopted a course not free from objection. Neither of the two years, 1837 and 1838, were years in which the currency could be said to be in a natural or sound state; because the first commenced with a paper circulation, which had been swelled beyond all bounds by the extension of the banking system; and the second was the period of reaction, when even the ordinary channels of trade were in a state of unexampled stagnation. It is, therefore, obviously absurd to infer any thing respecting the actual amount of the annual products of the country, or of the capital used to produce them, from any valuations which could have been made of them in currency during those years. The *nett* amount of currency (paper and coin) circulating at the close of 1836, when the bank issues had reached their maximum, did not probably fall below \$150,000,000 — an amount more than double what it is supposed to have been in 1830. Now if we were to attempt any inference respecting the increase of the annual produce, and through that of the capital of the country, to any corresponding extent, to those issues, we should at once, by the extravagance of the conclusion, become sensible of our error. For we should have to affirm a proposition not much less extraordinary than this, that that capital had accumulated from \$2,803,704,945, which is the author's estimate for 1834, to \$15,000,000,000, within the space of three years. Yet a hypothesis of this kind was made the basis of an explanation of our difficulties, by Mr. Webster, in the Senate, not more than a

year prior to the suspension of specie payments. Such facts as these should warn us to be very cautious of forming our calculations upon incompetent materials to sustain them. No idea of the actual property of the United States, considered as a nation in a healthy action of its system of currency, can be formed from the estimates of 1836, or later. It is not impossible that such might be derived from a review of the years between 1822 and 1832, when, if ever, the circulation was in a healthy and prosperous condition. But least of all could it be drawn from a year of convulsion, like that of 1837-8. In the first place, the disposition to make any contracts which required money, was much diminished by the suspension of the use of the legal standard; whilst in the next, that suspension itself had prevented the prices of all commodities from settling to the level of the natural demand. As a consequence of this state of things, the actual sum of currency was not, in fact, so much reduced as it was changed in its character. The nett amount of paper issued by the banks, upon the call of the business men, was, it is true, seriously diminished, and nearly all the coin, which usually answers the purposes of change, went out of circulation; but, on the other hand, a great quantity of spurious local currency was substituted, which, however little possessed of the attributes of money, did, for a time, serve the purpose, and must therefore be calculated in every estimate. This local paper, which went under the vulgar denomination of shinplasters, was created by individuals, as well as corporations and towns, for sums as small, in some instances, even, as sixteenths of a dollar, and circulated for no other reason than the necessity of the case. Although it had no effect upon the commercial interest, which ordinarily sets in motion the greatest portion of the currency, and which was at that period greatly depressed, it contributed, doubtlessly, very considerably to the artificial maintenance of a brisk exchange of domestic commodities, and consequently of their prices. It is impossible to give any estimate of the amount of this shinplaster currency; but when we consider that it circulated most largely in all those States where the banks were prohibited from issuing notes below five dollars, and that in Philadelphia alone, the sum uttered in one single year, by corporations only, was equal to nearly \$1,000,000; it may, at once, be perceived how important a part of the currency this paper must have been throughout the Union. When, therefore, Mr. Webster estimated the circulation of the country, both paper and metallic, as equal to \$130,000,000, in March, 1838, we are inclined to believe it was an understatement, and that the actual amount of substance, of every denomination, passing as money, was not very much below what it had been the year before. We should not otherwise be able to account for the continuance of the high prices of all commodities, provisions, and labor, which could not but have been much more affected than they were if we are to believe twenty millions to have been taken out of a circulation of \$150,000,000, within a space of only twelve months.

But we repeat, that we are not of those who think that because the currency has swelled, within a few years, from \$70,000,000 to \$140,000,000, it is indispensably necessary to infer that the sum of the produce of the country, or its capital, has increased in a like proportion. A great deal may be allowed for a difference in valuation. Cotton and flour, land and negroes, have all partaken of the influence, and have not, as yet, subsided to the level of the foreign rates. They are, however, doing so, notwithstanding all the artificial contrivances adopted to prevent it, and in the process, must operate a reduction of the valuation, productive of great personal sacrifice. In the

mean time, however, a great deal more currency is necessary than was formerly the case. A laboring man must receive twice as much for a day's work as he did ten years ago, to pay for just the same daily wants. He is little better off by the change than he was, yet he puts in motion twice as much money as he did, and the estimate of his labor made by his employer necessarily doubles also. We are, therefore, not so much surprised as the Professor appears to be, at the magnitude of the sums to which the annual income of the country would amount, if it was estimated in the ordinary proportion to the money it sets in motion. The error seems to us to lie in the supposition that it is now possible to make any estimate of the country, from the present valuation of its produce. In the first place, it is necessary to deduct from the former an enormous foreign debt, not probably less in amount than \$400,000,000, which does not affect the latter. In the second, the assessed valuations of capital in the United States, bear no proportion to the amount of annual produce like that which he assumes. All new lands yield far more than ten per cent upon the capital and labor employed upon them, and old lands are assessed very low, usually to only half their actual value. Thirdly, the amount of circulation required by the annual produce, is equal to the gross amount of that produce, without any deduction for the cost of creating it. Lastly, the prices of produce in 1837 bore no proportion to the valuation of capital made in 1834. For these reasons, we think it perfectly fair to consider the annual produce of 1837 as having been equal, in value, to ten times the amount of the currency of that year, without, thereby, being understood to affirm that the capital of the country has increased in any similar ratio. In other words, our opinion is that the inflation of the currency, which took place in 1836-7, has put us into a very improper condition for calculations of the kind which the author has attempted to make, and which can only be good for any thing in those moments when neither partisan politics, nor gambling speculation, have any control over the issues of money.

That the proportion of ten per cent between the currency and the annual produce of the country was, however, preserved, we have some trifling data to show, at least in one State. For in the year ending April 1, 1837, Massachusetts required a return of the value of the product within its limits, during that year, and this gave, as a grand total, \$86,282,616, without including any portion of the value of the agricultural proceeds of the State, which, though not embraced within the scope of that call, must yet be admitted into our estimate. The circulation during about the same period, was equal to \$10,892,249, in bank notes, without any allowance for the coin current for the purpose of change, under one dollar. We think, from this view, if we were to add the agricultural products, and allow for the admitted incompleteness of the return, and on the other hand to deduct something for the amount of notes *in transitu*, while we add the coin, it would not be very unfair to consider the produce of the year 1837, according to the valuation then made in Massachusetts, as just about in a tenfold proportion to the currency required to sum it. If in any thing there is error, it is in understating the produce, and yet the author of the present work appears to consider it impossible that the annual produce of the country, generally, should have equalled \$15,000,000,000. But if we consider the relative importance of Massachusetts, the facts that she has none of the great staple articles of the country, and is not among the largest states of the Union, either in population or resources, it surely is not so incredible that the twenty-five others, including the cotton and flour, the tobacco, rice, and sugar regions, should produce, together, fourteen times as much as she

did. We repeat, then, that the error is not so much in maintaining the currency to continue in a proportion of ten per cent to the valuation of the annual produce, as in supposing that any inferences can now be drawn of the amount of capital used from the valuation put upon that produce. We are, as yet, under the operation of the extraordinary expansion of the years 1834 to 1837; and no judgment can be formed of our real condition, until it is satisfactorily proved that the circulation can be permanently established upon the footing of that expansion.

After all, we are not very sure that the discussion is a useful employment of time; for there is so much difficulty in arriving at any definite results, and so many elements, not easy to be calculated, enter into the demand for currency in a country at any given moment, that no conclusion respecting it can reach much beyond the dignity of conjecture. Credit has, of late years, exercised such a power of expanding and contracting the circulation of the great commercial countries of the world within very short spaces of time, that it becomes far more important to look at it in the light of a cause, than simply to study its effect. The great question which is now agitated by all the political economists of the age, is, whether any effective restraints can be placed upon the use of credit in banks of circulation. We do not perceive that Professor Tucker has gone into this quite as fully as we should have expected. It is a subject of serious consideration for all countries where the currency is in a great part made of paper of private corporations, which is only the representative of value, whether any system can be devised by which the danger of loss to the community, from the failure of its representative character, can be avoided. Many of the writers in England, where the whole subject is better understood than in any other country, now incline to the opinion, that the power to issue bank notes as money cannot, in any manner, be made safe in private hands, and that it should remain exclusively with the sovereign authority of the state. Without assenting to the reasoning that brings them to this conclusion, we cannot at the same time avoid admitting, that with all the legislative precautions recommended by our authority, and with all the foresight which can be reasonably anticipated to be exercised by the wisdom of our governments, whether state or national, the recurrence of occasions when our bank-note currency must cease to be convertible into gold and silver, cannot, in all probability, be avoided. The event of 1837 has thus far given rise to nothing in the way of amendment of the errors which caused it, unless, possibly, we should consider the free banking law of the state of New York as of that character. We are, therefore, exactly as much exposed to the course of events which brought on that catastrophe, as we were before it happened, with the single exception of that law. Here, again, we had hoped the Professor would have grappled with the subject, and explained his views of the probable operation which the law would have in preventing the dangers of a redundant circulation; instead of which, he has simply confined himself to a calculation of the profits which may be gained by individuals who avail themselves of it. To the community, the free banking law is of no consequence, if it does not provide a better safeguard against losses by notes which pass current as money, than they had before. From all the reflection it has been in our power to give to the subject, we should incline to believe that it does attain this object in a degree, but not to so great an extent as was expected by its framers. The defect of all the New York legislation upon banking, of late years, appears to us to be, that it has been framed with an eye to the probable disorders occa-

sioned by partial and local errors of banking in single places, rather than to the possible disorganization of the whole system. The safety fund, for example, may make good the paper of one or two broken banks; but it can never be expected to supply the loss occasioned by the depreciation, in a moment of suspension, of the entire bank-note circulation below specie. Just so the free banking law will answer very well to secure the public from the occasional failure of an association or two to redeem its bills, but it does not provide for the possibility that all the associations may be forced to refuse the specie redemption of their notes at once, and hence the entire amount of their circulating medium may instantly become a charge upon the state. Professor Tucker says in his book, and says very truly, that "laws themselves but reflect the passions and feelings of men;" and we have found out more than once in America, that those passions can unmake a law with the same rapidity that they made it. But the catastrophe of 1837 first proved to the United States the fact that those passions could venture to take the initiative step, and break the law before it was unmade, with perfect impunity. We say this in no spirit of reproach, and under a perfect consciousness of the necessity of the case. But the question cannot and ought not to be overlooked by any person who desires to estimate the force of any injunction of law, whether it is calculated to stand against the combination of private interest which circumstances may be expected to form into opposition. We see nothing in the free banking law which will enable it to carry any more binding force than belonged to any of its predecessors, on the same subject.

This is the true difficulty of the credit system, for which neither Professor Tucker, nor any other writer that we know of, has yet entirely devised a remedy. The popular feeling will make null the law—it will make odious the attempt to avail of all restrictive provisions—and there is no resource. An irredeemable paper currency becomes, for the moment, the interest of all the debtors of the community, and through them, of the great majority of creditors; and these give the tone to public opinion. This is an evil to which we who live in a republican government are most particularly exposed, and against which it is our duty in moments of ease to endeavor to discover a remedy. We frankly confess we know of nothing at all likely to answer the purpose, short of an increase of the national power over the currency, much more considerable than any party in the United States would be willing to advocate. We do not consider the notion of security by pledges of stock and land, which constitutes the new feature introduced into our system by the free banking law, as well founded to the extent required, for reasons which we propose now, very briefly, and very respectfully, to submit to public consideration.

The free banking law requires no evidence from the associations organized under it of the actual payment of capital beyond the extent of the sum pledged for bills to put into circulation, nor does it contemplate giving any additional security to that species of circulation which goes under the name of deposits in bank. It provides for no specie redemption of the bills beyond twelve and a half per cent, and the old precaution of double interest in case of failure, which was found to be of little service in 1837. Now, supposing, for the sake of illustration, that on the first of January of that year, the entire circulation of New York had been carried on under the new law instead of the old one, and that the

twenty-four millions of bills then current had been secured by mortgage of stocks and lands to the comptroller of the state.

We will, for the sake of brevity, set the sum down at \$24,000,000 to which the deposits may be added in round numbers at 30,000,000 making the sum of immediate liability - - - \$54,000,000 which might be considered as secured by \$9,500,000 of specie, and 24,000,000 of property pledged. We know that a steady drain set in from that date, which, by the first of June, reduced the circulation to \$15,400,000 and the deposits to - - - - - 23,400,000 making in all - - - - - \$38,800,000

being a reduction within five months of \$15,200,000, at the cost of five millions, or more than half of the specie resources on hand—and a necessity of refusing the payment of any more. Yet, at the very moment of refusal, the proportion which the specie actually bore to the bills remaining out, would have been nearly equal to 30 per cent, without being sufficient to resist the pressure. What shall we then think of the safeguard in the new law, which releases associations from all obligations to keep on hand in specie more than twelve and a half per cent of their circulation, and not even that sum for periods of twenty days together?

But it may be said that the bills would still have remained good. We propose to consider that point hereafter, for the sake of directing our more immediate attention to another important view of the subject. It will be perceived by the preceding figures, that the actual amount of liability from the demands of depositors at both the specified dates, exceeded that arising from the bill-holders, and that the reduction of both were nearly, if not quite, with equal rapidity. Now, if the new law had been in operation, it is very certain that the depositors, conscious of the little safety of their position, would have been most anxious of all to convert their demand, which stood without security, into bills for which they would have had the pledge of stocks. But the amount of bills secured by these stocks never would have exceeded \$24,000,000, for which the banks would have been liable to other creditors; besides, the depositors, who alone would have had their additional claims, equal to 30,000,000. Hence, any serious drain from the depositors must have been productive of a suspension of specie payments on the part of the free banks, just as certainly as the drain of 1837 was upon the chartered ones. And the probability of such an event at any future day may readily be estimated by the risk which, as the law is, depositors who do not draw out their money must run, of coming in last on the list of creditors, in cases of bankruptcy.

But it may be urged, that the amount of liabilities incurred by the banks in 1837, would never have been so great, if they had been organized under the new law. The necessity of giving security for all the notes issued, would have checked the excessive expansion of credit which brought on the catastrophe itself. We should concede much to this argument, if the actual note circulation of New York had proved to be ill-secured by the old charter system; but it did not; ninety-six out of ninety-eight banks managed to contract their liabilities within twelve months, in a manner which they never could have done if they had not been doing business in a manner substantially safe. For example, the sum of circulation and deposits was, on the first of January, 1837, as we have seen, \$54,000,000 but on the first of January, 1838, they equalled about 28,000,000 making the extraordinary contraction within a year of \$26,000,000 a contraction which, we repeat, none but sound banks could have endured.

It is then plain, that however great the expansion of credit might have been, it was not more than would be likely to happen under any unrestricted system, and that however severe the drain of specie may have proved, it was not caused so much by any well founded apprehension of the character of the bank notes, as by the inevitable course of trade, the high rate of foreign exchange, and consequent necessity for specie. To which contingencies, it may be added, the free banks will be no less liable for the future than the chartered ones have been heretofore.

But it is maintained that a suspension of specie payments by the banks ceases, under the new system, to be attended with the evils which have heretofore marked its occurrence under the old one; and that if such an event is unavoidable at certain stages of the credit system, it must be admitted to be a great thing, that its most injurious tendency, the depreciation of the paper, from the mere force of panic, has been prevented. The public will now be perfectly satisfied, that however difficult it may be at some single moment to convert the paper bills of the free banks into gold and silver, yet that these have a substantial and positive value, independently of their immediate convertibility, which no former notes of the same kind possessed, and which render it perfectly unnecessary for any body to be uneasy in the possession of them. We are inclined to the opinion, that there may be some foundation for this reasoning; and that, to a certain extent, the danger of excessive panic may be remedied by this new feature of banking. But the reasons why we do not believe it entirely remedied are these: In times of scarcity of money, the great pressure upon the commercial community commonly arises from a necessity to pay foreign debts. Bills of exchange are not to be had, and specie must then be resorted to. Now the value of bank notes in the hands of merchants consists in their instant convertibility into a means of paying their debts equally abroad as at home, and when that convertibility ceases from any cause or other they must necessarily be losers. So long as the banks can meet their engagements by furnishing the medium wanted to pay these debts, so long will the machinery of the credit system work easily; but the moment that they do not, the moment that it becomes impossible for them to redeem their paper with silver or gold, that moment the whole train of calculations based upon their ability to do so is dispersed. The demand for specie is not the more remitted on account of the failure of the banks, unless we are to suppose all the merchants to fail too, which they never will while they can help it; and the supply of it to meet that demand becoming, by the act of the banks, who take out all their stock of the article from the market, so much the more limited, a monopoly necessarily takes place in the hands of the holders, which they are not slow to improve. The price of specie rises, that is, a silver dollar becomes more valuable than a paper dollar. The currency of the community, which is paper, becomes depreciated to the extent of the difference, and the free banking law is exactly to the same extent of no avail. The comptroller of the state can do nothing to check this state of things, for he is not supposed to possess a single dollar of specie; on the contrary, he holds securities which it is his business to try to convert into specie, at the time the catastrophe happens. Hence he comes into the market as a competitor to purchase the very article for which too great a demand for the supply to be had exists in other quarters already. His interference must aggravate the disorder rather than cure it, inasmuch as he must sell his securities at a sacrifice, or he must withdraw without gaining his object, in either case weakening to

some extent that degree of confidence which alone induces the public to give equal currency to free bank paper money with the precious metals, and by weakening it, also confirming a scale of depreciation between the two.

It is true, that if it were possible for the comptroller to possess property in his hands as collateral security, which never fluctuates in value to the extent of more than one or two per cent even in the worst of times, it would be very easy for him, and for the banks whom he represents, to calculate upon the ultimate redemption of their notes in specie. But the experience of the past distinctly teaches us, that there are moments in the commercial world, when *no property of any kind* can be negotiated; even in Great Britain, where the national funds possess so very fixed a value in comparison with any thing we have, and where so much more private wealth exists to be drawn out in cases of great emergency, and where such resources for raising money exist in the neighborhood of the other wealthy countries of Europe, it was clearly shown in 1825-6 that at one moment even exchequer bills could not be negotiated upon any terms. And if in Great Britain, with all her advantages, and with a credit system so much less elastic than ours is in the United States, this is occasionally the result, what can we expect from any attempt to convert securities, such as we possess, upon any similar contingency?

Here lies, in short, the great obstacle to the success of the new experiment of free banking, as adopted in New York. The state is made to hold securities for paper bills, which are liable to be affected in value nearly as much as the bills which they propose to secure. No suspension of specie payments is very likely to take place, unless after every expedient to raise money has been resorted to by private individuals and companies in vain. It is not the want of property to offer, which ever creates a general suspension, but it is the impossibility of finding money into which to convert property. The comptroller here has no advantage over and above any one else, and he is subjected to the serious inconvenience of coming into the market only after it has been tried already to exhaustion. How can he expect to convert his securities, then, excepting at a most ruinous sacrifice? and if he does not so convert them immediately, who is to judge of the period to which it can be postponed, and of the goodness of the bills which rest upon their convertibility in the interval?

The whole plan is now, it is true, in its infancy, and as yet we cannot at all judge of the extent to which it may be pushed; but even now we can form some slight idea of the difficulties to which the comptroller would be subjected, if compelled at any moment to redeem any considerable amount of bills in circulation. By a return made up to the 30th of April last, it appears that state stocks had been offered and accepted to the amount of \$2,137,090, and lands had been mortgaged to the value of \$851,316 13. This sum is trifling, unless we regard it as the mere outset of a system, which, if it has even a moderate share of temporary success, must extend itself to the supply of a much greater proportion of the currency. But even of this sum, \$877,000, or more than a quarter part, consists of the six per cent stocks of the state of Arkansas, and 518,000, or over a sixth part, is of the six per cent stocks of Michigan; while the remainder is in a great degree composed of the stocks of Missouri, Maine, Alabama, Indiana, and Kentucky, and the mortgaged lands. Now, without meaning to express a doubt of the ultimate value of all this property, we must be allowed to question whether, in a time of panic, out of the whole three millions pledged, the comptroller would

be able to sell at par more than at farthest \$4,000 of United States stock, which we presume to be Treasury Notes, and \$25,090 of the 5 per cent of the state of New York. It is but very lately that the new states of the Union have had any credit at all. They have neither fixed population, nor accumulated capital, sufficient to authorize any steady estimate to be formed of their character in meeting their engagements, and although it may be admitted that they have the capacity of enlargement to an extent which older states are not readily susceptible of, yet this is rather an argument in favor of the withdrawal of their stocks into the hands of capitalists, who never want to convert them, than to make them the basis of a fluctuating credit system, the changes of which affect them as much as any species of existing property. We hardly think it ought to be pretended, even by the most enthusiastic believer in state stocks, that in moments of panic, when the wealthy business men of our commercial cities shall have exhausted all means of raising money, even with the offer of property in ordinary times of the highest negotiable value, the State will have any means of redeeming the circulation of the free banking companies, by the offer of such securities as those which have now been named.

The tendency of this law to increase the disposition of the states to make loans, is a feature of the system which has scarcely yet been sufficiently observed. The whole creation of the permanent debts of the states has been so much the work of a moment, that hardly time enough has elapsed to see its practical operation. One hundred and eight millions of dollars have been contracted for within three years. Of this sum, as indeed of the whole amount, all which is in the best credit, has a tendency to find its way to London, whilst that which will not do there will be retained as material for domestic banking. So long as it is practicable, under the law, to carry on the business of lending money profitably, so long will there exist a demand for State stock, which would never have existed if it had not been for the law. And if, ultimately, that stock should, for any cause, not necessary to be stated, fail to be redeemed, we do not perceive that the loss would be likely to fall upon the bankers, who will have enjoyed the value of a paper currency, co-extensive in amount; nor upon the State which authorized them; but it would fall almost exclusively upon the very holders of the bills, who were sought, most especially, to be secured.

Moreover, the intimate connexion which is thus forming between the states and the banking system, through the operation of these large loans, is another incident which has not as yet met with the consideration which it appears to deserve. Of the entire sum borrowed under the authority of the states, up to this time, estimated to be equal to one hundred and seventy millions of dollars, fifty-two millions have been raised for the purpose of banking. And it would be a curious circumstance in our history if, whilst in Louisiana, for example, the money borrowed by the creation of stock, is used as capital for the banks there, the stock itself should be made the basis for other banks, under the law of New York. Yet we see nothing impossible, or even improbable, in the supposition. How much the interests of Louisiana and New York are thus made to depend upon the success of the credit system of the former State, fully appears. Indeed, upon further examination, we perceive that the case we state hypothetically, has already happened. For the states of Missouri and Arkansas have created no stock, excepting that which has set in motion their banks; and this very stock, to the amount of \$69,000 of the former State, and \$877,000 of the latter State, making more than a full quarter part of the whole capital in the hands of the Comptroller, has already been made the basis of double banking opera-

tions, under the free law of New York. It is thus easy to perceive what a stimulus must be given to overaction, throughout the country, when the same capital can be used for so many different purposes; and when once used, and the edifice of the paper system is once made to rest upon the substratum of State credit alone, the inducements operating upon the State to keep up that system at all hazards, rather than to meet the responsibility which must ultimately, in case of its failure, fall upon them, can easily be estimated.

We have, as yet, said little of those more obvious objections to the law, which have already occurred to the minds of most sensible and reflecting persons among us. Yet we cannot pass the subject without, at least, remarking upon the difficulty likely to arise under our popular system of government, from combining the interests of private individuals into masses, by throwing their lands, to a great extent, into the hands of the State government, subject, in case of trouble in the pecuniary affairs of the public, to be levied upon, summarily, at a ruinous sacrifice to the owners. The notion of making land the basis of a currency is not a new one. It has often been attempted in times past, and in various shapes, but so far as we have the means of knowing, with uniform want of success. Now, we are at a loss to perceive why the operation, again proposed, should be likely to be any more fortunate than its predecessors have been. The indispensable attribute of money is convertibility into any and every article wanted, whether by the pleasure, or caprice, or convenience of the holder. In order to this, it must also be divisible to the extent necessary to accommodate a purchase, whether it be very small or very large. Neither of these qualities can ever belong to land; but, on the contrary, land itself is always the article which stands in the most need of the aid of money, in order to become transferable at all. A laborer can buy neither bread nor meat for the day with an acre of land, but must first proceed to sell that acre for money, and with that he gets what he wants, exactly in the quantity required. So the comptroller of New York, with fifteen or twenty millions of landed estate, mortgaged for the redemption of bills to that amount, would be utterly unable to convert a five dollar bill without coming into the market to get the coin. But fifteen or twenty millions of landed property cannot be brought into the market at any one time in any part of the United States, without at once reducing the value of the whole of that species of property in the vicinity of where it is situated. Hence the difficulty of conversion, and a necessity of sacrifice or delay. Sacrifice will be ruinous to the owner, while delay will prove injurious to the bill-holder, especially to that poorer class who cannot keep money for any length of time on hand. The alternative is disagreeable, for on either side great popular uneasiness may reasonably be apprehended: on the part of the combined land owners, if their property is sold at much less than its value; and on the part of the bill-holders, if it is not, and they suffer by the consequent depreciation of their bills.

After all, it is not unlikely that the effect of any public disaster, if such should happen, would simply be to compel the State to guarantee the circulation in the first instance, and reserve to itself an opportunity, subsequently, to convert the assets in such manner as completely to indemnify her for the advances she would be compelled to make. This would not probably be severely injurious to her prosperity, although it might be embarrassing. For ourselves, we hope that she will never have occasion

to be driven even to this; and that the dangers we have thus undertaken to foresee from the free banking law, will prove imaginary. If it were not for the extensive injury to result from all errors committed in this department of science, we should always be in favor of testing the value of new theories by experiment. We believe there is something yet to be learnt, and if the state of New York shall prove fortunate enough to establish, by her present law, the possibility of securing even the stability of that portion of the circulating medium within her limits, which has heretofore been subject to injurious fluctuations; we think the rest of the country, and the commercial world generally, will have reason to be grateful to her, for risking so much in the attempt.

But whether the free banking law is an improvement, or is not, there is no probability that it will afford any solution of the great problem presented to the world by the credit system: which is, whether any issue of notes to serve as money, by private portions of the community, can be so restricted as to prevent the fluctuations in property, which are found at present in pretty regular recurring intervals to take place. In England, the writers upon the subject are gradually retreating to the position that there should be but a single source of issue. We are not yet prepared to admit the superiority of that plan in practice, however fair it may seem in theory. And even if we were, a single glance at the condition of the United States would show that at least for them the idea is not feasible. Whatever may be the political bearing of the subject, no one acquainted with the past experience of the country can fail to admit that a national bank has hitherto been the only remedy in our power which has answered any useful purpose, and we think Professor Tucker has done nothing more than strictly his duty in submitting to the public, as he has done, the reasoning which, upon purely financial ground, has brought him to this conclusion. A national bank, with powers more divided than they were heretofore, in some respects restricted and in others modified, is the only device which we have ever yet been able confidently to believe a means of preserving the currency in the Union perfectly sound.

It is with some surprise that we perceive the author to maintain the expediency of more than one national bank. This idea appeared to us so entirely at variance with the habitual good sense which reigns elsewhere in his work, that we were curious to see the reasoning by which he endeavors to support it. That no injustice may be done him, we will now extract it.

“Whatever may be the benefits of a national bank, they would all seem to be increased by having more than one, except that the profits to the shareholders would be somewhat diminished. This division of the privileges and duties of a national bank is recommended by the following considerations:

“First, — whatever may be the power and influence which may be possessed by a bank that has a large capital, with branches dispersed over every part of the Union, and is the fiscal agent of the government, it would obviously be lessened by being divided. Though this power and influence have been greatly overrated by popular jealousy and party antipathies, yet, as it is still honestly believed by a large mass of our citizens to be formidable, their fears are entitled to respect, and should be quieted if possible. The feelings of a large portion of the people will never be disregarded by a wise and a just government, even when they are founded on prejudice.

“Secondly, — the plan would secure to the public the benefit of competition in all those functions in which a national bank has any advantage over state banks; as in domestic exchange, in furnishing a more

uniform currency, and in fiscal services to the government, both at home and abroad. Their profits, then, on the purchase of bills, and the sale of their own drafts, would not only be less than would be charged by the state banks, but at the lowest rates at which they could be afforded.

“Thirdly,—the two or three national banks would be salutary and effective checks on each other. We have seen that the state banks, whose excessive issues are so effectually controlled by a national bank, are also a reciprocal check on the latter; but their power could never be so great, both from defect of concert and unity of action, and for want of the important aid that would be afforded by the funds of the government. The national banks, thus equal in capital, in credit, and resources, in all parts of the Union, would give the public the same security against the redundant issues that a single national bank has hitherto afforded against those of a state bank; and thus a further answer could be given to those who have objected to a national bank, that, while it restrained the operations of the state banks, it was unrestricted itself.”

We must be pardoned for expressing an opinion that this argument is nothing more than a weak concession to the principles of the Virginia school of statesmen. For as to the question of power, if we give it up at all, we may as well give it up entirely, as to receive it in such useless portions. The only value of a bank is in its ability to do good, and the argument against it from its abuse of power, is only the common one which applies to the use of all the great agents of the universe. Now it is plain if we take three banks instead of one, because three are not so likely to act with equal vigor as one, and because they will check one another; we may find that while we have multiplied the sources of abuse, we have, in the same ratio, been diminishing the ability to benefit the public. For in regard to the matter of competitions, which constitutes the Professor's second reason, that is not what we want to create in America from legislation. It springs up of itself wherever it can be used, and it never will be wanting where any sources of pecuniary profit are to be found. The State banks compete with each other, and would do so with a national bank more than enough. The great object is to keep that competition within bounds; and this can never be done by multiplying national banks. For if the argument in favor of three be good, we know not how that in favor of four could be resisted, or any superior number beyond one. We consider one necessary, exactly as we consider one State government, or one national government, necessary, and not two; because the object is to control and to regulate what can be controlled or regulated in no other manner. But to do this well, it must be done simply. A single agency is the most effective instrument imaginable, as well to avoid the one extreme of regulating too much, as the other of not regulating at all.

Neither do we perceive how two or three banks would be such salutary and effective checks upon each other, as the author pretends. Each would exercise its power of contraction to a certain extent, and no more. It could not prevent the expansion of one of its equals, nor establish any uniformity of action throughout the country. In moments of prosperity, to be sure, the competition for business would be likely to tempt them all to go to the outside of a safe line of conduct in accommodating the public, but we see no evidence to prove that any similar motive would exist in common to prompt a contrary course when it was needed.

Yet, after all, the great obstacle to the Professor's plan would arise

from its failing to supply some general system of regulation. It is now pretty well ascertained that the difficulties most likely to befall the currency must be foreseen by a thorough analysis of the elements which form the foreign exchanges of the country; and that a season of prosperity, and extended domestic trade, is often apt to terminate in a drain of specie from abroad. At these moments it is that a national bank can do good by exercising a counteractive power over the circulation in a system of steady and uniform preparation at all exposed points at once. This system necessarily bears upon the state banks at those points, and turns their attention to the expediency of following suit. The machine of credit, then, moves harmoniously, and the danger apprehended is thus in a way to be avoided. But if there were two or three national institutions, with each a different head and management, and each directed from a different point, as, for instance, from New York, Philadelphia, and New Orleans; it may be doubted whether the president of the New Orleans bank would see the state of the currency with the same eyes that he of Philadelphia did, or whether the latter would be always prepared to concur with his rival in New York. Hence, a difference in policy, and the fatal consequences of a disagreement. One institution would rapidly undo the work of the other, and the State banks, thus freed from restraint, would act exactly as they pleased; and the currency would be left to its fate, very much after the same fashion that it now is, when there is no national bank at all.

The great want of the country, then, is of some single power which shall think of the state of the currency, and of that only, and which shall always keep itself prepared to act in cases of emergency. This power should not be entirely under the control of the commercial interest, though it ought to sympathize with it; and it should be wholly separated from political influence of any kind. Nothing but the very highest grade of personal integrity should be called into the management,—no suspicion of personal interest should be admitted;—above all, politicians of every denomination should be rigidly excluded from either the direction or the participation of the favors of the institution. This may seem harsh and unreasonable, but it is indispensable. The currency has suffered too much already from the connexion that has been made between finance and general politics. The two should be kept separate; not, to be sure, in the manner contemplated by the present government of sacrificing the one to the other, but by preventing any collision between them. The commercial division of the country ask nothing better than to be let alone. In consideration of the advantages they would derive from a sound currency and a well regulated system of exchange, they would almost too readily consent to retire from the field of political action; and in so doing, they would be more likely to be benefiting the community in their particular province, than those mock patriots ever can, who combine, so very closely, the professions of attachment to the people's interest, with the most active zeal in promoting their own. A respectable merchant, who minds his own business, is a better and more useful man than a factious president. And an upright and independent bank direction, out of politics, would promote the good of the nation much more than any party-ridden house of Congress.

CHRONICLES OF COMMERCE.

ART. III.—COMMERCIAL SKETCH OF BOSTON, WITH STATISTICAL FACTS, AND NOTICES OF EMINENT MERCHANTS.

THE state of Massachusetts, it is well known, was settled by the puritans in the early part of the seventeenth century; men of stern minds and great inflexibility of purpose, who abandoned their native country, and sought in the wilderness for that religious toleration, which was denied them at home. There they reared their temples to the Almighty, and worshipped, as they believed, in the manner most primitive and apostolic, abjuring all such rites and ceremonies as conflicted with their peculiar tenets. From the commencement, the settlers were men of different classes and occupations in life, and some of them were traders or merchants, and naturally turned their attention to those pursuits to which they had been accustomed. Others were mechanics, but the larger portion were cultivators of the soil.

In September, 1628, two years after the first company settled at Salem, the number of inhabitants exceeded two thousand; the greater part of these arrived with Winthrop, in June, 1630, and settled at Charlestown, Watertown, Boston, Dorchester, and Roxbury. So large was the annual increase, that, including the few removed to Hartford and New Haven, the population of Massachusetts, in 1641, amounted to twenty-one thousand. This would justify, and naturally excite, the commercial spirit, and the inhabitants were too active and enterprising to leave the trade of the colony in the hands of the British merchants. In the first eleven or twelve years, dating back from its earliest settlement, two hundred ships had arrived at Boston and Salem, with large quantities of goods and provisions, of various kinds; and as we have before remarked, bringing large numbers of emigrants, to encourage and strengthen the earlier adventurers; and we find them soon competing with the English merchants for the trade of the colony. Vessels were early purchased for this purpose, and employed in voyages to the West Indies, and to Great Britain. Several were built for the coasting trade to Virginia, returning with cargoes of corn—and one ship of three hundred tons, for more distant voyages. Governor Winthrop early had one built of a smaller size, and one was built at Plymouth, by subscription among the inhabitants.

Maverick, who was settled on an island, or more properly a peninsula, in Boston harbor, now called East Boston, was among the first who turned his attention to navigation; and, on the arrival of Winthrop and his company, in 1630, was a merchant, and the owner of a small vessel engaged in the West India trade.

Edward Gibbons became connected with him at an early period, and visited the islands for the purposes of trade. They also traded with the French near the bay of Fundy, where the French had two places fortified and a considerable settlement; but Gibbons, trusting De La Tour, a French resident there, with goods to a large amount, which he had imported from the West Indies, and purchased of British merchants, trading to Boston; by the failure of De La Tour to pay, Gibbons became embarrassed, and eventually a bankrupt, when he was somewhat advanced in life. Gibbons appears always to have sustained a high reputation, as he was a representative for Boston in the general court, for several years, and commander in chief, under the governor, of the militia of Massachusetts.

As population increased, commerce and navigation became extended.

Twenty or thirty years before the settlement of Boston, say from 1600 to 1610, the English and French had engrossed the fisheries on the coast of Massachusetts and Maine, and large quantities were taken and exported to the West Indies, and to Europe; but in twenty years after the first settlement of Boston, they engaged in an active competition in the fisheries; and furs, to a large amount, were sent to Europe, and disposed of at handsome profits. Sarsaparilla was also shipped to England, and found a ready market, on account of its supposed medicinal qualities, and the charm of novelty attached to the early shipment of the article. But, with all their exertions, the balance of trade could not be otherwise than in favor of the mother country, and the colonial merchants, from want of adequate capital, being obliged to purchase on credit, and at high prices, realized far less profits on their adventures, than their British competitors.

From the first settlement of the colony, carpenters, masons, and smiths, were sufficiently numerous for ordinary purposes, but most articles, composed of iron and steel, were imported from necessity. Shoemakers and feltmakers were few, and shoes and hats were imported in large quantities.

The manners of the inhabitants at that time were simple, and their means small—they had not the taste or the ability for the luxurious indulgences of modern times; and the demand for many foreign articles now considered indispensable, was necessarily very limited. Wine was used sparingly, silks were worn by few, and mere ornamental articles, always the most expensive, were very nearly, if not wholly, proscribed. In fact, a law was long in force, prohibiting the common people from wearing gold and silver lace, &c.

The rapid growth and prosperous state of the colony, in its steady and advancing steps in trade and navigation, was perceived with a spirit of rivalry and dislike by the mother country, and measures were taken to arrest its progress by the passage of the navigation laws in the British parliament. As early as 1661, on the restoration of Charles the Second, this spirit began its odious manifestation, and the idea of raising a revenue, by duties on the commerce of the colonies, was first developed. The court of Great Britain, profligate and needy, wanted money; and though the colonies in New England had never been nurtured by the parent government, or received any favors or indulgences from the crown, and had borne all the expenses of their early settlement, and defence against the Indian tribes, it was thought politic to tax the industry and enterprise of those whom their wants of conciliation, in matters purely of a spiritual nature, had driven to take shelter in a wilderness, there to raise their altars to religious liberty, and to worship God, as they believed, in spirit and in truth. These laws were extensively evaded for a long time, and gave rise to a practice generally destructive to public morals, and only justifiable by the injustice of the requisition. Smuggling was extensively practised, the duties enjoined were not paid, and the practice justified on the ground of oppression and injustice, in taxing the colonies for the support of a government, who demanded every thing and yielded nothing, and gave them no protection. Besides, it was asserted that their charter recognised, or at least inferred, the exclusive right of the colonial assembly to lay taxes and duties on the colonists, as there they had a voice in the representation, which they had not in the British parliament, and there was reason and justice in the plea; but whenever the power of the mother country could enforce the law, it was carried into execution, and the fatal foundation laid for the loss to the British empire of one of the brightest jewels of the crown.

During the civil war in England, and the protectorship of Cromwell, the colonial trade was entirely free, and the commerce of the country increased

as its resources were developed, and they paid no duties on their products exported to Great Britain; but from 1675, the British navigation acts were strictly enforced, and often illegal fees were exacted by the arbitrary Randolph.

Among the earlier merchants in Boston, we may also name Keyne, Usher, Vassall, Newgate, Hibbins, Tyng, and Richards; and in the former part of the last century, Belcher, Hutchinson, Savage, Brattle, Welles, Cheekley, Winthrop, and Fitch. In Plymouth, were Allerton, Hatherby, Paddy, Attwood, Doane, and Willett; in Salem, Hawthorne, Brown, and the Rev. Hugh Peters encouraged navigation and trade.

So much, however, were the colonists attached to trade, that notwithstanding the duties on commerce were often vexatious, and always a subject of complaint, yet many of the inhabitants, allured by the gainful pursuits, and indisposed to part with the conveniences procured by its means, continued to engage in it under all its restrictions and taxes, up to the time of the revolution.

Some adequate idea may be formed of the rapid growth of the New England colonies, from the following extract from New England entries, in the plantation office in England, in 1673, which we find in one of the volumes of the Massachusetts Historical Society:—"One hundred and twenty thousand souls, sixteen thousand capable of bearing arms; thirteen thousand families; twelve ships of between two hundred and one hundred tons; one hundred and ninety between twenty and one hundred tons; five hundred fishing vessels, (many of these only large boats of six to eight tons.)" The greater part of these belonged to Boston, some to Salem, and a part to New Haven.

At this period, and for nearly half a century after, the greater portion of foreign goods and products, imported into the New England states, were landed at Boston, and were for account of the merchants at that place, excepting only a portion shipped for sale on British account. From thence they were transported to Plymouth, Rhode Island, Connecticut, New Hampshire, and Maine; but Boston early became the central point of trade and navigation, and increased rapidly during the period we have just mentioned.

The rigid deportment introduced by the first settlers, and followed by their descendants, under the influence of increasing wealth, now began to give way to more courtesy of manner, and greater luxury and refinement in living, and more display in dress and furniture. It was, however, of a different description to the fashionable demeanor of the present day; which, in attempting to be easy, often oversteps the bounds of propriety and decorum; for it was exhibited in that profound courtesy and respect, and that deference to the opinions of others, and that reciprocal and delicate attention, which marked the finished gentleman of the sixteenth century, and which left an impress on the manners and habits of the citizens of Boston, which has never been obliterated.

The merchants then, as now, were justly praised for liberal sentiments, and their patronage of the fine arts—of literary, charitable, and religious institutions—and several of them were early donors to Harvard College. It may gratify curiosity to quote further from the work we have just mentioned. "There were ten to fifteen merchants whose aggregate property amounted to £50,000, or about £5,000 each—five hundred persons worth £3,000 each—1,500 families, then in Boston, containing about eight individuals each, or about 12,000 inhabitants, nearly a tenth part of the population of New England. No house in Boston with more than twenty rooms; some of these were probably very small, sufficient only for a single bed—not more than twenty houses with ten rooms. The poorest cottages are lofty, (so that

a man could stand upright without stooping, probably.) No beggars — very few drunkards; (*the striped pig was then unknown.*) No musicians by profession — a dancing school was set up but soon put down. All cordage and sail cloth came from England — no cloth made worth more than 3s. 6d. a yard — no linen above 2s. 6d." As early as 1710, Boston possessed two fire engines; how much before that period does not appear; but at that time there were five iron works in the state of Massachusetts, and some of them had been in operation for thirty years.

The following naïve reply of a committee of the General Court of Connecticut, to the inquiries of the British Commissioners for the trade of the colonies, is here preserved for the gratification of the curious in such matters, and as giving additional light on the early trade of the colonies :

"We have little traffic abroad — our chief trade for procuring clothing is by sending provisions to Boston, where we buy goods — and we have some trade, also, with Plymouth, and with New York, since the arrival of Major Andros. Our commodities are provisions, lumber, and horses; — the most are transported to Boston and bartered for clothing; — some small quantity is sent to the Caribbee islands, and sold for some money, but chiefly products. Two or three vessels have been sent to Fayal and to Madeira, and the cargoes bartered for wine. We have no need of Virginia trade, as most people plant as much tobacco as they want. The value of our annual imports is £9,000. We have about twenty petty merchants who trade to Boston, but foreign merchants trade here. There are but few servants — and fewer slaves; — only twenty-four small vessels belong to this colony; and few vessels come here except from Boston and New York, to carry off our produce. Commerce would improve if New London, New Haven, and Fairfield were made free ports. Labor is high, 2s. to 2s. 6d. a day. Provisions are cheap; wheat, 4s., corn, 2s. 6d., pork, 3d., beef, 2½d., butter, 6d."

The period of 1690, and 1745, afford proof of the extent of the shipping belonging to the port of Boston, and the attention bestowed on navigation. In 1690, when an armed expedition was fitted out against Quebec; and 1745, when Louisbourg was attacked and taken, Boston furnished a large number of vessels, either armed or as transports. We may go farther back, and state, that in 1667, when a British fleet in the West Indies was in distress, the people of Boston, by consent of the General Court, sent several vessels, loaded with provisions, for their relief, and some with masts and spars.

Amidst their other pursuits, the science of legislation was not neglected; and by a happy adaptation, it seemed that the most enterprising and experienced merchants and navigators made the best and most efficient members of the General Court, and were the best qualified to decide the differences arising among a population composed of agriculturists, mechanics, merchants, and sailors; and there was that blending of all classes, and that freedom of intercourse, and expression of opinion, which has always formed such a distinguishing trait of New England manners. Their legislators, taken from among themselves, were not only more satisfactory to the people, but better understood, and could, therefore, better provide for the protection and encouragement of branches of business with which they were practically acquainted, and prescribe rules for a people with whom they were in familiar intercourse.

The business of ship-building was pursued at an early period of the settlement. At one time it appears that there were twenty-seven places for ship-building in Boston only, and sixty ships a year were built, twelve in one yard. In Salem, and other places, this lucrative occupation was pursued, and a large number of persons found occupation, as carpenters, smiths,

caulkers, and spar-makers. Naval stores were exported to some extent, but salted codfish and lumber were the principal articles of export; and continue, particularly the former, to be the great staple articles for exportation. The best cured fish was shipped to Portugal, Spain, and the Italian States, Catholic countries always affording the best market. Those not so well cured were sent to the West India islands, where it was used chiefly by the negro slaves and laborers. The cod-fishery, in 1760-65, employed 4,000 seamen, 28,000 tons of shipping, and produced 350,000 quintals of fish, the value of which was estimated at a little over a million of dollars.

In 1750, the number of vessels entering the port of Boston was four hundred and ninety, foreign and American; the clearances, five hundred and four. The entrances were chiefly vessels with cargoes from Great Britain and the West Indies; but a number were from ports in Portugal and Spain. From this period, to 1773, there does not appear to have been much, if any, increase; certainly not as much as the growth of the country would lead us to expect. It is stated that in 1773 five hundred and eighty-seven vessels entered the port of Boston, and four hundred and eleven cleared; a pretty even balance with 1750.

The impolitic measure of deriving revenue for the mother country, by duties on the trade of the colonies, was most unhappily persisted in by the British government. The duties were increased, and the collection rigidly enforced, which probably discouraged many enterprising men from engaging in commerce, and may satisfactorily account for the stationary situation of Boston in regard to foreign trade, from 1750 to 1773. Complaints of alleged oppressions, grievances, and interferences with the rights of the colonial government, became loud and frequent. As early as 1764, the duty on molasses and sugar, imported into the colonies, was increased so much as to amount, almost, to a prohibition. Molasses was then in general use in the distilleries, and by the fishermen. The duty on tea, nails, glass, and paints, was also raised, and operated as a heavy burthen on the people. To enforce these oppressive and odious exactions, troops were stationed in Boston, and Parliament asserted the right of legislating for the colonies in all cases. The spirit of resistance was roused, and after eight years of sacrifice, suffering, and fierce and bloody contention, national independence followed.

For a period of 150 years the British government not only had neglected and declined all support to Massachusetts, and the other New England colonies, but had directly oppressed and restrained them in their trade, and greatly checked their growth and prosperity. Besides the weight of imposts laid upon them by the parent State, which pressed heavily on the infant colonies, they were arbitrarily restricted in their commercial enterprises, and could no more avail themselves of favorable channels for lucrative trade, than a fettered man could perform the profitable labor of which he is naturally capable. This restrictive, injurious, and unjust policy, towards the colonies, was adopted at an early period. In 1699, it was enacted by Parliament, that no wool yarn, or woollen manufactures, of the American colonies, should be exported from them *to any place whatever*. In 1719, they declared "that factories in the colonies tended to lessen their dependence on England." A few years later, some envious individuals complained to the British ministry, that the colonists were not only extending their trade, but setting up manufactures, which must prove prejudicial to the interests of the parent country; and the Board of Trade was soon directed to learn what laws had been made respecting manufactures in operation in the colonies, or

allowed trade to be pursued injurious to the trade, navigation, or manufactures of Great Britain. These laws and orders were directed principally against Boston and Massachusetts; here, commercial enterprise and manufactures had been most successful, and were encouraged and pursued.

The next year, the board reported, "that the general court of Massachusetts encouraged the manufacture of paper, which will interfere with the profits of the British merchants who send paper there." "Many families make coarse woollen and linen cloths for their own use; but this seems proper, as they keep sheep and raise flax; yet, it were to be wished that some way may be devised to divert them from increasing their manufactures." It is stated in the report, "that hats and shoes were made to a considerable extent, though many of the former were imported." Hats were exported from Boston long before the revolution, to Spain, Portugal, and the West India islands; of which *the company of hatters complained*, and their complaints were not disregarded. An act was thereupon passed, which forbade the exportation of hats from any American colony, and limited the number of apprentices for hatters; and the same law prohibited the sale in one colony of hats made in another.

Several iron works which had been long in operation in Massachusetts, were declared a nuisance, and parliament ordered that no mill or engine for slitting or rolling be erected or used; but allowed pig and bar iron to be imported into London from the colonies. By these, and such like acts of impolicy and oppression, the minds of the people in Massachusetts and the other provinces were alienated from the mother country, and prepared for the successful resistance of the tyrannical acts of the British parliament, which ended in the establishment of their rights, and the overthrow of the attempts made to enslave them.

Soon after the war of the revolution, and as early as 1785 or 1786, commerce revived, and the navigation of Boston and other ports of Massachusetts was greatly extended. The trade with the West Indies was prosecuted by many with great advantage; but Salem, Newburyport, and Portland, considering their relative population, were more extensively engaged in it than Boston. The principal articles of export were lumber and fish, and occasionally horses; the returns consisted of sugar, molasses, rum, coffee, salt, and fruit. The quantity of molasses imported was very great, and distilleries were multiplied; but happily for the morals, comfort, and respectability of the people, they have been generally discountenanced within a few years. The trade to the Mediterranean, to Spain, to Portugal, to France, Holland, the Hanse Towns, and places farther up the Baltic; and to England, as commerce revived and capital accumulated, was prosecuted with increased zeal. The cod-fishery was resumed, and pursued, in most of the seaports in Massachusetts, extensively, and with great success. It continued for several years, and furnished an article for exportation to various points, and was one source of national wealth.

In 1789, vessels were sent from Boston to the East Indies, and to China, and soon became a very profitable commercial enterprise. In proportion to its population, Salem took the lead of Boston in the East, as it had done in the West India trade. Teas, silks, nankins and other cotton cloths, sugar, coffee, and spices, were imported; and cargoes of East India products were, by the enterprising merchants of Salem and Boston, exported to ports in the north of Europe. Ginseng formed part of the cargoes shipped to the East Indies, but specie, generally silver current coin, was sent to a large amount to Canton and Calcutta, &c., &c. The merchants who

first engaged in the East India trade at Salem, were, Derby, Gray, Cabot, Thorndike, and Crowninshield.

The eminent mathematician, Nathaniel Bowditch, made two voyages to the East Indies in 1795 and 1796; on the first, he was twenty-two years of age. He was then a great proficient in nautical calculation, and perfectly acquainted with the science of navigation. Being very industrious, he instructed the seamen of the ships in the science of navigation, of which most of the common hands were ignorant.

Derby's first ship to China was in 1787. Mr. Gray was more engaged in trade to Calcutta. Mr. Derby's ship visited the Isles of France and Bourbon, Batavia, Calcutta, and it is believed the vicinity of the Red Sea.

Among the earliest in the East India trade, at Boston, were Messrs. J. Barrell, S. Brown, D. Sears, T. Lyman, J. & T. H. Perkins, S. Higginson, S. Shaw, J. Lloyd, the Messrs. Lee, and E. Prebble; and among others who were esteemed for intelligence and enterprise as merchants, were Messrs. Thomas Russell, J. C. Jones, S. Eliot, Mason, Smith, Phillips, Cabot, Parsons, Mackey, Green, Andrews, Breck, Jackes, Babcock, Watson, Sears, Sargeant, Doane, Brown, Parkman, Hatch, Joy, Bussy, Frazier, and Head, some of whom had been in business before the revolution.

Thomas Russell was one of the most enterprising and successful merchants of Boston, from 1786 to 1798. His charities were great, and he was a friend to the clergy and to religious institutions. He was for many years a member of the church in Brattle Square, and president of the society for spreading the Gospel among the Indians.

Mr. Phillips acquired a large property by honorable trade, and by a very liberal donation laid the foundation for the Massachusetts General Hospital, a most useful institution; and his son, late lieutenant governor W. Phillips, added largely to the original donation.

The Boston Athenæum buildings were the gift of one of the Messrs. Perkins; and the large house in the city, for the blind, of another of those liberal, spirited merchants.

The honorable James Lloyd was probably one of the most intelligent merchants in the country. He well understood the principles, its course, and operation, in his time. He extended his views to politics, and was eminent also as a legislator. The law of the Commonwealth, on bills of exchange, passed in 1819, was framed by him, and adopted through his influence, and he was several years a useful member of the U. States Senate.

J. C. Jones was a merchant of extensive and liberal views, and was also for several years a member of the legislature. We might embrace many others, but our biographical remarks must be restrained, and we have already exceeded the limits which ought to confine them.

The first ship which sailed from Boston to China, was built at Hart's ship-yard, in Boston, in 1785 or 1786, and was owned part in Boston and part in New York. She was commanded by James Magee, who was captain of the ship of war wrecked in Plymouth harbor, in 1779; and it is believed she took her final departure from New York. The following year, Messrs. Barrell, Brown, Hatch, and others, sent the ship Columbia, Captain Kendrick, attended by the sloop Washington, Captain Gray, to the North West Coast, and thence to China. On their voyage, they visited the mouth of the Oregon, on the Pacific, which they called Columbia, after their ship. This was a long voyage. S. Shaw and Doane were engaged in the China trade; the former was the first American consul at China.

In 1790, Messrs. J. and T. H. Perkins fitted out the brig Hope, Captain Ingraham, for the North West Coast, to collect peltry, for the China

market. In this voyage, Captain Ingraham discovered several islands, in about eight degrees fifty minutes south, and one hundred and forty west from London, not noticed by any nautical adventurer, or in any map of the Pacific ocean. To these he gave the names of Washington, Adams, Lincoln, and Federal; and a few days after, in eight degrees three minutes south, and one hundred and forty-one west, two others, which he called Hancock and Knox. These enterprising merchants have from that time pursued the China trade. They have long had a house in Canton, one or more of the firm usually residing there, and for more than forty years they have had one or more ships there every year. Theodore Lyman, Messrs. Lamb, Boardman, and Pope, and many others, engaged in the China trade, and some of them are still, or were very lately, employed in it. The trade to China was pursued far more extensively in Boston, for several years, and till the war of 1812-'15, than from any other port in the United States. The Messrs. Perkins, it is believed, were interested in more than thirty voyages *round the world*, going by the way of Cape Horn to the North West Coast of America, in search of peltry, for the Canton market, and thence returning to Boston and New York, with China goods.

Messrs. Bryant and Sturges, of Boston, have been long and largely concerned in these last-mentioned voyages. Much time is necessarily absorbed in their accomplishment; the hazard is also great, but they have generally been profitable.

We have already mentioned that ginseng and specie were the principal articles of export to the East Indies. The former was shipped in small quantities from Boston and Salem, and in larger from New York and Philadelphia. Specie formed the principal dependence for return cargoes from Canton, and \$600,000 have been sent out in one ship. Assorted cargoes of lumber and provisions, &c. were sent to many places beyond the Cape of Good Hope.

It is curious to mark the changes which time works in trade. Formerly, a part of the return cargoes from Canton were coarse cotton cloths. Now, and for some years past, cotton cloths are shipped from Boston for Calcutta and Canton. They usually cost here from eight to ten cents per yard, and have been exported to a large amount. They are found, in most cases, a better remittance than dollars, or bills of exchange. "When I was in China, in 1790," said a gentleman largely engaged in the trade for a long period, "I purchased, as part of my adventure home, cotton shirtings, at *four times the cost* at which such cloths are hence furnished to the Celestial Empire."

"We have to contend," he added, "with British competition in the China market; but as we use a superior raw material for the same *number* of goods, and make them heavier than the long cloths of England, I think we shall continue to export." On the same authority we may state, "that in some years, the American trade to China has caused the exportation of four to five millions of dollars annually in specie; but, at the present time, very little is sent there, and that for the purchase of rice, at Batavia and Manilla, for the Canton market.

Very few American vessels have visited any ports in the island of Japan. The Dutch usually send an annual ship from Batavia, as they are the only European nation permitted to trade there. Whale ships sometimes put in for provisions and water, but the crew are not allowed any intercourse with the inhabitants. In 1798, Messrs. Perkins sent a ship to Batavia, for coffee, and she was taken up by the Dutch, as the annual

ship to Java. The cargo was sugar, and the ship carried back to Batavia pig copper and camphor. In 1801, they fitted out a large ship to Java, which was taken up there by the Dutch, and made a similar voyage to the other; and soon after, a vessel was sent from Salem on a like voyage. These are supposed the only vessels from Massachusetts to that *jealous people*. One belonging to Baltimore, called the "Samuel Smith," also visited that island. Captain Hutchings, of the Massachusetts, went to the residence of the governor, but he observed nothing which differed much from the customs and manners of the Chinese.

In one of the volumes of the collections of the Historical Society of Massachusetts, it is mentioned, under date of 1794, that the manufactures in Boston were candles, soap, rum, loaf sugar, cordage, duck, lines and twine, cards, combs, fish-hooks, stained paper, glass, stoneware, and chocolate. The manufacture of some of these articles was on a larger scale than before the revolution; they were also made with more facility and of a better quality. There were in 1794 more than thirty distilleries in Boston; twenty of them in operation to manufacture poison "for the comfort of the poor and laboring people." At present, there are but few, probably not over one fourth of that number. Then the population was twenty-four thousand; now it is eighty thousand. The writer of the article says, "it is contended this manufacture is a public benefit, as it adds to the revenue; but many consider it a public evil, and that it tends to prevent population, and greatly injures the morals of the people;"—he adds, "the bad effects of the free use of distilled spirits are very apparent on the morals of the inhabitants, and the attendants on it are idleness, debility, poverty, disgrace, and crime." It is an important question, whether this prevailing evil may not be greatly restrained by the interference of legislative authority.

There were at that time seven establishments for refining sugar, and fourteen rope-walks. A duck manufactory was established near the south side of the common, and sail cloth of durable quality and texture was made, said to be superior to the canvass imported from Europe, and cheaper. In 1792, four hundred hands were employed in this manufactory, a portion of them females.

Paper staining was extensively followed, and a sufficiency prepared for home use, and some was exported; before the revolution, it was chiefly imported.

Within a few miles of Boston, the following articles were made: Tow cloth, cotton and linen shirtings and sheetings, checks, thread, bed ticks, striped flannels, cotton and worsted hose, gloves, diapers, &c. &c., and sent to Boston for sale.

There was always an extensive trade between Boston and the southern states; for a large quantity of corn and flour for the sea-port towns in Massachusetts was imported from Maryland, Pennsylvania, Virginia, &c., &c.; and this intercourse was not without its benefits, in a social and political point of view, as a union was more readily effected, when the contest with Great Britain called for the formation of the federal union.

In 1784 the first banking company was formed in Boston, and called the Massachusetts Bank. A national bank had been established in Philadelphia, in 1781, under the direction and control of Congress. The charter of the Massachusetts Bank had no limitation as to time, and little or none as to management. And the bills in circulation, before any other bank was incorporated, were of great extent.

In 1790 the federal government incorporated a national bank at Philadelphia, the former one being discontinued; and a branch of that bank, for discount and deposit, was opened in Boston in 1792.

The Union Bank was established in Boston in 1798, as it was said at the time, for the accommodation of the agricultural interest. From 1800 to 1832, banking institutions were greatly multiplied—there being no less than thirty banks in Boston, including those in South Boston, and making no allowance for the five which were discontinued in 1827-8.

The incorporated companies for insurance on property, by sea and land, and against fire, are about equal in number to the banks. Commercial enterprise and prosperity have been the leading causes of the increase of these corporations, and have resulted in an enlargement and improvement of the city of Boston, within the last forty-five years, in a ratio which could not have been accomplished without it. The city of Boston would otherwise have slowly advanced in population, wealth, and social refinement, and the state of Massachusetts would have been far less respectable and powerful in 1740, or in 1775, than it was, when compared with the other American provinces. The soil is generally rocky, or sterile, and unfitted to afford great returns to the labor of the husbandman, (though a better system of cultivation, pursued of late years, proves that greater products may be gathered from it than it was supposed capable of producing,) and the inhabitants have been generally indebted to commerce for their opulence and improvement.

The establishment of the federal government proved highly propitious to the commercial interest of Boston. Freedom breathed new life into commercial pursuits, and nautical enterprises were greatly extended by her ship-owners. A large number of vessels were built in 1790, here, and in the ports adjacent; and mechanics, of all descriptions, found constant and lucrative employment. Within the last half century, Boston has greatly increased in population, business, and wealth; from 15,000 in 1783, and 18,000 in 1790, to 80,000 in 1838. The buildings are now generally composed of brick and granite. The dwelling-houses are spacious and elegant, and many large and splendid public edifices have been erected; and the streets have been straightened, widened, and improved. Large tracts of land, where the tide waters formerly flowed, have been redeemed, and are now covered with buildings. Bridges have been built, so that there are now seven avenues to the city, from the country, where formerly there was only one. The wharves have been extended and increased, so that there is probably double the number of feet, at present, to that the city possessed thirty-five years since. The carrying trade has proved very profitable to the merchants, and a great many vessels are employed in it. A large branch of this business is in the freight of cotton from Charleston, Savannah, and New Orleans,* to Europe, employing ships of from three hundred to six hundred tons burthen. According to Pitkin, the tonnage of Boston, in 1832, amounted to 171,045; next to New York, the highest in the United States. Philadelphia, at

* The trade with New Orleans has greatly increased within a few years. The importations from New Orleans, into Boston, for three months, ending March 31st, amounted to 2,489,000 dollars; many cargoes of cotton being brought to Boston for the supply of the manufacturing establishments in the interior of the country. The mercantile intercourse with New York has been vastly extended within twenty years, and must be followed by advantageous results to both cities. It is found that the trade is mutually beneficial; and the single fact that instead of forty-eight or sixty hours' time on the way, between those places, the distance is now passed in fifteen hours, must be highly favorable, and be a strong inducement to increase the intercourse.

that time, was 77,000; New Bedford, 70,000; Baltimore and Portland, each, 47,000. The imports into Massachusetts, chiefly Boston, in 1821, were nearly fifteen millions; into New York, twenty-three and a half millions of dollars. In 1833 it was twenty millions in Massachusetts, and eighty millions into New York.

The rail-roads, connecting Boston more easily with Lowell, Salem, Haverhill, Nashua, Worcester, Providence, and Taunton, have added greatly to the business and prosperity of the city; and when that to Worcester shall be extended to the Connecticut river, and through the western part of the state to Albany, the growth and prosperity of Boston must be great, beyond calculation. There is also a plan in Boston for a direct intercourse with Liverpool, (England,) by steam navigation. The project has excited a great deal of interest, and its importance is appreciated by intelligent and enterprising men.

We have dwelt longer on these reminiscences and statistical facts than perhaps the patience of our readers will make allowance for. We therefore close with the hope, that with so much to be thankful for to the past, and with so much to anticipate from the future, that her merchants, and all engaged in trade, will bear constantly in mind, that to deserve their high destiny, they must continue to pursue the path of honor, enterprise, and integrity, so firmly trod by their predecessors. And we wish that they may always be pointed to as the honorable and intelligent of our country, and that luxury and extravagance, and licentiousness of manners, too often prevailing in large and old cities, may be unknown; while scientific, literary, humane, and charitable institutions, may be liberally supported and multiplied.

MERCANTILE BIOGRAPHY.

ART. IV. — THOMAS WILLETT, THE FIRST MAYOR OF NEW YORK.

MERCANTILE biography properly claims a place in a work of this description, where every thing that can excite the young to an honorable emulation should be set forth; that seeing how a consistent and praiseworthy line of conduct has elevated those who have preceded them, they may, in turn, endeavor to transmit a fair and untarnished name to posterity.

THOMAS WILLETT, the first mayor of the city of New York, after its delivery over to the English by the Dutch authorities, in 1664, was originally a merchant or trader. As a man, he was possessed of uncommon activity of mind, and deeply imbued with the spirit of enterprise and adventure. He was one of the early settlers at Plymouth, but not among the first. He was there, however, as early as 1640, and appears to have been justly appreciated, and to have possessed a great deal of influence, as, after a few years' residence, he was chosen one of the assistants in council, a post, at that early period, of much honor and responsibility. Immediately on his arrival, he appears to have turned his attention to commerce and navigation, as he was one of twelve who built the first vessel at Plymouth, in 1641. She was about fifty tons, and cost about £200 sterling; and Willett was one of the committee to superintend the building of the vessel. With a few enterprising spirits like his own, he formed a company, and hired, for the colonial government, the Cape Cod fishery, the proceeds of which were applied to the public expenses, and

at one time appropriated to the support of common schools in the colony. He early formed a connexion in business with *Isaac Allerton*, one of the first settlers of Plymouth, and among the most respectable and honorable of the pilgrims, as they are now termed. Allerton was sent to England several times, as agent for the colonies, which he also made to promote his views, as connected with commerce, in the colony. Willett and Allerton traded, for several years, with the French in Acadie, and with the vessels from Europe engaged in the Maine fisheries. Allerton afterwards traded at New Amsterdam, and the probability is that Willett was concerned with him. Willett was one of the committee who, in 1655, purchased Agawam, (now Wareham,) in Buzzard's Bay, of the Indians, for the town of Plymouth. There had been, for years, carried on an active trading intercourse from this point with the Dutch at Manhattoes; and the enterprising spirit of Willett, who had early and often engaged in it, as well as his friend Allerton, led him to detect and appreciate its value.* Of all the residents in the colony, with the exception of Willett, Allerton appears to have been the most devoted to commerce; but devoting too much of his time to carrying out his plans, as connected with the trade of the colony, he lost the confidence of the Plymouth court, in consequence of which he removed to, and resided some time at Marblehead, Nantucket, near the entrance of Boston harbor, and afterwards, between 1645 and 1655, at New Haven, from whence he pursued the trade with New Amsterdam, and died at New Haven.

The Commissioners appointed by Charles II. to act as a Court of Appeals, for the settlement of all disputes between the colonial government and individuals who had complained of unjust and arbitrary treatment, arrived at Boston in 1664. They visited Plymouth—Rhode Island—and New York, then in possession of the Dutch. A part of their instructions was to raise troops in New England, to take possession of New York by force, as it was pretended that the English had the best right to it. At Plymouth, the Commissioners were received with more courtesy, respect, and consideration, than in Massachusetts; and they requested some one to attend them from Plymouth to the Manhattoes. Thomas Willett, who had often been there, and was well acquainted with the place and the people, their language, customs, and manners, and highly esteemed for intelligence and fidelity in every thing which he undertook, was recommended to the Commissioners as the most suitable person to attend them, and on the surrender of New Amsterdam into the hands of the British Commissioners, they appointed him the Mayor, a strong proof of his capability, and popular talents, and address;—and he appears to have possessed a singular aptitude for business, as, preceding his joining the Commissioners, he had, for thirteen years, viz., from 1651 to 1664, been one of the Executive Council of Plymouth colony, at the very time he was most actively engaged in commercial pursuits. After remaining for several years in New York, he returned to his estates near Bristol, where he owned a large tract of land, where he died. His grave-stone was lately, and, perhaps, may still be seen on the land he possessed when living; but the rage of modern improvement sweeps away the memorials of the dead, to clear the ground for the palaces of the living.

* Willett had also pushed his traffic as far as the Delaware, where there was a considerable settlement, composed partly of Swedes, who had early fixed their abode there, before the settlement of Maryland by Calvert.

The materials for a biography of Thomas Willett are but spare, nor have we time to expand them, or to become his eulogist. His prominent characteristics were intelligence, enterprise, and fidelity, traits most honorable to a man; and his success as a merchant shows that he was possessed of prudence and foresight, wanting which, the very essentials of prosperity are absent — they form the foundation; without them, however imposing the edifice may, for a time, appear, it rests upon the sand — and the heaving of the commercial billows will soon agitate and destroy the unsubstantial structure.

At the time Willett was made Mayor of New York, Colonel Nichols, one of the royal Commissioners, said "he found a few handsome-built brick and stone houses, but most of the buildings were small and poor;" insignificant, indeed, when compared with its present size and expanded foreign and domestic commerce. He, however, predicted the future greatness and prosperity of the place. He said "it combined remarkable advantages for navigation and trade." Its rapid growth has outstripped prophecy, and carrying our view forward, as far as we have been looking back, what New York will be two centuries hence, who can presume to calculate? All this has been owing to the enterprising spirit of our merchants — revulsion has followed revulsion — generation after generation has sunk into the grave — but the sons of the pilgrims have trod in the steps of their sires; and as long as they possess the intelligence, prudence, and fidelity to their engagements, so honorably and eminently conspicuous in the early settlers, as in the case of Thomas Willett, they will be successful in life, honorable in death, and unitedly, each in his own proper position and sphere of life, carrying on the transactions of commerce, in just appreciation of their own rights, and with a proper regard to the rights of others, it is impossible to put any limitation to the future greatness and power of our common and happy country.

ART. V. — THE GOOD MERCHANT. — WILLIAM PARSONS.

"His youth was innocent; his riper age
 Marked with some act of goodness, every day;
 And watched by eyes that loved him, calm, and sage,
 Faded his late declining years away.
 Cheerful he gave his being up, and went
 To share the holy rest that waits a life well spent."—*Bryant*.

THE good merchant is scrupulously just and upright in all his transactions. Integrity, good faith, exactness in fulfilling his engagements, are prominent and distinctive features in his character. He is a high-minded and honorable man; he would feel a stain upon his good name like a wound, and regards with utter abhorrence every thing that wears the appearance of meanness or duplicity. Knowing that credit is the soul of business, he is anxious to sustain the integrity of the mercantile character. Accordingly, his word is as good as his bond. He stands to his bargain, and is faithful to his contract. He is like the good man described by the Psalmist,

"Who to his plighted vows and trust
 Hath ever firmly stood;
 And though he promise to his loss,
 He makes his promise good."

He would rather at any time relinquish something of his lawful rights, than engage in an irritating dispute. He would rather be the object than the agent in a dishonorable or fraudulent transaction. When one told old Bishop Latimer that the cutler had cozened him in making him pay two pence for a knife not worth a penny, "No," said Latimer, "he cozened not me, but his own conscience."

The good merchant is not in haste to be rich, observing that they who are so are apt to "fall into temptation and a snare," and often make shipwreck of their honor and virtue. He pursues commerce as his chosen calling, his regular employment. He expects to continue in it long, perhaps all his days, and is therefore content to make small profits and accumulate slowly. When he first entered into business, he was determined not to be a drudge, nor be chained to the desk like a galley-slave, nor make his counting-room his home. He recollects that he is not merely a merchant, but a man; and that he has a mind to improve, a heart to cultivate, and a character to form. He is therefore resolved to have time to develop and store his intellect, to exercise his social affections, and to enjoy in moderation the innocent and rational pleasures of life. He accordingly sets apart and consecrates a portion of his time, his evenings at least, to be spent at home, in the bosom of his family. He will not, on any account, deny himself this relaxation; he will not, for any consideration, rob himself of this source of improvement and happiness. He is willing, if need be, to labor more years in order to obtain the desired amount of wealth, provided he can improve himself in the mean time, and enjoy life as he goes along.

The good merchant, though an enterprising man, and willing to run some risks, knowing this to be essential to success in commercial adventure, yet is not willing to risk every thing, nor put all on the hazard of a single throw. He feels that he has no right to do this — that it is morally wrong thus to put in jeopardy his own peace and the comfort and prospects of his family. Of course he engages in no wild and visionary schemes, the results of which are altogether uncertain, being based upon unreasonable expectations and improbable suppositions. He is particularly careful to embark in no speculation out of his regular line of business, and with the details of which he is not familiar. He is aware, that although he knows all about the cost of a ship, and can determine the quality and estimate the value of a bale of cotton, he is not a good judge of the worth of wild lands, having had no experience therein. Accordingly, he will have nothing to do with any bargains of this sort, however promising they may appear. He will not take a leap in the dark, nor purchase upon the representations of others, who may be interested in the sale; fearing lest what is described to him as a well-timbered township may turn out to be a barren waste, and what appears, on paper, a level and well-watered district, may be found, on inspection, a steep and stony mountain, of no value whatever. He therefore deems it safest for him to keep clear of these grand speculations, and to attend, quietly and regularly, to his own business. Above all, he makes it a matter of conscience not to risk in hazardous enterprises the property of others entrusted to his keeping.

The good merchant, having thus acquired a competency, and perhaps amassed a fortune, is liberal in dispensing his wealth.

At the outset, he is careful to indulge in no extravagance, and to live within his means, the neglect of which precaution he finds involves so many in failure and ruin. Simple in his manners, and unostentatious in

his habits of life, he abstains from all frivolous and foolish expenditures. At the same time, he is not niggardly or mean. On the contrary, he is liberal in the whole arrangement of his household, where every thing is for use and comfort, and nothing for ostentation and display. Whatever will contribute to the improvement and welfare of his family, or whatever will gratify their innocent tastes, be it books, or engravings, or pictures, he obtains, if within his means, though it cost much; knowing that at the same time he may foster the genius and reward the labors of our native authors and artists, an estimable class of men, whose works reflect honor upon their country, and who consequently merit the patronage of the community. But whatever is intended for mere parade and vain show, he will have none of, though it cost nothing. He thinks it wise and good economy to spend a great deal of money, if he can afford it, to render home attractive, and to make his children wise, virtuous, and happy. Above all, he never grudges what is paid to the faithful schoolmaster for their intellectual and moral training; for a good education he deems above all price.

Having thus liberally provided for all the wants of his household, the good merchant remembers and cares for all who are related to him, and who may in any way stand in need of his aid. And this aid is administered in the most kind and delicate manner. He does not wait to be solicited; he will not stop to be thanked. He anticipates their wishes, and by a secret and silent bounty removes the painful sense of dependence and obligation. He feels it a pleasure, as well as a duty, to help them; he claims it as his privilege to do good unto his brethren. He would feel ashamed to have his needy relatives relieved by public charity or private alms.

But our good merchant feels that he has duties, not only to his immediate relatives and friends, but to a larger family, the community in which he lives. He is deeply interested in its virtue and happiness, and feels bound to contribute his full share to the establishment and support of all good institutions, particularly the institutions of learning, humanity, and religion. He is led to this by the expansive and liberalizing spirit of his calling. It is, unfortunately, the tendency of some occupations to narrow the mind and contract the heart. The mere division of labor, incident to, and inseparable from, many mechanical and manufacturing pursuits, though important and beneficial in other respects, yet serves to cramp and dwarf the intellect. The man who spends all his days in making the heads of pins, thinks of nothing else, and is fit for nothing else. Commercial pursuits, on the other hand, being so various, extensive, and complicate, tend to enlarge the mind, and banish narrow and selfish feelings. The merchant looks abroad over the world, puts a girdle round the earth, has communications with all climes and all nations, and is thus led to take large and liberal views of all things. The wealth which he has acquired easily and rapidly, he is consequently disposed to spend freely and munificently. It has been beautifully said of Roscoe, the distinguished Liverpool merchant, "Wherever you go, you perceive traces of his footsteps in all that is elegant and liberal. He found the tide of wealth flowing merely in the channels of traffic; he has diverted from it invigorating rills to refresh the gardens of literature. The noble institutions for literary and scientific purposes, which reflect such credit on that city, have mostly been originated, and have all been effectually promoted by him." In like manner, our good merchant encourages learning, and patronizes learned men. He is particularly liberal in endowing the higher seats of education, whence flow the streams that make glad the cities and churches of our God.

The good merchant is, likewise, a munificent benefactor to all institutions which have for their object the alleviation of human wretchedness, and the cure of the thousand ills which flesh is heir to. He lends, too, a substantial support to the institutions of religion. He feels the need of them himself, and he understands their unspeakable importance to the peace, good order, and virtue of society. He thinks that he sleeps sounder, and that his property is more secure, in a community where the sanctions of religion are superadded to the penalties of the law; where the stated inculcation of religious principles and sentiments diffuses a healthy moral atmosphere, which, though unseen, presses, like the weight of the surrounding air, upon every part of the body politic, and keeps it in its place. Accordingly, he contributes cheerfully and liberally to the support of public worship, and moreover, as Fuller says of the good parishioner, "he is bountiful in contributing to the repair of God's house, conceiving it fitting that such sacred places should be handsomely and decently maintained."

Such we conceive to be the character of the good merchant. It may, perhaps, be thought by some, that the character is a visionary one; and that, amidst the competitions of trade, the temptations to unlawful gain, the eager desire of accumulating, and the natural unwillingness to part with what has been acquired with much labor and pains, there can be no place for the high-minded and generous virtues which we have described. We might have thought so too, if we had never seen them exhibited in actual life. The portrait which we have attempted to draw is not a fancy sketch, but a transcript from nature and reality.

WILLIAM PARSONS was born at Byfield, Massachusetts, on the 6th of August, 1755. He was the son of the Reverend Moses Parsons, the clergyman of that town, and was one of eight children, three daughters and five sons, among the latter of whom was the late distinguished chief justice of Massachusetts. After receiving a good education at Dummer Academy, he became an apprentice to an elder brother who was engaged in trade at Gloucester. Before coming of age, however, he entered upon the hard and perilous life of a sailor, which he pursued for five years, having the command of a vessel, and making many successful voyages. Like many other of our rich merchants, who were the architects of their own fortune, he took his first lessons in industry and enterprise amidst the hardships, privations, and dangers of a sea life; than which, there is no better school for the development and exercise of intellectual and moral energy.

In 1780, at the age of twenty-five, Mr. Parsons quitted the sea, and married the lady who, for forty-seven years, by her congenial spirit and the similarity of her views, by sympathizing in all his benevolent feelings, and co-operating in all his plans and deeds of charity, contributed so much to make his life tranquil and his home happy. In the same year he entered into business, and removed to Boston, where he remained till his death, a period of fifty-seven years, actively engaged to the last in commerce and navigation, having, at the time of his demise, one vessel upon the ocean, and dying, at the age of eighty-one, the oldest merchant and ship-owner in Boston.

The prominent traits in the character of Mr. Parsons, were his unbending integrity, his uncompromising adherence to truth and right, his conscientious regard for duty, his entire freedom from selfishness, and his tender and comprehensive benevolence. These qualities shed a daily beauty on his life, and spread a sacred fragrance over his memory.

In the mercantile community, no one stood higher than Mr. Parsons;

—his very name was synonymous with integrity. In all his transactions he was systematic, exact, high-minded, honorable. By a regular, yet not slavish attention to business, he amassed a handsome fortune, which would have been much larger, had he made business the sole end of life, or had he not distributed his wealth, as he went along, with such a free and liberal hand. His losses, which at times were great, never disturbed his singular equanimity; he regretted them only as curtailing his means of doing good. To his honor it should be mentioned, that he never had a dispute with the numerous mechanics and laborers whom he employed. He might sometimes, indeed, think himself wronged, and perhaps say so; but yet he would pay the bill, and leave the man to settle the matter with his own conscience.

The wealth he had thus honorably acquired, he spent in the most generous manner. He had an open heart and an open hand. Considering his first duty to be to his own family and relatives, he gathered them under his wing, and overshadowed them with his love. His house was like a patriarch's tent, or the gathering-place of a tribe. He was a sort of universal providence, remembering the forgotten, and attending the neglected. The absent were not out of his mind, nor the distant beyond the reach of his care.

But his good feelings and charities were not confined within this circle, large though it was. The destitute, the sick, the afflicted, resorted to him for aid and solace, and never applied in vain.

"His secret bounty largely flowed,
And brought unask'd relief."

Was any new charity contemplated, any humane object set on foot in the city, Mr. Parsons was one of the first to be applied to, to give it the sanction of his approval and the encouragement of his purse. And such applications, frequent though they were, he always attended to most cheerfully, and responded to most liberally, deeming it a favor that the opportunity was afforded him of doing his part in promoting a good object.

His house was long the seat of a generous, but quiet and unostentatious hospitality, where there was nothing for display, but every thing for the comfort of his guests. His doors were open for his friends to enter at all times, and they were sure to be received with a cheerful welcome and a placid smile.

He departed this life in the spring of 1837, full of years, full of usefulness, and full of honors. As has been beautifully said of another, "Death, which harmonizes the pictures of human character, found little in his to spiritualize or to soften. Kindness of disposition was the secret but active law of his moral being. He had no sense of injury but as something to be forgiven. The liberal allowance which he extended to all human frailties grew more active when they affected his own interests and interfered with his own hopes; so that however he might reprobate evil at a distance, as soon as it came within his sphere, he desired only to overcome it by good. Envy, hatred, and malice, were to him mere names,—like the figures of speech in a school-boy's theme, or the giants in a fairy tale,—phantoms which never touched him with a sense of reality. His guileless simplicity of heart was preserved by the happy constitution of his own nature, which passion could not disturb, and evil had no power to stain. He diffused the serenity of a good conscience, and the warmth of unchilled affections, through a large circle of relatives and friends, who were made happy by his mere presence. Such was he to

the last, amidst the infirmities which age had accumulated around him—the gentlest of monitors and the most considerate of sufferers.”

“Of no distemper, of no blast he died,
But fell like autumn fruit that mellowed long;
E'en wondered at because he dropped no sooner.
Fate seemed to wind him up for fourscore years,
Yet freshly ran he on two winters more:
Till, like a clock worn out with eating time,
The wheels of weary life at last stood still.”

ART. VI.—NEW COMMERCIAL FIELD.

Travels in South-Eastern Asia, embracing Hindostan, Malaya, Siam, and China, with a full account of the Burman Empire; with Dissertations, Tables, &c. By Rev. HOWARD MALCOM. Boston: 1839. Gould, Kendall, & Lincoln. 2 vols. 12mo.

HERE is one of the few books of travels which is to be bought and studied, and referred to in future, not borrowed and read. Its pages are crowded with facts respecting things, as they are not with incidents which happened to the traveller. The botanist, politician, geologist, geographer, and merchant, will each find his own department rich in information. The advocate of missions will find more, both of information and encouragement, than he can obtain any where else, respecting these countries; and the mere miscellaneous reader will enjoy it as well as any novel, or narrative of the day. The style is what it should be, grave and dignified, yet sprightly and neat, coming directly to the point, without waste of words, and making the reader forget the author in his interest in the subject.

It would occupy too much space to condense and arrange, for a single number of our work, all the important commercial information contained in the volumes before us, as too many of the facts, prices, &c., are stated in an insulated manner; but we take pleasure in gathering some paragraphs, and giving the substance of others. It is very desirable that our enterprising merchants should scrutinize this field afresh. With some sections of the East, such as Batavia, Calcutta, Sumatra, Canton, etc., we are intimately engaged in a lucrative and honorable trade; but with Burmah, Siam, and the Malay peninsula, we are doing almost no business, while the prices of various articles, stated by Mr. Malcom, furnish strong inducement to feel our way in these places.

To avoid the trouble of constant quotation, we have thrown into our own language the facts and reasonings of the author of the work above named.

From Burmah might be imported paddy,* lac, anatto, turmeric, tobacco, tea, and black varnish, beside rubies, sapphires, noble serpentine, and bullion. Rice and bullion are not allowed to be exported from Burmah Proper, but there is no restriction at Maulmain, Akyab, Ramree, Rangoon and other places under British sway. Rice is therefore dearer at Rangoon and Bassein. Paddy was selling at Rangoon, during Mr. M.'s visit, for the almost incredible low sum of two dollars and thirty cents per hundred bushels! The best of cleaned rice retailed in the Bazar, at the same time, for a fraction less than twelve cents per bushel,

* Rice in the husk. Cleaned rice will hardly do well for so long a voyage.

or about a quarter of a cent per pound! At Maulmain, and the other places named, it is three or four times as dear; but even at this rate may be imported at a large profit. The black tea of the western provinces of China is brought by caravans to Ava, and thence finds its way to all parts of the kingdom. At Rangoon it costs but twelve cents a pound. It comes in hard round balls of about a pound each. The flavor is peculiar, but those who use it a few times prefer it to any other.

Stick lac is largely exported from Burmah to Calcutta, for England. It is of the finest quality, and if it can be sent to England with profit, it can be sent here. Indigo is indigenous to Burmah, and might be raised in any quantities; but the monopoly of the East India Company, in Bengal, prevents all demand for it in Burmah by the resident merchants, and none is exported. The black varnish may be had for a song, and according to Mr. M.'s description would be an invaluable addition to our present list of foreign importations. It is the gum of a tree found abundantly in the forests, and possesses several very important qualities. It is so impervious to water that a single coat makes an article water-tight. It is, when thinned, a beautiful black varnish, and is used in the manufacture of the wooden-ware, and strong lacquered cups and boxes. It is the tact with which Burmans gild pagodas and idols, and gold leaf, put on with it, stands the weather till wholly worn away. On travelling trunks and harness it would be admirable. The rubies of Burmah are the first in the world, and the tobacco is equal to the Havana.

Tobacco grows wild in many places, and is cultivated in most parts of the country. There are several kinds, some of which is not surpassed for smoking by the finest Havana. The best sorts and qualities sell at about a rupee a viss; the middling sorts, about half that price; and the poorest, four or five viss for a rupee. The best is raised on the rich levels of the maritime districts, and water-courses. The culture of this article might be almost indefinitely increased; but it has not become an article of export. From a thousand to twelve hundred pounds are yielded per acre, on an average.

A little is used for chewing; but the consumption for smoking is very great, not in pipes, but in cigars or chiroots, with wrappers made of the leaves of the Then-net tree. In making them, a little of the dried root, chopped fine, is added, and sometimes a small portion of sugar. These are sold at a rupee a thousand.

The tea-plant grows indigenous in all the upper provinces, and is raised in large quantities for exportation to the rest of the country. Part of it is prepared as a pickle, in which form it is a favorite article of food among all classes; and part is dried and put up in hard round balls. Mr. M. used the latter during his whole residence in the country, and coincides with all the missionaries in pronouncing it equal to the best black teas of China. The taste, however, is somewhat peculiar, and few are fond of it at first. It is generally supposed to come from China, being mostly brought by the Chinese and Shyan caravans; but several of the chief men at Ava assured him it is the product of their own territories, purchased on the way. It sells at Ava at about one rupee a viss, (twelve cents per pound.) In the lower provinces, it brings double that price. But even at the latter rate, it is exceedingly cheap. There is no obstruction to its exportation.

Black pepper is indigenous, and in some places small quantities are cultivated. It might be made a great article of export; but the natives do not esteem it as a condiment, preferring the long red pepper, or chilly. The latter article might also be made an exportant article of commerce,

and is now imported to some extent. With it, the people of the upper districts purchase rice, etc., from the lower districts. It is found wild in great quantities. Cultivation seems to increase the size, but not the pungency of the plant.

The sugar-cane attains its full size and richness in certain spots, and sugar might be exported to a great extent. Millions of acres, adapted to its most successful cultivation, lie wholly uninhabited. Though almost every Burman raises a little sugar-cane, it is merely to be eaten in its natural state, and none, that we know of, resort to it for sugar. The Chinese round Umerapooora make a considerable quantity of excellent light-brown sugar, which is sold very cheap. They also clay some of it, and produce an article as white as our loaf-sugar, but much abridged of its sweetness.

Indigo grows wild, and is cultivated also to some extent. The mode of extracting the dye is unskilful, and the whole product is used in the fabrics of the country. The high price of labor will forbid the exportation of this article.

The import of rice to this country is not the only aspect in which the low price of that article in Burmah is to be regarded. It will do to carry to China, better than from Batavia, whence our vessels now obtain it. Thus the cargo carried to Burmah may be converted into rice, silver, lac, edible birds' nests, sharks' fins, sea-slugs, ivory, cotton, and sapan wood; and taken to Canton for a load of tea.

At Maulmain, Kyouk Phyou, Akyab, and Mergui, on the Burman coast, there are no restrictions; vessels pay no tonnage, and merchandise no duty. At the first of these places there is a regular establishment of pilots, at low charges; and such as choose to dispense with a pilot pay a small sum for the buoys. The city stands twenty-five miles up the Salwen river, with black buoys on one side of the channel, and red on the other, all the way. At the mouth of the river stands Amherst, where the pilots are stationed. Vessels making this port will find pretty good direction in Hosburg. The channel is narrow, but deep and safe. The coasting trade of Maulmain is thus described by Mr. Malcom:

"The imports from Tavoy and Mergui are principally attaps, or dennees, (leaves stitched upon strips of rattan, ready for thatching,) damar torches, cardamoms, sapan wood, gnapee, rattans, preserved doryans, mats, salt, yams, and ivory. In return are sent to these places, cotton, oil, English goods, paddy, beef, lime, and tamarinds.

"From Rangoon are imported catch or catechu, stick lac, gram, oil-seed, earth oil, sesamum oil, lappet, (tea,) wheat, ivory, lackered ware, glazed pottery, jaggery, (black sugar,) Burman silks, tamarinds, chillies, garlic, etc.; and in return are sent areca-nuts, cotton, dates, English goods, cocoa-nuts, etc.

"From Penang are brought umbrellas, muskets, torches, dates, coffee, etc.; and in return are sent chiefly paddy and rice.

"From Calcutta are brought specie, English goods, wines, ginger, steel, rose-water, sugar, and almost the only important return is teak timber. The same may be said of Madras. This is about the whole commerce of Maulmain. From eight to twelve vessels enter and clear per month."

The ports of Rangoon and Bassein, the former on the western, and the latter on the eastern mouth of the great river Irrawaddy, are the only good harbors now belonging to Burmah Proper. The commerce of the former place was formerly very considerable, but the latter now is more frequented by foreigners. Of Rangoon, Mr. Malcom informs us, that, "The

exports are teak wood, cotton, ivory, wax, cutch, and stick lac, and in small quantities, lead, copper, arsenic, tin, edible birds' nests, indigo, amber, tobacco, honey, tamarinds, gnapée, gems, sharks' fins, orpiment, sapan wood, and sea-slugs. The nine last-named articles are of such limited amount as scarcely to deserve notice. By far the most important item is teak, which is chiefly sent to Calcutta and Madras. The value of this article alone amounted, in former years, to £200,000 per annum. It is now not more than a fifth part of that quantity. About two million pounds of raw cotton are sent to Dacca, where it is used in the manufacture of the fine muslins for which that place has been so celebrated. The Burman collector informed a merchant at Ava, that about thirty million pounds are sent up the Irrawaddy, annually, to China; but Colonel Burney estimates it at about four millions. Nearly four millions per annum are sent to Arracan. None is exported in the seed. The sea-slug is derived from the coasts of Mergui. It is commonly called *Biche de mer*. It is a large marine worm, somewhat resembling a leech, which, when properly cured, is regarded as a great luxury by the Chinese. The mode of curing is to boil them in salt water, and then dry, or perhaps smoke them. There are three principal kinds—black, red, and white. The white sell at ten to twelve dollars per tical, (one hundred and thirty-three pounds,) the red for twenty-five dollars, and the black for fifty dollars. Of each of these there are various sizes. Some, when dried, are seven or eight inches long, and one and a half in diameter; others are not larger than a man's finger. The shark's fins have a skin which is valued for polishing substances in the manner of fine sand-paper. Their chief value is for the tendons, which are an article of food with the Chinese. They are drawn out and dried, resembling in this state silver wire, and are used in soup, as the Italians use vermicelli. Gnapée is made from prawns, shrimps, or any cheap fish, salted and pounded into a consistent mass. It is frequently allowed to become partially putrefied in the process. It is sometimes called in commerce *Balachong*."

The proper articles to carry out to Burmah, are, cotton jean and shirtings, gingham of gay colors, Scotch book muslins, coarse green and red cloth, cotton twist, cotton handkerchiefs, (gaudy colors, in which red predominates,) gunpowder, muskets, and pine spars of moderate size. In small quantities the following articles also may be disposed of: writing paper, lead pencils, slate paper, slate pencils, black bottles and common vials, horse pistols, flints, pelisse cloth, or cassimere of light texture and very fine, for noblemen's shawls, yellow soap, small Liverpool bowls, cups and saucers, common country thread, bar iron and steel, raw silk, moulded glass saucers and small plates, blue and green cotton umbrellas, two and three inch augers, fine tooth combs, small brass kettles with handles.

The same articles suit the Siam market, and from thence a vessel is more sure of obtaining a cargo, as the great staple is sugar, which can always be purchased at a safe price. Besides this, the Siamese export frankincense and gamboge in large quantities. Besides these articles, tea and other productions may generally be bought at Bangkok cheaper than at Canton.

In essaying this new direction to trade, vessels should be fitted out with principal reference to Calcutta or Singapore, and so take Burmah on the way to the former, or Bangkok in connexion with the latter. Some specie should be put on board, as this is always sure of commanding goods at the lowest prices.

We close our notice of these interesting volumes with a few paragraphs relative to the coinage and currency of Burmah :

"The country has no coinage. Silver and lead pass in fragments of all sizes, and the amount of every transaction is regularly weighed out, as was done by the ancients. (Gen. xxiii. 16. Ezra viii. 25.) It is cast by the assayers in thin round cakes, weighing two or three ticals, but is cut up with mallet and chisel to suit each sale. The price of a thing, therefore, is always stated in weight, just as if we should say, in answer to a question of price, 'an ounce,' or 'a drachm.' When an appearance like crystallization is upon the centre of the cake, it is known to be of a certain degree of alloy, and is called 'flowered silver.' Of this kind, which is called *Huet-nee*, the tical is worth fifteen per cent more than the *Sicca rupee*. The *Dyng* has the flowered appearance over all the cake, in larger and longer crystals; and is cast into cakes weighing about twenty ticals; but varies exceedingly in fineness, being of all qualities, from *Huet-nee* to ten per cent purer. It is assumed to be five per cent purer.

"An inferior kind of silver, even to twenty-five per cent alloy, circulates freely, for smaller barter. The people, however, are not deceived in its quality, for the degree of purity is detected by them with great readiness, chiefly by the appearance left on the cake at cooling.

"Silver, in passing from hand to hand, becomes more and more alloyed, so that, when a man is asked the price of a thing, he says, 'Let me see your money.' He then regulates his charge by the quality of the silver, and a piece is chopped off to meet the bill; change, if any, being weighed in lead.

"Gold is scarcely used as a circulating medium, being absorbed in gilding sacred edifices, or in jewels. By Burman estimate, gold is eighteen times the value of silver. It often rises to twenty or more, when the people are compelled to obtain it at any price, to pay their tax toward the gilding of some pagoda.

"Small payments are made in lead. Each vender in the bazaar has a basket full of this lead. Its general reference to silver is about five hundred to one. It varies exceedingly, however, in its proportion; sometimes fifteen viss of lead is given for a tical, and sometimes only seven or eight, at Ava. In distant parts of the country, where the silver is more alloyed, three or four viss is given for a tical.

"The late king, Menderagye, attempted to introduce small silver coin, which he made with a mint establishment imported from England. But he required his ticals to pass for sixty per cent above their real worth, and the copper for nearly three times its worth. The consequence was a universal stagnation of business; and, after urging his law so far as to execute some for contumacy, he was at length obliged to let silver and lead pass by weight, according to their real worth, as before. The people are not anxious for coin. They cannot trust their rulers; they love higgling in bargains; they make a profit on their money, as well as goods, by increasing its alloy; and a numerous class of assayers, or brokers, called *Pwa-zahs*, (by foreigners, *Poy-zahs*,) subsist by melting up silver, to improve or deteriorate it as they are desired. This they do before the owner's face, and have only the crucible and scoriæ for their trouble.

"At Rangoon, the Madras rupee circulates generally for a tical; and along the rivers up to Prome, it is known, and will be received. But at the capital, and throughout the interior, it is weighed, and deemed an inferior

silver. In Arracan and the Tenasserim provinces, rupees, pice, and pie, now circulate as in Bengal, and money is scarcely ever weighed.

“The common rate of interest, when collateral security is deposited, is two or three per cent a month; when there is no security, four or five per cent. If the interest become equal to the principal, the debt is cancelled. Creditors, therefore, exact new notes from their debtors every few months, if the interest be not paid.”

MERCANTILE LAW.

ART. VII.—POPULAR SUGGESTIONS OF THE PRINCIPLES OF CO-PARTNERSHIP.

HAVING, in the previous number, considered the condition of co-partners towards the public, we next proceed to notice their position as to each other. The rights and duties of partners between themselves, depend chiefly upon the co-partnership agreement, and in matters where that is silent, they are governed by rules of law, growing out of plain equity and the dictates of natural justice.

The co-partnership agreement is sometimes drawn up in great detail; sometimes is a mere memorandum, in which those particulars only are noticed which happened to be thought of at the moment; and in other instances, probably the most numerous, the facts and details of the co-partnership are left to be inferred from the parties transacting their business jointly, and the entries in the joint books of account. Although a formal agreement of co-partnership is far the most convenient, especially when it provides for the events growing out of a dissolution, yet the agreement evidenced in any other form is equally valid. When the agreement is formally drawn up, it usually specifies the commencement and intended duration of the co-partnership; the kind of business to be pursued; the proportion of capital to be brought in; the manner in which the gains and losses are to be divided; whether interest on capital is to be charged, and at what rate; the allowance which the co-partners may withdraw yearly for their private use, and the disposition which is to be made of the joint property in the event of a dissolution. The latter is the most important of all the stipulations, and it is one of the first suggestions of a prudent circumspection, to provide, at the commencement of the union, when there is mutual confidence and good feeling between the parties, and when the uncertainty as to which party shall fall under the adverse operation of any stipulations ensures the adoption of such as are mutually and reciprocally just, for the disposition of property in the event of a dissolution; an event upon which it becomes so peculiarly situated, from the equal and conflicting rights of dissenting owners, that the only administration of it which the law can sanction, is to take it from all.

Where the co-partnership agreement is explicit, the co-partners must, in all cases, conform to it. A breach on either part, except where otherwise provided, is generally a good ground of dissolving the co-partnership; or the unoffending partners have a right to put all the consequences of the default of the offending party to his individual charge, or if it is likely to result advantageously, to claim the benefit of it. Thus, where it is stipulated that each, or any partner, shall devote all his time and efforts to the

advancement of the joint interest, or that neither shall engage in any business on his own account, the other co-partners on discovering a violation of this obligation, have their election, either to claim the benefit of the business done in violation of the agreement, or to leave it to the offending party; they have also the right thereupon to dissolve the union; and in case any injury results to the joint interest, to charge it to the account of the offender. The right to adopt the profit of the separate business, results from the stipulation by which all the time and efforts of the partners are devoted to the joint benefit; and the offending partner is precluded from setting up that his speculation shall stand for his own benefit, when, if such were its intent, it was a violation of his own agreement and of the rights of others.

Often co-partnership agreements provide against the co-partners becoming bound as surety, or otherwise, during the co-partnership, except for the business of the firm. The violation of this stipulation gives the right to dissolve the co-partnership. This stipulation is exceedingly useful; not that any such contracts of suretyship bind the co-partnership, for, ordinarily, they do not, and being private stipulations between the parties, they do not affect the public; but this stipulation acts as a salutary admonition and restraint upon co-partners, especially the younger members of houses, from the indulgence of a heedless kindness, and relieves them from solicitations for favors, which it is often difficult to refuse, and always wrong to grant. Besides, the co-partnership interest cannot but suffer from every thing which burdens the respective parties, either as to time or fortune, or which tends to divert their minds from the pursuit of the common interest to which they all stand pledged. Again, if by such implications an individual co-partner becomes embarrassed and insolvent, his interest in the co-partnership becomes subject to the claims of his creditors; his co-partners are obliged to wind up their joint business, and to settle it, at great loss and inconvenience, with parties adverse to them both in feeling and interest. Such stipulations, therefore, are not only useful, but ought to be most rigidly adhered to, and their violation regarded as unjust and treacherous.

Where the co-partnership agreement does not specify the ratio of division of the profits or losses, they will be equally divided among the partners; where the ratio of the division of profits is specified, but that of the losses is not, the latter must generally be divided in the same ratio. A case sometimes occurs, where a partner is taken into a firm, who is merely to contribute his services, and who notoriously has no other means of meeting losses than what his proportion of the profits of the business may supply; supposing that it is not prescribed that he is to bear losses, what is the rule of law on this case? Can his co-partners be deemed as looking to him, in entering into the union, for the loss of more than all he is to contribute, namely, his time and labor? Can they be deemed to look to him for a contribution of property, which he obviously has not, and will not have, if the joint business be unsuccessful? The case is not without difficulty, and is not fully settled by authority. At the same time, there seems to be not sufficient reason to exempt such a co-partner from bearing his share of the losses as in other cases; by the union, the business is one for benefit; if he is to bear no part of the loss should the business at any time afford no profit, his interest would cease, when a losing period arrives, and his motives to exertion would become weakest, when the exertions of all are requisite to diminish the effect of adversity, and to prevent the

business, which has become a losing one, from becoming ruinous. Policy and even-handed justice would seem to require that he should stand the eventual risk on the gaining and losing sides, and if the result be to involve him in insolvency, it is a result which ought to have been looked at as possible, when the union was formed. In such cases, however, and indeed in all cases, every dictate of prudence requires that the division of profits and losses should be always distinctly agreed on.

Every co-partner, during the co-partnership, has a right to be consulted, and to be kept informed of all business transactions of the firm: he has a right always of access to the co-partnership books and securities. These are principles too obvious to need illustration.

He has also a right to dissent from any operation about to be entered on by the firm; it being the law that each partner has a veto upon the conduct of the others, so far at least as to discharge himself from any loss accruing by it. Otherwise, his right to be consulted would be merely nominal; besides, the co-partnership gives the co-partners an authority, which is, in its legal nature, revocable; a co-partner cannot, against his consent, be carried by his firm into an operation from which he persists in dissenting. If the co-partnership articles have provided that a majority should decide, still it is questionable if they can compel the dissenting partner to bear his share of the loss; since an authority, which, in its very nature, is revocable, cannot by agreement be made otherwise. But, doubtless, in such a case, a mere wanton dissent and refusal would afford just ground for a dissolution.

A co-partner, also, has a right to be indemnified out of the co-partnership effects, for all balances due to him, from the co-partnership, or either co-partner, growing out of his advances or liabilities, as co-partner; the rule being, that neither co-partner has any separate right to any part of the joint property, until after the joint debts, and the debts or balances to the co-partners themselves, are paid. A co-partner, therefore, in such cases, is entitled by law to a preference for his debt, upon his co-partner's balance, over all individual acts of the co-partner, by assignment or otherwise, and over the claims of the individual creditors. This right is quite generally understood as to general and permanent partnerships. Its most important application, however, is to be seen in the special adventures on joint account, or partnerships for a single adventure. Thus, if persons engaged in a joint shipment, or as joint owners of a ship, are induced or compelled to advance more than their share to one of their co-adventurers, who either attempts to defeat him of his payment by a different application of his interest in the joint property, or whose creditors attempt to divert it, this right of preference becomes vitally important; it frequently ought, at the outset of the adventure, to determine the merchant as to engaging in it. In such cases, it is well settled, that if the joint ownership be such as to constitute a co-partnership, general or particular, then the right of retainer and indemnity exists; otherwise, it does not. Every joint ownership, however, does not constitute a co-partnership. Joint owners of a cargo, or of any other personal property, of a race-horse, of a flock of sheep, of ships, are not, of course, co-partners; to constitute such an ownership co-partnership, it is necessary that there should be either an express agreement that a special co-partnership in such property should exist, or that it should have been purchased with the funds of an existing co-partnership, as a part of its business property, or that the loss or gain upon the sale of it should have been agreed to be for the joint account. When these cases occur, then the joint obligations, in relation to the joint property, spring up, and the rights of preference, between each other, over strangers, arise along with them.

In relation to ships, these principles need to be far more generally understood than they are. From the necessity which ships are subject to of expenses for repairs and maintenance, joint owners of ships are always jointly liable; and the freights, also, are very frequently received by one of the joint owners, who is denominated the husband of the ship. It often, therefore, occurs, that one part owner shall, from the failure of his co-proprietors, be obliged to pay more than his share, or that the ship's husband has received more than his share of her earnings. The expectation of the merchant, in such cases, generally is, that he can claim, upon the delinquent owner's interest in the ship herself, for the balance owing by him, or which he ought to bear. This, however, is not so; and such owner may defy the other owners, either refusing to apply his share of the ship to the indemnity of the others, or he may defeat it by a transfer, or his creditors may by an execution. It is only in the cases where a partnership exists as to the ship, in some of the modes above described, that this right of indemnity and preference, so important and apparently so just, arises. A mere joint interest is like any other individual property; it is subject to no other liens than are expressly given by the owner, and merely becoming a joint contractor does not give one.

Joint speculations in land, either for the purpose of the profit on a resale, or for the accommodation of the co-partnership business, are not unfrequent. As to land, at law it never is a co-partnership subject; and, in all such cases, the land does not become subject to the co-partnership principles; the several co-partners cannot, by acts not united in by all, subject it for the debts of their firm; they cannot, as co-partners, sell it; it is not subject, at law, to the co-partnership debts, in preference to individual debts; the widow and heirs at law of a deceased co-partner, become entitled to it, only subject, as to the heirs at law, to the ordinary liability of land for debts. And this is all true, although the property have been purchased in such a manner as would, if it were personal (movable) property, be clearly co-partnership property. The rules of law, as to lands, are of a kind too precise and rigid to admit of the various implied rights and powers, resting upon the mercantile law of partnership.

In such cases, however, courts of chancery, in the application of certain principles, implying a trust for the benefit of those with whose funds lands are purchased, will, to some extent, give relief. But the condition of land is so peculiar, in its relation to co-partners owning it jointly, as always to require deeds to be very specially penned, to secure its application, according to the convenience of the co-partners, and to the dictates of justice, as by them understood.

The only other right of a co-partner, during the co-partnership, needing notice, is, whether he possesses that of assigning the co-partnership property, on its insolvency, in payment or security of its debts. The existence of such a right is not very clearly or decidedly recognised in the law; there are principles which seem to require its existence and acknowledgment. Unless it exists, in the case of absent co-partners, there is great difficulty in securing a just disposition of the property among the creditors, either by way of preference, according to received usages and expectations, or by way of a ratable and equal distribution. Executions may be obtained by urgent creditors, which would defeat all equality or propriety of payment. It would seem, however, that, ordinarily, the power to make such an assignment does not exist, because the powers implied in co-partners are powers for carrying on the business,

and not for its final termination. But in the absence of a co-partner, or his inability to execute an assignment, in an emergency, necessity might give rise to the authority. The refusal of a dissenting partner, however, seems, upon general principles, to be fatal, if given before the execution of the assignment, upon the general principle of his right to dissent, as above considered. The whole of this branch of the subject is one of difficulty, which is pointed out rather as containing dangers, than with the pretence of indicating a clear channel to pass through them. The ever numerous accidents of commerce in this country, will, no doubt, present cases for the final clearing up of this subject, and disperse the clouds now resting upon it.

The next branch of this subject is the dissolution of the co-partnership: the union must come to an end; death interferes, dissension interrupts, or time brings it to a close.

The dissolution by death is the most simple in its effects. Notwithstanding the fixing of a term for the continuance, death intervening, triumphs over this branch of the agreement. The co-partnership terminates, as to the public; and it also ceases as between the parties, unless by special stipulations, which are, in this respect, very convenient, and often necessary, the continuance of the property under co-partnership control be provided for. Upon death, the co-partnership property goes to the surviving partners, or partner, who hold it for the settlement of all the affairs of the firm, and then to account to the executors of the deceased for the balance due to him. The property does not go into the hands of the executors of the deceased; and the surviving partners, being owners in law, have the full right of applying it, according to their discretion, in the payment of the debts, according to such views of preference or equality as they think fit; the property is held by them, not as trustees, but as accountable owners. Should the surviving co-partner be an unsafe depositary, or exhibit any fraudulent misapplication or waste of the property, the creditors may pursue him at law, or the executors of the deceased in equity; and the property may be taken out of his hands, or securities for a faithful accounting compelled. The property is to be accounted for according to its just value, as ascertained by a sale, and by actual collections, and the survivor is allowed to make no separate profit for himself in the settlement.

When the co-partnership terminates by the expiration of the term agreed on, the situation of the property, if the agreement of co-partnership has been so carelessly drawn as not to provide specially for it, is mainly as follows: the property held in co-partnership is now merely held jointly, without the right of the parties to dispose of it, except by joint consent, or the order of a court. Each partner has an equal right to the possession of it, and therefore neither can take it from the others, nor compel by law its redelivery to him, if by them taken out of his hands. Each has the power to receive or release the debts, without consulting with his co-partner. Neither has the right to pass away negotiable paper, except in payment of the debts of the co-partnership; but he may have the opportunity to dispose of it, if in his actual possession, to *bona-fide* purchasers, and thus put himself in funds subject only to the liabilities of an accounting party, with a balance in hand. In short, the whole property is in a situation of the greatest embarrassment, and unless by the aid of a court of equity, the civil death of the co-partnership would ordinarily work the destruction of its property. The consideration of the extent and character of this court's interference will, however, be for a moment deferred.

The next mode of dissolution is by the dissension of the partners. Co-partnership consisting chiefly in the mutually delegated authority or agency, and all authority being in its legal nature revocable, either co-partner, notwithstanding his agreement of co-partnership, may dissolve it, by declaring his intention to his co-partners, and making it known to the public. This revocation, although it may paralyze the other co-partners, as to making joint contracts, would not probably deprive them of the right of holding the property for the purpose of closing their affairs, although this would probably depend upon the justice of the cause of the dissolution. Upon dissolutions, the most embarrassing dissensions frequently arise.

During the co-partnership, the pursuit of a common interest, the advantage which the firm derives from harmony among its members, and the forbearance towards each other's faults and imperfections which these circumstances produce, all tend to suppress the rising complaint, to strangle an envious rivalry, to stifle the coming reproach; but on a dissolution, these bonds are cut asunder, separate interests come to be satisfied in the arrangement of the joint property, the rivalry likely to take place between separated co-partners about to pursue their business on their separate accounts, the strife to bear away the advantages of the former establishment—all tend to awaken the remembrance of long passed grievances, as well as to sharpen every angry feeling, and to whet the eagerness of short-sighted avarice. The parties then are apt to disagree about the mode of distributing the goods and debts, the rates of valuation to be affixed to them, the custody of the property during the time that the joint debts remain unpaid, and the amount and sufficiency of the security to be offered by one to the other. Perhaps one of the co-partners may project the buying out of the interest of the others, or may ascertain that their circumstances render a speedy settlement very important to them; he then throws difficulties in the way, is unwilling to enter upon mutual concessions, or to treat upon terms of reciprocal justice; and very often does it happen, that each assumes the attitude and expresses the menace of seeing which can do the other the most harm. Without enlarging upon the base and detestable exhibition of such feelings, and upon their inconsistency with honor or good faith, mutual interest, or common justice, let us consider now how the law (the dernier resort, as well of the quarrelsome as of the injured) deals with the property.

The dissolution generally finds the debts unpaid; the property with its ownership balanced among dissenting parties, so as to be rendered incapable of application to its purposes; the debts liable to be seized by each partner, as he can persuade the debtors to pay him; the creditors left to suits exhausting the funds with expenses; while the co-partners are striving for their own interests, or the gratification of angry passions. If none of the co-partners resort to a court of equity, the creditors recover their judgments at law for debts, and pursue the co-partners individually, exhausting first the man of most property, or whose effects are most accessible. It therefore becomes at once his interest to have the property put into a train of proper administration, and he applies, in a suit in chancery, for a settlement of the partnership accounts, for the appointment of a receiver to whom the partnership property and debts shall be delivered, and for an injunction against the partners respectively, from receiving or interfering with any of the effects until distributed by order of the court. This course secures the property from the wanton waste of the co-partners, but subjects it to heavy expenses, and to those losses which invariably attend the closing of estates by others than those

immediately interested in them as owners. This course also involves some delay, and it is therefore in many cases resorted to or threatened as a menace, by those who would be ashamed and restrained by public opinion from producing the same injuries in a more direct manner. But it is to be remembered by all such, that the court of equity, while it acts according to principles well settled, yet acts in modes ever varying according to circumstances. If a case of oppression or great injury to the property occurs, it will, under suitable precautions of security, appoint some one of the co-partners receiver; may allow advances to be made out of the collections by the receiver, in case suitable securities are offered, and the apparent safety of the creditors' interests allow it; and generally it will so adapt its remedy, as to create the least possible injury to the contending parties, acting on the reverse of the warlike principle. The man resorting to it, in preference to an amicable settlement on terms of mutual concession, may therefore sometimes find that, although he has inflicted on his former associate some wounds, his blows have chiefly recoiled upon himself. The court will cause the property to be sold for the payment of the debts, unless a specific division can be agreed on, and funds supplied from other sources than a sale for the payment of the debts; cases of specific division, by legal proceedings, are not to be found. No right exists in any party to take the property on appraisal. The court will also cause the co-partnership accounts to be settled under its own direction, and by its own officers, according to the co-partnership books and other suitable evidence. The final termination of the affair thus becomes somewhat protracted, and exceedingly troublesome and expensive. Still it is a better resort than submission to the threat of its inconveniences. A threat of the kind once submitted to, invites to every other possible unjust pretension, and of all courses is, considering its consequences, generally the most expensive.

But it is not very often that parties are so forgetful of their interests, in the vehemency of their desires to do injury to each other, as to stand out to these disastrous measures, and most frequently an amicable dissolution is agreed to. The parties divide the property by arrangements among themselves, assume their proportions of the debts, give securities to each other for the payment of the debts assumed, and so terminate their joint connexion. Of course, the modes of such settlement are very various; but it seldom happens that a disposition to mutual concession, without which opposing interest never can be reconciled, and the aid and advice of judicious friends, cannot bring a dissolved partnership to a better termination than a lawsuit will yield.

Sometimes a question is made as to what is called the *good will* of the firm, that is, its correspondence with the customers or dealers with the firm; and this is often supposed to be affected by possessing the old seat of business of the firm, or retaining its name. These advantages are perhaps real, but of a kind so indefinite that the law cannot easily deal with them. If the seat of the firm be real estate, it can be sold by partition proceedings, and its intermediate possession regulated by the law; if it be a lease with an unexpired term, it must be brought to sale, and one cannot keep possession of it in defiance of his co-partners. The name of the firm cannot commonly be retained after the dissolution, as the law of this state now requires the true names to be expressed in co-partnerships. The correspondence with customers, or the connexion with them, must be kept or obtained, as accident or enterprise shall determine.

When the dissolution has taken place, public notice of it must be given by advertisement in the places where the firm has had its houses of trade; and a further particular notice, to every one with whom the firm have had previous dealings. Without this, the partners may still act in the name of the firm, and create liabilities on its members in favor of all who shall not be actually proved to have known the dissolution.

The partnerships hitherto treated of, are partnerships under the common law, and the principles developed are of general application in all the United States and commercial countries. In this state, a law has been passed allowing the formation of limited partnerships, in which a silent, or, as this law calls it, *special partner*, puts in part or all of the capital, but takes no active part in the business, and is permitted to be exempt from all liability as partner beyond the capital he has paid in. The conditions of this co-partnership are, that the capital put in, and the nature of the partnership, be acknowledged before a magistrate, recorded in the counties where the business is to be transacted, and oath made of the actual payment of the cash capital in cash. The name of the special partner must not appear in the firm, nor may he act in its affairs, except as the adviser of the others, who alone must be the ostensible parties; and the special partner can receive back from the firm in no manner, directly or indirectly, any part of his capital put in, until the expiration of the co-partnership; and in the case of insolvency, no preference can be given of any creditors of the firm over others, nor can the special partner be paid until all the creditors are fully satisfied.

Great advantages have resulted from this law, especially to young men; and such are its conveniences as to induce the expectation of a constant increase of its use. The advantages and dangers of ordinary co-partnerships are alike striking. On the one hand, capital can be thus accumulated by the contributions of the co-partners; skill and capital united; skill in different branches of commerce made to co-operate; and capital, by the force of mercantile enterprise and combination, carried to its extreme of power. A banking co-partnership in Europe, is the financier, the convenient lender to the chief monarchies of Europe, and seems to have a voice in the decisions of its cabinets; although of a proscribed religion, its members are ennobled by sovereigns, and received with distinction by nations. Let them separate and form the best possible system of agencies, and how would their consequence shrink up! Partnerships are more effective than agencies, in consequence of the greater interest of the partners to promote the common advantage, and the greater confidence and power necessarily reposed in co-partners. Partnerships in our country, where capital exists chiefly in small quantities, and in many hands, are the very basis of our commercial operations. Without them we could not enter into any competition with the richer or more skilful commercial nations; without them, too, not only would the commerce of the country dwindle, but the instruments of it would be ranged into the classes of masters and servants, of rich capitalists enjoying a monopoly of trade by means of their enormous wealth, and of mere dependents, in the form of clerks and agents trembling at their nod, and falling not only by their misfortunes, but by their caprice. The great stimulus to fidelity and enterprise, in the hopes of the young man without fortune, would be greatly lessened, if not wholly destroyed.

On the other hand, we must present the reverse to the sanguine temperaments. The trust reposed in co-partners, notwithstanding all pre-

cautions, is wholly indefinite and unlimited. And when one thinks of forming a co-partnership with another, he should ask himself if he is willing to trust him with the power to ruin him; for such and no less is it. He will therefore be careful to consider not only his business capacity as a man of shrewdness, of skill, of experience, but will need to look into his social and moral qualities. Is he a man of good temper, with whom difficulties will not be likely to arise? Is he placable, one who will not lay up the memory of an accidental slight, of a heated expression, or of an unintentional wrong, which you have done every thing in your power to redress? Is he a man keen in the pursuit of his own interest? Will he listen to any candid views adverse to his own? Will he, in a difference with you, be willing to unite with you in consulting mutual friends as mediators? Are you sure of his principles? Do you know his associates? All these are questions not merely of taste and curiosity, but entering into the very essence of your decision as to a partner. And let it never be forgotten, that well to sustain this useful relation, requires not only the qualities of sagacity and enterprise, industry and economy, which will enable one singly to do well; but also the social and moral virtues, which in all associations alike form their common bond and their common honor.

ART. VIII.—MERCANTILE LAW CASES.

CHEATING — BILLS AND NOTES — GUARANTY, OR LETTERS OF CREDIT — USURY — INSURANCE, MARINE AND FIRE — VALUE OF THE POUND STERLING — COMMISSION MERCHANTS.

It is no disparagement to the judiciary of any other state in the Union to aver, that in Massachusetts mercantile cases are investigated with an industry, an earnestness, and zeal, no where excelled; and that the opinions of the several courts there are promptly given, and abound with copious learning, profound reflection, and liberal views. The Supreme Judicial Court of Massachusetts consists of five judges. The court sits for jury trials and to hear law arguments, in Boston, about six months in each year. At the jury trials but one judge presides, but all questions of importance are reserved for the consideration of the full court, and are adjudicated upon by that learned bench, after solemn argument at the bar.

Mr. Justice Story, of the Supreme Court of the United States, also holds sessions of the Circuit Court from time to time throughout the year, and the legal opinions of that accomplished jurist, it is hardly necessary to say, are highly valuable as repositories of sound legal learning, expressed in an elegant and flowing style.

Judge Davis, also, of the District Court of the United States, is an excellent admiralty judge. Indeed, he has been called by Mr. Webster the very best in the country.

CHEATING.

Confidence being the soul of trade, there is no class of men in the community who so often suffer from an abuse of it, as those for whom our Magazine is intended. And this, in our country, is often the fault of the law; for it is well known, that in some of the United States the merchant has no means of adequately punishing the knave who has abused his confidence, by obtaining goods without any reasonable expectation of paying for them, or with the express design of having them attached as

soon as they come into his possession. The legislature of Massachusetts have made it a high offence for any person to obtain, designedly, by any false pretence, or by any privy or false token, and with intent to defraud, any money, or any goods, wares, merchandise, or other property. Any person so offending may be imprisoned in the state prison, not more than ten years, or be fined not exceeding five hundred dollars. Perhaps the most effective feature of this law is, that it is not necessary to a conviction that the government prove an *intention* to cheat, on the part of a person who makes false representations at the time of obtaining the goods. If it be proved, that the purchaser, when he obtained the goods, actually made use of false representations for that purpose, the burthen is on him to show that his intention was not to cheat the seller ultimately.

There have been several convictions under this law, and persons are now in the state prison who are suffering its penalties. The effect of it has been salutary, and it has tended very much to restore confidence in the fair intentions of those coming from a distance to purchase goods, and of whose characters and standing little can be known, except from their own representations. It is common for the merchants of Boston to keep a book in which a stranger who wishes to purchase is requested to make a true statement of his affairs, and sign it, as evidence against him in case of any doubt of his integrity at a subsequent time.

By the common law, as received in most of the United States, the seller is as much protected as he can well be by any merely civil remedy. For many cases this is sufficient; and in Massachusetts, the harsher remedy of calling in the aid of the government is not always resorted to.

The principles involved in the case of *Thurston v. Blanchard*, may be of interest in other states than Massachusetts. It was an action of *trover* for certain goods, which the plaintiffs alleged were obtained from them by means of false and fraudulent pretences.

The goods were purchased in Boston by the defendant, who resided in Lowell, in March, 1837, and amounted to \$677 77, for which he gave his note, payable in six months. It appeared, that at the time of the purchase, the defendant represented to the plaintiffs that he was worth about \$2,000, and in a month afterwards he failed, and then stated to his creditors, that his whole assets amounted to only \$4,278, and his debts to 11,400, and he proposed to pay his creditors twenty-five per cent on their debts.

The note, which was given for the goods, was in the possession of the plaintiffs at the time of the trial, and they did not offer to give it up before commencing this action. They did, however, offer to give it up at the trial, which offer being declined by the defendant's counsel, it was placed on the files of the court.

The court decided the case in favor of the plaintiffs, and held:

1. That where goods are obtained by means of fraudulent representations, the vender may at any time rescind the sale as a mere nullity, and may take the goods from any person who has them, except from *bona-fide* purchasers, for a valuable consideration.

2. Where a note is given for goods, as in this case, and it is not negotiable, it need not be returned, for it is null and void if the sale is rescinded; and if the note is negotiable, and it never passes out of the vender's hands, it need not be returned before action brought.

BILLS AND NOTES.

The case of the *City Bank v. John French*, was an action on a check for \$1,400, drawn by John Thomson, payable to the defendant, and by

him endorsed. It appeared that John Thomson received the money on this check at the City Bank, near the close of business on the day of its date; that it was agreed that the check should not be sent in until the following day; that the next day the check was sent to the New England Bank, that being the place where the messenger of the Washington Bank (this institution being at some distance from the other banks) paid their checks, which were received during the day by other banks. The check was not paid, and French was informed of that fact, and requested to pay it. Upon these facts the defendant contended that he was not liable:

1. Because he was discharged by the agreement that the check should not be presented until the next day. But the court expressed themselves clearly of opinion that this did not affect his liability in the least; because, in the first place, the check was presented within a reasonable time, and in the second place, the understanding between Thomson and the plaintiffs, that the check should not be presented until the next day, was not legally binding on the latter. It amounted to nothing more than a request, which they might or might not regard.

2. In regard to the second point of defence, that there had been no sufficient demand and notice to charge the defendant, the court thought, that there was no evidence which showed any such usage as would render the demand and notice in the present case valid. Ordinarily, in order to charge an endorser, a check must be presented at the usual place of business of the bank, a demand made, and notice of that demand and of a refusal given to the endorser. Whether any usage of presenting checks at other places would be binding on the endorser, the court would not undertake to decide, because there was no sufficient evidence of any such usage here, and unless it could be clearly shown to exist, the defendant would not be liable at all.

GUARANTY, OR LETTERS OF CREDIT.

In 1831, an individual named Menzius Rayner, Jr., of Portland, Maine, came to Boston for the purpose of purchasing books and stationery. He brought with him a letter, of which the following is a copy:

"To whom it may concern. The bearer, Menzius Rayner, Jr., son to the subscriber, is, with the advice of several gentlemen, Hon. J. C. Churchill, Gen. Todd, and others, about to establish a store in Portland, of books and stationery, and now goes on to Boston to obtain an assortment of stock for that purpose. He will commence on a limited scale, with the intention of enlarging the business next spring.

"He wishes to purchase school books, &c., upon a credit of four or six months, and miscellaneous books, paper, &c., on commission. For the faithful management of the business, and punctual fulfilment of contracts relating to it, the subscriber will hold himself responsible.

"MENZIUS RAYNER,

*"Pastor of the First Universalist Church
in Portland, Maine."*

This letter was delivered to B. B. Mussey, a Boston bookseller, who engaged to let young Rayner have books, &c.

The first transaction between them was in October, 1831, and the last in February, 1834. Rayner, Jr., made payments from time to time, and they amounted, in all, to a larger sum than all the articles furnished or sold him within six months from the time of the first purchase.

Mussey being unable to obtain payment of a balance due him, sued the

father on the letter above mentioned, and the questions submitted to the court were:

1. Did the letter make the defendant absolutely liable for the purchases, or was it a mere guaranty?

The court were of opinion, that the letter was a mere collateral undertaking on the part of the defendant, and that he did not intend to bind himself absolutely and at all events.

2. Was the letter a continuing guaranty?

The court decided that it was.

3. What was the effect of the letter?

On this point the court thought that if the plaintiff intended to rely on the defendant as security, he ought to have given him notice of his acceptance of the guaranty in a *reasonable time*. What was a reasonable time would depend on the circumstances of every case; but the court were clearly of opinion, that the plaintiff, delaying to notify the defendant of his acceptance of the guaranty, from October, 1831, till February, 1834, clearly discharged the defendant from all liability, and by agreement of parties the plaintiff became nonsuit.

USURY.

In an action on a bill of exchange, the ground relied upon in the defence was usury. The bill was drawn by Robert M. N. Smyth, and accepted by the defendant, Thomas Hobart. The amount was \$5,000, and the time six months. At the trial, before Judge Dewey, the defendant proved by one Whitney, that he was the agent of Smyth in negotiating the sale of this bill; that he sold it to the plaintiff for the sum of \$4,400, it being then agreed between him and the plaintiff, that a discount of \$600 should be made on the amount of the same; that he received the said \$4,400, and paid the same to Smyth. The case was subsequently argued before the whole court, who held that a usurious transaction in relation to a bill of exchange, between the drawer and the holder, is no defence to an action against the acceptor.

In the recent case of *Palmer Cleveland v. Benjamin Frelen and S. Draper, Jr.*, the Chancellor of New York decided:

1. That if it is a part of an agreement for the loan of money, that the borrower shall take uncurrent bills at a higher rate than their actual value in cash or current funds, the loan is usurious.

2. That where a loan is secured by the transfer of stock, with a stipulation that the lender shall have the privilege of taking a part thereof in full satisfaction of the loan, the parties, at the time of agreement, anticipating a great increase in the value of the stock, the transaction is usurious.

3. That whenever the lender stipulates even for the chance of an advantage beyond the legal interest, the contract is usurious, if he is entitled, by the agreement, to have the money lent, with the interest thereon, repaid to him, at all events.

INSURANCE.

TOTAL LOSS.—The case of *Hall v. Ocean Insurance Company, Boston*, was an action on a policy of insurance for \$2,000 on the brig *Alvara*, valued in the policy (premium included) at \$4,000. The risk was for one year, and it was proved, that within the year, on the passage to the West Indies, sea damage was sustained to considerable extent, which rendered it necessary

for her to go to Bermuda in distress, to be repaired. Two surveys were there had, and the result was, that the captain undertook to sell the brig. And the question was, whether there was a legal necessity for the sale. If there was, the plaintiff should recover for a total loss; but otherwise the defendants should be subject only to a partial loss. According to the plaintiff's estimate founded on the surveys, the amount fell short of one half of the amount insured. But the plaintiff insisted that wages and provisions, after the sale of the cargo on January 12, 1836, until a reasonable time had elapsed for the repairs of the vessel, should be allowed and added to the items of partial loss, to ascertain whether a technical total loss had occurred in the case. With this addition there would have been clearly a technical total loss. After full argument, the Court decided in favor of the defendant, and made the following points, viz:—

1. Making the estimate to ascertain whether the loss amounts to that sum, items, which should be carried to the amount of general average, should not be included.

2. The expenses incurred to ascertain the extent of the loss should not be included in the charges to make up the fifty per cent.

3. Wages and provisions of the officers and crew while the ship is undergoing repairs, are not to be computed as part of the particular average.

4. A fair allowance for the superintendence and for the custody of the vessel, if necessary, while the repairs are going on, should be made, and is to be charged to the account of labor from which one third is to be deducted.

5. The services of the officers and men may be rendered by them as laborers in making the repairs, and their labor is chargeable as if other laborers had been employed.

The case of *Williams and others v. Suffolk Insurance Company*, tried in the United States Circuit Court, in Boston, was an action brought to recover \$2,000 for outfits on board the schooner *Breakwater*, of Stonington, Connecticut. Judge Story decided in favor of the plaintiffs, and held:

1. That the necessary sale of a vessel, in the course of a voyage, to defray salvage, creates of itself a total loss of the vessel for the voyage.

2. Where the object of the voyage is entirely defeated, and the vessel is obliged to return home, it cannot be treated as a case of a voyage to a port of necessity for repairs, but there is a total loss.

The case of *Cushing Bryant v. Ocean Insurance Company, of Boston*, was an action on a policy of insurance on the brig *Hope*, of Newcastle, for one year, from January 5, 1837, for \$9,000. The vessel was lost on her first voyage to New Orleans. At the trial, before Chief Justice Shaw, the defence was opened upon two grounds: first, that the vessel was unseaworthy, which was finally abandoned; and second, that the plaintiff, when he applied for the insurance, made certain representations concerning the manner in which she was to be loaded and employed, which had not been complied with, namely, that he was taking in paving stones for ballast, and should fill up with hay for New Orleans. Whereas, in fact, he put on board a cargo of paving stones, and no hay; and the correspondence between the parties was offered as proof.

C. G. and F. C. Loring, for the plaintiff, objected to the reception of this evidence, unless it was intended to show that this was a false representation, made fraudulently, for the purpose of inducing the defendants to execute the policy; and they stated many reasons for the objection. And, after the respective counsel had presented their views, the chief justice ruled, that the

evidence was inadmissible, unless it was intended to prove a fraudulent misrepresentation, made for the purpose of procuring the policy. He considered that there was a material and well established distinction between the statement of an expectation, and a collateral fact then existing; and that the former did not constitute a representation, which could be given as evidence to avoid a policy, and that this was substantially nothing more. That the correspondence was mere inducement, or preliminary to the contract, and no part of it; and that the proposed evidence, if admitted, would materially alter and control the written contract finally made; inasmuch as, by its terms, it covered the vessel in any lawful voyage she might be engaged in, and with any proper cargo with which she might be loaded; while this testimony, if admitted, would be to limit it to the performance of one particular voyage at that time, and with one particular cargo.

That the intent stated in such representation, though duly made, might be subsequently changed of necessity, or in good faith, consistently with the terms of contract applied for, and that actually made; and if the insurers meant to insure for a particular voyage, or with a particular cargo, it should have been so stipulated in the policy.

After full argument before the whole court, they decided that the ruling of the chief justice at the trial was right, and rendered judgment for the plaintiff.

GENERAL AVERAGE.—In the case last above mentioned, the court also decided:

1. That no loss or expense is to be considered as general average, and so applied in making up a loss, unless, in the first place, it was intended to save and preserve the remaining property; and unless, in the second place, it succeeded in doing so.

2. The expenses and charges of going to a port of necessity to refit, can properly be a general average only when the voyage has been, or might be resumed. But the doctrine does not apply if the voyage has been abandoned from necessity.

An important marine insurance case was decided in the Superior Court in the city of New York, Justice Jones presiding, on the 15th of April last, which occupied the court for three days.

It was an action brought by Brander, Murray, and Gallagher, against the Washington Marine Insurance Company, for an average loss on 2,400 bags of wheat, imported in the bark *Favorite*, from Rotterdam, in the spring of 1837. It appeared in evidence, that the vessel sailed in January, that in February she encountered a gale of eight days' duration, during which she leaked considerably, and the pumps were obliged to be kept going the whole time. She arrived at this port on the 31st of March. On the 4th of April, her hatches were opened, and Mr. Gallagher, one of the plaintiffs, went aboard, obtained samples of the wheat, and, for more than ten days, offered it for sale in the market (which was daily declining) as sound, and was unable to dispose of it. About the 22d of April, two gentlemen, dealers in grain, examined the wheat. One of them went once on board the ship when she was two thirds discharged, saw some damaged around the sides of the vessel, and examined some six bags in the centre, the grains of which he found swollen and the smell musty. On this examination he pronounced the cargo all damaged. The other gentleman was twice or thrice on board the vessel, there made a similar examination, and also, before the cargo was all discharged, went

into the store, and examined some fifty bags indiscriminately, and he too pronounced the whole damaged, because of its smell. The wardens were on board the ship three times, and surveyed four hundred bags, which they declared to be damaged by leaks, and one hundred and fifty bags damaged by sweat of the hold; and, afterwards, in the store, certified the whole to be musty and damaged. It seemed to have been admitted on both sides, that the hundred and fifty bags were consigned to Messrs. Boonen, Graves, & Co., who had some fifteen hundred bags of grain on board the same vessel. The clerk of the plaintiffs testified, that he notified the company of the damage, and intended sale; and Mr. A. B. Neilson proved, that the average adjustment was made up accurately, if the data were correct. Amount claimed, with interest, about \$5,400.

For the defence it was contended, that not exceeding four hundred bags of the twenty-four hundred were damaged; and because a part of a cargo was injured by the perils of the sea, the plaintiffs had no right, either in equity or law, to sacrifice the whole at auction, and claim upon the underwriters. That the sound was mixed together, in two large heaps, with the unsound, and in such a manner, that, at the sale, purchasers could neither examine the article, nor see the lots on which they were bidding.

It appeared, on testimony, that Mr. Brander, one of the plaintiffs, called at the office of the assured, on the 27th of April, after the cargo was all discharged, and said that four hundred bags were damaged. By a calculation made in his presence, the loss on that portion would not constitute an average; that next day, Mr. Murray, another of the plaintiffs, called at the office, and said the whole cargo was damaged, and was to be sold on account of the insurers.

To prove the true condition of the wheat, the insurers produced all the purchasers, except two, who did not buy to exceed one hundred bags in all. Five purchasers, chiefly millers, who ground the wheat, bought one thousand four hundred and seventy-two bags; they testified, that it was good and sound, and better in condition than a large portion of the foreign wheat sold at private sale as sound. One testified it was by twenty-six the bushel sounder than wheat which he, within a few weeks afterwards, bought from the very plaintiffs, at private sale, as sound wheat. Two purchasers, whose lots amounted to seven hundred and ninety bags, testified: One, that his lot (one hundred and seventy bags) was not all damaged; some of the bags were stained, how many, he could not tell; but he paid some fifty-eight cents per bushel, and considered it really worth \$1 25. The other, who bought six hundred and twenty bags, saw some of it emptied out, and about one fifth part of that which he saw was swollen, and he considered the whole unmerchantable. A portion of his, however, was shown to have been taken from that part of the store where the really damaged grain was placed. That the balance of the lot, about one hundred and thirty-eight bags, was admitted by the company to be damaged. Much testimony was adduced, on both sides, as to the smell. All the witnesses of the defendants, and several for the plaintiffs, said, that all foreign grain had the ship smell—that no single cargo was free from it—that the grain in question was old grain. And several witnesses testified that it was the custom of the trade to separate the sound bags from the unsound; and in offering the damaged for sale, it was usual to arrange the bags in lots, so that at least one end of each bag could be inspected. That it was unusual to heap a whole cargo in bulk, sound and unsound, in such a manner that bidders could not see the article, and so sell it.

The judge charged the jury to this effect: — That the assured is bound to separate sound merchandise from unsound; and only the damaged is to be sold on account of the underwriter. That such an examination as was bestowed upon the grain in question was not enough, namely, to examine cursorily a few bags here and there, and then pronounce upon the whole; but each package must be examined. That if the wheat was unmerchantable, it did not follow that that was caused by a peril for which the underwriter was liable. That it did not look so bright as new wheat, or that it had a smell, or because it would not make flour to pass New York inspection, it did not follow that the underwriters were liable. They were only responsible for damage arising from the immediate perils of the sea. It was for the jury to decide how much of the damage arose from that cause, and if it amounted to an average, then the plaintiffs were entitled to recover, to that extent, and no more. The chief justice examined the evidence with great clearness and precision, and showed that a large portion of the two thousand four hundred bags were sound; that that opinion was expressed by the miller who examined it closely, ground it into flour, and eat the bread made of that very flour, which was sweet and wholesome.

The jury brought in a verdict for the plaintiffs, of \$2,193, less the premium note, making the real amount of their verdict \$1,808. Amount claimed, \$5,400.

FIRE INSURANCE. — We give the following case, as it is interesting in several points, and more particularly so in one, as showing that the responsibility of the insurers is not avoided by a dispossession of property by force of law.

Hugh Findlay, to the use of his assignee, A. B. Spence, v. The Franklin Fire Insurance Company of Philadelphia, in the District Court of Pennsylvania, January 10, 1839, before Pettit, president, and a special jury.

This was an action of covenant on a policy of insurance dated January 31st, 1831, for \$8,000, on the stock of merchandise of the plaintiff, in his store, in South Florence, Alabama.

The facts of the case were these: The policy covered a stock of goods, of various descriptions, owned by the plaintiff, a storekeeper in South Florence, and was obtained for a premium of \$80 for one year. In the summer of 1831, the insured became embarrassed in his concerns, and in September, 1831, the sheriff of Franklin county, Alabama, made a levy upon the stock, took possession of the store, closed it, barred and nailed the windows and doors, and advertised a sale to take place on the 29th of September. On the 28th of September the building took fire, and the goods were consumed; the loss was nigh, if not entirely, total. The notice to the plaintiffs, and the preliminary proofs, were sent by mail, and received by them on the 28th of October, 1831. On the 7th of October, the policy was assigned by Findlay to Spence, and suit brought shortly afterwards. The questions of law which arose in the case, were: First, whether the levy of the sheriff so far divested the insured of his interest in the goods as to defeat his right of recovery. Second, whether the levy increased the risk of the insurers so as to vitiate the policy. And thirdly, whether the loss of the insured was to be estimated by either, and which, of the following tests: the cost of the goods at either of the usual markets, Philadelphia, New York, or Nashville, with or without the actual expense of transportation; or their value, at sheriff's sale, at South Florence, or prospective profits on retail sales of the stock.

The charge of Judge Pettit to the jury enters so fully into the various points raised upon the trial, that we give it *in extenso*.

This is an action of covenant, brought by Hugh Findlay, late of South Florence, Alabama, to the use of A. B. Spence, his assignee, against the Franklin Fire Insurance Company of Philadelphia, on a policy, dated 31st January, 1831, for \$8,000, on "merchandise, such as is usually kept in a country store," in the plaintiff's store, in South Florence. The contract is in the nature of a contract of indemnity, given by the insurers against such loss by fire as may happen to the insured in respect of the goods covered by the policy. The fire occurred on the 28th of September, 1831, and a large quantity of goods in the plaintiff's store were destroyed.

The facts in the case are not complicated and not disputed. A fire took place, without any blame being attributed to, or fault of, the insured. It may be asserted generally, that all the goods were destroyed; a suggestion has been made to the contrary, in the argument, arising from the nature of some of the articles, but the witnesses speak of entire loss, and it seems that no fragments of any value were saved. If there was, or, by diligence of the insured, ought to have been, any salvage of any part of the goods, the jury will make a deduction accordingly.

There is no dispute as to the conduct of the insured at the time of the fire, nor in regard to the preliminary proofs required by the policy. The Insurance Company have, however, made defence upon grounds which present some interesting questions of law. No censure has been imputed to the company for the defence—none ought to be. A fair question of law in regard to the interest of the insured is presented, and a question as to the mode of estimating the loss, if the company be liable at all, is also fairly presented. The difficulty in the way of recovery does not spring out of the conduct of the defendants, but grows out of the misfortunes of the insured.

The main question of law made by the defendants, goes to the whole of the plaintiff's case, and is extracted from the matters given in evidence in the cause. It seems that the insured was much embarrassed in his circumstances at the time of the fire; that there were various judgments against him; and that a few days before the night of the fire, the sheriff of Franklin county made a levy, by virtue of sundry executions in his hands against the plaintiff, upon the identical stock of goods covered by the policy. The sheriff made an inventory, caused the windows of the store to be nailed down, and the shutters closed and secured; the inner doors to the rooms containing the goods were fastened and nailed up, and the outer door closed, locked, and the key taken into the possession of the sheriff: "By which," the sheriff testifies, "the said Hugh Findlay was deprived of all custody and control of, and prevented of all access to, the said goods." The goods were burned on the night before the day fixed for the sale. Upon these facts, the defendants contend, that Mr. Findlay's interest in the goods was divested, and the risk of the defendants ceased from the time of the levy and possession by the sheriff.

This is an interesting question. The plaintiff has thrown out a doubt that the levy and possession of the sheriff were not complete in the point of facts; and if there be such a doubt, it is for the jury to decide, else the question of law cannot arise; but it is to be remarked, that the sheriff is positive in his testimony, and it is without contradiction; he says that he took charge, and deprived the plaintiff of all custody or control of, or access to, the goods. The question is, to my mind, clearly presented, how far a levy upon, and taking charge of, goods by a sheriff, by virtue of an execution against the

insured, affects the right of the insured to recover for a loss by fire, happening after such levy, and before a sheriff's sale? That the sheriff has a special property, for certain purposes, is clear; he may maintain trover or trespass for the goods against a wrong-doer, because he is answerable to the plaintiff in the execution for them. This, however, is not enough to sustain the defendants; it may be conceded, and yet the insured retains certain rights also: he may pay the debt and resume possession. That the right of a defendant in an execution to the goods levied upon, is not entirely divested before actual sale, is manifest from the familiar case of a reversal of the judgment; if reversed before sale, the goods are restored, and he holds as by his original title; if reversed after sale, he obtains restitution of the money, the goods having passed to the sheriff's vendee. Again, if the mere levy divests the whole interest of a defendant, who is insured?—a levy for \$1,000, on goods worth \$10,000, may do manifest injustice. Again, it is conceded all round, that, in case of loss by fire after levy and before sale, the plaintiff's debt is not extinguished nor decreased; nor is the sheriff the sufferer, unless he be in actual default. If, then, the insured is to be held deprived of his goods, and his insurance, and his debt not extinguished, the Insurance Company is the only gainer: the debt remains, the goods are destroyed, and the insurance is lost. The cessation of risk alluded to in the policy may well apply to many cases, such as retiring from business, removing to another store, etc.

Before establishing such a principle, great caution must be exercised. Whether a sheriff, after levy, can insure, or whether execution creditors can insure, are not material questions in this suit. Admitting that they may insure, yet they are not bound to do so. The sheriff loses nothing by omitting to do so, excepting his commissions in case there are no other goods; the execution creditor loses nothing by way of extinguishment of his debt; that remains, and he only suffers in case no other property can be found. But, certainly, neither sheriff nor execution creditor is bound to insure.

On the other hand, it is said, that, if the insurance continues after levy, it ought to be for the creditors. Perhaps it ought; but should not the contract be made so? The creditor, however, does not lose his debt by the fire; the debt continues unaffected; and I know of no mode by which creditors can reach the Insurance Companies, except by making an indebtedness to the party insured, and then using some process of attachment; no mode, however, has been suggested by counsel. As the sheriff cannot avail himself of the policy, nor the creditor, the underwriter must go clear, unless the defendant in the execution has the right to recover. And as he remains liable to his creditor on the judgment, there is little hardship in this; certainly none to the company, as they are made to pay but once; nor to the creditor, if his debtor be put in possession of funds; at least his chance of payment is more improved than if his debtor suffered a total loss of both goods and insurance. If the court in which suit is brought had power to impound the money recovered, and pay it to the execution creditor, all difficulty would be obviated; but the court has no such power, and we cannot escape from the difficulty in that way.

Many other observations might be made, and I have thrown out these to show that the point is a fruitful one, and requires grave consideration. For the present, yielding to the actual inclination of my judgment, (but reserving the point for future mature consideration,) and to enable the

jury to decide on the merits of the cause, I hold that the levy, and subsequent acts of the sheriff, do not present a defence in law in this case.

The second question raised relates to the alleged increase of risk. It is contended by the defendants, that the change of possession, and all the circumstances of the levy, and the conduct of the sheriff, so increased the risk, as to vitiate the policy. The contract must be construed in reference to mutual good faith between the parties to it. If a levy and possession by a sheriff, are not, *per se*, enough to vitiate it, and I have ruled that they are not, the defendants must be presumed to have contemplated such an event as an incident of property; in other words, an underwriter engages to encounter the ordinary incidents to which property is legally liable. On the other hand, the insured is bound in good faith to see that no act of his, or by his procurement, shall involve the property in risks not usually and legally incident to it. If the conduct of the sheriff is so plainly unusual and irregular, as to endanger the property, and increase the risk beyond the ordinary effect of a levy, the underwriter can make it a matter of defence. Here, however, the plaintiff alleges, first, that there was nothing improper in the acts of the sheriff, that every thing was done by him that ought to have been done, and that during the custody of the law the property was really safer from fire than before; and secondly, that the fire was altogether independent of the circumstances of the levy. You will apply the legal principle I have stated to the facts in proof.

If, then, you think that there was not such an increase of risk in fact as to vitiate the policy, the concluding question is presented, as to estimating the loss. The contract is one of indemnity; it is that fully and fairly, and to be so interpreted for both parties; it is no more, it is no less. The language of the policy is, that the insurers "shall, within thirty days after certain proofs made, furnish the insured with a like quantity of any or all of the said goods, and of the same quality, or make good the damage or loss by paying therefor." The contract refers to thirty days after proofs furnished; here, to thirty days after the 28th of October, 1831; and it also clearly has reference to the place in which the goods were lost. And, as in this case the company did not furnish the insured with a like stock, the only rule to be observed is, to ascertain what sum of money would, if paid to the insured at Florence, Alabama, within thirty days from the 28th of October, 1831, have been equivalent to the damage or loss sustained; or what sum of money would have enabled him to have purchased a similar stock, and thus reinstated himself.

All notions of prospective profits, to be earned in a year or two, by skill, labor, and time, are excluded and inadmissible; they might have been the subject of insurance, but by a different form of contract. The next evidence furnished by the plaintiff is, the amount of the investing of the plaintiff, and an appraisement made since the fire, predicated on the cost at Philadelphia, with ten per cent carriage and interest thereon. A third mode of estimating the loss is founded on the testimony of Mr. Lindsay, and insisted on by the plaintiff, namely: a new stock, selected at Philadelphia, would sell at Florence for cost, carriage, and 16 $\frac{2}{3}$ per cent advance on credit, allowing 5 per cent to cover bad debts. This is what such a stock would bring; but still leaves the question unaffected, — what could the plaintiff buy for? The same, if no market existed at Florence to buy such a stock; then, the market to which resort is usually had may be taken into view by the jury, to enable them to make an es-

timate; in this way alone does Nashville, Philadelphia, or any other place than South Florence, become of importance.

The jury will exclude the demand of plaintiff for the \$80 premium; it is what he paid to enable him to hold the defendants liable—the consideration of the contract; and, surely, if he recovers for a loss, that consideration belongs to the defendants.

The question of interest alone remains to be settled. It must be six per cent, and no more; the contract was made here, and the plaintiff must have contemplated our laws at the time, so far as interest was concerned. If the contract had been made in Alabama, another rule might prevail, a higher rate of interest being there allowed.

Verdict for the plaintiff, \$3,685 92.

It was ascertained that the jury took the appraisement at Philadelphia prices, made after the fire by competent persons, on the inventory which had been carefully taken by the sheriff at the time of the levy; and then added interest, at six per cent, from the expiration of the thirty days after preliminary proofs were furnished, up to the day of the verdict.

Counsel for the plaintiff—J. P. Owens, H. J. Williams, and William M. Meredith, Esqrs.

Counsel for defendants—T. J. Wharton and J. R. Ingersoll, Esqrs.

TARIFF DUTIES.

In the United States District Court, before Judge Betts—*The United States v. Four Cases Cutlery*, Edward Leon and Theodore Myers, claimants and defendants, trading under the firm of Edward Leon & Co.

This was one of the many cases of seizure made by the new collector of the port of New York, under the act of 1830, on the ground of undervaluation of invoice.

The amount of the invoice was,	£127 13 9
The valuation of the custom-house appraisers,	191 17 7
Difference, or supposed undervaluation,	£64 3 10

Various witnesses were examined, and a variety of opinions expressed, as to the value of the goods. The weight of testimony, however, converged to one point, namely, that on manufactured articles, of which labor constituted the principal value, and this fluctuating in price from ten to fifteen, and sometimes twenty per cent, and the articles, when manufactured, being frequently sold by small dealers at reduced prices to raise money, it was possible that the goods in question might have been bought at invoice prices, and more than probable that they were so.

It is not, therefore, necessary to encumber our pages with a full report of this case, and we give only the conclusion of Judge Betts's charge to the jury:

It is not enough for the government to show that goods are invoiced at a low rate, but they are bound to prove that the invoice is made out *with the intent to defraud*. It remains merely for the jury to decide, 1st, has this invoice been so made out? 2d, have the government shown this either by proof direct or inferential? or, 3d, have the defendants shown that they were invoiced at their fair market value? It is a simple question of fact which they are to decide.

The jury retired, and made up a sealed verdict *instanter* for the defendants.

The following decision is important to dealers in marble, as it establishes the point, that marble cut into blocks for the convenience of transportation, is not considered manufactured marble, and must be admitted free of duty.

The case of *The United States v. William T. Wilson and George F. Darby*, in the District Court of the United States, before Judge Betts, was an action on two custom-house bonds, dated 2d September, 1837, given by the defendants for duties to the amount of \$554 68, on forty-five blocks of marble imported here by them, which duties had been imposed by the custom-house on the ground that the marble was manufactured marble, whereas it was contended by the defendants that it was unmanufactured, and ought to be admitted free of duty. The bonds were given under protest, and were now put in suit with the view to the obtaining a judicial decision.

By the tariff of 1832, unmanufactured marble is admitted free of duty, but there is a duty imposed on all manufactured marble of 25 per cent.

The case was briefly stated by B. F. Butler, Esq., the District Attorney, and the defendants called two witnesses, one a measurer of, and the other a dealer in, marble, from whose concurrent testimony it appeared, that the marble had been cut into blocks simply for the convenience of transportation, and that so badly and crookedly, as to occasion a waste of the article.

The protest was produced and admitted, and here the case closed, neither of the counsel summing up.

The Court charged the jury, that the only question for their consideration was, as to whether this marble was or was not manufactured. A thing may be considered manufactured if any labor has been put upon it, changing it from the raw material, as with bar iron. When the term manufactured is applied to a commodity, the question then arises, has it been removed from its character of raw material? Another question is, in what sense or acceptation is the term "manufactured" used among dealers in marble? From the evidence of the defendants' witnesses, it does not appear that this is a manufactured article. If this was a manufactured article, it is your duty to render a verdict for the United States. If unmanufactured, then for the defendants.

The jury, without leaving their seats, found for the defendants.

VALUE OF THE POUND STERLING.

We are indebted to Daniel Lord, Jr., Esq., for the following opinion and decision respecting the value, in this country, of the pound sterling:

In the matter of the reference between Thomas Denny, Francis Griffin, and Thomas C. Doremus, Trustees of the estate of Joseph Brown and Andrew Brown, non-resident debtors, and Thomas Taylor and Thomas Edward Taylor.

In this case the referees understand from both parties that they are not required to ascertain the amount due from the debtors to their creditors, but to fix the legal standard of value by which a payment due in Pounds Sterling, can be made in the city of New York, so as to discharge the debt. In other words, they are to decide upon the amount of coin which is to be tendered here, to cover the legal value of the pound.

The pound sterling is not a coin in England, but an arbitrary or imaginary sum, the value of which is ascertained by some other standard, and in the country of its adoption that standard is the sovereign, each being of the value of twenty shillings.

In estimating the value of the pound *here*, we reject all fluctuations of exchange, and decide that its standard is to be fixed by metallic value exclusively.

The value of the pound in the United States has not always been regulated by one and the same law.

By the act of Congress passed in 1790, its value was fixed, so far as the collection of the revenue was concerned, at four dollars and forty-four cents; and our courts, upon the authority of that act, adopted the latter sum in liquidating the debts due in sterling money. But by the act of June, 1834, entitled, "an act regulating the value of certain gold coins within the United States," it is provided that the gold coins of Great Britain, of not less than two carats fine, shall pass current as money within the United States, and be receivable in all payments by weight at the rate of 94 cents and eight tenths of a cent per pennyweight.

It seems to us, therefore, that when we fix the value of the sovereign, we of course fix the value of the pound sterling; and this value of the sovereign must be ascertained by its weight as fixed by act of Parliament.

That weight is ascertained to be, 5 dwts., 3 grs. and 5 mi., equal in value to four dollars 85 cents and 8 mills, and this last sum therefore is the true legal value of the pound sterling in the United States.

ISAAC CAROW,
DANIEL LORD, JR.,
J. PRESCOTT HALL.

June 9, 1838.

Foot and Davies of counsel for trustees; Geo. C. Goddard and Geo. F. Allen for Taylors.

COMMISSION MERCHANTS.

The case of *Isaac Grant and others v. Mark Healy*, decided in the Circuit Court of the United States, in Boston, on the 13th ultimo, was an action brought to recover a balance of accounts. The plaintiffs are merchants at Trieste, in Austria, and the defendant is a merchant of Boston. In December, 1836, the plaintiffs' agent in Boston, Mr. Trueman, advanced to the defendant £4,565 Sterling, by a bill drawn on Baring, Brothers & Co.; in consideration of this the defendant agreed to ship and did ship a cargo of sugars consigned to the plaintiffs for sale. The vessel sailed on the voyage, and at the time of her arrival at Trieste, in March, 1837, the market for this kind of sugars (Manilla sugars) was exceedingly depressed in consequence of some changes in the Austrian tariff of duties, and embarrassment of the money market in Europe. The sugars were sold in April, 1837, at a price less than half their invoice value. In consequence of these disastrous sales, the nett proceeds fell far short of the advance money. This suit was brought for the balance.

The defence at the trial was, that the sale was improperly made by the plaintiffs, and that the sugars were sacrificed, in violation of their duty, if not in breach of their orders. The parties agreed that if the jury found for the plaintiffs, the amount should be agreed, or be ascertained by an assessor. The jury found for the plaintiffs, and the parties agreed as to the amount, except as to a single item; and that was, whether the defendant should be charged according to the par of exchange, or the actual rate of exchange between Boston and Trieste at the time of the verdict.

Judge Story said the general doctrine was clear, that wherever a debt is made payable in one country, and it is afterwards sued for in another

country, the creditor is entitled to receive the full sum necessary to replace the money in the country, where it ought to have been paid, with interest for the delay. In the present case, he thought that the advances having been made in Massachusetts, if the goods sent to Trieste did not fully reimburse the amount, the balance was properly due and payable in Massachusetts. Consequently, the plaintiffs were entitled only to the balance due at the par of exchange.

BANK STATISTICS.

ART. IX.—BANK OF FRANCE.

THE following translation of the report of the Governor of the Bank of France, with the remarks thereon, are furnished by a correspondent of the Boston Daily Advertiser. It gives an interesting and satisfactory view of the state and the operations of the Bank of France, of which the public in this country are not fully informed.

Report by the Count D' Argout, Governor of the Bank of France, 31st January, 1839. General operations for the years 1836, 1837, 1838.

	1836.	1837.	1838.
Commercial operations in Paris,	f938,467,900	914,275,700	891,414,400
.. by branches,	13,765,600	25,174,200	83,025,000
.. with the treasury,	20,623,200		
Total,	972,856,700	939,449,900	974,440,300

Gross Gains of the above Operations.

..	Paris,	5,908,100	6,301,500	5,789,500
..	branches,	79,400	124,000	528,600
..	treasury,	88,800		
..	accidental operations,	148,000	127,200	126,400
..	fixed benefits,	2,967,200	2,967,300	2,967,300
		9,191,500	9,520,000	9,411,800

The sums advanced to the public in different ways amount to f972,000,000 939,000,000 9,740,000
Dividends on bank shares, f114 f126 f11

The number of Bills discounted has quadrupled since 1828. In 1828 there were but 192,000, in 1838, 576,000.*

The average value of said bills has decreased one half in the same time, or say from f2,516 to f1,390. The 576,000 bills in 1838, were composed as follows:—

1,000 francs and upwards,	228,000
999 to 200 francs,	280,000
199 francs and under,	68,000

from which it will be seen that 348,000, or $\frac{1}{3}$ of the whole, were for less than 1,000f. each. At the commencement of the year, the bills receivable

* In 1836, there were 406,000, and in 1837, 440,000. The quantity of bills received has also quadrupled; in 1828 there were 30,000, in 1838, 122,000.

amounted to 92 millions, and at the moment of this report amount to 192 millions. Augmentation 71 millions.*

The payment of the proceeds of notes on the day on which they are discounted continues to have a beneficial influence, and the public has profited *largely* of that facility, but the difficulties of its execution are very great. Formerly a discount of 4,000 bills was considered large, and they were credited the following day.†

In 1838, the discount committee decided at one sitting upon 11,500 bills, the nett proceeds of which were held subject to the disposition of those offering them before the closing of the Bank the same day. The collections have been still more laborious. The number of bills collected the last day of one month was 41,000 at 16,000 different addresses or domicils. Formerly, when the commercial movement was less, and the average value of the bills was greater, the collections at the end of the month never exceeded 20,000 bills.

In 1837, the Bank collected 599,000 bills, amounting to 802 millions of francs, averaging *f*1,337.

In 1838, the Bank collected 680,000 bills, amounting to 948 millions of francs, averaging *f*1,393.

The accounts current have somewhat diminished in 1838—that with the Treasury has augmented. At the end of 1836, the Bank owed it 38 millions, 1837, 63 millions, and in September last 170 millions. The amount now due is 165 millions.‡

The maximum of the circulation of Bank bills was 227 millions, and the minimum 195 millions. In 1837, the variation was from 216 to 190 millions.§

The movement general of the "*Caisse*" amounts to 7 milliards 166

* The average value was 1,868*f.* in 1836, and 1,709*f.* in 1837.

† These payments in 1838 amounted to one half the quantity and sum.

‡ The Bank of England, organized with such perfection, discounted at the time of the crisis in 1836, 4200 bills in one day, which fact was noticed as worthy of attention.

§ The bank has sometimes been reproached for not endeavoring to extend its circulation, (a) and a contrary reproach has often been made to the Bank of England. A fact not before signalized is, that the Bank of France in the vicinity of Paris has as large a circulation as the Bank of England in the vicinity of London, taking into view population and commercial movement. The circulation of the Bank of England, deducting that of its branches, established after the emissions made at London, gives an average for the years 1835, 1836, 1837, of *f*360,000,000.

The circulation of the Bank of France in 1836, 1837, 1838, was on an average *f*210,000,000.

The counties of Surrey and Middlesex contain a population of 1,844,000 souls.

The department of the Seine, 1,106,000 souls.

The proportion made upon this calculation equalizes the circulation within 5 millions of francs, but made upon the following it approaches still nearer :

The movement general of the importations and exportations of England, calculating the latter not after the Custom House tariff, but after the declared real value, in 1835, 1836, and 1837, amount to *f*2,852,000,000.

The average of the same in France, for the same term, is 1,678,000,000.

These two terms applied in comparison to the two circulations, it is found to be equal, or within one million of francs.

It must be remarked, that the use of *paper* credit is much more ancient in England than in France, and enters much more into the *customs* of the population, and also that the Bank of England emits bills of *f*125, whereas that of France none less than 500*f.*

(a) No calculation is here made showing the comparison of circulation, taking the *Capitals* of the two Banks as a basis.

millions of francs, and is less by 486 millions than in 1837—a reduction caused principally in the movement of bank bills.*

Expenses.—The expenses of administration have increased. In 1835, they amounted to 933,000 francs only—in 1838, to 1 million 76,000; 67,900 francs of which for building.

The persons employed have increased 24; and 218 agents of all grades transact the entire operations of the Bank.†

Branches.—In 1837, the Bank had but two branches—Besieres and St. Etienne—it now has four, St. Quentian and Montpellier having been added.

In 1836 the two branches discounted	13,700,000f.
1837	25,100,000
1838 the four	83,000,000

The bills receivable have followed the same movement. The circulation has not kept pace with the discounts.

The bills of the branches have been reimbursed by the Bank when presented, but these reimbursements have only amounted to 3,300,000f. The Bank has sent them in specie 33 millions, and the Receveurs-generaux have paid in 17 millions for account of the Treasury.

The effect produced by the branches has been salutary, having facilitated and multiplied the relations with the capital; have contributed to develop local transactions; have rendered them more certain and regular, and had a good influence on the rate of interest in the provinces; and it was in the interest of the country, and not that of the Bank, they were established. They are no gain to the Bank.‡

With the same view the Bank in Paris has facilitated those of the departments by discounting at the end of the year against *State* stocks a sum of 14 millions 700,000 francs.

In December, 1836, the discounts amounted to	82,078,000f.
.. 1837,	59,235,000
.. 1838,	106,773,000

and never before did the discounts in any one month amount to 100 millions.

Events have proved the solidity of the Bank. Its credit has been consolidated, and it has resisted four great commercial crises, three revolutions, and two invasions.§

The bank operations with the Treasury consist, we believe, simply of an account current, in which the former pays no interest to the latter,

* Comparison of the general movement of the "Caisse" in 1837 and 1838.

	Specie.	Bills.	Transfers.	Total.
1837	675,000,000	4,550,000,000	2,425,000,000	7,652,000,000
1838	720,000,000	3,775,000,000	2,671,000,000	7,166,000,000

Augt. Diminution.	45,000,000	775,000,000	246,000,000	486,000,000
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† These 218 persons employed are composed of 101 Clerks—paying and writing—117 runners—domestics for bureau and counting houses—printers, porters, guards, and laborers for the mother bank.

‡ The difference between the branches in France, and those of England, are immense in their circulation, and in favor of the latter, though the discounts bear a near proportion. The Montpellier branch, after six months activit , equalled in bills receivable the branch at Liverpool, and surpassed those of Manchester and Leeds.

§ The same can be said of but few institutions within the 25 years. Four times England has been desolated with the downfall of her Banks, and at three different times those of America have been terribly shaken, or stopped specie payments; England has not been invaded, and neither country has suffered interior revolution!

but, on the contrary, reimburses the Treasury at such points of the country as may be required, charging a small commission for such service. When the Bank is under advance to the Treasury it charges 4 per cent interest per annum.

The "fixed benefits" of the Bank consist in interest and dividends accruing from its *reserved* fund.

The Bank was established in 1804, with a capital of 45 millions of francs — 45,000 shares of 1000 francs each — for fifteen years. In 1807 the capital was doubled, and the charter extended to 40 years, or to the 22d Sept. 1843. In 1808 liberty was granted to the Bank for creating branches.

The operations consist in discounting paper at three months, with three signatures, or two signatures where stocks are lodged as collateral.

In making advances on "lingots," gold or silver, at an interest of $\frac{1}{8}$ per cent for 45 days. No deposit of over 10,000 francs is received.

Receive in trust national or foreign Stock, and diamonds, charging $\frac{1}{8}$ per cent for 6 months. Silver plate not received.

The Bank of France alone can issue bank bills at sight.

Discounts every day except Sundays and fetes — Rate of interest determined by the "Conseil Generale," which at this time is 4 per cent.

Conseil Generale consists of 15 members.

Conseil d'Escompte consists of 12 members.

Bank Shares worth, 10th February, 2585 francs each.

There are now departmental Banks in Lyons, Marseilles, Bordeaux, Rouen, Havre, and Lafitte's Banking Co. in Paris.*

In 1838, the shares of the Bank of France were held by 4206 individuals; 59,771 shares during that time have not changed hands; 8,129 shares have been transferred, of which 1,928 in consequence of death.

There has been a great movement in the specie composing the reserve fund of the Bank.

At the end of 1837 there were 248 millions; and in June it rose to 298 millions; and in December it descended to 232 millions, against 208 millions in bills circulating at the same time.

Towards the end of the year specie was called for, as usual, for the payment of the products of the interior; and in addition to this the suspension of specie payments in Belgium caused a demand for that country.

It is worthy of note, that every evening all the accounts at the Bank are made up, the balance of each struck, and handed to the Governor, and a copy is sent to the Minister of Finances.

It will be noticed that bills are collected by the Bank *a domicile*, and that they are not received as in America at the Bank.

PARIS SAVINGS BANK.

THE directors of the Savings Bank of Paris have just published their annual report for 1839, of which the following is the substance:

The total amount invested, on January 1st, 1838, was,

For the departments,	56,578,063f.
For Paris,	50,304,516

Total, 106,882,579f.

* These have no connexion with the Bank of France.

At the close of 1838, the deposits amounted to	
For the departments,	83,033,131f.
For Paris,	62,870,779
Total, 145,923,910f.	

Thus, during 1838 there was an augmentation of 38,000,000 of francs, of which 26,000,000 fr. were for the departments, and 12,000,000 fr. for the capital. The difference between investments and reimbursements, which in 1837 was only 477,363 fr., amounted in 1838 to 12,664,202 fr. The difference between the number of new accounts opened, and of those which were closed during 1838, was an increase of 17,312; so that the whole number of accounts open on the 31st December last, was 102,190. At this moment the number is 105,000.

The relative proportion between the population and the number of depositors, appears from the following calculation:

Of 310,000 men, 55,000 have accounts, or 11 in 100. Of 320,000 women, 56,000 have accounts, or 11 in 100. Of 260,000 children, 9,000 have accounts, or 4 in 100. Totals, 890,00 persons, 100,000 accounts, or 11 in 100. With regard to the professions or employment of the depositors, it appears that the most economical persons are domestic servants and those who have fixed salaries. Out of 68,000 persons, the total number of both sexes in Paris who are domestics or have fixed salaries, 22,000 have accounts in the Savings Bank, being 33 in 100. The total number of smiths, painters, joiners, masons, etc. employed in building, is 30,000, of whom 7,809 have accounts, or 26 in 100. Workmen engaged as cabinet makers, upholsterers, goldsmiths, and similar luxuries, amount to 28,000, of whom 8,600 have accounts, or 31 in 100. Persons employed as tailors, shoe makers, and other trades connected with clothing, amount to 31,000, of whom 7,600 have accounts, or 25 in 100. Clerks and other persons employed as writers, etc. amount to 20,000, of whom 4,500 have accounts, or 23 in 100. Thus, out of 100,000 workmen of different descriptions in Paris, 28,000 have accounts, or 28 in 100.

SCOTCH BANKS.

The following table, in relation to the celebrated Scotch Banks, may not be without interest to the readers of the Magazine. These banks have been as conspicuous for their usefulness, as they have been for their stability.

Name of Company.	Paid up Capital.	Each.	Div. per Ann.	Paid up.	Price.
Bank of Scotland	£1,000,000		6 p. c.	100	180
Royal of Scotland	2,000,000		5½ p. c.	100	163
British Linen Company	500,000		8 p. c.	100	238
Commercial	500,000		6 p. c.	100	175
Glasgow Union	8,000	250	6 p. c.	50	85
National Union	50,000	100	6 p. c.	10	16
Western of Scotland	800,000	200	5 p. c.	40	57
Eastern				10	11½

MISCELLANEOUS STATISTICS.

DEBTS OF THE SEVERAL STATES.

In May, 1838, after the passage of the General Banking Law, authorizing the Comptroller to issue circulating Bank Notes, on a pledge of the evidences of public debt of the several States, Mr. Flagg sent a circular to the financial officer of each State, soliciting information in regard to the amount of stock created, the rate of interest and when payable, the mode of transferring the stock, whether specific funds were pledged for the payment of interest, and whether the interest in all cases was paid by the State. Full answers were received to these inquiries, except in two or three cases. And the amount of stock actually issued, previous to the time of giving the information, (say June, 1838,) was stated in the Comptroller's annual Report of 1839, page 89, at \$23,703,750 11.

The following tables show the total amount of stock issued, and authorized to be issued, by each of the eighteen States which have resorted to this mode of raising money. Where the returns from the financial officer did not afford all the information which was desired, the State laws have been examined to ascertain the extent of the authorized loans. The operations of many of the States have been so extensive and varied, that it is not an easy matter to get at the precise amount of stock issued and authorized to be issued. It is probable, however, that the aggregate amount of stock authorized by all the States, is even greater than the amount stated in the tables.

Statement of the Amount of Stocks and Bonds issued and authorized to be issued by the several States named below; giving the Year in which each State commenced issuing Stock, the object for which issued, and the rate of interest.

Name of State.	Year in which issue of stock commenced.	For what object issued.	Amount for each object.	Total.	Rate per cent.
Maine	1830	Ins. Hospitals, Prim. Schools, Bounty on Wheat, and General Expenditures,	\$554,976 00	\$554,976 00	5,51,6
Massach'ts	1837	Loans to Rail Roads	4,200,000 00	4,200,000 00	5
New York	1823	For Canals	548,000 00		6
		For Canals	11,968,674 41		5
		Loan to Hud. and Del. Canal	800,000 00		5
		Loans to Rail Roads	3,787,700 00		41,5
		To River Navigation	10,000 00		5
		General Fund Debt	586,532 43		5
		Astor Stock	561,500 00	18,262,406 84	5
Pennsylv'a.	1821	For Canals	16,576,527 00		5
		For Rail Roads	4,964,484 00		5
		For Turnpikes and Bridges .	2,595,992 00		5
		Miscellaneous	3,166,787 00	27,306,790 00	5
Maryland	1824	Medical University	30,000 00		5
		Penitentiary	97,947 30		5
		Tobacco Inspection	78,000 00		5
		For Rail Roads	5,500,000 00		5,6
		For Canals	5,700,000 00		5,6
		Washington Monument . . .	10,000 00		5
		Expense of Riots	77,033 43	11,492,980 73	5
Virginia	1820	For Canals and River Navig.	3,835,350 00		5,51,6
		For Rail Roads	2,128,900 00		5,51,6
		For Turnpikes	354,800 00		5,51,6
		For Revolutionary Debt. . . .	24,039 00		6
		For War Debt of 1814.	319,000 00	8,662,089 00	7
S. Carolina	1820	Public Improvements	1,550,000 00		5,6
		To Mrs. Randolph	10,000 00		6
		Cincinnati & Charleston R.R.	2,000,000 00		5
		To rebuild Charleston	2,000,000 00		5
		Revolutionary Debt.	193,770 12	5,753,770 12	3

Alabama	1823	For Banking	7,800,000 00		5
		For Rail Roads	3,000,000 00	10,800,000 00	5
Louisiana	1824	For Banking	22,950,000 00		5
		For Rail Roads	500,000 00		6
		New Orleans Draining Co.	50,000 00		5
		Heirs of Jefferson	10,000 00		6
		Charity Hospital	125,000 00		5
		State House	100,000 00	23,735,000 00	5
Tennessee	1833	For Banking	3,000,000 00		5,6
		For Turnpikes	118,166 66		5,6
		Rail Roads and Turnpikes	3,730,000 00		5
		Improving Rivers	300,000 00	7,148,166 66	5
Kentucky	1834	For Banking	2,000,000 00		5
		Improving Rivers by locks, &c.	2,619,000 00		5
		Turnpike & McAdam Roads	2,400,000 00		5
		Rail Roads	350,000 00	7,369,000 00	5
Ohio	1825	For Canals	6,101,000 00	6,101,000 00	6
Indiana	1832	For Banking	1,390,000 00		5
		For Canals	6,700,000 00		5
		For Rail Roads	2,600,000 00		5
		McAdam Turnpike	1,150,000 00		5
		River Navigation	50,000 00	11,800,000 00	5
Illinois	1831	For Banking	3,000,000 00		6
		For Rail Roads	7,400,000 00		6
		For Canals	500,000 00		6
		For Payment of State Debt	100,000 00		6
		For River Navigation, &c.	600,000 00	11,600,000 00	6
Missouri	1837	For Banking	2,500,000 00	2,500,000 00	5
Mississippi	1831	For Banking	7,000,000 00	7,000,000 00	5
Arkansas	1836	For Banking	3,000,000 00	3,000,000 00	5
Michigan	1836	Controversy with Ohio	100,000 00		
		Internal Improvements	5,000,000 00		6
		Loaned to Rail Roads	120,000 00		6
		State Penitentiary	20,000 00		
		University	100,000 00	5,340,000 00	
Whole amount				\$170,806,179 35	

If to the above be added the amount deposited by the United States in the treasuries of the several States for safe keeping, \$28,101,644 97

It makes the aggregate debt of all the States, existing and authorized, 198,907,824 32

MAINE.—The stock issued by this state is to be redeemed under the direction of the legislature, by the sale of public lands, from the debts due the state, by taxes, or new loans, as may be deemed expedient from time to time. The amount of notes due from individuals to the state, (August, 1838,) is \$326,721. The whole amount of located lands belonging to the state, is 1,400,000 acres, valued at \$1,500,000. The undivided lands belonging to Maine are estimated at 3,011,000 acres, making the total number of acres 4,411,000. This total includes half of the land north of the St. John's river, in the King of Holland's award. The stock of this state is negotiable and transferable by the holder, and the interest in all cases is payable by the state. The interest on \$235,000 is payable at Boston, annually; and the interest on the residue at the state Treasury, annually and semi-annually; the stock bears interest at 5, 5½, and 6 per cent. The value of the taxable property of the state in 1830, was \$28,807,637 24.

NEW HAMPSHIRE has issued no stock. The expenses of government are defrayed by a direct tax.

VERMONT.—This state has issued no stock.

CONNECTICUT.—This state has issued no stock or bills of credit, since the revolutionary war. "The amount of grand list is \$97,122,697," in 1837.

RHODE ISLAND.—This state has issued no stock. Valuation in Jan. 1824, \$32,640,000.

MASSACHUSETTS.—Interest on two millions of stock payable in London by the railroad corporation, in whose favor the stock is created; the interest on the rest is payable at the state Treasury, the several corporations reimbursing the Treasury, for the interest so paid out. The scrip in all cases is made payable to bearer, and no form is necessary in transferring the same. The real and personal property within the state is \$208,360,407.

NEW YORK.—This state commenced issuing stock in 1817, for the construction of the Erie and Champlain canals. The sum of \$600,000 was issued prior to 1820. The law of 1817 created a board of commissioners of the canal fund, consisting of the state officers, and placed under the management of the board specific revenues which were pledged for the payment of the money borrowed. There has been derived from the auxiliary funds thus set apart since the first organization of the canal fund, the sum of \$5,824,761; which exceeds by \$276,000 the whole amount paid for interest on all the money borrowed for the Erie and Champlain canals for 21 years, from 1817 to 1838. From 1821 to 1838, these two canals have yielded in tolls \$15,088,375 97. The result is, that the whole of the original debt is provided for, and except about 24 millions, has been paid off, and the stock cancelled. The laws authorizing money to be borrowed previous to 1825, contained the following provision, viz. — "That it shall not be lawful for the commissioners of the canal fund to make loans, under this act, beyond such amounts as for the payment of the interest thereof, the canal fund, at the time, shall be deemed ample and sufficient."

In 1825, the financial policy in regard to moneys borrowed, was changed, and loans from that time to the present have been authorized without setting apart specific funds for the payment of interest. In each case, however, the payment of the interest is made a charge on the Treasury; and provision has been made to borrow from the Erie and Champlain canal fund to meet this demand on the Treasury. In 1837, after the suspension of specie payments, this state paid the interest on its whole debt in coin, and redeemed about one million of the stock due in 1837, by paying 109 dollars in New York city paper for each 100 dollars of stock redeemed. For six years, from 1833 to 1838, the revenue from the tolls of the canals, after defraying all expenses of repairs, and paying interest on the whole amount of the outstanding debts, has yielded an average surplus of \$610,000 per annum. This surplus will sustain a debt of 12 millions of dollars.

The stocks issued by the state of New York are transferable in the city of New York, either by the owner in person or by a power of attorney. The original certificate in all cases to be produced when the transfer is made.

The aggregate valuation of real and personal estate in 1837 was \$627,554,784.

PENNSYLVANIA.—This state pays the interest on its stock at the Bank of Pennsylvania, where the stock is transferable. The following revenues are set apart for the payment of interest on the stock loans, viz. canal and rail-road tolls, dividends on turnpike and bridge stock, auction duties, collateral inheritances, county rates and levies, tax on personal property, and escheats. Whenever the revenues arising from the above sources is not sufficient for the payment of the interest on the stock loans, the deficiency is taken out of the Treasury proper. The acts of assembly directing the loans to be made, direct also that the Governor shall borrow on the credit of the commonwealth, and such fund or funds as have been or shall be created, for securing the punctual payment of the interest, and the reimbursement of the principal.

The aggregate valuation of real and personal estate in 1835 was \$294,509,187.

NEW JERSEY has not issued stock of any kind, or loaned her credit to any company.

MARYLAND.—This state in all cases pays the interest on the stock, half yearly and quarterly, but the companies which the state has aided by its loans, reimburse the Treasury for the amount of interest paid from time to time. A sinking fund has been established, from premiums and other sources, which now (1838) amounts to \$1,070,306 03, which is applied to the purchase of the state stock.

During the suspension of specie payments, this state did not pay the interest on its stock, either in specie or its equivalent. Some of the holders of the stock refused to receive depreciated bank paper for the dividends, and the treasurer, in Dec. 1837, reported this fact to the legislature, and in March, 1838, an act was passed which provides that the state treasurer shall cause the interest on the state stock that shall hereafter accrue, and that which has accrued since the first of April, 1837, to be paid "either in coin or its equivalent in current bank notes, to be determined by the commissioners of loans by the price of coin in Baltimore on the quarter day."

The private, real, and personal property, other than merchandise, and rights and credits of all sorts, is estimated at over \$100,000,000. No uniform mode of valuing property throughout the state is observed. In most of the counties, the valuations are made under the acts of 1785 and 1797, which require all lands to be put down at \$3 per acre, male slaves at the highest \$100, and females at \$80 each.

VIRGINIA.—The interest on the stock issued by this state is payable semi-annually at the treasury in gold or silver. The profits of the improvements for which the stock is issued are pledged for the payment of interest and principal; and if necessary, the general revenues of the commonwealth are pledged for the payment of the interest.

The aggregate valuation of the real property of the state in 1818 was 206,893,978;

and now probably three hundred millions. There is no mode of ascertaining the personal property.

SOUTH CAROLINA.—The faith of the state and the capital of the Bank of the state of South Carolina, and the annual dividends thereof, pledged for the payment of \$800,000 issued from 1822 to 1826. And the annual dividends have been formed into a sinking fund for that purpose, and, at this time, (Oct. 1838,) amount to upwards of \$800,000, so that the six per cents, redeemable in 1840, will no doubt then be paid. The interest on two millions, to be loaned to the Louisville, Cincinnati, and Charleston rail-road, is payable semi-annually in London. The two millions for rebuilding a part of Charleston is to be loaned to individuals, and the stock to be reimbursed from the mortgages of individuals. The interest on the state stock is payable semi-annually in London.

Valuation of property, \$200,000,000.

OHIO.—The interest on the stock of this state is payable in New York, where the stock is transferable. Auxiliary funds are set apart for the payment of the interest, and in case of a deficiency therein, it is made the duty of the Auditor of State to levy an adequate amount by direct taxation. The loans were invariably made on pledges of specific revenues for the payment of both principal and interest.

The state of Ohio, at the commencement of its loans, organized a system of finance on a firm foundation, providing by direct taxation for the payment of the interest and the ultimate redemption of the principal. In 1837, after the suspension of specie payments, Ohio paid the interest on its debts in New York city paper, at the rate of 109 dollars for each \$100 of interest.

Aggregate valuation of real and personal property, \$110,000,000.

KENTUCKY.—This state in all cases pays the interest on her own stocks. Auxiliary funds are set apart for the payment of the interest; but if these funds should prove insufficient, the state is bound to resort to direct taxes. In 1836, the legislature established a sinking fund for the payment of the debt; to which fund is appropriated bonuses and dividends on bank stock, premiums on scrip, state dividends in turnpike stock and all internal improvements, profits of the Commonwealth's bank, proceeds of state stock in the old Bank of Kentucky, and the excess in the Treasury over ten thousand dollars of each year. The Governor, by an act passed in 1838, is authorized to borrow any sum, not exceeding the capacity of the sinking fund to pay the interest, and ultimately the principal, of the state bonds, at an interest not exceeding 6 per centum per annum.

Taxation is confined to specific subjects. The aggregate value of such as are chargeable with revenue is \$217,453,041, upon which a tax of ten cents on the 100 is paid.

ILLINOIS.—The state in all cases pays the interest on the stock. In addition to the usual pledge of the faith of the state, lands, revenues, &c., there is specifically pledged for the redemption of the canal bonds, the lands granted by the general government to aid in constructing the canal; the estimate of which is equal to the whole cost of the canal. There is also pledged for the interest and final redemption of the bank bonds, the dividends and the stock owned by the state in the banks, which amounts to nearly half a million of dollars more than the amount of these bonds.

INDIANA.—The canal lands granted to the state by the general government on the Wabash river, are pledged for the payment of the loans made on account of the Wabash canal. The interest on the bonds issued to the State Bank is paid by the bank.

In 1837, after the suspension of specie payments, this state purchased coin to pay the interest on its debt; and for the July quarter paid 111 dollars in New York paper for each \$100 in coin.

Aggregate valuation in 1837, estimated at \$95,000,000.

LOUISIANA.—The interest on the state bonds is paid by the respective banks to which they were originally issued. The interest on other state stocks is paid out of any moneys in the treasury.

The Bank of Louisiana, two millions of stock, the profits retained for redemption of the instalment of 1839, sufficient to cover the amount, \$600,000.

CONSOLIDATION ASSOCIATION.—These bonds are guarantied by mortgages on real productive property, amounting to three millions of dollars. No stockholder can borrow more than 50 per cent on his stock, and this amount is returned by yearly instalments to meet the payment of the bonds by the bank. The state for its guarantee is considered as stockholder for one million of dollars, and on the payment of the bonds will divide accordingly with the stockholders. Dividends are only declared as the bonds are paid, and in the same proportion. The profits, until then, are retained as a sinking fund to meet the redemption of the bonds.

The Union Bank has bonds to the amount of seven millions of dollars, and is conducted on similar principles as the above. The original guarantee on mortgages

of productive property is eight millions. The state for its guarantee is to receive one sixth of the nett proceeds.

The Citizens' Bank has received bonds to the amount of eight millions of dollars, can demand four millions more, and is conducted on the same principle as above described. The guarantee is on \$14,000,000 of mortgages on real productive property. The state holds one sixth of the nett profits, which are only to be divided as the bonds are paid by the bank, and in the same proportion.

MISSISSIPPI.—This state has issued bonds on the faith of the state to the amount of seven millions of dollars, and has subscribed that amount in the stock of two banks.

MISSOURI has issued bonds to the amount of \$2,500,000 to the State Bank of Missouri.

ARKANSAS has issued three millions of bonds to two banks in that state.

MICHIGAN.—The proceeds of the public works as well as the faith of the state pledged for five millions—the lands set apart for the University pledged for the loan for that object. The loans to rail-roads are secured by pledge of the roads, &c. The interest on \$100,000 issued to defray the expenses of the controversy with Ohio, is to be paid by a direct tax.

NORTH CAROLINA.—This state has set apart a large amount of funds for internal improvements and for the establishment of public schools, which is placed under the direction of two boards, styled the Literary and Internal Improvement boards. These funds, until required to meet specific appropriations by the legislature, are loaned out to individuals and corporations at six per cent. The state of North Carolina owes no debt.

TENNESSEE.—The interest on the state bonds subscribed to the Union Bank, was paid by the dividends on the stock, until the revulsion of 1837, after which the state paid the interest from the ordinary resources of the treasury. The interest on the bonds issued to rail-roads and turnpike companies is paid by the state, and the companies are required to reimburse the Treasury for the sum from time to time paid.

Statement showing the Amount of Stocks issued, and authorized by law to be issued, by the several States named below, in each period of five years, from 1820 to 1835, and from 1835 to 1838.

STATES.	From 1820 to 1825.	From 1825 to 1830.	From 1830 to 1835.	From 1835 to 1838.	Total.
New York	*6,872,781	1,624,000	2,204,979	12,229,288	22,931,048
Pennsylvania	1,680,000	6,300,000	16,130,003	3,166,787	27,306,790
Massachusetts				4,290,000	4,290,000
Maine			554,976		554,976
Maryland	57,947	576,689	4,210,311	6,648,033	11,492,980
Virginia	†1,030,000	469,000	686,500	4,132,700	6,319,050
South Carolina	‡1,250,000	310,000		4,000,000	5,560,000
Ohio		4,400,000	1,701,000		6,101,000
Kentucky				7,369,000	7,369,000
Illinois			600,000	11,000,000	11,600,000
Indiana			1,890,000	10,000,000	11,890,000
Tennessee			500,000	6,648,000	7,148,000
Alabama	100,000		2,200,000	8,500,000	10,800,000
Missouri				2,500,000	2,500,000
Mississippi			2,000,000	5,000,000	7,000,000
Louisiana	1,800,000		7,335,000	14,000,000	23,735,000
Arkansas				3,000,000	3,000,000
Michigan				5,340,000	5,340,000
	12,790,728	13,679,689	40,012,769	108,423,808	174,937,844

* Of this amount, about four and a half millions has been redeemed.

† Virginia has a war debt of \$343,139 17, contracted previous to 1820.

‡ South Carolina has a revolutionary debt of \$193,770 12.

Summary of the Amount of Stock issued, and authorized to be issued, for Banking, for Canals, Rail Roads, Turnpikes, and for Miscellaneous objects.

STATES.	For Banking.	For Canals.	For Rail Roads.	For Turnpikes.	Miscellaneous.	Total.
New York . . .		13,316,674	3,787,700		1,158,032	18,262,406
Pennsylvania.		16,579,527	4,964,484	2,595,992	3,166,787	27,306,790
Massachusetts			4,290,000			4,290,000
Maine					554,976	554,976
Maryland . . .		5,700,000	5,500,000		292,980	11,492,980
Virginia . . .		3,835,350	2,128,900	354,800	343,139	6,662,089
So. Carolina . .		1,550,000	2,000,000		2,203,770	5,753,770
Ohio		6,101,000				6,101,000
Kentucky . . .	\$2,000,000	*2,619,000	350,000	2,400,000		7,369,000
Illinois	3,000,000	*900,000	7,400,000		300,000	11,600,000
Indiana	1,390,000	6,750,000	2,600,000	1,150,000		11,890,000
Tennessee . . .	3,000,000	*300,000	3,730,000	118,166		7,148,166
Alabama	7,800,000		3,000,000			10,800,000
Missouri	2,500,000					2,500,000
Mississippi . . .	7,000,000					7,000,000
Louisiana . . .	22,950,000	50,000	500,000		235,000	23,735,000
Arkansas	3,000,000					3,000,000
Michigan		2,500,000	2,620,000		220,000	5,340,000
	52,640,000	60,201,551	42,871,084	6,618,958	8,474,684	170,806,177

* Whole or part for improvement of River Navigation.

NATIONAL DEBTS.

A Table exhibiting the National Debt of England, and other Countries, with the proportion of such debt which falls on each individual, as furnished by Mr. Coby, in the British House of Commons, on the debate relative to the Corn Laws, March 12, 1839.

COUNTRIES.	Amount of Debt.	Proportion per head.
England	£800,000,000	£32 0s 0d
France	194,400,000	5 19 7
Russia	35,550,000	0 11 9
Austria	78,100,000	2 7 6
Prussia	29,701,000	2 7 7
Netherlands	148,500,000	23 5 5
Spain	70,000,000	5 0 8
United States		
Sicilies	18,974,000	2 11 2
Bavaria	11,311,000	2 16 0
Sardinia	4,584,000	1 1 2
Turkey	3,667,000	0 7 8
Sweden		
Portugal	5,649,000	1 2 6
Denmark	3,799,000	1 18 4
Rome	17,142,000	7 9 0
Poland	5,740,000	1 3 3
Saxony	3,300,000	2 9 1
Hanover	2,284,000	1 11 0
Baden	1,670,000	1 9 2
Wirtemberg	2,505,000	1 12 7
Tuscany	1,384,000	1 4 11
Hesse (Darmstadt)	1,184,000	1 3 11
Hesse (Electorate)	220,000	0 6 1
Switzerland		
Norway	252,000	0 3 1
East India Company's Territories	47,609,000	0 9 0

NAVIGATION.

ATLANTIC STEAM SHIPS.—GREAT WESTERN.

A table of all the passages of the steam ship Great Western, between Bristol and New York, from April, 1838, to July, 1839, showing the time of her departure from, and arrival at, each port, etc., etc., furnished for publication in our Magazine by RICHARD IRVIN, Esq.

FROM BRISTOL TO NEW YORK.			FROM NEW YORK TO BRISTOL.		
<i>Sailed.</i>	<i>Arrived.</i>	<i>No. Days.</i>	<i>Sailed.</i>	<i>Arrived.</i>	<i>No. Days.</i>
April 8	April 23	14½	May 7	May 22	14½
June 2	June 17	14	June 25	July 8	13
July 21	Aug. 5	14	Aug. 16	Aug. 30	13½
Sept. 8	Sept. 24	15½	Oct. 4	Oct. 16	12
Oct. 27	Nov. 15	18	Nov. 23	Dec. 7	13½
Jan. 28	Feb. 16	18½	Feb. 25	March 12	15
March 23	April 14	21½	April 22	May 7	14½
May 18	May 31	13	June 13	June 26	13
July 6	July 22	15½			

The average of passages from New York to Bristol, 13½ days. The shortest passage was 12½ days; the longest, 15 days.

The average of passages from Bristol to New York was 16½ days; the shortest having been 13 days, the longest 21½ days.

The average of all the passages, out and home, was fifteen days. The whole time employed in the first fifteen passages, excluding fifty-two days, during which the ship lay up refitting, was twelve months and one day. The whole time spent at sea, in the fifteen passages, was two hundred and twenty-five days. In these two hundred and twenty-five days, the ship must have sailed, in all, about fifty-one thousand miles, giving an average progress of two hundred and twenty-seven miles per day, and about nine and a half miles per hour, out and home, summer and winter.

By one of the passages from New York to Bristol, dispatches by the ship were received in Liverpool and London on the thirteenth day after leaving New York, say on the evening of the seventeenth of October, having left New York on the afternoon of the fourth of that month. By the same, and by one other passage, passengers and dispatches reached Paris, by way of England, on the fifteenth day.

TRANS-ATLANTIC STEAM SHIPS COMPANY'S SHIPS.—ROYAL WILLIAM AND LIVERPOOL.

A table of all the passages of the Trans-Atlantic Steam Ships Company's ships, Royal William and Liverpool, between Liverpool and New York, from July, 1838, to June, 1839, showing the time of their departure from, and arrival at, each port, etc., furnished for publication in our Magazine by ABRAHAM BELL, Esq.

FROM LIVERPOOL TO NEW YORK.				FROM NEW YORK TO LIVERPOOL.			
	<i>Sailed.</i>	<i>Arrived.</i>	<i>No. Days.</i>		<i>Sailed.</i>	<i>Arrived.</i>	<i>No. Days.</i>
Royal Wm.,	July 5	July 24	18½	Royal Wm.,	Aug. 4	Aug. 19	14½
..	Sept. 20	Oct. 10	20	..	Oct. 20	Nov. 5	15½
Liverpool,	Nov. 6	Nov. 23	16½	Liverpool,	Dec. 6	Dec. 20	14½
Royal Wm.,	Dec. 15	Jan. 6	21½	Royal Wm.,	Jan. 16	Feb. 3	17½
Liverpool,	Feb. 6	Feb. 25	18½	Liverpool,	Mar. 9	Mar. 25	16
..	April 20	May 7	16½	..	May 18	June 1	14½
..	June 13	June 30	16½				

Average Royal William and Liverpool from England, eighteen days. Average Royal William and Liverpool to England, 15½ days.

These passages are calculated from *dock to dock*, and, it will be observed, the Liverpool's passages are mostly made in the winter months, not the best calculated for making short runs. Her four trips to the westward have been made within forty-two hours of the same time. She has, with but one exception, made the southern passage; thereby lengthening her voyage, but avoiding the risk of running upon ice, and obtaining for her passengers mild and fine weather. On her May trip she took twenty-three days later news to England; a few days before her arrival, she spoke a ship from Europe to New York, out fourteen days; she discharged her cargo in Liverpool,

took in another, and, before she again arrived in New York, spoke the same ship, yet on her voyage to the westward.

The Royal William made her last voyage in December and January, thus proving that a boat of her size may safely cross the Atlantic in the depth of winter.

CAPE COD HARBOR.

The attention of ship-owners and ship-masters has been lately called to Cape Cod Harbor, as of more importance than has been heretofore supposed. The want of a secure shelter for vessels, going from or to Boston and Salem, in time of a severe storm from the east, or north-east, has been long felt; and the harbor inside of Race Point, where the village of Provincetown has recently grown up, seems to have been neglected; whether from an ignorance of its advantages or not, we will not undertake to decide. But several persons of good judgment, and of the profession of sailors, have more recently examined it, and considered it quite safe from easterly gales, when an attempt to run into Boston or Salem would probably prove fatal. The harbor is nearly a league from the extreme end of the cape. But the curve of the cape is so great that it forms a safe riding-place for vessels when they could not remain at sea, nor reach any other harbor in the vicinity. Formerly there was great difficulty in getting ashore without wading, even from a large long-boat; because the shore is not very bold—and all will recollect how much the poor pilgrims, who settled at Plymouth in 1620, suffered in getting on shore from their boats, in November of that year, while the *Mayflower* lay in that harbor. But now there are wharves, and that inconvenience does not exist. The village is now quite large; and people can be well accommodated on shore. There are neither rocks nor ice in the harbor.

An intelligent clergyman gave some account of the harbor forty-five years ago, to the Massachusetts Historical Society; and said that it was his opinion, as well as of many others, "it was one of the best and safest harbors in the state." He says, it had not been generally considered of the importance it ought to have been; and adds, that proper directions should be given for entering it. This opinion has been confirmed, within a few years, by other intelligent men who have examined it. An officer in the service of the United States, for surveying the coast and harbors of Massachusetts, within a few years, has added his testimony to the same point. A pier of greater extent than any now erected may be needed, but it is not deemed essential. The most which is required, to experience the benefits of that harbor, is a true, but full description of the bearings and relative situation of a few points in the vicinity, and a conviction of the entire security of the place against injury in times of easterly storms and gales. It is also stated in a late paper published in the county of Barnstable, that the harbor at Provincetown, or Cape Cod Harbor, is one of the best in Massachusetts; and it is safe, whatever may be the direction of the wind. The earliest writer of the pilgrim band of 1620 says the shape of the land forming the harbor is like a *hook*.

We think the subject deserves attention, and that extensive publicity of the advantages to result from the use of the harbor, would render good service to navigation. Vessels now coming on the coast from Europe, and aiming for Boston, in the winter season, and in stormy weather, sometimes put away for Holmes' Hole, at the Vineyard, when they might gain the harbor of Cape Cod; where they would be within six hours' sail of their port. If they go to the Vineyard, they may have to remain there several weeks, and then have a dangerous passage to make round the whole length of the cape; and coasters, with flour, corn, etc., from southern ports for Boston, especially in the winter months, would find the benefit of making a harbor at Provincetown.

An early writer says, "The curvature of the shore on the west side of Provincetown and south of Race Point, (inside the cape,) forms a cove of about three miles. There is good anchoring ground here, and vessels may ride safely in four or five fathoms of water, especially when the wind is from north, or north-north-east, to south-east." On Race Point there are now several huts, and they are about three miles from the village of Provincetown; most of the way is a mere sand-bank, but before reaching the settlement there is a piece of land covered with trees. In most places there is beach grass, which grows about two feet high. About two miles and a half from Race Point, the Humane Society have erected huts for the protection and relief of the shipwrecked mariners at or near this place. At the head of Stout's creek, in Truro, adjoining Provincetown on the south, there is another hut erected by the same society; and this last building is within an hour's walk of Provincetown. Vessels are frequently driven on shore in severe north-east storms, between Stout's creek, or East Harbor, and Race Point. To know of these huts may be important to seamen. Near the East Harbor,

or Stout's creek, near the bounds of Provincetown and Truro, there is a valley, not far from the ocean, where are two small dwelling-houses. More huts have been erected by the Humane Society in this vicinity. South of Stout's creek are the Clay-pounds, so called in Truro; the banks are high and steep, and are washed by the Atlantic Ocean.

B*****D.

SHIPS STRUCK BY LIGHTNING.

The frequent occurrence of this disastrous and destructive visitation, has, at length, awakened inquiry in England, as to the best means of preventing the direful effects of electrical discharges at sea. Information has been called for by the recently appointed naval commission, and this subject is one of those under their present consideration; and a Mr. Harris has submitted proposals to the commissioners, which have been received with favor. A late Liverpool journalist, in noticing this subject, says:

"We have before us a catalogue of no less than one hundred and ninety-seven cases since 1793, in the British navy alone, averaging more than three every year, in which considerable damage was occasioned, and in many instances attended with the loss of human life. Oftentimes during the period of the war were British ships disabled by lightning immediately previous to entering into action, and frequently were they obliged from the same cause to quit cruising ground, which to retain was of the utmost importance.

"Ships, or rather the masts of ships, at sea, are the only prominent points exposed and opposed to the accumulated masses of electrical matter, which, striving to regain equilibrium, break through the atmosphere at the point rendered the least resistant by the towering masts diminishing the resisting medium, pass down the masts, and, encountering imperfect conductors, cause havoc in their course. The iron, frequent in the vane-staffs and trucks of mast-heads, presents a free point of attraction and passage for the electric fluid; and if this, or any other conducting metal, were continued down the masts and through the hull of the vessel, sufficient to influence the choice of the lightning, the discharge would be rendered harmless; because in no case will the electric fluid turn aside except for equally good conductors where there may be several. But in the absence of such conducting medium, the fluid seeks out a passage for itself, destroying substances of an imperfectly conducting nature which it encounters. In the present and common mode of building ships, no attention is paid to this important precautionary provision; and if, previously to going to sea, the stores include lightning conductors, the ship's husband considers he has fulfilled his responsible duty. These conductors, in the store list, are metallic chains, which, on the approach of a thunder storm, are hoisted to the mainmast head, the other ends being passed over the ship's side to trail in the water. If they should not trail in the water, but accidentally rest in the main or mizen chains, the destruction of the ship's side may probably occur. Without dwelling on the possibility of their not being forthcoming when required, if they should, in consequence of lying by, which in all likelihood they would be, more or less oxidized where the links join, perfect conduction would be impeded. In this case, it would be better had they not been there. To remedy this latter defect, a rope of metallic wires has been proposed; but, whatever be the temporary conductor employed, or however perfect it may be to conduct, we most decidedly give preference to fixed conductors. Our attention has been directed to this subject, and a desire created in us to bring it to the notice of nautical and commercial men, in consequence of witnessing the experiments of Mr. Snow Harris recently at the United Service Institution. He proposes to fit the mast and hull with a succession of overlapping metallic laminæ, so that the whole floating bulk should be in metallic connexion, and consequently a perfect, permanent conductor. The working of the masts are not in the least impeded, and even when struck, there is a continuous metallic surface presented to the electric fluid. The whole of the experiments, including a floating model ship on a large scale, fitted with the conductors, through which a powerful charge of electricity was harmlessly passed, were of the most satisfactory description."

BEVERLY FISHING TRADE.

The total number of vessels engaged in the fishing trade from this port, as we learn from the Salem Gazette, is 59, averaging 74 tons each; aggregate value, exclusive of outfit, \$100,000; tonnage, 4350; Beverly hands employed, 306; others, 112. This is said to be the greatest amount of tonnage ever owned here. There are, in addition to those belonging to Beverly, several chartered vessels which sail from this port, and several others from the neighboring towns, manned in part or whole by Beverly hands, sufficient to make in all 400 Beverly men engaged in the business. The aggregate bounty on the vessels owned in Beverly, is 17,040 dollars; on those chartered, and which sail from Beverly, \$1,628; making a total aggregate of 18,668 dollars.

COMMERCIAL STATISTICS.

IMPORTS INTO THE UNITED STATES.

Official Statement of the Value of Annual Imports into the United States from 1789 to 1837, inclusive; the payments into the Treasury on account of Duties arising thereon; and the cost of collection. From a report to Congress.

YEARS.	Value of Imports.	Payments into the Treasury on account of them.	Cost of Collection, including Revenue Cutters, and preparing weights and measures.
From March 4th, 1789			
to December 31, 1791	52,200,000	4,399,472 99	239,541 03
In the year 1792	31,500,000	3,443,070 85	161,754 80
.. 1793	31,100,000	4,255,306 56	188,362 13
.. 1794	34,600,000	4,801,065 28	221,090 23
.. 1795	69,756,268	5,588,401 26	260,359 28
.. 1796	81,436,164	6,567,087 94	291,206 92
.. 1797	75,379,406	7,549,649 65	343,434 26
.. 1798	68,551,700	7,106,061 93	305,879 33
.. 1799	79,068,148	6,610,449 31	412,183 45
.. 1800	91,252,768	9,080,932 73	440,373 62
.. 1801	111,363,511	10,750,778 93	482,772 70
.. 1802	76,333,333	12,438,235 74	492,205 55
.. 1803	64,666,666	10,479,417 61	405,536 37
.. 1804	85,000,000	11,098,565 33	488,333 24
.. 1805	120,000,000	12,936,487 04	557,541 94
.. 1806	129,000,000	14,667,698 17	613,785 88
.. 1807	138,500,000	15,845,521 61	615,621 71
.. 1808	56,990,000	16,363,550 58	565,235 14
.. 1809	59,400,000	7,257,506 62	498,130 77
.. 1810	85,400,000	8,583,309 31	437,208 72
.. 1811	53,400,000	13,313,222 73	441,129 02
.. 1812	77,030,000	8,958,777 53	477,726 57
.. 1813	22,005,000	13,225,624 25	414,171 88
.. 1814	12,965,000	5,998,772 08	352,561 14
.. 1815	113,041,274	7,282,942 22	476,007 01
.. 1816	147,103,000	36,306,874 87	819,038 22
.. 1817	99,250,000	26,283,348 49	782,308 09
.. 1818	121,750,000	17,176,385 00	769,206 50
.. 1819	87,125,000	20,283,608 76	810,220 40
.. 1820	74,450,000	15,005,612 15	777,764 32
.. 1821	62,585,724	13,204,447 15	700,528 97
.. 1822	83,241,541	17,589,764 94	728,964 82
.. 1823	77,579,267	19,088,433 44	766,699 02
.. 1824	80,549,007	17,878,325 71	779,739 88
.. 1825	96,340,075	20,098,713 45	889,302 93
.. 1826	84,974,477	23,333,741 75	886,999 48
.. 1827	79,484,068	19,712,283 29	889,818 27
.. 1828	88,509,824	23,205,523 64	932,093 63
.. 1829	74,492,527	22,681,965 91	1,013,667 58
.. 1830	70,876,920	21,922,391 39	1,055,115 37
.. 1831	103,191,134	24,224,441 77	1,216,009 57
.. 1832	101,029,266	28,465,237 24	1,315,975 36
.. 1833	108,118,311	29,032,508 91	1,351,543 97
.. 1834	126,521,332	16,214,957 15	1,264,545 37
.. 1835	149,895,742	19,391,310 59	1,284,997 69
.. 1836	189,980,035	23,409,940 53	1,397,469 10
.. 1837	140,989,217	11,169,290 34	1,492,947 84

COMMERCE OF THE UNITED STATES.

According to the Custom House returns to the Treasury Department, recently published, the total value of imports, during the year ending September 30th, 1838, was \$113,717,404, being twenty-seven millions less than during the year 1837, and seventy-nine millions less than during the year 1836, the year of the great expansion that preceded the suspension of specie payments.

The falling off in the exports has not been so great. The total value of exports of every description from the United States, during the last year, was \$108,486,616, being nine millions less than in 1837, and twenty millions less than in 1836. The value of the exports of domestic produce in 1838 was \$96,033,816, in 1837, \$95,564,414, and in 1836, \$106,916,680.

Comparing the years 1836 and 1838, we find that the chief falling off in the imports was in the following articles:—

	1836.	1837.	1838.
Cotton Goods	\$17,876,087	\$10,451,060	\$6,599,330
Woollen Goods.	12,758,430	4,415,536	6,967,530
Silk Goods.	22,862,177	3,031,321	9,812,338
Linen	8,271,213	4,851,857	3,583,540
Iron and Steel	12,892,648	8,361,304	7,418,504
Sugar	12,514,718	7,236,401	7,586,825
Teas	5,342,811	5,893,202	3,497,156
Wines.	4,332,034	2,913,794	2,318,202

The export of cotton goods of domestic manufacture in 1838, was \$3,758,755, against \$2,831,473 in 1837, and \$2,257,734 in 1836. The chief exports of domestic cottons in 1838, were to the following countries:—

China	\$532,097	Argentine Republic . . .	\$104,254
British East Indies . . .	140,762	Brazil.	536,416
Dutch East Indies . . .	133,350	Mexico.	597,330
Manilla.	79,531	Cuba	157,621
Peru.	97,713	Cape de Verd Islands. . .	66,555
Chili.	640,831	Turkey, Levant, &c. . .	111,937

The following table exhibits the relative importance of our trade during the year 1838, with the following countries:—

	Imports from.	Exports to.
Great Britain and dependencies	\$49,051,181	\$58,843,392
France and dependencies	18,087,149	16,252,413
Spain and dependencies.	15,971,394	7,684,006
Netherlands and dependencies	2,436,166	3,772,206
China	4,764,536	1,698,433
Mexico.	3,500,709	2,164,097
Texas	165,178	1,247,880

This table exhibits in a striking light the effect which expansions and contractions of the currency have on the import trade.

One article, molasses, seems not to have been affected by these changes in the currency. The value of that imported in 1836 was \$4,077,312, and in 1838, \$3,865,285.

In the import of another article, viz., coffee, there was, relatively speaking, but a small falling off. The total value in 1836 was \$9,653,053, and in 1838, \$7,640,217.

Salt is the only commodity, or, at least, the only commodity of any importance, the import of which increased. In 1836, the total value was \$724,527, and in 1838, it was \$1,028,418.

In the exports, the chief falling off was in cotton, tobacco, and rice. In some articles of export there was an increase, as will be seen by inspecting the following table.

	1836.	1837.	1838.
Cotton	\$71,284,925	\$63,250,102	\$61,558,811
Tobacco.	10,058,640	5,795,647	7,392,029
Rice.	2,548,750	2,309,279	1,721,819
Flour.	3,572,599	2,987,269	3,603,299
Fish.	967,890	769,840	819,003
Furs	653,662	651,908	636,945
Lumber	8,860,691	2,584,746	3,116,196
Manufactures . . .	6,107,528	5,948,214	8,397,078

With the same countries, (omitting Texas,) our trade was as follows in 1836 :

	Imports from.	Exports to.
Great Britain and dependencies	\$86,022,916	\$64,487,550
France and dependencies	37,036,235	21,441,200
Spain and dependencies	19,345,690	8,081,568
Netherlands and dependencies	3,861,514	4,799,157
China	7,324,816	1,194,264
Mexico	5,615,819	6,041,634

In 1838 our imports from Great Britain were nearly *thirty-seven* millions less than in 1836, and from France *nineteen* millions.

In 1836 the commercial balance was, as exhibited by the custom-house books, nearly *twenty-two* millions in favor of Great Britain. In 1838 the balance is near *ten* millions in favor of the United States.

In 1836 the balance in favor of France was nearly *sixteen* millions. In 1838 it was less than two millions.

The following exhibits the total value of the imports and exports of the states which were most deeply engaged in the foreign trade during the year 1838 :

	Imports into.	Exports from.
Massachusetts	\$13,300,925	\$9,104,862
New York	64,453,206	23,008,471
Pennsylvania	9,360,731	3,447,151
Maryland	5,701,869	4,524,575
Virginia	577,142	3,985,228
South Carolina	2,318,791	11,042,070
Georgia	756,068	8,803,839
Alabama	524,548	9,688,244
Louisiana	9,496,808	31,502,248

In that ever-memorable year, 1836, the foreign trade of these states was as follows :

	Imports into.	Exports from.
Massachusetts	\$25,681,462	\$10,380,346
New York	118,253,416	28,920,638
Pennsylvania	15,068,233	3,971,555
Maryland	7,131,867	3,675,475
Virginia	1,106,814	6,192,040
South Carolina	2,801,361	13,684,376
Georgia	573,222	10,722,200
Alabama	651,618	11,284,166
Louisiana	15,117,649	37,179,828

The following is a table of imports of foreign goods, and exports of those of domestic growth only, during the three years ending October 1, 1838 :

	1836.	1837.	1838.
Exports,	\$106,916,680	\$95,564,414	\$96,033,816
Imports,	192,717,404	140,827,404	113,917,361

The various facts here stated, abound in instruction to both the merchant and the statesman.—GLOBE.

A table of the number of millions of pounds of Cotton exported in each year, from 1819 to 1838, and the average price, as published in the Washington Globe.

Year.	Pounds exported.	Price per pound.	Year.	Pounds exported.	Price per pound.
1819	88,000,000	24 cents.	1829	264,000,000	10 cents.
1820	128,000,000	17	1830	298,000,000	10
1821	126,000,000	16	1831	277,000,000	9½
1822	144,000,000	16½	1832	322,000,000	10
1823	173,000,000	11	1833	324,000,000	11
1824	142,000,000	15	1834	384,000,000	13
1825	176,000,000	21	1835	386,000,000	16½
1826	204,000,000	11	1836	423,000,000	16.8
1827	294,000,000	9½	1837	444,000,000	14½
1828	210,000,000	10½	1838	505,000,000	10.3

COMMERCE OF NEW YORK, FROM 1789 TO 1838.

Years.	EXPORTS.			Imports.	Duties on foreign merchandise imported.	Drawbacks on foreign merchandise.	Registered tonnage.
	Domestic.	Foreign.	Total.				
1791	.....	.....	2,505,465	.....	1,356,064	22,289	41,866 00
1792	.....	.....	2,535,790	.....	1,232,888	45,592	50,801 00
1793	.....	.....	2,932,370	.....	1,248,760	42,561	45,355 89
1794	.....	.....	5,442,183	.....	2,146,819	266,302	71,693 17
1795	.....	.....	10,304,581	.....	2,717,149	688,172	93,421 67
1796	.....	.....	12,208,027	.....	3,056,518	865,877	103,945 53
1797	.....	.....	13,308,064	.....	2,949,033	862,014	110,983 57
1798	.....	.....	14,300,892	.....	2,702,259	916,282	111,488 72
1799	.....	.....	18,719,527	.....	3,559,817	1,157,589	120,253 06
1800	.....	.....	14,045,079	.....	3,625,423	869,403	97,791 06
1801	.....	.....	19,851,136	.....	4,984,235	1,172,408	106,023 18
1802	.....	.....	13,792,276	.....	3,530,298	1,033,316	79,152 85
1803	7,626,831	3,191,556	10,818,387	.....	4,081,577	545,010	89,382 17
1804	7,501,096	8,580,185	16,081,281	.....	5,172,805	1,283,604	105,610 54
1805	8,098,060	15,384,883	23,482,943	.....	6,958,009	2,062,509	121,614 09
1806	8,053,076	13,709,769	21,762,845	.....	7,307,185	2,406,463	141,186 14
1807	9,957,416	16,400,547	26,357,963	.....	7,620,993	2,669,335	149,061 61
1808	2,362,438	3,243,620	5,606,058	.....	3,611,685	799,796	146,682 61
1809	8,348,764	4,232,798	12,581,562	.....	3,785,786	791,117	169,535 39
1810	10,928,573	6,313,757	17,242,330	.....	5,248,919	842,540	188,556 73
1811	8,747,700	3,518,515	12,266,215	.....	2,436,092	443,766	161,312 37
1812	6,603,508	2,358,414	8,961,922	.....	3,316,325	419,001	162,582 14
1813	7,060,807	1,124,687	8,185,494	.....	1,627,314	295,120	148,098 54
1814	197,987	11,683	209,670	.....	631,758	25,986	152,412 66
1815	8,230,278	2,445,095	10,675,373	.....	14,646,816	267,496	180,664 20
1816	14,168,291	5,521,740	19,690,031	.....	10,810,553	1,368,221	191,355 47
1817	13,660,733	5,046,700	18,707,433	.....	6,374,386	1,010,046	177,964 49
1818	12,982,564	4,889,697	17,872,261	.....	8,277,497	631,004	119,853 79
1819	8,487,692	5,099,686	13,587,378	.....	6,493,434	717,656	114,326 02
1820	8,250,675	4,912,569	13,163,244	.....	5,506,516	687,838	115,632 28
1821	7,898,604	5,264,313	13,162,917	23,629,246	7,254,594	656,566	118,750 65
1822	10,987,167	6,113,315	17,100,482	35,445,628	9,952,832	545,723	126,797 89
1823	11,362,995	7,675,995	19,038,990	29,421,349	9,035,675	1,118,969	133,085 75
1824	13,528,654	9,368,480	22,897,134	36,113,723	11,191,282	1,426,466	146,620 67
1825	20,651,558	14,607,703	35,259,261	49,639,174	15,762,142	2,144,372	159,327 32
1826	11,496,719	10,451,072	21,947,791	38,115,630	11,535,912	2,662,299	163,574 11
1827	13,920,627	9,913,510	23,834,137	38,719,644	13,224,506	1,763,114	171,835 56
1828	12,362,015	10,415,634	22,777,649	41,927,792	13,764,831	1,570,277	165,898 26
1829	12,036,561	8,082,450	20,119,011	34,743,307	13,068,183	1,566,179	117,585 06
1830	13,618,278	6,079,705	19,697,983	35,624,070	15,031,003	1,665,979	110,163 08
1831	15,726,118	9,809,026	25,535,144	57,077,417	20,121,296	2,045,229	130,933 26
1832	15,057,250	10,943,695	26,000,945	53,214,402	15,089,636	2,281,675	137,960 25
1833	15,411,296	9,983,821	25,395,117	55,918,449	13,073,394	2,371,114	159,554 03
1834	13,849,469	11,662,545	25,512,014	73,188,594	10,225,877	1,522,084	186,365 73
1835	21,707,867	8,637,397	30,345,264	88,191,305	14,568,660	770,830	*200,780 47
1836	19,816,520	9,104,118	28,920,438	118,253,416	17,307,215	832,413	*202,118 83
1837	16,083,969	11,254,450	27,338,419	79,301,722	.....	.....	*202,370 55

* Ending September 30. In 1838, the Domestic exports were \$16,432,333, and the Foreign, \$6,576,138.

SILVER COIN.

The New York Courier states that the Secretary of the Treasury is corresponding with some distinguished financiers of this city, on the subject of debasing the silver coin, so as to prevent the exportation of it being a profitable business. The secretary is in favor of retaining the silver coin in the country by debasing it to less than its value, as has already been done with the gold coin of the United States.

COMMERCE OF PENNSYLVANIA, FROM 1789 to 1838.

Years.	EXPORTS.			Imports.	Duties on foreign merchandise imported.	Drawbacks on foreign merchandise.	Registered tonnage.
	Domestic.	Foreign.	Total.				
1791	....	....	3,436,093	....	1,475,428	8,976	53,898 00
1792	....	....	3,820,662	....	1,138,863	37,753	65,212 00
1793	....	....	6,958,836	....	1,926,337	102,659	60,924 57
1794	....	....	6,643,092	....	2,000,091	502,447	67,895 30
1795	....	....	11,518,260	....	3,053,109	752,550	83,623 92
1796	....	....	17,513,866	....	3,646,271	1,586,065	90,568 94
1797	....	....	11,446,291	....	2,907,894	1,086,839	88,400 72
1798	....	....	8,915,463	....	2,086,714	1,018,127	85,476 49
1799	....	....	12,431,967	....	2,224,313	955,264	90,944 30
1800	....	....	11,949,679	....	3,181,101	1,785,109	95,631 74
1801	....	....	17,438,193	....	3,702,898	1,540,701	109,036 45
1802	....	....	12,677,475	....	2,727,365	1,297,662	64,637 26
1803	4,021,214	3,504,496	7,525,710	....	2,240,715	561,041	67,629 10
1804	4,178,713	6,851,444	11,030,157	....	3,507,038	872,238	71,198 67
1805	4,365,240	9,397,012	13,762,252	....	3,652,387	1,319,869	77,238 52
1806	3,765,313	13,809,389	17,574,702	....	5,100,657	2,052,551	86,728 35
1807	4,809,616	12,055,128	16,864,744	....	5,197,806	2,012,543	93,993 16
1808	1,066,527	2,946,803	4,013,330	....	2,599,673	928,568	94,658 69
1809	4,238,358	4,810,883	9,049,241	....	2,318,699	894,984	106,621 90
1810	4,751,634	6,241,764	10,993,398	....	3,332,377	879,527	109,628 57
1811	5,694,447	3,865,670	9,560,117	....	2,364,635	510,328	78,518 11
1812	4,660,457	1,313,293	5,973,750	....	2,474,990	378,936	71,281 02
1813	3,249,623	3,273,494	3,577,117	....	503,593	185,821	64,536 78
1814	....	....	....	....	277,757	3,227	64,182 64
1815	3,569,551	1,024,368	4,593,919	....	7,199,699	95,806	77,199 03
1816	4,486,329	2,709,917	7,196,246	....	6,285,455	746,636	77,730 70
1817	5,538,003	3,197,589	8,735,592	....	4,307,790	702,819	80,512 71
1818	5,045,901	3,713,501	8,759,402	....	4,540,360	788,574	58,200 90
1819	2,919,679	3,374,109	6,293,788	....	3,848,630	570,274	59,626 27
1820	2,948,879	2,794,670	5,743,549	....	2,703,402	555,703	59,457 68
1821	2,832,387	4,569,380	7,391,767	8,158,922	2,719,996	474,394	59,296 24
1822	3,575,147	5,472,655	9,047,802	11,874,170	3,648,745	310,956	61,237 02
1823	3,139,809	6,477,383	9,617,192	13,696,770	3,991,687	612,037	61,408 73
1824	3,182,694	6,182,199	9,364,893	11,865,531	4,311,926	939,322	62,771 18
1825	3,936,133	7,333,848	11,269,981	15,041,797	5,270,030	998,778	65,589 54
1826	3,158,711	5,173,011	8,331,722	13,551,779	5,183,724	1,251,405	63,443 34
1827	3,391,296	4,184,537	7,575,833	11,212,935	4,188,915	1,053,105	61,699 90
1828	3,116,001	2,935,479	6,051,480	12,884,408	5,082,344	802,474	66,839 50
1829	2,617,152	1,472,783	4,089,935	10,100,152	3,574,816	708,970	50,234 94
1830	2,924,452	1,367,341	4,291,793	8,702,122	3,542,977	516,311	47,979 32
1831	3,594,302	1,919,411	5,513,713	12,124,083	4,372,533	326,607	51,293 79
1832	2,008,991	1,507,075	3,516,066	10,678,358	3,501,397	402,972	45,956 32
1833	2,671,300	1,407,651	4,078,951	10,451,250	2,985,278	697,927	49,621 84
1834	2,031,803	1,957,943	3,989,746	10,479,268	2,111,837	295,870	*51,441 02
1835	2,416,099	1,323,176	3,739,275	12,389,937	2,506,281	101,812	*51,587 81
1836	2,627,651	1,343,904	2,971,555	15,068,233	3,192,007	134,473	*51,034 73
1837	2,565,712	1,275,887	3,841,599	11,680,111	....	....	39,156 17

* Ending September 30. In 1838, the Domestic exports were \$2,481,543, and the Foreign, \$995,608.

CURIOS ARTICLES OF COMMERCE.

To Portugal a large quantity of grain and pulse, (independent of what is sent to pay rents to the non-resident morgados,) salt pork and beef, coarse linen, and cheese, is sent; which is paid for in salt, lime, tea, images, crucifixes, indulgences, dispensations, and relics; the last five articles being publicly sold in the shops at most extortionate prices.

COMMERCE OF NEW ORLEANS.

Statement showing the Value of the Exports from the Port of New Orleans, during the Year 1838.

First Quarter, ending 31st March	\$18,615,327
Second do. do. 30th June	13,394,996
Third do. do. 30th September	5,895,825
Fourth do. do. 31st December	7,510,583

Total Exports for the Year

\$45,416,731

Exported as follows :

In American Vessels to coastwise ports	\$14,329,313
Do. do. to foreign ports	26,735,918
In foreign vessels to foreign ports	4,351,500

\$45,416,731

Of which were :

Foreign Goods in American Vessels	\$1,042,807
Do. do. in foreign do.	389,316
	\$1,432,121

Amount of Exports of the growth, produce, and manufacture of the United States

\$43,984,608

Statement showing the Value of Foreign Merchandise entered at the Custom House, New Orleans, during the year 1838.

First Quarter, ending 31st March	\$2,951,863
Second do. do. 30th June	2,576,553
Third do. do. 30th September	1,742,827
Fourth do. do. 31st December	3,408,768

Total amount

\$10,680,011

Statement showing the Amount of Tonnage entered at the Custom House at New Orleans, during the year 1838.

First Quarter	{	Foreign vessels from foreign ports,	16,070 55 tons.
		American do. do. do.	34,711 51 ..
		Do. do. coastwise,	83,534 81 ..
Second Quarter	{	Foreign vessels from foreign ports,	10,956 53 ..
		American do. do. do.	60,525 66 ..
		Do. do. coastwise,	58,548 36 .
Third Quarter	{	Foreign vessels from foreign ports,	4,290 89 ..
		American do. do. do.	10,005 79 ..
		Do. do. coastwise,	24,353 31 ..
Fourth Quarter	{	Foreign vessels from foreign ports,	13,914 63 ..
		American do. do. do.	32,001 36 ..
		Do. do. coastwise,	90,815 57 ..

446,716 11 tons.

Up to 1828, the greatest amount of tonnage which entered in any one year was 57,000 tons!

Statement of Duties on Imports, secured at the port of New Orleans during the year 1838.

First Quarter	{	In vessels of the United States	\$198,270 40
		In equalized foreign vessels	60,839 32
		In other foreign vessels	3,741 96
		In sundry vessels in store account	9,867 91
Second Quarter	{	In vessels of the United States	\$235,048 03
		In equalized foreign vessels	143,447 70
		In other foreign vessels	1,644 43

Third Quarter	{	In vessels of the United States	\$273,746	50
		In equalized foreign vessels.	60,056	47
		In other foreign vessels	5,734	22
Fourth Quarter	{	In vessels of the United States	\$421,859	35
		In equalized foreign vessels	107,658	38
		In other foreign vessels	11,250	28
		Total amount for the year	\$1,533,164	95

A Statement of the Number of Bales of Cotton shipped at New Orleans in each and every year, from 1819 to 1838, both inclusive, being a period of twenty years, with the Countries respectively to which it was shipped.

In the period above-mentioned, it appears that the quantity of that important staple shipped from this port increased from less than 100,000 bales, in 1819, to more than 700,000 bales, in 1838. The amount for 1838 was nearly half the whole cotton crop of the United States for that year. The amount shipped in twenty years is upwards of 6,500,000 bales, which, at the moderate estimate of fifty dollars per bale, would be worth more than three hundred and thirty millions of dollars! This is a vast sum to be produced in such a space of time from a single article raised on the banks of the Mississippi and in the adjacent regions. It shows the importance of the commerce of New Orleans.

Year.	London.	Liverpool	Cork, &c.	Glasgow.	France.	N. Europe.	N. States.	Total Bales.
1819	..	..	..	..	..	..	..	99,013
1820	..	56,085	3,318	4,340	28,440	3,874	16,904	112,961
1821	863	46,836	3,466	1,854	38,858	9,104	35,789	136,770
1822	611	56,354	..	3,914	33,557	10,164	51,430	156,030
1823	144	88,180	5,508	6,853	25,789	5,363	39,594	171,431
1824	399	56,977	614	5,252	35,059	615	46,507	145,423
1825	25	92,301	1,978	7,600	32,834	773	68,795	204,306
1826	..	108,643	5,108	3,162	63,760	4,631	66,487	251,791
1827	..	178,434	1,270	12,743	60,101	9,279	67,028	328,855
1828	70	133,196	2,720	6,562	70,130	6,822	85,835	305,335
1829	1550	119,036	1,443	8,485	81,939	14,289	41,050	267,792
1830	..	179,828	943	16,413	94,129	4,828	56,082	352,223
1831	66	203,129	3,803	15,393	60,913	5,307	135,360	423,971
1832	..	192,838	2,588	6,227	77,122	11,969	63,934	354,678
1833	336	216,479	656	8,096	82,304	5,028	92,667	405,566
1834	244	271,368	2,499	13,956	100,225	11,132	61,825	461,246
1835	45	245,642	1,376	11,667	141,622	11,543	119,131	531,025
1836	281	228,568	1,287	8,041	131,781	29,599	94,116	493,673
1837	41	333,690	4,146	17,074	135,187	20,836	85,179	596,153
1838	123	453,645	48	17,796	128,611	22,204	105,085	727,512
	4,798	3,261,229	42,771	175,428	1,422,361	187,360	1,332,798	6,525,758

N. B. — The above comprises an interval of twenty commercial years, each terminating on the 30th of September.

COMMERCE OF BOSTON.

The number of foreign clearances from Boston, from January 1st to June 30th, 1838, was 430. The number of foreign clearances, from January 1st to June 30th, 1839, was 607. Increase of foreign clearances, over the first six months of the last year, 177.

The number of foreign arrivals into Boston, from January 1st to June 30th, 1838, was 471. The number of foreign arrivals, from January 1st to June 30th, 1839, was 614. Increase of foreign arrivals, 143.

Revenue, first quarter, 1838,	\$480,300	59
.. second	465,765	84
	\$946,066	43
Revenue, first quarter, 1839,	\$562,915	27
.. second estimated at	900,742	00
	\$1,463,657	27

Increase of revenue over the two first quarters of the last year, \$517,590 84.

EXPORTS OF BRITISH PRODUCE AND MANUFACTURES FROM THE UNITED KINGDOM.

An Account of the Exports of the principal Articles of British and Irish Produce and Manufacture, in the year ended the 5th of January, 1839, compared with the Exports in the preceding year, as published in the Liverpool Standard.

ARTICLES.	Declared Value of the Exportations in the year ending the 5th of January.	
	1838.	1839.
Coals and Culm.	£431,545	£484,305
Cotton Manufactures	13,640,181	16,700,468
Cotton Yarn	6,955,942	7,430,582
Earthenware	563,237	670,985
Glass.	477,767	376,524
Hardware and Cutlery	1,460,808	1,507,478
Linen Manufactures	2,133,744	2,919,719
Linen Yarn	479,307	655,699
Metals—viz. : Iron and Steel.	2,009,259	2,530,903
Copper and Brass	1,116,227	1,226,258
Lead	155,251	156,150
Tin, in bars, etc.	74,733	103,230
Tin Plates.	350,667	434,749
Salt.	193,621	223,372
Silk Manufactures	503,673	778,031
Sugar, refined	453,984	550,506
Wool, sheep's or lamb's	185,350	432,067
Woollen Manufactures	4,660,019	5,792,156
Woollen Yarn	333,098	365,657
Total of the foregoing articles	£36,228,468	£43,338,839

This table shows an increase of upwards of three millions in a single year, in the exports of cotton manufactures, an increase of upwards of one million in the woollen manufactures, and nearly eight hundred thousand in the article of linen manufactures — the three great staple commodities of British exportation. We should think that an increase of upwards of seven millions, in one year's exports, exhibited any thing but an indication of the reverses of the manufacturing interest of our mother country.

MERCANTILE MISCELLANIES.

FRENCH BRANDIES.

The most celebrated of the French brandies, (says Dr. Ure, in his "Dictionary of Arts," &c.,) those of Cognac and Armagnac, are slightly rectified to only 0.922: they contain more than half their weight of water, and come over, therefore, highly charged with the fragrant, essential oil of the husk of the grape. When, to save expense of carriage, the spirit is rectified to a much higher degree, the dealer, on receiving it at Paris, reduces it to the market proof by the addition of a little highly-flavored, weak brandy and water; but he cannot, in this way, produce so finely-flavored a spirit as the weaker product of distillation of Cognac wine. If the best Cognac brandy be carefully distilled at a low heat, and the strong spirit be diluted with water, it will be found to have suffered much in its flavor. Genuine French brandy evinces an acid reaction with litmus paper, owing to a minute portion of vinegar: it contains, besides, some acetic ether, and, when long kept in oak casks, a little astringent matter.

LACE MADE BY CATERPILLARS.

A curious species of manufacture has been contrived by an officer of engineers residing at Munich. It consists of lace and veils, with open patterns in them, wove entirely by caterpillars. The following is the mode of proceeding adopted: Having made a paste of the leaves of the plant on which the species of caterpillar he employs feeds, he spreads it thinly over a stone, or other flat substance of the required size. He then

with a camel hair pencil, dipped in olive oil, draws the patterns he wishes the insects to leave open. This stone is then placed in an inclined position, and a considerable number of caterpillars are placed at the bottom. A peculiar species is chosen, which spins a strong web, and the animals commence at the bottom, eating and spinning their way to the top, carefully avoiding every part touched by the oil, but devouring every other part of the paste. The extreme lightness of these veils, combined with some strength, is truly surprising. One of them, measuring $26\frac{1}{2}$ by 17 inches, weighed only a grain and a half, a degree of lightness which will appear more strongly by contrast with other fabrics. One square yard of the substance of which these veils are made weighs $4\frac{1}{2}$ grains, whilst one square yard of silk gauze weighs 137 grains, and one square yard of the finest net weighs $262\frac{1}{2}$ grains.

MACHINERY.

It used to be an erroneous opinion, says the Salem (Mass.) Observer, entertained, that labor-saving machinery would prove disadvantageous to human industry, and take employment from the hands of those who had to gain a subsistence by labor. With this belief, operatives used to make violent attacks upon all machinery of this description in England, and destroy when they could. But the effect of it has been far otherwise than was anticipated—greatly increasing the amount of human labor. When the wonderful improvements of Arkwright, in the year 1770, began to be introduced into the machinery for spinning cotton, the annual consumption of cotton in British manufacture was under *four millions* of pounds weight; and that of Christendom was not probably more than *ten millions*. In 1838, the consumption of cotton in England and Ireland was about *two hundred and seventy millions* of pounds; that of Europe and the United States together, *four hundred and eighty millions!*

JEWELLERY.

Scarcely any branch of manufacture has advanced more rapidly and steadily in this country, during the last twenty years, than jewellery. In 1820, it might be said, with almost literal truth, that nothing of the kind was manufactured in the United States. But now, much the larger part of all the more rich and solid articles are made in this country. There are very good and extensive assortments in the stores, where not a single specimen of foreign jewellery is to be found. Articles of English manufacture are entirely superseded by the superior skill and taste of our workmen; but there are some sorts of work done by the French jewellers which cannot be equalled here.

WOOL.

The wool-growers, says the Northampton (Mass.) Courier, are not able to receive the reward for their labors this season.—The price of broadcloths are not sustained, and many manufacturing establishments are contracting their operations, or stopping their machinery. Wool does not sustain the price even it did last year. The shearing season has arrived, and the new clip is coming into the market even before the old one is used up. The wool-growing interest is an important one in New England, and we regret to see it depressed from any cause.

COMMERCIAL AFFAIRS.

The advices by the Great Western must be considered as any thing but favorable to the delusive hopes of improvement in the cotton market, and completely destroy the wild idea of a combination made here, and reaching across the Atlantic, having the ability to sustain prices in Europe. The fact is, that natural causes, always at work, are too powerful to be coerced by the short-sighted experiments of financiers and speculators, groping at results, and ignorant of first principles; and, theorize as we may upon production and consumption, a single error in our fanciful architecture will destroy the unsubstantial fabric. The world has, since the battle of Waterloo, been, generally speaking, in a state of profound peace. Consumption has stimulated production, and the consequence has been, that supply has more than equipoised demand. Speculation has been, in like manner, excited by success, and furthered by an almost wanton tender of facilities; and the result has been, an enormous amount of commercial indebtedness, and the products of industry or art not answering by way of remittances, specie, the lever by which commercial operations are regulated and balanced, has had to be resorted to as the settler of differences. But it appears from the overgrown inflation of the paper system, both here and in England, that this is a chord which, if touched, produces any thing but confidence in the market, and bankers and financiers gather round their vaults, like doctors round a consumptive patient, fearful that every respiration may be the last. The Bank of England has for some time back been only piling

error upon error, and in her late operation in raising the rate of interest to 5½ per cent, she reminds us of the exclamation of the imprisoned starling; while our own operations have not been remarkable for sagacity and financial foresight. We have not room for the remarks which we wish to make on the state of the money market, and must therefore defer a more full examination to a subsequent number; but at present we feel ourselves called upon to say, that prudent merchants will husband their resources, be chary of their means, and extremely cautious in their commitments for some time to come. A revolution in prices, which is going to exercise a most important bearing on the relations of debtor and creditor, is silently going on. All our great staple articles must fall greatly in value, and combinations to raise or support prices are alike wicked and unavailing. We have been maddened, and rendered, as it were, drunken, by years of prosperity; and the excitement of the gambler being over, we have now to suffer under his exhaustion, and to set about extricating our embarrassed affairs. We may safely calculate, that, unless some extraordinary event takes place, such as a war in Europe, for example, we must be satisfied with lower prices for our cotton than we have lately been contending for, and that, while peace continues, there are elements at work sufficient to overthrow the most skilfully laid combinations to support prices, and to bring ruin on the heads of those who attempt them. Nor need we look to England as a customer for our surplus bread stuffs, while we may look for large supplies hereafter from the new states, which we have heretofore been in the habit of feeding; and agricultural products will hereafter rule comparatively low. Manufacturing industry does not appear, in Europe particularly, to yield an adequate return on capital. Commercial enterprise is baffled for objects of profitable investment, and with old accounts to liquidate on new standards of value, with a want of confidence in our currency and in ourselves, deranged exchanges, and the exportation of specie. While there may be nothing seriously discouraging in all this to those who look on things in the mass, and consider the vast tendency of human operations as ultimately working right, and the loss of one man as but the profit of another, it is full of individual admonition.

The money markets in London and New York, the great marts that regulate the trade of two mighty empires, and, through them, of the world, are now so intimately blended and interwoven, that they vibrate responsive to each other, and a pressure on one communicates an electric shock to the other. They are, we were going to say, like the Siamese twins, connected by a band through which it is impossible to affirm or deny that the circulation does or does not flow, essential to existence, and that to destroy one might not be the ruin of the other. Hence we look with anxiety for further advices, sincerely trusting and believing, that the commercial interest, and the Bank, notwithstanding the errors of its direction, will sustain each other, but looking for no material improvement in the value of cotton, and, indeed, grounded in the opinion that the sooner the idle theories and speculations so redundant on the subject are abandoned, and prices reduced to what manufacturers can fairly pay and make a living profit on capital, the sooner will one impediment in the way of a healthful state of things be removed. We intend, in our subsequent articles, to take up this matter at length, and to give, from month to month, remarks on the money market and the state of trade, for which we have made full and adequate arrangements.

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