

HUNT'S  
MERCHANTS' MAGAZINE.

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FEBRUARY, 1840.

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ART. I.—THE THEORY OF PROFITS.—No. I.

I KNOW not whether the science of political economy is more fruitful of controversy because it is comparatively new, or because it treats of wealth, which in so many ways interests both our patriotism and our self-love, or, lastly, by reason of its inherent difficulty; but so it is, that no other branch of knowledge has, of late years, given rise to so much disputation as this. It abounds in controverted theories and unsettled problems; with its best established truths there mingle divers doubts and qualifications; and the honest inquirer into its principles, on consulting its most approved teachers, is sure to find that diversity which has so characterized other doctors as to have grown into a proverb. For the truth of these remarks, one has only to recollect the various theories of rent, wages, and profits — the conflicting opinions on the policy of poor laws, the numerous answers that have been given to Malthus's views on population — and lastly, the countless systems and speculations on paper credit and banks.

To whatever cause we may ascribe all this discordance, the effect has been unfortunate. While so much of the science has been debateable ground for its adepts, the lookers on, constituting the mass of the community, have come to the conclusion, that such frequent controversy proves the inherent uncertainty of the subject itself; and they turn away from the angry disputants under the conviction that the complicated concerns of national wealth are not capable of being reduced to the regular form of a science, or if they are, that the work has not yet been achieved. To this cause of the want of faith in the precepts of political economy, may be added the occasional variance between some prevalent theories and well known facts, or the current events of trade. The result has been, that hundreds of intelligent minds, who have not made this branch of knowledge the subject of their particular study, regard it with somewhat of the same distrust as cautious men have always regarded the search after the philosopher's stone, or as those of our day, who are

not imbued with sanguine credulous tempers, view the pretensions of phrenology and animal magnetism.

But however the votaries of the science may deplore the discredit into which it has fallen, as creating a serious obstacle to its advancement, let them not despair. If they believe as I do, that every important principle involved in the science is capable of satisfactory demonstration, and that every question now agitated will in time be definitively settled, let them persevere in their investigations, and, confident that truth will finally prevail, let them redouble their efforts to hasten a consummation so auspicious to the best interests of society. To effect this, it is not enough that they succeed in discovering truth, they must also be able to exhibit her to others in her just colors and fair proportions; in other words, they must reason logically as well as think rightly.

Political economy is essentially a science of analysis, and its principles never can be settled until its phenomena have been carefully analyzed and traced up to their elements, which are to be found partly in the physical condition of each country, and partly in the moral nature of man. Much, indeed, has been done in this way, but much yet remains to be done; and, where a theory or problem is yet unsettled, the fact may always be traced to a faulty or defective analysis—either some important element has been omitted, or some unessential concomitant has been supposed to be an element. These inaccuracies, however unimportant they may at first seem, may, when applied to details, branch out into numerous, and often serious, errors. Of this, the theory of profits, as derived from that of rent, and which has been so extensively adopted both in England and this country, appears to me to afford a striking illustration.

Believing that theory to be altogether unsound, and that the profits of capital have never been subjected to a just or philosophical analysis by the modern school of political economy, I propose now to examine the subject; but, for that purpose, it will be first necessary to consider the theory of rent, with which, according to the doctrines of that school, the theory of profits is inseparably connected.

Rent is the profit which the owner of land receives for its temporary use, and it has its origin in the following circumstances: All mankind derive the means of their subsistence from the earth, and though its spontaneous products are few and scanty, they are capable of being greatly augmented by human labor employed in cultivation. When thus aided, they are able, in fertile land, to yield annually enough to support the labor that cultivated it, and a large surplus besides. This surplus the owner of the soil may convert into a profit or rent as soon as he can find purchasers for it; and these he is sure to find, by reason of the tendency of mankind to increase until they have reached the level of subsistence. Those who are without land, impelled by the strongest of all impulses, will give their labor, or the products of their labor, in exchange for food, and the demand thus created will, soon or late, absorb the surplus, however large. If the owner of land does not choose to cultivate it himself, he can generally obtain the same, or nearly the same, profit from others, in the form of rent for its temporary use.

Rent, therefore, arises from two causes: first, the fertility of the soil, whether native or adventitious; and secondly, the physical and moral nature of man, which make him dependent on the earth for his sustenance, and impel him to the multiplication of his species. To the first, the

owner of the soil owes the fund from which rent is derived; to the second, the effective demand. Take away either—let the land produce no more than is sufficient to support the labor which cultivates it, or let the population have no tendency to increase while fertile land is abundant, and there would be no rent; but let the two circumstances concur, and rent is the necessary consequence.

Rent, after the land has once afforded it, is commonly progressive. It continues to rise with every successive increase of numbers. Those who are without land must exchange their labor or its products with the owners of the soil for the means of subsistence; and, as in this exchange, each party gives as little, and gets as much, as he can, the rate of exchange between labor and food will depend on the double competition between the producers on the one hand, and the purchasing consumers on the other: when land is plenty, and population thin, raw produce will commonly exchange for the amount of labor expended in producing it. Competition among the producers will prevent it from bringing much more, and unless it brought that much it would not be produced. Labor being then at its highest price, and raw produce at its lowest, rents, consequently, will also be very low. But as population increases, which it is sure to do when food is abundant, the consumption of raw produce will also increase, until the whole of the fertile land is taken into cultivation, when competition among the consumers will cause them to give more and more labor in exchange for food, so that the compensation which the laborer will receive, will gradually fall from the quantity of raw produce he could raise to that which he could consume; or, in other words, the price of raw produce would rise from the small amount of labor expended in producing it to the large amount it could support.

If the raw produce required for the laborer's support were fixed as to quality and quantity, rents could not increase after all the land which was fertile enough to afford that support had been taken into cultivation; but man is sustained by a variety of aliment, and according to the character of that aliment can the same soil support a greater or less number. Thus, the same portion of land which would enable one individual to consume animal food liberally, would support two if bread was the chief article of his subsistence, and four or five if it were potatoes. The tendency of mankind to multiply, so long as they can find subsistence, is constantly compelling a part of the laboring class to pass from the dearer to the cheaper kinds of aliment, so that the competition of increasing numbers not only causes the individual laborer to give more and more of his labor for food, but enables the same soil to support a greater number of laborers, and thus still further augments the labor, or, in other words, the rent, which the owner can receive for the surplus that remains after defraying the expense of cultivation.

Rent, then, may be regarded as a qualified monopoly possessed by the owners of the soil, of which man's tendency to increase his species and his capacity to cheapen his consumption enables them to profit.

During the progressive rise in the price of raw produce, which is the effect of the growth of population, and the cause of the rise of rents, various expedients will be resorted to for the purpose of lessening or checking this increase of price, by adding to the supply of food. These will be, 1, by cultivating less fertile or less accessible soils; 2, by expending more labor and capital on those already in cultivation; 3, by importing

food from foreign countries where it is cheaper ; or, 4, lastly, by the introduction of more prolific vegetable species, and by more skilful modes of husbandry.

Of these expedients, only the two last can render raw produce cheaper by increasing the supply ; but should population continue to increase, their effect on the price of food would be but temporary. The power of doubling its numbers, which every community possesses when it can find the means of subsistence, would soon overtake the additional supply, be it what it might. And while these improvements would then have had the effect of increasing rents, they would not have permanently benefited the mere consumers. But the two first expedients cannot lower the price of raw produce, they merely retard its further advancement. They owe their existence to the previous rise of raw produce, and consequent reduction of the wages of labor, whereby it is found advantageous to cultivate lands which, without such change in the relative prices of raw produce and labor, would not have repaid the expense of cultivation. When the wages of labor have gradually declined from a bushel of grain a day, as it is in many parts of the United States, to a peck a day, as it is in England, soils will in the last case be resorted to, that in the first must remain untilled.\*

According to the preceding views, raw produce, and, consequently, rents, rise during the progress of society for the same reason that corn rises after a short crop ; the quantity at market, not being sufficient to satisfy the wants of all, is adjusted to the consumption of the community, partly by the advanced price which some are able and willing to give, and partly by the retrenchment of others. The only difference between the two cases is, that in one, the rise of price is brought about by a diminished supply, and in the other, by an increased demand. These two circumstances do, indeed, very differently affect producers. When the rise of price is caused by an increase of population, they gain in proportion to the rise of price ; but when it is caused by an inadequate supply, they may, and commonly do, lose more from the diminution of quantity than they gain by the rise of price. But to the purchasing consumers, comprehending the laboring class, there is no difference ; in both cases they must pay the same additional price, or encounter the same privation.

Let us now turn to the theory of rents, to which the late Mr. Ricardo has had the honor of giving his name, not because he was its author, but because he was the first to give it currency and celebrity by connecting it with the theory of wages and profits, and by digesting the whole into one system of great ingenuity and plausibility. From the time that he published his "Principles of Political Economy and Taxation," in 1817, to the present, his doctrines of rent have been adopted by most of the approved economists of Great Britain, and they are taught in nearly all the colleges of the United States.

This theory, admitting the gradual rise in the price of raw produce, and consequently of rents, with the progress of society, ascribes the origin

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\* Without doubt, the gradual resort to inferior soils is also somewhat quickened by that fall in the profits of capital which is usually seen in the progress of society. But their influence on rents and wages will be noticed, when we inquire into the laws which determine the rate of those profits. For the sake of presenting the great causes of the progressive rise of rents with greater simplicity, it is now omitted.



of rent, and its progressive increase, to the increased demand caused by the increase of population, to the limited quantity of fertile soil, and, lastly, to the diversity of soil, as to fertility or situation, or to the diversity of returns made by equal portions of capital applied to the same soil. But it will be better to let the teachers of the doctrine speak for themselves.

Mr. Ricardo says, "If all land had the same properties, if it were boundless in quantity and uniform in quality, no charge could be made for its use, unless where it possessed peculiar advantages of situation. It is only, then, because land is of different qualities with respect to its productive powers, and because, in the progress of population, land of an inferior quality or less advantageously situated is called into cultivation, that rent is ever paid for the use of it. When, in the progress of society, land of the second degree of fertility is taken into cultivation, rent immediately commences on that of the first quality, and the amount of that rent will depend on the difference in the quality of these two portions of land.

"When land of the third quality is taken into cultivation, rent immediately commences on the second; and it is regulated, as before, by the difference in their productive power. At the same time, the rent of the first quality will rise, for that must always be above the rents of the second, by the difference between the produce which they yield with a given quantity of capital and labor. With every step in the progress of population, which shall oblige a country to have recourse to land of a worse quality, to enable it to raise its supply of food, rent, in all the more fertile land, will rise."

After illustrating the preceding views by supposing lands of different degrees of fertility, which he designates as No. 1, No. 2, and No. 3, &c., he adds:

"It often, and indeed commonly, happens, that before No. 2, 3, 4, or 5, or the inferior lands, are cultivated, capital can be employed more productively on those lands which are already in cultivation. It may perhaps be found, that by doubling the original capital employed on No. 1, though the produce will not be doubled, will not be increased by 100 quarters, it may be increased by 85 quarters, and that this quantity exceeds what could be obtained by employing the same capital on land No. 3.

"In such case, capital will be preferably employed on the old land, and will equally create a rent; for rent is always the difference between the produce obtained by the employment of two equal quantities of capital and labor. If with a capital of 1000*l.* a tenant obtain 100 quarters of wheat from his land, and by the employment of a second capital of 1000*l.* he obtain a further return of 85, his landlord would have the power, at the expiration of his lease, of obliging him to pay 15 quarters, or an equivalent value, for additional rent; for there cannot be two rates of profit. If he is satisfied with a diminution of 15 quarters in the return for his second 1000*l.*, it is because no employment more profitable can be found for it. The common rate of profit would be in that proportion, and if the original tenant refused, some other person would be found willing to give all which exceeded that rate of profit to the owner of the land from which he derived it."

Mr. McCulloch, in his "Principles of Political Economy," after giving a similar explanation of the origin of rent, adds: "It appears, therefore,

that in the earliest stages of society, and where only the best lands are cultivated, *no rent is ever paid*. The landlords, as such, do not begin to share in the produce of the soil until it becomes necessary to cultivate lands of an inferior degree of fertility, or to apply capital to the superior lands with a diminishing return. Whenever this is the case, rent begins to be paid; and it continues to increase according as cultivation is extended over poorer soils, and diminishes according as these poorer soils are thrown out of cultivation."

In a later work,\* the same author thus explains the same theory: "When, in the progress of cultivation, that indefinable stage is attained at which the return to continued applications of capital to the lands entirely under tillage begins to decrease, additional capital will not be laid out upon them, nor will inferior lands be broken up, without rise of prices. The agriculturists, it is plain, would prefer vesting their savings in other businesses to employing them in agriculture, unless prices were such as to indemnify them for the diminished returns obtained in the latter. But in advancing countries, the increase of population raises prices to the limit required to obtain the necessary supplies of food; and in consequence of such rise, fresh capital may be again applied either to the improvement of the best lands, or to the cultivation of those of a lower quality. As soon, however, as this new investment has been made, different capitals employed in cultivation will be yielding different products; and it consequently follows, that to whatever extent the produce of the inferior lands, or of the capitals first laid out on improvements, exceeds the produce of the inferior lands, or of the capitals last laid out, *to that extent* will the profits realized by the owners or occupiers of the former exceed the ordinary and average rate of profit at the time; that is, they will constitute a nett surplus or rent.

"Suppose, for example, that the productiveness of capital, on a particular piece of land of the highest degree of fertility, begins to decline after it has been made to produce twenty bushels of corn; let it be supposed that by adding another capital equal to the first, not twenty, but fifteen bushels are added to the crop: these fifteen bushels may be said to be the produce of the second capital, and the twenty bushels of the first. As soon as this additional supply is called for, by an increase of demand, corn must rise until the fifteen bushels fetch as high a price as the twenty did before; for these, at their former price, did not afford more than the usual profits of stock; the fifteen bushels, therefore, will not afford this much until they rise to that price. But as the capitals are equal, when fifteen bushels come to afford ordinary profits to the second capital, they will also afford them to the first. Hence, the remaining five bushels form a surplus above the ordinary profits of stock; and this being the case, competition will make the farmers agree to pay them as rent to the landlord."

It thus appears, that Mr. Ricardo and his followers ascribe the origin and progress of rent, not merely to the fertility of the earth or its capacity of supporting a greater number than is required to cultivate it, and to the demands of an increasing population beyond the supply, but also to the different qualities of soil, or the different returns made by equal

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\* Edition of the Wealth of Nations. Note on Rent.

portions of capital successively applied to the same soil, or different distances from market.

But these diversities constitute no element of rent. They do, indeed, mark its progress, but they have no more agency in creating it than the rise or fall of the mercury in the thermometer cause the atmospheric heat or cold they indicate. In ascribing the gradual rise of raw produce (the acknowledged proximate cause of the gradual rise of rents) to the additional labor and capital expended to meet the additional demands of an increasing population, they have fallen into the common error of mistaking a concomitant for a cause. This further recourse to new soils or further outlay of capital on soils already in cultivation, are so far from causing the rise in the price of raw produce, that they always tend to retard the progress, and occasionally they may, for a time, be sufficient to arrest it. A slight examination of each of these diversities will make this abundantly clear.

1. *As to diversity of soils.* If this difference did not exist, and all land was of uniform fertility, provided that it was fertile enough to yield a surplus, after repaying the expense of cultivation, then, as those who were without land must necessarily give their labor and skill in exchange for the means of subsistence, there would be the same cause for the rise in the price of raw produce, as exists when there is a gradation of soils, or when there has been a short crop, that is, an increased demand in proportion to the supply. And though at first, when population was thin, the class of purchasing consumers may give little more labor for raw produce than had been expended in its production, yet, under these circumstances, the population would soon reach to the level of easy subsistence, and under its efforts to a further increase, there would be a competition among the laboring class by which the land owners would be able to obtain more and more labor for the surplus produce of their lands; that is to say, higher and higher rents. This competition, we must recollect, would be twofold; it would be both in the quantity of labor given and in the quality of the food received. The tendency of the first would be, to compel the laborer to give more and more days' labor for his subsistence; and, of the other, to make him pass from a dearer to a cheaper kind of food. Under their united influence, the laborer, who could once have obtained in exchange for his labor as much raw produce as the same labor could raise, might be compelled to take the small pittance necessary to his consumption.

Thus, suppose the land of a country capable of affording the necessities of life to four times the number of laborers required to cultivate it, or that the labor of one family exerted on the soil could, after supporting that family, furnish the means of liberal subsistence to another family, of moderate subsistence to two families, and of very cheap subsistence to four or five families. By the influence of man's multiplying propensity, and the double competition which has been mentioned, the productions of the soil would, soon or late, come to be distributed among a small number of liberal consumers, a much larger number of moderate consumers, and a far larger number who would be sustained by the cheapest aliment. During this progressive increase of numbers, the class of landed proprietors would be continually receiving more and more of the skill and labor of the other classes in exchange for the surplus produce of their

land, and the increasing profits of land imply a correspondent rise of rents.

Such has ever been the progress of society; and the gradual rise in the price of raw produce, being caused by the growing deficiency of supply in proportion to the demand for it, must equally take place, whether the soils are of uniform or diverse fertility. This progress may indeed be hastened, or retarded, or otherwise modified, in different countries, according to their physical condition, their civil polity, and moral character, but every where the relative value of raw produce and labor will be mainly dependent on the stage of society; and thus we see, that a day's labor, which exchanges in Ohio or Indiana for four pecks of wheat, will exchange for no more than from two to three pecks in the more populous states on the Atlantic, for one peck or less in England, for half a peck (or its equivalent in potatoes) in Ireland, and from the fourth to the fifth of a peck in India or China.

2. *Different returns of capital applied to the same soil.* Let us see how far this is a source of rent. If the preceding views have been correct, the inequality of these returns of capital is as unessential to the existence of rent as a gradation of soils; and if no larger amount of capital was ever laid out upon the soil, or if every successive portion yielded equal returns until the land had reached its maximum product, the price of raw produce, and, consequently, of rents, would continue to rise as at present. Neither of the cases supposed could have any effect, except so far as it altered the proportion between the supply of raw produce and the demand; and in one,—that of no further outlay of capital,—as an additional supply to meet the demands of an increasing population would be thereby arrested, the rise of price would be accelerated; and in the other case,—that of unequal returns from each successive outlay of capital,—as the supply would be thereby augmented, the rise of price would indeed be retarded, but could not be permanently prevented.

It is no doubt true, as stated by Ricardo, that, to furnish the required supply of raw produce, it is sometimes more advantageous to lay out fresh capitals on lands already in cultivation than to resort to inferior soils; and it is generally true, that each successive outlay yields a less proportionate return; but as rent necessarily rises with the price of raw produce, and as these outlays of fresh capital are always preceded by a rise in such price, and could not take place without it, it is clear that they are not the sources of rent. Like the resort to inferior soils, they are so far from causing the increase of rent, that they tend, by augmenting the supply of raw produce, to retard its further advancement.

3. *Different distances from market.* We have seen that one of the expedients for obtaining the additional supply of food required by an increasing population, is, to have recourse to more distant and thinly peopled lands, and, generally speaking, as the population of a community increases, the greater is the distance from which a part of its supplies are drawn. But, as more distant lands are not resorted to until the price has risen on those nearer to market, the remarks made on the other diversities apply to this. They tend to check the advance of rents, but have no agency in creating them.

It is not meant to be denied, that on comparing different portions of land with one another, their profits or rents will vary according to their respective distances from market, precisely as according to their respect-

ive degrees of fertility; all that is contended for, is, that the differences of distance or fertility could have had no agency in first causing rent on any one portion, or in increasing it afterwards. That, we have seen, arises from causes that are independent of these points of difference, as well as of the unequal returns to equal outlays of capital; and, therefore, in an analysis of rent, none of these diversities can be considered elements. As in all the three modes of obtaining an additional supply of food it is obtained at a greater expense of labor and capital, the supporters of the new theory maintain that it is in consequence of such increased expense of the food last raised, and which is necessary to meet the demands of an increased population, that the market price of corn is raised, and as the produce of all the lands is thus increased in value, rents must also rise. Mr. Senior, who has steered clear of many of the errors and inconsistencies of the new school, has adopted the same opinion; and while he has distinctly admitted that the difference in the fertility of soils, and the inequality of the returns made by successive applications of capital, are not necessary to the existence of rent, he thinks that these diversities, and that of distance, by increasing the cost of a further supply, do cause the gradual rise of rent by raising the price of raw produce.

But, while it is clear that these additional supplies must be raised at a greater expense of labor or capital, or both, it is equally clear that the market price of the rest of the raw produce has not risen on account of the increased cost of the portion last raised, but such last portion is raised at the increased price because the rest had advanced in price. This rise in price for the same reason that it rises after a scanty harvest or in a besieged city; that is, because there was a smaller supply of food in proportion to the mouths ready to consume it. There is, indeed, this difference between the two cases, that in the case of an inadequate supply from an increase of population, there is the means of adding to that supply in one of the three modes spoken of, but that only lessens the insufficiency, it cannot remove it. Such additional supplies of raw produce being the consequence of the rise of price, which itself was the consequence of the insufficiency, it would be a self-contradiction to suppose the continuance of such supplies without the continuance of a relative deficiency. The supply, then, thus raised, must fall short of the demand, and so far as the deficiency extends, it is the ordinary case of a rise of price from a limitation of supply.

The subject may appear yet plainer, if we consider what is really meant by the rise in the price of raw produce. It will scarcely be disputed, that by such rise we mean that any given quantity of it would purchase more labor than the same quantity would have purchased before the rise took place. All commodities fall under one class or the other, and there is nothing but labor with which we could compare raw produce whereby to test its rise or fall. But the rule must be reciprocal; and if raw produce, when compared with labor, has risen, labor, as compared with raw produce, has fallen, and it is because of this fall in the price of labor, that more can be expended on inferior soils with a smaller return. It is true that a decline in the rate of profits might induce a resort to inferior soils and to the other two expedients, no less than a decline in the rate of wages; but an increase of population affords an obvious reason for the last, and none for the first. Labor falls from



the increased supply of laborers, precisely as raw produce rises from the diminished supply.

It follows, therefore, that, as a general rule, where the demands of increasing numbers is not met by improvements of the soil, additional supplies cannot be obtained without a reduction of wages. Thus, by way of illustration, let us suppose that a given quantity of land must produce twenty bushels to defray the expense of cultivation; that all the lands of that degree of fertility are cultivated; and that those of the next degree would produce but fifteen bushels. If population still increase, then the further supply of food it requires cannot be obtained from the inferior land, unless the capitalist will take a smaller profit, or the laborer lower wages; and supposing the ordinary rate of profits to continue unchanged, or even to have fallen one fourth, the only condition upon which the laborer will or can cultivate the inferior soil is, that he will take three fourths of the wages he formerly received, or yet less; and he is able to accommodate himself to the reduction by a difference in the quality of his food rather than of its quantity. And as the wealthy classes consume with undiminished liberality, the proportionate deficiency falls wholly on the laboring classes.

But Mr. Senior assumes that the price of raw produce rises with the wants and the wealth of an increasing community, and the case he has ingeniously put, by way of illustration, seems to support his position. It is that of a great metropolis, such as London, which annually requires for its consumption one million five hundred quarters of corn, of which the different portions can be produced at different rates of expense, according to their fertility and distance from market, and one portion, perhaps fifty thousand quarters, at an expense sufficient to absorb its whole value, and of course incapable of yielding rent. This portion, that which is last raised, "will continue to be produced as long as the wants and the wealth of the purchasers render them willing and able to purchase a quantity of corn, the whole of which cannot be supplied unless this last and most expensive portion is produced. If those wants and wealth should increase, it might become necessary to raise an additional supply at a still further additional expense;" which, as he properly remarks, could not be done, unless the market price of corn should rise sufficiently high to defray such expense.

Now, it is admitted in this case, that the rise which must take place in the price of corn does not necessarily imply lower wages on the part of the purchasers, or a diminished rate of consumption. But it is because the condition of the inhabitants of a great metropolis is very different from the laboring class of a community. The former have other sources of support than their labor, and the compensation which their industry receives is not regulated by that to agricultural labor. They are supported partly by the expenditure of the public revenue, as well as by the voluntary taxes levied on the lovers of metropolitan gayety and magnificence, and by the high order of skill and talent which are there accumulated, and by revenues drawn not merely from distant parts of the kingdom, but from remote colonies and foreign countries. With these resources, not only those who immediately received them, but also the vast multitude to whom they give employment and support, are able to meet the rise of price occasioned by an increased demand, without lessening the quantity of raw produce they consume, since their wages rise with the

rise of raw produce; and we might as soon expect the compensation received by an artist, an ingenious mechanist, or a professional man, affected by the price of ordinary labor, as that the consumption of a metropolis will be affected by the gradual rise of raw produce. Nay, if the wealth and resources of the metropolis were to increase, the average consumption of its inhabitants might also rather increase than fall off; and there is, probably, more animal food now consumed by each individual in London, than was consumed two hundred years ago. The influence, then, of a great city, in raising rents, is local and peculiar, and furnishes no more arguments on the general question of their progressive rise, than the high prices in an army.

The rise of price in the raw produce consumed by a metropolis which must thus take place with its increase of numbers, therefore, causes a rise of rents in the way stated by Mr. Senior; but the rise of price from the different distances from whence the supplies were drawn, cannot be much in any species of raw produce, except of milk, hay, and other products, which, from their cheapness, or liability to change, cannot be transported from a distance. Notwithstanding the poorness of much of the land near London, it is probable that a circle of twenty miles from it and around it would produce all the corn required for its consumption, and the cost of transportation per quarter, (equal to four hundred and eighty pounds,) from the extreme verge of the circle, would not exceed two shillings, and consequently could not raise rents more than six shillings an acre, on lands of the average fertility of three quarters, which sum is not one sixth of the present rent of such land. Of course, the mere effect of distance could have contributed little to the progress of rent, more especially as the facilities of transport by canals and improved roads has greatly exceeded the growth even of London itself.

The case then put by Mr. Senior, plausible as it at first seems, does not really afford any better support to the new theory of rent than the illustrations offered by Messrs. Ricardo, Mill, or M'Culloch; and in the fallacies that lurked under all of them, he might have found a better reason why that theory had not been adopted by foreign political economists, (including Storch and Say,) than that it was not comprehended by them.

From the preceding views, it follows, that the rent or profit of lands depends upon the quantity of labor which their products will purchase, over and above what has been expended in its production. This quantity of labor depends on the value of such surplus and its amount. As its value depends upon the proportion between the supply and the demand, it will be increased by the fresh demands of an increasing population. It is true that the supply may be also increased by expending more labor with a smaller return; but as this supposes a decline of wages, or, what is the same thing, a rise of raw produce, it also supposes that the additional supply has not been equal to the additional demand. We come to the same conclusion by another process. As the wages of labor, estimated in raw produce, gradually decline with the increase of population, (supposing improvement stationary,) the cost of cultivation gradually becomes less, and consequently the surplus becomes greater. Rent, therefore, naturally increases with the growth of population. An increase in the quantity produced tends to lower the price of raw produce, and if the difference of price should exceed the difference in quantity, (which is not probable,) it may lower rents. But should that

be the case, the population, by the ever active principle of increase, would soon so increase the demand, as to restore the price of raw produce to its former level.

It follows, too, that where rents increase without any improvement in the productive powers of the soil, it implies a greater cheapness of labor, or smaller wages, estimated in raw produce; and where wages, thus estimated, continue the same, while rents have risen, the rise has been altogether the effect of improvements. This seems to have been the case with England for the last century. In that period, her laboring class has received the same real wages,—that is, about a peck of wheat a day,—and the great rise of rents which has taken place within the same period has, therefore, been owing to the various means by which both the gross product of the land has been increased, and the expense of cultivation has been diminished, such as the turnip and the drill husbandry, and yet more by the draining of bogs and marshes, and the enclosure of commons. By this means it is computed, that the gross product of the soil was nearly trebled during the last century, though the population, in the same period, had only doubled; and thus the rise of rents was not attended with a fall of wages. A further cause of the extraordinary rise of rents in that country, is to be found in the additional value which has been given to such products of the soil as enter into their manufactures, and which, by the skill of her workmen and the excellence of her laboring machinery, she is easily able to levy, not only on her numerous colonies and dependencies, but also on all foreign nations accessible to her commerce.

The true principles of rent having been thus investigated, we shall proceed, in the next number, to show, first, that the doctrine of the Ricardo school, which would connect the theory of profits with that of rent, is erroneous; and secondly, what appears to us to be the true theory of profits.



ART. II.—THE DISTINCTIVE PROVINCES OF THE POLITICAL PHILOSOPHER AND THE STATESMAN.\*

WE live in an age and country eminently distinguished by the efforts that are made for the advancement and diffusion of knowledge. And while the praises of science are on the lips of the educated, its applications to the arts of life, multiplying a hundred or a thousand fold, in many instances, the natural and unassisted powers of man, are of a nature to call forth the admiration of those who are most ignorant of its principles.

\* A Lecture delivered before the Mercantile Library Company of Philadelphia, November 29th, 1839, by Professor HENRY VETHAKE, L.L. D., author of a Treatise on Political Economy, editor of a new American edition of McCulloch's Dictionary of Commerce and Commercial Navigation, etc.; now first published in the Merchants' Magazine, from the original manuscript, politely furnished by the author.

In such a condition of society, it may perhaps seem, at first view, an act of supererogation to occupy my hearers, for the shortest period of time, in exhibiting to them the advantages to be derived from any particular department of science; or in claiming for its cultivators a higher rank in the public esteem than has been generally conceded. This would, obviously, be the case, were the different sciences in reality appreciated according to their relative importance. They are however, I think, very far from being thus appreciated. The mathematician enjoys peculiar advantages in the exactness of the relations, of number and quantity, with which he is conversant; and the investigations of the natural philosopher and the chemist can be submitted, with comparative facility, to the infallible tests of observation and experiment. A scientific discovery is no sooner announced from any of the quarters just mentioned, than it is accurately examined by a number of individuals competent to the task; some of whom may, not improbably, have been on the verge of making the very same discovery. These inquirers, too, are certain of arriving at the same results. The verity of the discovery in question is, in this manner, confirmed or disproved; and all ground for dispute concerning it, at once and forever, dispelled.

I need scarcely say how different from all this is the history of discovery in the moral and political sciences. How long, for example, has it not been since the expediency, not to speak of the justice, of toleration, has been pointed out by the philosopher, and how earnestly has he not endeavored to impress his fellow-men with a conviction that the most effectual, as well as most expeditious mode, of promoting the cause of truth, is by permitting it to be subjected to the widest and the freest discussion! Yet there are numbers who still hold to a contrary opinion. The experiment of intolerance, nay even of persecution, has not ceased to be repeated; although, it is true, in a somewhat mitigated form. In what corner of the civilized world, in the middle of the nineteenth century, may it be asked, can an individual, who is resolved on exercising *an unlimited freedom of thought and expression*,—I do not mean in reference to the moral or immoral conduct of *persons*, but to the propriety or impropriety, the truth or falsehood, of the passing events or prevailing dogmas of the day,—find an undisturbed home? And who is there among ourselves, in republican America, that does not occasionally deem it to be his best policy to set a guard upon his speech, in order that he may evade the tyranny of opinion, and that he may not unnecessarily raise up obstacles to his success in life?

An illustration which may be here adduced of the difficulty, or rather impossibility, of procuring a general assent to the conclusions of political science, is presented to us in the instance of the constitution of the United States. The men who assembled in convention at Philadelphia, in May 1787, and who framed that immortal instrument, have been commonly denominated statesmen. They were truly entitled to the name, in its most exalted acceptation. But they were also *discoverers in science*. If no one of their number deserve the credit of having been the first to broach the great principle on which the constitution is constructed, and which distinguishes our political organization from every other heretofore existing, to wit, the partition of the functions of government into two distinct classes, and the assignment of these to two separate, though not clashing authorities,—the general and the state governments,—the

members of the convention as a body may, nevertheless, be regarded as having put forth in their completed work, not merely a condensed statement of the results to which philosophy had already arrived in one of its most important fields of investigation, but likewise a plan, in a great measure new, for securing the blessings of political liberty to a people spread over a widely extended territory, and differing so much in their local customs, and real or supposed local interests, as to render it impracticable for them to unite together under one *consolidated* government. Those of my audience who are familiar with the history of the period, when the constitution was framed, cannot fail to be aware of the misgivings, as to the success of the great experiment to which it was about to be subjected, which were expressed both at home, and by many among the most enlightened friends of our country abroad. The strongest apprehensions were entertained, lest the bonds of our national union should not, on some emergency, prove sufficiently strong to prevent the states from falling back into independent sovereignties; and also lest the elements of democracy among us should become uncontrollable by the checks provided in the general or state constitutions, and we should be thereby plunged into anarchy, with all its attendant horrors. For fifty years has the experiment endured, and the consequences apprehended have not ensued. But the prophets of evil to come are not yet silenced. Such, moreover, may quite probably be the case after another and another half century, and, very possibly, until our political institutions shall have undergone a successful trial for a longer period than those of any other nation of ancient or modern times.

And as in the instance we have been considering, so in almost every other which may be furnished to us by the political philosopher, experience alone will be utterly inadequate to put a disputed question at rest. The causes, or principles, which act on the complicated machinery of human society are so numerous, and so diverse in the mode and degree of their operation, that the effects actually resulting will, in nine cases out of ten, be attributed by different individuals to different causes; according to their various powers of logical discrimination, or, quite as often, according to their respective prejudices of education or of interest.

Wanting then, for the most part, in the relations with which it is concerned, that definiteness which characterizes the objects to which mathematical reasoning is applied,—laboring, besides, under the disadvantage of its conclusions, unlike those of the natural philosopher, not being in all cases susceptible of undergoing with promptitude the test of experiment or observation,—it is not at all surprising that political philosophy, in whose province it lies to propose innovations on the established principles of action in that wide range of legislation and of government which is grounded on expediency, should be looked upon with distrust by so many among the more conservative portion of mankind, and be even denied by them its claim to the dignity of a science.

The persons to whom allusion is at present made are by no means inconsiderable in number. All men are indeed, in a greater or less degree, under the influence of conservative principles; for all are more or less the creatures of habits, and *therefore* indisposed to change of any kind. Again, the natural self-love of men leads them to put an undue value on what belongs to themselves. In accordance with this principle, they are apt to deem it a part of patriotism to regard their own country, be that



country Pennsylvania or Lapland, as already enjoying an extraordinary share of prosperity,—and to exult, too, in the idea of their lot having been cast precisely in the most enlightened period of the world. And if an individual happen to occupy a comparatively elevated position in society, either because of his wealth, or office, or talents, or for any other reason, he will, on this account also, be led to exaggerate his country's prosperity, readily identifying it with his own. He will thus come to look with complacency on things as they are, and to resist the introduction of any proposed innovation; at least unless the argument in behalf of it be of the most convincing nature. But if, in addition to these sources of conservatism, the private interests of the party be connected with institutions which, instead of being the natural growth of the circumstances in which the community of which he is a member is placed, are the results of artificial enactments, likely to be swept away in the progress of improvement, the feelings which will be excited in his breast against any alteration of the existing condition of things, and against those who propose and urge its adoption, will be much stronger still.

Of the last mentioned description of persons will be found chiefly to consist the class of men who denounce the speculations of the political philosopher, and more especially of the political economist, as not composing a science, but as merely a bundle of theories, that are wholly inapplicable in practice,—or, if thus applicable, only with detriment to the best interests of society. To pronounce the word theory! with an indication of contempt, is, by many of this class of men, regarded as a sufficient refutation of the most elaborate process of reasoning which militates against their favorite views of expediency, and as justifying them in an entire neglect to examine what their opponents have to say for themselves.

It is my object, in the present lecture, to vindicate the doctrines of the political philosopher from such contracted views as these; and to endeavor, as concisely and perspicuously as I can, to draw the line between his province and that of the statesman, as well as to point out the duties which they respectively owe to their fellow men.

Now, in undertaking to animadvert on the opinions of others, it is always proper to pause at the outset, to ascertain what those opinions really are. Accordingly, the question may here be asked,—what do the parties mean who employ the word theory in a disparaging sense?—And what do they intend to signify when they contrast it disadvantageously with practice? Their language would certainly seem to imply a disapprobation of all theory whatever. If so, they must, to be consistent, pass a sweeping sentence of condemnation upon every exertion of man's reasoning faculties, and declare war indiscriminately against all the sciences alike. The astronomer must be transformed into a mere star-gazer, with no other design on his part than to record the now uninteresting, because unconnected and *lawless*, phenomena of the heavens. The jurist, should an utter despair of success not at once deter him from the attempt, instead of arguing from the immutable principles of right and wrong, and the analogy of former juridical decisions, must limit his inquiries to a search among the thousand volumes of "reports" which are piled on the shelves of his library, to see if, peradventure, he may find in them a *case* where *all* the circumstances are precisely the same as in that on which he is called upon to decide. In short, that glorious *intel-*

lect which has successfully explored so many of the minutest as well as the most remote recesses of creation, must be altogether degraded and stultified. Such, then, cannot be the meaning of the contemners of theory, of whom I have been speaking.

Some of them would, perhaps, tell us that, so far from having any objection to a theory as such, or to the exercise of our reasoning powers in the attempt to establish a just theory in any of the branches of human knowledge, they only set themselves in opposition to theory when it is contradicted by practice, or, in other words, by experience. With these gentlemen the political philosopher would find no difficulty in agreeing. He maintains as strenuously as they do, that no theory which experience has contradicted ought to be regarded as of any value; and the only question which can possibly arise between them is as to whether experience has so decided or not, — a question, as has been before stated, not always of easy solution. Both the parties may, in the meanwhile, be equally urgent, or equally unwilling, that a particular theory, which has not as yet been tried, should be subjected to an experimental test.

Others, again, take the ground of all speculation, or theorising, respecting political matters, being objectionable only on the homely principle of letting well enough alone. They imagine the existing condition of things to be so very prosperous that it would not be good policy to hazard any the slightest alteration in it unnecessarily; that, while it is quite possible the measures suggested by the political philosopher might prove, upon trial, to be beneficial to his own country, and to every other, it is most probable their effect would be found to be otherwise; and that the functions of the legislator ought, therefore, to be confined to the enacting of laws for guarding, as much as possible, against the changes which time itself, not inappropriately styled the greatest of innovators, has ever a tendency to introduce. Now if these views be correct, all political improvement must be at an end; for improvement implies change; and change is the great evil that is deprecated. The spirit of intolerance and persecution should never have had a check; nor ought these United States to have declared themselves free and independent sovereignties, or framed a constitution for confirming and perpetuating their union under one general government.

Here, however, we may be told that, although the prosperity of the more civilized nations of the age in which we live has reached to so high a point as to render a rigid conservatism the proper course of public policy, time was when the case was very different, when innovation on the then existing political institutions, and revolution itself, was justifiable; and that, consequently, all argument against a rigid conservatism drawn from the history of the past is unfair and out of place. Let this position be assumed: it will be of no avail. It may be met by a denial of the prosperity alleged. The most superficial glance, for instance, cast by an American on the condition of the people of Great Britain, must suffice to satisfy him, if he truly have the feelings of an American, that, in that enlightened country, there is no small room for political improvement or reform. It must be wholly unnecessary to adduce any facts in proof of what I now assert; because Englishmen themselves, with the exception only of the Tories of the highest stamp, are equally ready to express their conviction of the expediency of such a change. They differ among themselves, it is true, exceedingly, as to the extent of the

change that is desirable. But this is of no moment in reference to the point now under consideration; since I am at present arguing with those who are supposed to contend for the preservation, *in its integrity*, of the actual condition of things. Next, if an American look to his own fellow-countrymen, will he perceive no indications of depression or distress, in the circumstances in which they are situated, which calls for the enactment of new laws,—not for the purpose simply of supplying defects in the laws already enacted, but for the introduction of positive improvements into several of the most important branches of our legislation? There is, surely, no small portion of my audience who reply mentally to this question in the affirmative; and I may take it for granted that not a few of this portion of them would be prepared to offer as an illustration in point, if they were required to offer one, the present *monetary system* of the country. While they might not be able to come to an understanding with respect to the system to be preferred to it, one being in favor of the adoption of a purely metallic currency,—another of a mixed currency composed of the precious metals and of convertible bank notes of the higher denominations only,—another in favor of such a currency composed in part of those metals, and in part of a paper medium issued by the government and kept always equivalent to specie,—and another, again, giving a preference to the existing banking system when modified by once more incorporating with it a national bank;—they would all of them unite in deprecating the continuance of things as they are. Something, they would say, must be done, to prevent those alternate expansions and contractions of our currency, which at one period stimulate the merchant to enter into pecuniary engagements, and at another take away from him the power of complying with these very engagements, and which periodically produce in the community at large all the well known evils that are consequent on the unsettling of the value of money. And scarcely any of them would be backward in giving his reasons for thinking as he does; that is, every one would have his *theory* on the subject.

I have specified only one subject on which the community are divided in opinion, and concerning which men are disposed to theorize, and *this* one that has been extensively treated by the political philosopher. In the very same manner do men, in general, proceed in relation to every other subject lying within his province. And the professed despisers of theory themselves form no exception to this remark. They hesitate not to argue in opposition to *his* theories, by arguing in support of *their own*. In every point of view, then, that we examine the great argument, if argument it deserve to be called, so frequently put forth in refutation of the conclusions of the political philosopher, its absurdity is depicted in the most glaring colors.

Where we reason at all, there we have a theory; and when there is a theory referred to, he who refers to it acknowledges the existence of a *science*. There is no ground, therefore, for denying to political philosophy a title to rank as such. But to dignify it by the name of a science will serve little or no purpose, if its conclusions are as uncertain as its detractors would endeavor to make it appear; or as they might, perhaps, hastily be inferred to be from the comparisons, between it and some of the other sciences, in the present lecture. On a moment's reflection, however, it must be manifest that one department of our knowledge

may not admit of the same species of evidence, or of the same mode of reasoning, as another, and yet be equally certain with it. We are, for example, quite as well assured that Julius Cæsar lived, and triumphed at Pharsalia, as that two and three make five, or that a stone thrown up into the air will fall to the ground. So the conclusions of the political philosopher, and of the political economist in particular, though not always of a nature to be promptly tested by experience, are very often quite as certain as if the contrary were the case. This arises from their being deduced as much as possible, by a step or two only of reasoning, from principles on which experience has already pronounced a favorable verdict, and which, on this account, are universally admitted to be true. Those conclusions indeed, it must be acknowledged, are also often only probable; in all which cases the political philosopher makes it his especial care to estimate the degree of the probability in question, and to state it to others. Just in proportion, too, as he has doubts himself of the correctness of any of his conclusions, will he be indisposed to press them upon the statesman as principles of legislative action, and will he hesitate to subject them to experiment, excepting under the most propitious circumstances. How absurd then, may I again say, is it to charge him with being a mere theorist, or visionary!

So little, too, is he chargeable with a disposition to overlook the considerations which interfere with the practical application of his theories, that he inculcates it, — and earnestly inculcates it, — as a principle, to be borne in mind by every individual who is called upon to influence by his vote, or otherwise, the course of public policy, that *all political change is in itself an evil*; the infliction of which on society can only be justified by the preponderating benefits that are to be consequent upon it. And to trace the nature and amount of the evils attendant on the *introduction* of any change proposed by him, he regards to be as much in his province as to point out the expediency of the change itself.

The evils which necessarily accompany every political change, that is every change in the existing constitution of government or in the system of legislation, I may mention, may be arranged under two heads. Every such change, in the first place, tends to weaken the respect of the people generally for authority and for law, a respect which, for the sake of public order, and public morals also, it is very desirable should be maintained; and secondly, it is scarcely possible to conceive of the occurrence of any change of the kind supposed, without its affecting, in a greater or a less degree, the vested interests of individuals, or even of whole classes or nations. Time will not permit, nor is it at all necessary for me to offer any illustrations under the former of these heads. The proposition asserted is of a nature to speak for itself. But it may be interesting to specify a few instances illustrative of the second head; and, in addressing myself to an audience composed so largely of members of a mercantile association, I may be permitted to select these instances chiefly from such as are more or less connected with commerce.

Previous to the treaty of Westphalia, in 1648, the city of Antwerp, though already declined from its former splendor, was still a place of considerable trade. It was then stipulated, by Spain and Holland, that the navigation of the Scheldt, the river on which it is situated, should be closed. This stipulation was observed until the occupation of Antwerp by the French in the course of their revolution, when it was abolished.



The commerce of that city has since become of importance, at the expense of Amsterdam and Rotterdam; which, but for the opening of the former port, would have been almost the exclusive ports for Belgium, as for Holland itself. A disadvantage was thus incurred in one quarter, for the sake of what no one can doubt to have been a more than counterbalancing advantage in another; and Holland has been made to pay, in the nineteenth century, the penalty for violating the laws of nature, by arbitrary enactments, during the seventeenth and eighteenth.

But many of the cities of the Netherlands, and so too Venice, Genoa, and other cities of Italy, which were once celebrated for their commerce or manufactures, have declined from their former grandeur; and this without any such palpable interference with the designs of the Creator as in the case just now considered. This has, *in a measure*, arisen from the gradual development of the resources of other European countries,—of France, of Germany, and especially of England,—countries where, for various reasons which I cannot stop to mention, the spirit of improvement and of commerce was comparatively slow in stimulating the industry of the people and the accumulation of capital. Italy and the Netherlands, being thus deprived of a monopoly which God and Nature never intended them to possess, now find it an evil to have possessed it,—an evil, however, coming in the train of a much greater good bestowed upon mankind.

Passing now from cases where nations have been the sufferers from changes, which are notwithstanding acknowledged to have been beneficial in their general results, to others in which the accompanying evil is incident on a particular class or classes of a community,—let us suppose the British government of the present day to repeal those laws whose effect is to restrict, and, under ordinary circumstances, to prevent altogether the importation of foreign grain into Great Britain. Such a measure would evidently be productive of advantage to the United States, as well as to other grain-growing countries. The political economist goes farther than this; maintaining it to be of still greater *ultimate* advantage to Great Britain herself. But be this as it may, there can be no doubt that she would experience a certain amount of temporary inconvenience. Not to mention all the evils that would be incurred, the price of agricultural products in that country would necessarily fall, on account of their influx from abroad. This will reduce the profits of the farmers; who will find it difficult to pay their rents, and who will be obliged to curtail the expenses of their families. As the existing leases, however, expire, their rents will be lowered, and a portion of the loss incurred by them will be transferred to the proprietors of the land. The inferior soils will be withdrawn from cultivation, and capital will for a time be applied to manufactures and commerce, in preference to agriculture; until, in the next generation, while all classes will continue to consume cheaper food, the farmer will be once more enabled to realize the fair returns of his capital and labor. It may be added that the incomes of the land-owners will be permanently reduced. This, too, is an evil, and an evil to be lamented; however more than compensated it may be by the cheapening of bread.

Next let a change be supposed to take place of a directly opposite character. For example, let the duties on the importation of foreign woollens into the United States be raised, and additional encouragement



be administered, in consequence, to the American manufacturer. I mean not here to inflict upon my auditors even the most cursory discussion of the tariff question, so opportunely a few years ago laid at rest, but now again mooted in certain quarters; but merely to point their attention to the circumstance that an evil, in the case supposed, is not unlikely to result, at the outset, to the very class of persons whose especial benefit the measure in question would be designed to subserve. Experience, in all similar cases, has abundantly shown that so many persons will be apt to engage in the branch of industry encouraged, as, by augmenting the supply of the article produced, to lower for a time its price, and therefore the rate of profits received. Many of those capitalists who will have been induced to invest their means in the woolen manufacture may thus become embarrassed, and be obliged to sell out their establishments at a considerable reduction from their original cost. And it is after a certain period only that the manufacturers will enjoy the advantages which the enhancement of the duty on the foreign commodity may be calculated to bestow upon them.

The effects, also, I may here remark, are quite analogous when extraordinary encouragement is unexpectedly held out to *personal services* of any kind. This I may be allowed to illustrate by what befel a young man who emigrated from his native state of Massachusetts to what was then the far West, some fifteen or twenty years ago. Having just completed his course of legal study and been admitted to practice, he happened to read in a newspaper a letter, addressed to the editor from a correspondent in a certain town in Ohio; in which letter that part of the state was represented as laboring under the singular inconvenience of a lack of lawyers, when compared to the amount of litigation occurring. There, said he to himself, is the very place for me to take up my residence. There I shall not only be able to maintain successfully the struggle against poverty, and the evils inseparably connected with it; but I cannot fail, besides growing rich, to get into the legislature, or be sent to congress, and perhaps I may stand a good chance of occupying eventually a yet more exalted post. His preparations for setting out to this land of promise were not long in being made; and a few weeks brought him to his journey's end. What was his disappointment, however, when he found that he had already been anticipated by others, operated upon in the same manner as himself, and that, in fact, a convention of gentlemen of the bar had, without preconcert, assembled together from various parts of the Union,—all of them in quest of what very few could really find! Their deliberations, as might be readily conceived, terminated in the greater number taking up their line of march to points still nearer to the Rocky Mountains.

I may present, as *one more* illustration of the same principle, a *fact*, which those among my auditors who have been inhabitants of a small town may, not improbably, have had an opportunity of observing. This is that, on the death of a physician of repute in such a place, not another only, but some three or four others are very apt, on hearing of the opening, or, in mercantile language, of the demand, thus unexpectedly created for their professional services, to come to reside there, and to contend with each other for the vacant spoil; their differences being at last composed, as in the instance of the lawyers already mentioned, only

by all but one or two of their number moving off to repeat their experiments elsewhere.

The evils of change, political or otherwise, to which the attention of my hearers has been called, have been almost exclusively of a pecuniary nature. Such evils are, in some instances, accompanied by moral evils, of a character and magnitude to render the former, however considerable they may be, of comparatively little importance. To mention one instance only, but one of a very aggravated description;—when the value of money, and therefore of commodities and property of all kinds, is continually fluctuating, the worst effect produced certainly is not the inconvenience or distress which the community experiences from a derangement of the relations of debtor and creditor. It is the stimulant that is thus administered to the spirit of speculation;—a spirit very nearly allied, identical indeed, if not restrained within its proper bounds, with that of gambling,—which stamps the condition of things supposed, emphatically, with the seal of condemnation. The merchant, when transformed into the speculator, is in haste to be rich; and, despising the regular paths of mercantile industry, he rushes forward, reckless of consequences, along ways beset with briers and thorns, of a nature to pierce him to the very soul, and to harass him his lifelong with the most distressing anxieties and cares; even though he should succeed in accumulating a great fortune, and in securing it for the use of others after his death. But in the far greater number of cases success does not ultimately ensue. Like the gambler at cards or dice, the speculator, stretching his credit to an extreme, is liable, in his habitual state of excitement, to go on doubling his stakes, until, on a sudden, his schemes are frustrated, and he finds himself reduced to a condition of utter bankruptcy. And the same result is very commonly brought about by his holding on to his purchases, in his desire to grow rich, so long that time is given for a reaction to take place in respect to prices; when, instead, of being a gainer, he becomes a loser to a considerable extent.

That those who are apparently in the least haste to be wealthy are frequently most apt to become so, may be illustrated by an anecdote, which I have somewhere met with, concerning Mr. Ricardo. This distinguished political philosopher, statesman, and *merchant*, began life with an inconsiderable capital, and died worth several millions of dollars. Shortly before his decease, he was asked by a friend in what way he had contrived to accumulate so much wealth, and whether he had any secret to impart, by a knowledge of which another could profit, in order to accomplish a like result. The answer returned was,—“my whole art in getting rich lay in my being always contented with small profits; or, in other words, never holding on to the commodities or goods in my possession too long, when small profits could be had, in an ill-grounded expectation of realizing eventually a higher rate of profit. I had my eye, for example, upon every new road, bank, or other joint-stock concern, and, where I deemed the prospect of success to be a fair one, I was ever ready to buy a certain number of shares. These shares, from the nature of all new undertakings of a joint-stock character, seldom failed, after a short time, to rise in value beyond the point about which they would afterwards have a tendency to fluctuate. Before the full accomplishment of this rise, however, my shares were in most instances already disposed of to others, and the proceeds invested in a

different manner." Thus it was that he acquired a certain amount of wealth, and not wealth only, but likewise the reputation of being a judicious speculator. "It was then," added Mr. Ricardo, "that a new element of success was spontaneously presented to me. Many persons, who had heretofore been unsuccessful in acting on the suggestions of their own judgments, preferred now to be guided in their speculations by what they supposed me to be doing. My example was continually referred to on 'Change. One said, not unfrequently, to another,—Mr. Ricardo has purchased this and that article or stock, and, depend upon it, you cannot do better. In this state of things, it must be manifest that I may often have created that very demand which enabled me to dispose of the article purchased, with a small profit, only a very short time afterwards. At length, such had my reputation as a successful speculator become, that I have sometimes thought it possible for me to have gone into the market and purchased at random, no matter what, with a good prospect of advantage to be gained by selling out again promptly."

And here I cannot but express a hope that my mercantile hearers will pay a due attention in all time to come, to this maxim of Mr. Ricardo, *to be content with small profits upon their goods*,—that, by so doing, they may secure to themselves the double advantage of at once acquiring wealth, and of earning the approbation of their customers, the *non-mercantile* portion of this assembly.

Before proceeding with my subject, it is proper to observe that, in the remarks which have been made in relation to the gambling and immoral nature of the commerce of speculation, as we have seen it carried on in our day, and before our own eyes, there has not been the slightest intention to reflect *injuriously* on our merchants, or on the mercantile profession in general. The merchants of thirty years since, as well as the men engaged in every other profession or business, placed under the influence of the same causes, would all have acted in the same manner, and would, in as many instances, have called down upon themselves the animadversions of the moralist; who, bearing this in mind, should always with his censures, inculcate upon the community, and upon the legislators who are their representatives, the *duty* of seeking for and applying the proper remedy, whatever it may be, as effectually and speedily as the nature of the case will permit.

Another remark which I wish to make, to prevent myself from being misunderstood, is that I am far from meaning to condemn the commerce of speculation universally. When confined within the limits prescribed to it by the changes which *naturally and unavoidably* occur in the relations of supply and demand, it is, there can be no doubt, a *productive* branch of industry, and as productive as any other. I cannot now dwell on this topic; and shall merely mention that it performs the important function of diffusing the supply, and therefore the consumption of a commodity, as uniformly as is possible, over a certain period and space,—and that this remark may be applied to the business of speculating in the necessaries as well as in the mere luxuries of life. The merchant, for instance, who buys up *flour* at a low price, on an apprehended scarcity of this article, with the expectation of selling it after a time at a much higher price, instead of deserving the odium that is so often attempted to be excited against him, ought to be regarded as a

public benefactor, for withdrawing a portion of the flour in the market, from present for future consumption, when it will be most needed.

But to proceed. Since then, according to the acknowledgment of the political philosopher himself, evils, often of a serious nature, accompany the introduction of the improvements recommended by him,—is there not some danger of his pushing forward his investigations too fast? May he not become instrumental in causing too rapid a change in the institutions of society, so as to inflict upon the existing generation of men, for the benefit of the generations to follow, altogether too heavy a burthen of disadvantage and distress,—a burthen, also, which no one will suppose the former called upon, from any considerations of justice or expediency, to bear? A sufficient answer to the objection, implied in this question, will be simply to direct the attention of my audience to the fact of its being equally applicable to the progress of invention in what are commonly, although improperly, denominated the useful arts; as if these were, what they are not, the only arts of any utility to man. No improvement can here be introduced, any more than in the art of government, which will not be productive of temporary inconvenience, by its effects on the vested interests of some portion or other of the community. Yet no one has hitherto dreamed of interposing discouragements to the progress of mechanical or chemical science; and *he* would be pronounced by most of us to be beside himself, whose apprehensions of evil, to be derived from the source of which I speak, should lead him to say to the force of *steam*, so far shalt thou go, and no farther;—and who, admitting, for example, the propriety of its assuming to itself the almost exclusive navigation of the Hudson or the Mississippi, should attempt, for the protection of the ship-owners, to arrest the triumphant progress of the “British Queen” o’er the waves of the Atlantic.

Independently, however, of any comparisons of the kind which has just been stated, may not the ground be taken with entire propriety, that every attempt, no matter from what motive, or on what pretence arising, to restrain the inquiries of the human mind in any of the channels in which they may be directed, is an act of the grossest presumption, and even of impiety, and, *for this reason*, to be condemned? For the results to which we shall be led by those inquiries can only be a more extended knowledge of the ways of the Creator, that is of the Creator himself, in the laws to which he has subjected the changes that are perpetually occurring in the intellectual and material worlds. It is not for puny man to pronounce such knowledge to be susceptible of an injurious tendency. To do so would, indeed, be to deny that God is good, or, in other words, to take from him one of those essential attributes, without which he would cease to be God. We may rest assured that, whatever efforts are made by individuals or nations to promote or retard the progress of improvement, the progress actually achieved in a given time will always be such as is adapted to the circumstances in which man happens to be placed. Let him therefore, as his duty is, employ all the talents and opportunities, which have been bestowed upon him by a bountiful Providence, in exploring the field of knowledge; without being unnecessarily concerned about the remote or imaginary results that may ensue from their employment.

But unfortunately for the man of science, whatever may be his particular department, his discoveries have almost always been slow in be-

ing incorporated into the general stock of human knowledge. Even where experiment could be readily appealed to for proof of their validity, men have for a period refused to acknowledge them. It is somewhere said that no physician in Europe, above the age of forty, could be persuaded by Harvey to put any faith in his great discovery of the circulation of the blood; and that it was requisite for a whole generation to die off, before a belief in it could be fully established. Almost every one, too, is familiar with the reward which Galileo received for disclosing to his contemporaries some of the noblest truths of physical science. There were those to be found among them who, while they boasted of their superior knowledge and enlightenment of mind, yet hesitated to look through his newly invented telescope, lest peradventure they might be convinced of the erroneousness of their views, concerning the system of the universe. And even the illustrious Lord Bacon, the founder of the modern school of inductive philosophy, produced comparatively little impression on the public mind of his day, and had to console himself, for present neglect, by looking forward to what was to occur long after he should have passed from the stage of life. "Nor was Bacon himself," says Dugald Stewart, "unapprized of the slow growth of his posthumous fame. No writer seems ever to have felt more deeply that he properly belonged to a later and more enlightened age;—a sentiment which he has pathetically expressed in that clause of his testament, where he 'bequeathes his fame to posterity, after some generations shall be past.'" Need we, then, wonder why every systematic attempt which has been made, of a still later date, from Montesquieu to Bentham, to develop the principles of any branch of political science, should have been received with so much distrust, and be condemned unheard by so many among the educated, but unthinking portion, of mankind.

The political philosopher, notwithstanding, is not without auxiliaries, —and auxiliaries, too, capable of acting with extraordinary power on the public mind, and therefore of contributing very efficiently to the advancement of society in the career of improvement. Of these, the one claiming our chief attention is the statesman. What is the relation in which he stands to the philosopher? And what are the duties he is called upon to perform towards the community to which he belongs? He ought, in the first place, to make himself acquainted with the principles of political science, together with the measures to which these have been shown to lead; not for the purpose, however, of urging the immediate adoption of *all* such measures by the legislative body of which he is a member, or over which he exercises a degree of influence. His position is essentially different from that of the political philosopher. He cannot *afford* to act in the manner just stated; for to act thus would forfeit the good opinion of the individuals to whom he addresses himself, and deprive him of his general popularity. Nearly all the world would stigmatize him as a visionary, disqualified for the practical duties of life. Influence, in consequence, he could not have; and statesman he could no longer be. Even the political philosopher would loudly condemn his course, as calculated to bring into discredit the very measures of which he is so precipitate and zealous an advocate.

No! the statesman is not called upon to sacrifice himself on the altar of science. Fortunately for him, he can employ his scientific knowledge, without incurring a risk of inconvenience to himself, bearing any com-



parison with the good it may enable him to confer upon his fellow-men. It will serve him as a sure and constant guide to what quarter in the field of political improvement he should direct his exertions; telling him what old laws should be repealed and what new ones enacted, *as soon* as the opinions of those with whom, or for whom, he is called upon to act, will allow. And even where the force of public opinion, as in our own country, is such as to exact from the legislator or statesman the most implicit obedience to its dictates when unequivocally expressed, he will, in consequence of his science, be furnished with the means of giving that very public opinion a beneficial direction. While acknowledging himself to be the servant of the people, he is a servant who has no small influence with his masters. There is, indeed, no country where the statesman, for the time being, has an opportunity of controlling in a greater degree the opinions of the people than in these United States. A species of idolatry towards our prominent statesmen pervades the nation; and there are thousands and tens of thousands, of those who esteem themselves to be very enlightened voters, who might be led to adopt almost any opinion, concerning the most important questions of public policy, in favor of which their political leader would declare himself.

Suppose now the statesman, either from the force of conviction, or from the effect of the prejudice in his behalf which has just been mentioned, to be satisfied of his ability to carry with him in support of a right measure, not all his political supporters, but a sufficient number of them to leave his party still in the ascendancy, and to leave them also still willing to continue him in power. On the principles already maintained, even this ought not to decide him to put the measure into execution, independently of every other consideration. Other measures, in dispute between his own and the opposite party, might, very properly, be regarded by him as of *so much more* importance, that the point to be carried in relation to them should not be endangered by any step which is calculated to reduce the numbers of his political adherents, or to affect himself disadvantageously.

Again, the statesman should provide as much as possible against the reactions, not unlikely to occur occasionally in the public mind, concerning public measures. To do this, it is right for him to realize in their full strength, the doctrines of the philosopher in relation to the evils of change. If any important political measure be adopted with only a bare majority of the people in its favor, in a country like our own, where public opinion can so speedily act on the legislative body, by means of frequent elections, there will be no little hazard of a return to the former system of policy. Its adoption will, most probably, have been the result of a contest, of a less or more exciting character, between two opposite parties. The greater portion of the men composing these will have been persuaded, by hearing or reading the arguments in the newspapers on one side of the question only, that the consequences which are likely to ensue from it will be either in a very high degree beneficial, or almost ruinous to the community. Both parties will not fail to be disappointed. And were the measure merely nugatory in its immediate effects, the party in power might perhaps, for a short time, find that it was losing ground. But its leaders ought to be prepared for such an alteration as this in the public opinion to a still greater extent, when the temporary evils accompanying the introduction even of the most desirable changes

begin to be experienced by certain individuals or classes of society; and console themselves that another and a greater reaction,—in the right direction too,—must, before long, almost infallibly ensue. Should right measures be prematurely adopted, it is scarcely necessary to say, that, in consequence of the multiplication of the number of the changes which will occur, in a given portion of the advance of society in the career of improvement, the price paid for this advance, in the amount of attendant evil, will be proportionably augmented; and that the progress of improvement, far from being accelerated, will be retarded by every unsuccessful attempt of the kind.

All this, I may add, is in entire accordance with the conduct which good sense, and a proper discretion, prescribe in some of the ordinary occupations of life. The only sure mode of effectually and harmoniously co-operating with other men, in the management of any common concern, is to endeavor to secure as near an approach to a unanimity of opinion as is possible, and not to press one's associates to an immediate decision, by a mere majority, in favor of a measure proposed to them; unless it be of paramount importance to the interests of the individuals for whom we act, or admit not, from its nature, of postponement.

Should it be said that the course of conduct, which has been suggested for the statesman to pursue, is precisely such as, in many instances, might, very possibly, arise from motives having little or no relation to the public welfare, and that the principles laid down might readily furnish a dishonest politician with pretences for covering his real designs, I can only observe that his case would not be a singular one. Virtue and vice are very often not to be distinguished from each other by outward appearances; and man is thus continually liable to be led into error respecting the character of his fellow-man. There is one mode, however, in which the statesman, actuated by a single desire for promoting the public good, and having his mind stored with the principles of political science, can prevent his being confounded with the mere pretenders to his character. This is that he should never oppose the adoption of a measure, which is right in itself, by arguments inconsistent with his own convictions of propriety, but, if the circumstances of society, or the state of public opinion, should be adverse to it, be prompt to mention such to be the reason of his opposition; at the same time committing himself distinctly in favor of the measure, as soon as it shall become practicable to carry it into execution with a due regard to all the public interests. By acting in this manner, he casts his own authority into the scale of truth, and does what in him lies to cause its speedy preponderance over the counteracting weights of ignorance or prejudice. His integrity of purpose cannot fail to be highly appreciated. This, too, will be more than a set-off for any possible disadvantage which may ensue to him from his open avowal of opinions, not in unison with those of many of his fellow-citizens; and no position can be conceived more favorable than his will be to lead them to consider attentively the subjects on which they differ from him, and to induce them eventually to co-operate with him in his efforts to benefit their common country. Here it may not be amiss to state that the measures which are seriously proposed for adoption in any legislative assembly, having been necessarily, in a greater or less degree, discussed in the public prints, will seldom imply, in the opinions of those who either support or oppose them, such a devi-

ation from the ordinary modes of thinking, as to cause the general intelligence and judgment of either of these parties to be called in question by any considerable number of persons. It is to opinions still more remote from those which prevail around us that the noted maxim of Fontenelle is applicable,—“that a wise man, even when his hand was full of truths, would often content himself with opening his little finger.”

An outline has been attempted of the functions which the statesman is required, by science and enlightened patriotism, to perform. But very often indeed is it that he comes far short of the standard thus exhibited, and that he forcibly reminds one of the saying of the celebrated chancellor of Sweden, when sending his son to a congress of ambassadors,—“go and see with what little wisdom the affairs of the world are managed.” How many public men do we not find who have no political principles to guide them in their course, and who may be truly said to have no opinions at all, excepting that a measure is expedient or inexpedient, exactly in proportion as it is fitted to promote or defeat their own interests, or at most the immediate interests of their party; those of their country and of mankind, in their estimation, being accounted for nothing! It is, moreover, lamentable to think that men of this description do not always constitute the worst or most dangerous class of politicians. Disposed as they are to acquiesce in the prevailing opinions of their day, concerning measures not strictly of a party character, they are perhaps as likely to promote as to retard the march of improvement. Very different from this is the case of your rigid or extreme conservative, who sets himself pertinaciously to resist any alteration whatever in the existing condition of things; not merely on account of the temporary evils which may accompany its introduction, but because he looks upon all political change as synonymous with the infliction of a positive mischief or disaster on society. I have said an *extreme or rigid conservative*; but I was wrong in saying so. The individual described deserves not this name. He is not a conservative, but a revolutionist and a disorganizer. By refusing to accommodate the government and legislation of his country to the advancing opinions of the mass of the people, the amount of political change which is at length called for by them becomes so great, and their feelings become so greatly excited against those whom they detest as withholding from them their rights, that they are occasionally tempted to lay violent hands, not on their rulers only, but on the whole frame of society itself; and, by annihilating in this manner that respect for authority, without which no government can be stable, they prepare the way for a long series of disastrous actions and reactions in the political system,—requiring, perhaps, all the ability and energy of a Napoleon or a Louis Philippe to bring them to a close. However patriotic or benevolent may be the intentions of the extreme conservative, or whatever may be his moral elevation, he must be ranked in the self-same category, in so far as the effects which his conduct is calculated to produce is concerned, with the most unscrupulous and atrocious conspirators against all regular government and law. Between the two very different modes of action adopted by these hostile parties, lies that which has been pointed out by the political philosopher, and which constitutes the *juste milieu*, or golden mean, in politics,—a mode of action pre-eminently adapted at once to insure the tranquillity of a people, and to improve their condition. The political philosopher therefore, together

with those who act on his principles, are the only true conservatives of order, and of all else that is in reality worthy of conservation.

So much of the time of my hearers has been already occupied in treating of the proper subject of my lecture, to wit, "the distinctive provinces of the political philosopher and the statesman," that I shall say a very few words only concerning those auxiliaries, not yet mentioned, on which the former relies for facilitating the practical application of his principles. Among them education holds a high rank, and indeed, in its most comprehensive sense, includes them all. According as it is diffused among the people at large, will their character be elevated intellectually and morally, and, as the political economist has conclusively shown, will they possess a larger command over the necessaries and luxuries of life. Such a people, whatever land they may inhabit, cannot be content with the limited range of observation and reflection presented to them by the monotonous and petty events of their every day life and vicinity. Their minds will be expanded to the consideration of public affairs, and they will become critics of the conduct of their rulers. A public opinion will thus be formed, which cannot fail to make its influence felt,—with an effect, too, to accelerate the progress of improvement, just in proportion as the education generally diffused is of a less or more advanced description.

So important, in my view, are the consequences, politically as well as morally considered, of the universal diffusion of the benefits of even the elementary education which is communicated in the humblest of our common schools, that I cannot help looking upon the instructors in them as really occupying, in despite of the vulgar prejudices by which they are too often degraded in the public and their own estimation, an exalted position among those whose ultimate aim, in their vocation in life, is the happiness or welfare of their fellow-men. Methinks I now see before me the well known form of one who, possessing genius, acquirements, and aspirations of no mean order, pursued the study of one of the learned professions, until he discovered that he possessed also peculiarities of character and manner, of a nature to neutralize the advantages which have been enumerated, and to render hopeless all prospect of his professional success. Enfeebled in health, and pressed by the hand of poverty, he has, for many years, been engaged, as his only resource, in teaching a common school in a remote and sequestered part of the country, with less often than a day-laborer's wages for a reward. To him, as well as to others of our instructors of youth, whose history, if traced, would bear some analogy to his own, when harassed by the numerous difficulties which they must necessarily encounter from their pupils, from parents, or from a population around them, little enlightened on the subject of education, yet ever ready to decide authoritatively and severely on their conduct, as well in their private hours as in the performance of their appointed duties,—and when cast down in spirit with the consciousness of their humble and scarcely improveable condition in society,—I would say, be not discouraged, ye children of misfortune, but take consolation to yourselves that while faithfully performing the part which has been assigned you in the order of Providence, you are contributing in a greater degree to the advancement of mankind, in the path of moral and political improvement, than many an individual, on whom admiring crowds have gazed and lavished their plaudits as they passed, but whose

civil or military exploits posterity will contemplate, in the records of history, as having constituted so many obstacles to that improvement, over which other and more powerful causes of action have triumphed.

Of the effects of instruction in our seminaries of a higher order I shall here say nothing in particular, except to express a regret that so little provision has been made, in most of them, for the *political education* of their pupils, who, in so many instances, are destined to become the future statesmen of the country, — and to suggest a mode of supplying this deficiency, at least in our universities and colleges, without doing violence to the prejudices to which it may be attributed. While in some of these institutions, the study of political science is utterly neglected, in others, it is true, the principles of constitutional law and of the law of nations are taught and commented upon, and in others, again, courses of political economy are delivered. But even when these subjects have been introduced, it has been, in a few praiseworthy instances excepted, with a timidity in the discussion of disputed points, lest offence should be given to any considerable portion of the public, rendering the instruction, which is attempted to be communicated, uninteresting as well as almost futile in its results. The remedy I would suggest for this unsatisfactory state of things is, wherever practicable, to provide for the contemporaneous delivery of two courses of lectures on the branches of political science in which adverse opinions are to be conciliated. What, for example, can with propriety be objected, unless it be the expense of such an arrangement, to the appointment in our several colleges of two lecturers on *political economy*, one of them maintaining and defending the received doctrines of this science, and the other impugning them? And if the latter should happen to be so hostile to those doctrines as to object to be styled a political economist, this will be a matter of little consequence; since nothing will be easier than for him to assume the title of lecturer on statistics, or any other title he might prefer. It should be at the option of the student or his parent which of these courses of instruction he will attend. In many instances, it is to be hoped that he would desire to attend both. The consequence of his so doing cannot but be favorable to the cause of truth and the best interests of society, and promote in a high degree that exercise of the intellectual faculties of youth, which is to them a far more valuable education than to have been the passive recipients of the contents of whole libraries, filled with the records of other men's thoughts.

And here I may be permitted to express an opinion, that, besides a systematic course or courses of instruction in the various branches of political philosophy, provisions should be made in our higher seminaries to supply, what, if I am not misinformed, is still a universal deficiency in the United States; — I mean an elaborate course of instruction in history, or rather in the philosophy of history, or more than one such course, of the kind which has given origin to some of the best histories in the German language, and to which, in France, we owe the celebrated work of the eloquent and philosophic Guizot on the civilization of modern Europe.

Another source to which the political philosopher looks with confidence, for aid in his efforts to improve the condition of his fellow-men, is the more extensive diffusion of the blessings of christianity. On the principles he professes to have established, its ministers, even when most



abstracted from worldly considerations, and devoted to the one object of preparing for death and immortality those to whom they address themselves, are also engaged, very efficiently too, in promoting the best interests of the latter in the present life. In proportion as they are successful in the exercise of their more appropriate functions, will they co-operate with all other teachers in the beneficent influence exerted by these on the public mind. In the next place, by contributing to the multiplication of the members of what my predecessor at this desk has happily denominated the great peace society of the world, that is the church of Christ, they will do much to diminish the number and magnitude of those disputes and collisions between individuals and nations, the frequent occurrence of which constitutes the greatest difficulty which the spirit of political improvement has to contend with. And this is not all. "To the *poor* the Gospel is preached." Christianity is, then, emphatically the religion of the poor; without however being, on this account, the less adapted to the circumstances of the rich. It has a characteristic tendency, beyond all other causes, to raise up the former, by a peaceful and almost imperceptible process, from the condition to which they have been degraded in most of the nations of the earth, to as near an approach to the condition of the latter as is consistent with the nature of things; at the same time maintaining inviolably all the rights of property, and taking naught from any one excepting such privileges as do not rightfully belong to him. In other words, Christianity tends, perhaps as much as all other causes united, to bestow upon mankind the gifts of a regulated freedom and of republican government, and to do this, it may be, quite as fast as men in general are fitted to receive and to preserve them.

I may add that there is another peace society, auxiliary to the great society already mentioned, and on which the political philosopher has no little reliance for co-operation in putting some of the most important measures, flowing from his principles, into execution. The society to which I allude is no other than the mercantile community, not of this country only, but also of every other. Commerce has, at the present day more than ever, attached the nations of the earth to each other by the bonds of a mutual dependence, the true *independence* of civilized man. Hence it has already become a difficult matter for the more commercial among the nations to engage in war. To illustrate this, the fact may here be stated that the manufacturers of silks at Lyons, for the American market, were more instrumental, a few years ago, in maintaining the pacific relations existing between this country and France, than all other causes combined. And likewise, have we not, in the United States, begun, for commercial reasons, to regard a war with Great Britain as almost an absurdity, to be dismissed at once from our thoughts? Every extension, too, of commerce, becomes a new pledge, given by the parties concerned, for maintaining the peace of the world. Respecting the other modes, for other modes there are, in which the political influence of commerce is of the most salutary character, the exhaustion of the time allotted to my lecture will not permit me to say any thing.

In conclusion, it may now be asked, whether it is at all surprising, when he contemplates the effects naturally to result from the gradual extension of religion, of education, and of commerce, putting out of view

all other considerations, that the political philosopher should never despair, even in apparently the most untoward circumstances, of the fortunes of the human race. Though one statesman should disappoint his expectations, by giving up to party what was meant for mankind, and another do every thing in his power to resist, instead of promoting it, he nevertheless sees improvement surely, if at times, indeed, only slowly advancing on the car of time; and all he himself hopes to be able to accomplish, by his utmost efforts, is, *in some degree*, to accelerate its inevitable progress.

Nor is it at all surprising that, with views and expectations like these, he should be so indisposed as he actually is to any *violent* changes in the constitution or laws of his country, however beneficial those changes promise ultimately to be; even were a sufficient reason not to be found, for such indisposition on his part, in the risk, as has already been stated, of injury, from the reactions not unlikely to ensue, to the cause of improvement itself.

Admitting the *right* of revolution only in such extreme cases as our own most glorious of all revolutions, he addresses himself to the two great parties, who now stand in presence of each other in more than one European country, threatening to come into hostile collision,—saying to the one, bear long with the evils of your present condition, and do not prematurely attempt to anticipate the course of events, by the exercise of physical force, lest you injure, instead of benefiting yourselves,—and to the other, yield now voluntarily, to the just demands of the great body of the people and the spirit of the age, what you will be compelled to yield up sooner or later;—if you hesitate too long, revolution and all its attendant evils cannot fail to result.

To the people of our own country, marching, as they in many respects do, in the van of civilization and improvement, he speaks in a very different manner. He congratulates them that the revolution of '76, together with the subsequent adoption of the federal constitution, have rendered farther revolutions, or violent political changes, wholly unnecessary, and in the highest degree to be deprecated; at the same time urging them forward to the farther improvement of their institutions and systems of legislation by the force of an enlightened public opinion, exerted through its legitimate channels.

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### ART. III.—THE PROTECTIVE SYSTEM.\*

It is certain, that for a few years past, great embarrassments have been experienced in our monetary concerns, and as certain that causes must have produced them. Many have assigned causes without attempting to show how they could operate to produce the result, while a few practical reasoners exist, who had, in advance of them, predicted all our

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\* This article is from the pen of an eminent Boston merchant, well known for his views on political economy. We have no doubt that he will be ready to meet any combatant on the ground he so concisely occupies. It may be well to state, that the writer predicted the present difficulties which now afflict the country, from the premises herein laid down.

troubles, and shown by tracing the operation of cause to effect, that under existing circumstances, such embarrassments must inevitably come upon us. Among these causes is one which has operated severely for a few months past, namely, the reduction of duties on imports. This system has caused such an influx of foreign productions as to absorb all our exports and loans, and yet leave us indebted to such an extent as to jeopardize the specie on which our circulating medium is founded. All this might have been avoided by increasing instead of reducing the rate of duties, and abolishing the credits thereon in all cases.

While our labor and productions are rewarded as of late years, there is placed in the hands of the people an amount of money which enables them to purchase an amount of foreign merchandise far exceeding the amount of our exports; hence the necessity of high cash duties, not only on manufactures coming directly in contact with ours, but on all manufactures, as the proceeds of our exports are nearly, or all, required to pay for foreign productions other than manufactures. If our present system continue, the consequences must be disastrous to every portion of our country—the reward of labor must be so reduced that the people cannot consume freely foreign productions, and of course, the same economy must be observed as regards home productions. Thus, the north and east must take less from the south and west, and *vice versa*. Under a continuance of our present system, for a series of years, there is no good reason to doubt that the consumption of cotton in this country will be 30 to 40 per cent. less than under a high protective system. This must add to our export of the article; and, although a small percentage on the whole crop, must probably reduce the price of the whole 20 to 30 per cent. Every other production of our country will, probably, share the same fate.

Opponents of the protective system, argue that we should buy where we can buy cheapest, and herein they argue correctly; but they err in taking money as the standard of cost, labor being the only correct standard. Suppose a man's wages to be \$300 per annum:

He owes a debt of, and can pay it, - - - -	\$100 00
He can purchase American productions at prices corresponding with his wages, - - - -	100 00
And can purchase of foreign productions, prices of which our legislation cannot materially affect, - - - -	100 00
	<hr/>
	\$300 00

Reduce his wages to \$150, and the productions of the country in proportion, and it will be seen that home productions at high prices are cheap, but at low prices, are dear.

He pays the debt, - - - - -	\$100 00
He purchases home productions for half the former price, - - - - -	50 00
And has left for foreign comforts, - - - - -	00 00
	<hr/>
	\$150 00

This simple illustration accords with the experience of every age and nation, for wherever productions have been abundant and prices good, there has been comparatively no suffering; but, whenever they have been abundant and prices unusually low, there has always been seen

much poverty and distress, so that we may arrive at correct conclusions, without severely taxing our reasoning powers. If any thing more be wanting to substantiate the utility of protective duties, let us for a moment look at England. She has, for ages, protected her productions by prohibiting duties, and taxed nearly every article of import enormously, except raw material, and bread stuffs, in certain cases; and yet, she is thrown into a state of great embarrassment by importing a partial supply of bread stuffs for a single season. Again, it would seem as if what has been said and written by opponents of protective duties, ought to satisfy any one that no reasonable objection can be made to such duties, for, though long and loud have been their complaints against the system, not a single instance can be produced where any one has shown a particle of ground for such complaints. If reasons could have been given, doubtless the highly talented Mr. McDuffie would have found them, but he tried in vain. On one occasion, he asserted, that as duties averaged forty per cent., and imports paid for by the south, planters must lose forty bales of each hundred bales of cotton sold. But on trying the question by the rule of three, we find the fallacy of his opinion; for, duties might be two hundred per cent., and then, by the same rule, on selling one hundred bales, the loss would be two hundred bales. On another occasion, he dwelt much on the hardship of the high rate of duties on coarse plains, an article particularly needed at the south, and to prove how great the hardship, introduced the importation and sale of two bales of the article, on which there was a very great loss, so great as to show clearly, that in consequence of the presence of some American substitutes, the plains could not be imported to advantage, even if duty free; thus proving the reverse of what he intended—proving that the south is benefited by protective duties, even though they allow nothing for increase in price of their staples, which increase alone, under a system of proper protection, would, probably, pay for all the manufactures they require many times over.

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#### ART. IV.—THE MERCHANT SERVICE.

HAVING, in a former article, briefly noticed the evils to which sailors are exposed, when passing the short intervals of their unprofitable lives in the great commercial cities to which their peculiar vocation directs them, I shall endeavor to point out such remedies as may remove, or at least lessen, such abuses.

In the first place then, I would propose the formation, in New York, and every large seaport, of an association of ship-owners and masters, whose object should be to watch over the welfare of the seafaring class. Its members should contribute but a small annual fee, as the expenses of the institution should be chiefly derived from the voluntary contributions of the merchants. To an executive committee might be confided the whole business of the society, aided by two agents appointed by the committee, in conjunction with the Board of Commerce, the interests of which association would be essentially subserved by such co-operation.

All applicants for appointments as masters, or mates, might address themselves to this committee for examination, as to their qualifications, and for aid in obtaining suitable employment. The committee might serve also as a board of arbitrators, in cases not absolutely requiring judicial interference. To give character and pecuniary ability to the proposed corporation, the association should be permanently invested with corporate powers. All the merchants should enrol themselves as members; by thus concentrating the influence which their immense wealth and patronage would give them, they might effect any object, having for its end the moral and religious improvement of seamen, or the general advancement of the civil marine.

Connected with this association, and subject to its special direction and supervision, there should be established a school, devoted to the instruction of young seamen, and the children of seafaring men. The cost of founding an institution of this character would be as nothing, in comparison with the benefits that would result from it. It would, at once, relieve our large cities of thousands of vicious and vagrant boys, and convert them, in process of time, into useful citizens.

If ship-owners and masters were required, by law, to rear up to the sea a prescribed number of lads, a school and boarding establishment for their instruction and accommodation, when in port, would be highly desirable. An institution, restricted merely to the instruction of youths of this class, might be located in the city as most convenient; but, if in addition to the school, it should be determined to provide accommodation for boarding and lodging the pupils, some pleasant spot, on the south side of Staten Island, or upon the borders of Prince's Bay, near the Highlands, might be selected. From such delightful positions, the boys would enjoy an uninterrupted view of the ocean, with the fleets of sea-going vessels, steamers, and coasting craft, passing in panorama before them: scenes alike calculated to instruct, and to keep alive their fondness for a profession, which, though claiming its inseparable toils and dangers, is not wholly devoid of attractions.

But, whatever location might be selected for the school, the expense of its management would be much the same, as masters would, of course, defray the charge of boarding their apprentices. The annual cost of supporting a school of sufficient magnitude would not much exceed the following estimate:

Salary of Principal Instructor	-	-	-	-	-	\$1,200
First Assistant	-	-	-	-	-	700
Second	-	-	-	-	-	600
Rent, Fuel, Books, Stationery, and contingent expenses						1,600
						<hr/>
						\$4,100

It is hardly necessary to enter, here, into a formal argument of the advantages of such an institution; they must be obvious to every one who has thought on the subject. It may be said, that the free schools of this city offer all the requisite facilities for the instruction of young sailors. This opinion can only be entertained by those unacquainted with the character and habits of seamen, and with the kind of instruction they need. Men who are to follow the sea should be educated exclu-



sively for the profession; and in truth, we can see no reason why an institution, established upon this plan, should not be entitled, under a just construction of the revised statutes of the state of New York, to a fair proportion of the school fund.

In the preceding number on this subject, we have attempted to show, that there is no class of men whose mental and physical necessities have been so little regarded, as those of the seamen of this country. Philanthropists of the present day, appear to evince less interest in the religious instruction and common comforts of the sailor, than of any other people, whether black, white, or red, on the face of the earth. Their sympathies and benefactions are too often sent abroad; and appear to be graduated in precise proportion to the distance to which their influence is meant to extend. They seem to have forgotten the old adage, that "charity begins at home," and that it has always been accounted a wise thing to set one's own house in order, before interfering with the concerns of others.

In making these remarks, we cheerfully except from the charge of indifference to the wants of sailors, the directors and patrons of the Seamen's Friend and Bethel Societies, and the dispensers of the magnificent and well applied bequest of the ever to be honored Randall; nor should we fail to mention the Sailors' Retreat, an establishment for the accommodation of sick and disabled seamen, founded and supported by the avails of a tax, enforced by the state, upon all seamen arriving at the port of New York, and entirely distinct from the contribution of twenty cents per month, exacted by a law of Congress.

This is an excellent institution, and conducted, as it is, in the most systematic manner by its active and intelligent superintendent, is daily increasing in extent and usefulness. Here the sick or worn-out sailor may find a comfortable asylum, and receive from the officers of the establishment every kindness and attention.

On some other occasion, we may allude more particularly to this and the other institutions for seamen, located on Staten Island: the Sailors' Snug Harbor, the United States' Marine Hospital, as also the Naval Hospital at Brooklyn; and we are confident in being able to prove the deep injustice that has been done to seamen, in compelling them by law, not only to provide themselves quarters and medical attendance, when overtaken by poverty and sickness, but to furnish money to be expended for other purposes, and, at the same time, requiring them to contribute, like others, to the general revenue of the country.

But the benefits derived from the sources already mentioned, are very limited in their extent, and scarcely reach the young and thoughtless, who actually run riot in the lowest scenes of dissipation, until disease and decrepitude come upon them, ere they have passed two thirds of the period allotted to man's natural life. It has always been a matter of speculation, what becomes of sailors after they have reached the age of fifty. Up to this time of life they seem hale and hearty, but in a little while, they disappear as swallows in the autumn, no one knows whither. Some support themselves, for a time, in working at rigging, in making mats, straw hats, and other trifles. Many find their way into the alms houses and hospitals; others are scattered throughout the country seeking employment wherever they can find it; but, much the greater num-

ber lounge about their old haunts, near the wharves and shipping, until, borne down by drunkenness and want, they sink into a pauper's grave.

I remember to have seen, some years ago, at one of the Shaker establishments, a couple of old man-of-war's-men, who had shown more foresight than is generally exercised by men of their cloth, by securing for themselves snug moorings, in so comfortable a port. One of them, quite an old man, had served through the Tripolitan war, under Preble, and was familiar with the names of Decatur, Somers, Wadsworth, and Trippe; the other was of more recent date. The elder being too infirm, did not join in the religious dance of this extraordinary sect, but the younger was conspicuous for his active zeal, and figured away most vigorously, yet he could not entirely divest himself of the step and manner of the forecandle. Whether the writer's presence at the ceremony, for we had previously recognised each other, called up old associations, we cannot say; but he probably gave, on this occasion, more than his usual sailor character to the dance, and when the chanting of the singers became more quick and inspiring in its measure, he would throw new spirit into his movements, and perform that peculiar hitch-up step, called by sailors the double shuffle. Doubtless, the starched brothers and sisters of the order were sadly scandalized by this seeming irreverence, but the old tar was excusable; he had forgotten, for a moment, the luxurious fare and undisturbed nights enjoyed as a member of the fraternity, and permitted his thoughts to wander back to forecandle scenes, in which, amid his joyous shipmates, he was wont to be foremost in the song and dance.

Now and then, we see a few gray-headed old fellows in our ships of war and navy yards, retained by the sympathy and kindness of the officers; but their limbs have become stiffened; they can no longer move aloft, or work the guns, as once they could; after a short interval, even these are thrust aside to make room for more youthful substitutes; and poor Jack, like an old and useless horse, is turned upon the world to starve, or gain, as well as he can, a precarious living for the remaining period of his wretched existence.

Such is the character of our legislation, that no provision is made for them. The country to whose prosperity they have contributed so largely, cannot afford to support them, when they are no longer able to add to its revenue. The public charities are all absorbed, in providing for the wants and comforts of foreign paupers, fresh from the parish or prison-houses of their native districts; these sovereign voters of our blessed land, who, when once landed on our shores, and before they have cast off the prison or workhouse garb, with which they are furnished when sent abroad in search of food and raiment, and new scenes wherein to exercise their vagabondism, are, by dishonest connivance, admitted surreptitiously to the right of voting, to gain some paltry advantage either for one party or the other.

How different is the conduct of England to her disabled seamen; she has her glorious Greenwich Hospital as a sure retreat for those helpless men; and every sailor or soldier who has served, faithfully, a certain number of years, is sustained and cherished for the remainder of his life. Even Russia, France, Holland, Denmark, and Sweden, deem it a sacred obligation to provide for those who have devoted the best of their lives to the service of the state; their children also are educated at the

public expense, and reared up to the profession of their fathers. In Russia, public schools for this purpose, under the most admirable organization, are scattered throughout the empire.

In remarking upon the discipline and treatment of seamen afloat in merchant ships, and their provisions and clothing, we will endeavor to show that the interest and convenience of the owners, not less than the comfort of those in their employ, would be effectually benefited by the adoption of established regulations for the government of the officers and men; but in carrying into execution a plan of the kind, and in perfecting all the necessary detail, the assent and co-operation of the merchants generally would be indispensable. Hence another argument in favor of an association such as we have ventured to recommend.

For want of such uniform rules, sailors are now subject to the caprice of whomsoever they may chance to sail with; in one ship they enjoy the advantages of a just and lenient discipline, with abundant and wholesome food; in another, ill-treated, over-worked, and half starved, they become soured and disheartened, and rife for the commission of any crime. The laws and usages for the government of seamen in the merchant service are amply sufficient to enforce the necessary order and discipline, if judiciously administered. In most cases where sailors have mutinied against the authority of their officers, the causes which have induced them to act may almost invariably be traced back to the improper conduct of those very officers, either in the exercise of vexatious and unwarranted severity, or by relaxing the reins of discipline, so as to lose all control over the reckless spirits placed under their command.

It is true that American merchant ships are infinitely better commanded than those of any other nation; but it is equally undeniable, that in many of them, sailors suffer every hardship and privation, imputable, not so much to the intentional neglect and severity of the masters, as to want of judgment and system in the exercise of the authority vested in them.

The plan which we would propose for rendering a ship's company more contented and comfortable, is a very simple one. It is, to enforce in each ship a well-defined code of regulations for the government of the whole crew. To establish a uniform ration of provisions; and to furnish to each master a small supply of sea-clothing, to be issued by him at a fixed profit, to those of the crew that may need it. With regard to the provisioning of ships, there can be little doubt that owners would soon discover the advantage and economy of furnishing, to those sailing in their employ, a fixed and uniform ration. The arrangement would prevent the improvidence and waste so common in merchant ships, as also that fruitful cause of discontent among seamen, the alleged scantiness and bad quality of their provisions. It is but right that seamen should have secured to them a sufficient ration of good and wholesome food, and be exempt by law from a dependence on the caprice or cupidity of the master or owners. It is not intended to charge either with illiberality or unkindness to those serving under them, but it is well-known that seamen too frequently suffer on their voyages for want of provisions and water, a deficiency caused as often by their own careless waste, as the neglect of the master in providing an ample store, and fixing a regular allowance. These inconveniences, which sometimes become

very serious, may be avoided by having it arranged that each officer and man shall receive of the ship's stores one ration and no more.

The additional supply of cabin stores must, of course, vary according to the bargain of the owners and masters; but whatever arrangement may be made on this score, the established ration should remain the same, as an ultimate resort in case of need; hence the propriety of providing for each individual at the commencement of a voyage, whether officer, passenger, or common hand, a daily ration calculated to last double the duration of the passage. In the adoption of this system, seamen would be gratified by the grant of certain rights, by possessing which they could have no further cause of dissatisfaction in regard to provisions; and ship owners would be relieved from all future care and responsibility on the subject.

The following is recommended as a just and suitable ration for men engaged in merchant ships; it is somewhat more liberal than that allowed in the navy, but in this service men require less food, as they perform less labor, and are made in every way more comfortable; indeed they scarcely ever consume their entire ration. On the Mediterranean and West India stations, a mess of ten seamen usually stop two rations, and at the end of each month draw the amount either in kind or in money, which they barter for fruit and vegetables.

## PROPOSED DAILY RATION.

Days.	Pounds.		Ounces.		Gills.		Gills.		Ounces.		Daily cost. Cents.
	Beef.	Pork.	Bread.	Flour.	Peas or Beans.	Rice.	Molasses.	Vinegar.	Tea.	Sugar.	
	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	
Sunday.	1½	9	16	4½	8	2	1	2	1	1	22½
Monday.	1½	9	16	4½	8	2	1	2	1	1	20
Tuesday.	1½	9	16	4½	8	2	1	2	1	1	22
Wednesday.	1½	9	16	4½	8	2	1	2	1	1	20
Thursday.	1½	9	16	4½	8	2	1	2	1	1	22½
Friday.	1½	9	16	4½	8	2	1	2	1	1	22½
Saturday.	1½	9	16	4½	8	2	1	2	1	1	19½
Weekly cost.	36	30	31½	4	4½	5	8	2	14	14	\$1 49

This makes the daily average cost for each man, about 21½ cents. And we venture to say it will be found much less than the aggregate expense, in the present wasteful practice. In lieu of spirits, which are a part of the navy ration, we have substituted, at the same cost, tea and sugar; seamen in the naval service consume large quantities of tea, sugar, and tobacco, but as those articles are not components of the prescribed ration, they are required to pay for them out of their wages.

On the subject of clothing but little need be said; the propriety, indeed the necessity, of furnishing to each ship a supply of coarse slops for the convenience of the crew, must be evident to every one who has made a winter's passage at sea. The proverbial thoughtlessness of seamen, and the unforeseen disasters to which they are exposed, frequently place them in the most necessitous circumstances, and when thus thrown pennyless upon the world, their only resource is to find employment in the first sea-

going ship. They embark perhaps at some port within the tropics, with a scanty stock of clothing, and are carried in the course of their voyage into a cold and stormy region, exposed to all the severity of the weather; their sufferings become insupportable; the safety of the ship cannot be neglected, and the poor fellows are often detained aloft for hours, amid the violence of the elements, half-naked, and nearly dead with cold.

This is not a singular nor exaggerated picture; in every ship that approaches our coast from the south, in winter, the same exposures are encountered by some portion of their crews, who, less provident than others of their shipmates, have worn out or lost their woollen clothing. In truth the toils and sufferings of sailors on our coast in the inclement season, are inconceivable to those who, comfortably housed within their warm apartments, even there dread the storms that beat upon their windows, and think but little of the hapless sailor struggling, for days and nights, to guard their property from danger.

We insert a list of clothing, which may be considered a suitable supply for vessels, with the aggregate crews of twelve to eighteen hands. The quantities may be increased or diminished, in proportion to the number of the respective crews.

12	Coarse Woollen Round-about Jackets, each at	- - - - -	\$4,50
8	“ “ Monkey Jackets	- - - - -	6,00
15	pairs “ Trowsers	- - - - -	3,50
25	“ Flannel Shirts	- - - - -	1,38
25	pairs Flannel Drawers	- - - - -	1,00
25	pairs Woollen Stockings	- - - - -	62
15	pairs Shoes	- - - - -	1,00
15	“ Woollen Comforters for the neck	- - - - -	25
15	“ “ Caps	- - - - -	50

The whole should be purchased by the owners, and charged to the account of the master, for whose responsibility he might receive, from the seamen, 25 per cent. profit on the cost. At the end of the voyage, an account of issues should be furnished to the owner, and the deficiencies replenished. The clothing should be tightly packed in linen covers with tobacco, and placed in a chest provided for the purpose. These details may, perhaps, seem trite to the casual reader; but to those who have witnessed the sufferings of sailors for want of comfortable clothing in bad weather, they will not appear wholly superfluous.

In conclusion, we have only to notice another and still more serious evil, which prevails almost universally in the merchant service—the omission of religious worship on the Sabbath. It has been often and truly said, that sailors are particularly susceptible of religious impressions, and fond of participating in those solemn ceremonies. In none but the larger of our national ships, are chaplains allowed; but this does not often prevent the observance of religious worship; there are always officers willingly disposed to read to the assembled crew an appropriate chapter, and a few prayers selected from the book of common prayer.

And why cannot the masters of merchant ships follow this worthy example? How glorious would it be, if our hundred thousand seamen, scattered, as they always are, over the whole surface of the globe, could be assembled on each Sabbath day, in whatever clime they may chance to be, and under the shadow of their own spotless flag, offer to Almighty God the homage of their adoration and praise!

Y.



ART. V.—MERCANTILE LIBRARY ASSOCIATION  
LECTURES.

PROFESSOR OLMSTED'S LECTURES ON METEOROLOGY, AT CLINTON HALL.

WE continue our sketches of Professor Olmsted's Lectures on Meteorology. In the December number of the Merchants' Magazine, we gave a full and accurate synopsis of the Introductory Lecture, on "*the Connexion of Science and the Arts*," and the three first of the course, namely, 1. *Of the Atmosphere in General*—2. *Dew, Fog, and Clouds*—3. *Of Rain*; and now commence with

## LECTURE IV.

*Of Meteorological Observations, and of Winds.*

THE lecturer remarked, that meteorology is pre-eminently a science founded on observation, and no reliance is to be placed on any theory in this science which is not derived from an extensive induction of facts. We require, moreover, that facts shall be observed and reported with the greatest possible degree of accuracy. Voluminous records of meteorological observations, kept for many years, are often found to be wholly useless, because their correctness cannot be depended on. Measures have recently been taken to procure a far greater degree of precision and uniformity. Whenever great accuracy has been employed in taking meteorological observations, it has been rewarded by the discovery of unexpected regularity in this department of nature. If, for example, we should take hourly observations on the thermometer for every day of the year, for several successive years, we should find the average temperature of each year differ scarcely at all from that of the others.

Within a few years a plan, originally proposed by Sir John Herschel, has been carried out in various countries, of taking simultaneous observations four times a year, namely, at the equinoxes and at the solstices. The observations with the various meteorological instruments, are made every hour for the whole twenty-four. This furnishes the means of comparing the condition of the atmosphere, as they exist at the same moment, in various parts of the globe, and promises to lead to curious and interesting results.

The principal instruments in use, are, the thermometer, for estimating the temperature of the air; the barometer, for ascertaining its weight and pressure; the hygrometer, for finding the amount and condition of the watery vapor contained in the atmosphere; and the rain gauge, for learning the amount of water precipitated from the atmosphere in the different forms of rain, snow, and hail. Our time will only permit us to point out the use of the two most important, namely, the thermometer and barometer. The thermometer being designed to measure the temperature of the air, it should be exposed where it is free from all accidental sources of heat, whether conducted or reflected from neighboring objects. If we make observations with the thermometer every hour for the whole twenty-four, and divide the sum of all the observations by their number, it will give us the average, or mean temperature, for that

day. As this, however, would be a tedious process, and as it is found that if we add the highest and lowest observations, and divide their sum by two, it gives very nearly the same mean, this method of obtaining the mean is generally adopted. The highest, or maximum temperature, is from two to three o'clock, P. M.; the minimum, at sun rise. Of all single observations, that at sunset comes nearest the mean.

The barometer gives us much useful information respecting the changes of the atmosphere, since it indicates, by the rise and fall of a column of mercury, every change in the atmospheric equilibrium; and such changes, when greater than ordinary, are connected with the phenomena of storms. The barometer fluctuates but little during the year in the torrid zone, the mercury never being far from thirty inches. In our own latitude, the fluctuations are much greater, rising, some times, as high as thirty-one inches, and sometimes falling below twenty-nine. An extraordinary rise of the barometer, (say to nearly thirty-one inches,) indicates that a storm is raging at some distant place; and when a rapid fall succeeds, we may infer that the storm is approaching. An extraordinary depression of the barometer attends the most violent tornadoes. Col. Reid, in his work on the "Law of Storms," mentions an instance that occurred in the West Indies, when the barometer, during a violent hurricane, fell to 26 50 inches. In general, a gradual rise of the barometer indicates fair weather, and a gradual fall, approaching foul weather. Since the barometer frequently gives notice of an approaching gale, and indicates the state and prospects of a storm while actually raging, it becomes a very valuable instrument to the mariner. No ship should ever sail without one.

*Winds.*—The lecturer observed, that the inconstancy of the wind is proverbial, and we should little expect to find that the winds are bound by fixed laws. It is characteristic of nature, however, that she is irregular in the small, but regular in the great. Amid ceaseless changes, uniform results are produced; and perfect symmetry in the midst of the most careless irregularity. Thus, while not a single branch of a tree seems to have the least relation to any other, the whole together make up the regular forms exhibited in the majestic elm or oak. The same is the case with the winds. The more we study their phenomena, the more we find that they are governed by fixed laws, even in their wildest moods.

The three most general laws respecting the winds of the globe, are the following:—1. That between the latitudes of thirty degrees on each side of the equator, the general tendency of the wind is westward. 2. That between the latitudes of thirty and sixty degrees, the general tendency is eastward. Beyond these latitudes, the winds are more irregular. 3. That those winds which blow towards the equator in both hemispheres, predominate over those which blow from the equator. Thus, in our latitude, northerly prevail over southerly winds.

Land and sea breezes, trade winds, and monsoons of the Indian Ocean, were particularly described and accounted for.

#### LECTURE V.

#### *Of Tornadoes, Atlantic Gales, and the Law of Storms.*

Tornadoes are characterized by marks of the greatest violence: houses are unroofed or torn in fragments, the largest trees are prostrated, and

a well-defined path is sometimes made through the heaviest forest, masses of timber are carried to a distance, and lighter substances even many miles. Most of the land tornadoes are of short duration. One that occurred in New Haven last summer, formed in a meadow, rushed over a plain in a path about sixty rods wide, bounded over a mountain nearly four hundred feet high, and lost itself in an extensive marsh on the other side of the mountain. All this was done in six minutes, and extended from west to east through about four miles, destroying every thing in its way. Similar tornadoes have occurred in various parts of our country, of which interesting accounts may be found in Silliman's *Journal of Science*. These tornadoes have a powerful upward motion. Sticks of timber and other heavy bodies are often lifted to a great height; and in a storm that occurred at Stowe, in Ohio, a few years since, a loaded cart was carried quite over a barn. Men have not unfrequently been raised to a considerable height by these tornadoes.

The trees and other bodies prostrated by these storms, fall inwards on the margin of the storm, towards the central track of the storm, while those trees which stood near the centre of the track, lie in the general course of the storm. Subordinate curves are formed, indicating a whirlwind action; but the marks of a general rotation are not as distinctly traced in these small tornadoes, as in the large gales that occur at sea. The velocity of the wind, within the vortex, cannot be less than one hundred miles per hour, (and is sometimes, probably, much greater,) while the forward motion of the storm is not more than thirty or forty miles an hour. We are much in the dark, as to what, all of a sudden, forms these storms, and endues them with such surprising violence.

The Atlantic gales have within a few years been studied with great attention, and with very interesting results. A large part of what is known respecting them, is due to our fellow citizen, Mr. William C. Redfield. By examining the log-books of a great number of ships that have been caught in these gales, he has traced, with great success and ability, the laws by which they are governed. Mr. Redfield has established the following facts by a very extensive and satisfactory induction:—that these gales commonly take their rise in the equatorial regions, to the southeastward of the West India islands—that they take a northwesterly direction towards the American coast, till they reach the latitude of thirty degrees; they then bear towards the northeast, and traverse along the coast of North America, and finally waste themselves in the Northern Atlantic. Mr. Redfield has farther proved, by comparing the courses of the wind, as taken by ships situated in different parts of the same storm, that these gales are great whirlwinds, and that they rotate always in one and the same direction, namely, from right to left, or against the sun; their forward motion is often very slow, while their rotary or whirlwind motion is very swift.

The laws of these gales, as established by the ingenious and laborious researches of Mr. Redfield, have received much confirmation from others who have followed him in the same course of investigation, particularly from Colonel Reid, now governor of Bermuda, who has published a work on the "Law of Storms." By an extensive comparison of facts, similar to that made by Mr. Redfield, Colonel Reid has arrived at the same conclusions, and these have been still farther confirmed by the testimony of the most experienced navigators. The ultimate object to which

these inquiries are directed is, to furnish to the mariner practical rules, by which he may be enabled so to manage his ship when overtaken by a gale, and so to steer his course, as to avoid the fury and danger of the storm. Several highly useful and practical rules of this kind, derived from the investigations of Mr. Redfield, are already established, and may be found in his published papers on this subject, and in Colonel Reid's work.

Although Professor Olmsted regards Mr. Redfield and Colonel Reid as having satisfactorily explained the laws which govern these great storms, yet he thinks we are here, as in the case of the smaller tornadoes which occur on land, very much in the dark with respect to the ultimate causes of these phenomena—the causes which first produce the whirlwind, and afterwards maintain its violence. Heat, more than any other known cause, disturbs the atmospheric equilibrium, and produces winds; but the lecturer regards all attempts hitherto made, to explain the manner in which heat acts to produce the peculiar effects exhibited in tornadoes and hurricanes, as unsuccessful.

## LECTURE VI.

*Of Thunder Storms.*

To Dr. Franklin is universally conceded the honor of having first established the identity between electricity and lightning. This he did by actually drawing the lightning from the clouds by means of a kite, and proving that it possessed all the properties of the electric fluid, even to the charging of a jar.

This discovery led to very extravagant notions respecting the agency of electricity in the phenomena of nature. Not only thunder storms, but storms of every sort, and all other meteorological phenomena, as dew, fog, rain, hail, and luminous meteors, were at once ascribed to the same universal agent. Indeed, the arcana of nature were now held to be all unlocked, and to electricity were successively ascribed the tides, the motions of the heavenly bodies, and the functions of animal and vegetable life. This propensity to employ electricity as the agent by which to explain all mysterious things in nature, not otherwise accounted for, has infected natural philosophy even to our own times, and many now imagine they have sufficiently explained any unusual or wonderful occurrence in the natural world, by calling it "an electrical phenomena."

In thunder storms, we are presented with the following leading facts. It is found by experiments, (made by raising kites to the region of the clouds,) that all insulated clouds are highly charged with electricity—that the electricity of a cloud is sometimes positive, and sometimes negative—that even a fog is often highly electrified. Electricity is strongest when hot weather succeeds a series of rainy days, or when wet weather succeeds a series of dry and hot days. Thunder storms usually occur in the hottest seasons of the year, and after mid-day. They are more frequent and violent in hot than in cold countries, and are especially violent in volcanoes.

In our explanation of the foregoing facts, we must consider, that here are two different classes of phenomena to be accounted for: first,

the common elements of a storm of rain; secondly, the thunder and lightning. Now, the winds, the clouds, and the rain, are to be accounted for here in the same manner as in other cases. Opposite winds of different temperatures, hot and cold, and largely charged with watery vapor, meet, and moisture is precipitated in the form of clouds and rain, in accordance with the general principle before assigned for their production. But whence is the electricity? Whenever water is rapidly turned to vapor, or vapor is condensed into water, electricity is rapidly evolved. Such is its origin in thunder storms. It is therefore a consequence, not the cause, of thunder storms.

Our thunder storms usually take place as follows:—After a hot morning, with the wind from the southwest, (the hottest quarter,) a north-westerly or westerly wind sets in, which is very cool. A thunder storm is the consequence, according to the principles above explained. Our morning thunder storms are produced in a different way, namely, by an easterly wind of very different temperature from that over the land, (being warmer in winter and colder in summer.) If the wind from the sea is hot, the elements of the storm will be precipitated from it by the influence of the colder air over the land; if the sea air is cold, it will precipitate the same elements from the hot and humid air then prevailing over the land. Hence a morning thunder storm, being caused by an easterly wind, is the precursor of foul weather; while an afternoon thunder storm, being caused by a northwesterly wind, is the precursor of fair weather.

On applying the preceding explanation of the cause of thunder storms, to the leading facts before mentioned, we may understand something of the nature of the various appearances. The clouds of a thunder storm being good conductors of electricity, and surrounded with air, which is a non-conductor, are analogous to the prime conductor of an electrical machine, only instead of a few feet of surface, as in the prime conductor, we have here a conductor of many thousand acres. The rapid evaporation which occurs on a hot summer day, and the sudden condensation of vapor in forming thunder clouds, evolve great quantities of electricity, which is accumulated in the clouds. As some clouds are found to be positively, and some negatively electrified, we easily account for the electrical discharges, which are nothing more than the passage of the fluid from one cloud to another, differently electrified. Every thing is here on a grand scale; for, instead of the spark of a few inches, which is all we can effect with our best machines, the flash produced by the apparatus of the skies, is sometimes three miles in length. Instead of discharging itself to a distant cloud, the electricity sometimes darts to the east, and then it tears asunder whatever comes in its way, and destroys the lives of men and animals. The flash of light accompanying an electric discharge, is no part of electricity itself, but is elicited from the air, which is suddenly and powerfully condensed before the fluid, and light is thus emitted, as in a little instrument called the air-mallet, in which a solid piston suddenly forced down upon a column of confined air in a cylinder, produces a spark sufficient to light tinder.

We occasionally observe a succession of phenomena, as follows: first, a vivid flash of lightning; shortly afterwards, a loud clap of thunder; and after a longer interval, comes a sudden fall of rain. This looks as though the electricity produced the rain; but were these events to occur



in the order required by our theory, namely, first, the condensation of the vapor into drops of rain, and secondly, the evolution of electricity in consequence of such condensation, the phenomena would reach us in the order observed. For the light being instantaneous in its passage, would reach the eye the moment the electricity was discharged; the sound being a slower traveller, would next reach the ear; and, finally, the rain, which travels much more slowly, would reach us after a considerable interval.

The lecturer closed with some practical directions for the construction of lightning rods, and for securing our safety during thunder storms. Lightning rods should be made of one continued rod of iron, the parts being secured into each other, and not broken by joints or links like a chain; it should ascend above the ridge of the house to a height equal to half the space to be protected on every side; (thus, a height of ten feet will protect a space of twenty feet in all directions from the rod;) it must terminate above in three branches, tipped with gold leaf, or points of platina or silver, and enter below into the ground to the depth, where the ground is permanently moist, usually not less than six feet.

Professor Olmsted remarked, that when lightning rods were constructed on these principles, he had never known any injury done by lightning, and he entertained the most entire confidence in their efficacy. He urged the importance of every householder's availing himself of this easy protection, especially where a house stands separate from other buildings, as in the country. The numerous pointed objects in a city, have a tendency to dissipate the fluid, and to render it less liable to do injury, than in more secluded situations. The cases where life is destroyed by lightning, being usually much scattered, and involving but one or two individuals at a time, they attract little public notice; yet the entire amount of lives lost in this way every year, is greater (as has been ascertained by an accurate account kept by Mr. Redfield) than that occasioned by steamboat accidents.

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EMBARRASMENTS.—A man who has any feeling of honor, would rather die outright than become a bankrupt, and any reasonable sacrifice he would willingly consent to. Misfortune is one thing—imprudence another—and knavery the climax. When a man is unfortunate, he is deservedly an object of sympathy. To such, I would say, the moment you find yourself in embarrassed circumstances, and perceive that you cannot extricate yourself, without speculating with what does not belong to you, call a *private* meeting of your creditors, and lay before them the entire state of your affairs. Make a proposition of what you think you will be able to pay, towards the liquidation of their claims, and trust to their generosity to accept it. You will then be taken by the hand by your creditors—get a release—and perhaps, with their kind assistance and advice, become a better man of business than ever you were,—*but keep nothing back.*—Foster.

## ART. VI.—BANKS OF MASSACHUSETTS.

THE banks constitute a very important interest to the people of Massachusetts. There are about twenty thousand persons who are interested as stockholders, and there are several times as many others who are dependent upon these stockholders, and thus whose means of living are affected by the condition of these institutions. The whole mass of the people, in their capacity as bill-holders and in respect to their various employments, have an interest in the continuance and prudent management of the banks. In fact, it will be difficult to find an individual who is not directly nor indirectly interested in them. There is hardly any thing whose influence is so completely felt in all the ramified relations of society. We are scarcely aware of their importance till we experience a disturbance of the currency, of which they furnish by far the largest proportion. Every species of property depends for its value in some degree upon the banks. They in a great degree control the price of all kinds of property and of labor, regulate agriculture, trade, and manufactures, and, in a series of years, show their effects on the progress of civilization. The change which has taken place in the condition of the people of Massachusetts, in the last thirty or forty years, is plainly indicated by the bank issues, which have constituted the greater part of the circulating medium.

In the following article it is proposed to show the condition of the banks of Massachusetts for a series of years, in respect to the value of the stock as an investment; in respect to the amount of specie compared with the circulation, and with the sum of the circulation and deposits,—which is justly regarded as an important criterion of safety to the public; in respect to the increase of the capital stock; and in respect to the amount of the capital stock, and of the bills in circulation compared with the population,—the bills in circulation having served as an important part of the circulating medium in the operations of trade, and as important means of changing the condition of the community. In preparing the tables, use has been made of the bank returns as published by the secretary of state.

*Table showing the Average of the last semi-annual dividends per cent. of the Banks of Massachusetts, for thirty-two years, from 1808 to 1839.*

	<i>In Boston</i>	<i>Out of Boston.</i>	<i>In the State.</i>
In January, 1808.....	About \$3 75	About \$3 81½	\$3 78½
June, 1809.....	3 50	.. 3 62½	3 56½
.. 1810.....	.. 3 68¾	.. 3 87½	3 78¾
.. 1811.....	4 00	3 93¾	3 96¾
.. 1812.....	.. 3 62½	.. 3 43¾	3 53½
Aggregate for 5 years.....	\$18 56¼	\$18 68¼	\$18 62¼
Aggregate average of the last semi-annual dividends for 5 years.....	\$3 71¼	\$3 73¼	\$3 72¼
Estimated average, <i>per annum</i> , for 5 years.....			\$7 45

Table of Dividends—Continued.

	In Boston.	Out of Boston.	In the State.
June, 1813.....	\$3 00	About \$2 62½	\$2 81½
.. 1814.....	About 2 75	3 18½	2 96½
.. 1815.....	.. 3 37½	.. 2 62½	3 00
.. 1816.....	.. 2 81½	.. 3 12½	2 96½
.. 1817.....	.. 3 03½	.. 2 87½	2 95½
.. 1818.....	.. 3 37½	.. 3 25	3 51½
.. 1819.....	.. 3 23½	.. 3 25	3 29½
.. 1820.....	.. 2 93½	.. 3 12½	3 03½
.. 1821.....	2 62½	2 87½	2 75
.. 1822.....	.. 3 00	.. 2 93½	2 96½
.. 1823.....	.. 2 87½	3 18½	3 03½
.. 1824.....	.. 2 93½	2 93½	2 93½
.. 1825.....	.. 2 87½	3 00	2 93½
May, 1826.....	.. 2 81½	3 25	3 03½
.. 1827.....	.. 2 62½	3 00	2 81½
.. 1828.....	.. 2 75	3 00	2 87½
August, 1829.....	.. 2 87½	.. 3 00	2 93½
June, 1830.....	.. 2 37½	.. 2 68½	2 53½
October, 1831.....	2 81½	3 00	2 93½
August, 1832.....	2 93½	3 18½	3 06½
October, 1833.....	3 03½	3 18½	3 10½
May, 1834.....	3 00	2 93½	2 96½
.. 1835.....	3 00	2 93½	2 96½
September, 1836.....	3 25	3 00	3 12½
October, 1837.....	2 87½	2 81½	2 84½
.. 1838.....	2 93	3 02	2 97½
November, 1839.....	2 86	3 08	2 97
Aggregate for 27 years.....	\$79 00½	\$81 16½	\$80 08½
Aggregate average for 27 years.....	\$2 92½ <sup>135</sup> <sub>216</sub>	\$3 00 <sup>67</sup> <sub>108</sub>	\$2 96 <sup>269</sup> <sub>432</sub>
Estimated average, per annum, for 27 years.....			\$5 93 <sup>53</sup> <sub>216</sub>

	In Boston.	Out of Boston.	In the State.
Aggregate for 5 years..	\$18 56½	\$18 68½	\$18 62½
Aggregate for 27 years.....	79 00½	81 16½	80 08½
Aggregate for 32 years.....	\$97 57½	\$99 85½	\$98 71½
Aggregate average of the last semi-annual dividends in 32 years.....	\$3 04 <sup>233</sup> <sub>256</sub>	\$3 12 <sup>3</sup> <sub>64</sub>	\$3 08 <sup>245</sup> <sub>512</sub>
Estimated average, per annum, for 32 years.....			\$6 16 <sup>245</sup> <sub>256</sub>

According to the foregoing table, the average of the last semi-annual dividends of all the banks, for five years, from 1808 to 1812, inclusive, was \$3 72½ per cent. on the capital stock; since the one half of one per cent. has been semi-annually paid under the name of a bank tax to the state, the average for 27 years from 1813 to 1839, has been \$2 96<sup>269</sup><sub>432</sub> and during these two periods, embracing 32 years, it has been \$3 08<sup>245</sup><sub>512</sub>.

Supposing the other semi-annual dividends to have been the same, (and it is reasonable to suppose they were not materially different,) the average annual dividends on the capital would be \$7 45 per cent. in

the period of five years, and  $\$5\ 93\frac{53}{216}$  per cent. in that of 27 years, and  $\$6\ 16\frac{245}{236}$  per cent. in that of 32 years. Stockholders have, therefore, received on their stock, during the whole period of 32 years, over one sixth part of one per cent. per annum, more than six per cent. which in the whole time amounts to  $\$5\ 42\frac{5}{8}$  per cent.

The aggregate of capital of all the banks in 32 years, from 1808 to 1839, has been  $\$545,679,507\ 28$ , and the aggregate of dividends at the average rate of  $\$6\ 16\frac{245}{236}$  per cent. per annum, has been  $\$33,666,080\ 88$ , which is  $\$925,310\ 44$  more than  $\$32,740,770\ 44$ , the interest at six per cent. per annum. During these 32 years, the annual average of the capital has been  $\$17,052,484\ 60\frac{1}{2}$ .

It has been estimated that the loss to stockholders in the banks of Massachusetts, in 32 years, from 1808 to 1839 inclusive, or the amount which it is probable those banks which have wound up, and which are winding up, have failed, or will fail, of paying par on the stock, will be about  $\$2,000,000$ ,—scarcely a dollar of which loss had occurred till within the last three years. If we take from this sum the surplus of interest received over six per cent., which the banks have paid in dividends to stockholders during this time,  $\$925,310\ 44$ , we shall have the sum of  $\$1,074,689\ 56$ , as the remaining loss. This loss will reduce the average dividends during this period about three cents per annum, on  $\$100$ , and make the annual average dividends to have been  $\$5\ 97$  per cent., half of which has been semi-annually received on the capital stock over and above the loss to stockholders. It should also be added in this connexion, that, according to the returns in November, 1839, the "amount of reserved profits at the time of declaring the last dividend," that is, on the 7th of October, 1839, was  $\$1,516,325\ 34$ , which, after deducting  $\$894,982\ 16$  for "debts due, and not paid, and considered doubtful," on the supposition that these "debts" are worthless, will be  $\$621,343\ 18$ , and will reduce the loss to  $\$453,346\ 06$ , and make the profits to have amounted to over  $\$6\ 08$  per cent. per annum for the thirty-two years. This is indeed only an approximate result; but if we were to go through the labor of ascertaining the rate of dividends paid semi-annually, or the amount paid by each bank during this period, it is probable that the result would not be materially different. We have reference to the *original par value* of the stock, and not to what the shares may have cost individuals who afterwards purchased them. This result will bear a favorable comparison with the results of investments generally in other securities. We may suppose that other investments generally have not been so profitable, or at least have not been more profitable.

The loss to bill-holders and to depositors, though it may have pressed very heavily on a very few individuals, has not probably exceeded  $\$650,000$  in the aggregate, or about one third of the loss to stockholders. The fraud or folly which has brought on this loss to either, is deserving of public indignation. The mass of stockholders have been as innocent of the mismanagement as the confiding bill-holder and depositor. The bill-holder generally has it in his power to dispose of the bills for nearly their par value, and, with the depositor, must be fully paid before the stockholders can receive any thing on their stock. The loss of one hundred dollars on bank bills, is no greater than the loss of one hundred dollars on bank stock.

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in Boston, for thirty-seven years, from 1803 to 1839, inclusive, according to the bank returns.

DATES.	No. of B'ks.	Capital.	Specie.	Circulation.	Ratio of specie to circulation.	Deposits.	Ratio of specie to circulation and deposits.
1803	2	1,600,000 00	561,669 00	714,840 00	1 to 1 27	1,179,116 00	1 to 3 37
1804	3	3,400,000 00	402,830 00	518,295 00	1 28	835,841 00	3 36
1805	3	3,400,000 00	326,426 00	250,394 00	0 76	669,519 00	2 81
1806	3	3,400,000 00	391,678 00	304,516 00	0 77	1,586,569 00	4 82
1807	3	3,400,000 00	225,690 00	243,518 00	1 07	1,303,375 00	6 80
1808	3	3,800,000 00	632,137 16	259,878 00	0 41	2,022,030 96	3 60
1809	3	3,800,000 00	399,184 26	646,221 00	1 61	1,549,753 47	5 50
1810	3	4,600,000 00	700,606 68	906,578 00	1 29	1,707,713 40	3 73
1811	3	4,600,000 00	830,829 45	1,059,313 00	1 27	2,847,747 83	4 71
1812	4	5,800,000 00	2,882,116 48	1,079,748 00	0 37	4,146,031 15	1 81
1813	4	7,000,000 00	4,569,574 59	1,375,380 00	0 30	5,472,347 68	1 49
1814	6	8,725,000 00	5,466,659 66	1,745,752 00	0 31	7,363,866 70	1 66
1815	6	9,100,000 00	2,232,353 00	1,548,193 00	0 69	3,090,770 42	2 07
1816	6	9,100,000 00	816,027 57	1,142,307 00	1 27	1,674,115 67	3 45
1817	6	6,800,000 00	1,031,374 24	1,220,151 00	1 18	2,989,812 25	4 08
1818	7	7,049,425 00	597,087 88	1,142,116 00	1 91	2,311,004 66	5 78
1819	7	7,350,000 00	740,216 48	1,067,682 00	1 44	2,058,287 12	4 22
1820	7	7,350,000 00	790,068 86	1,272,226 00	1 61	2,599,025 11	4 89
1821	7	6,550,000 00	2,277,909 69	1,329,411 00	0 58	4,661,901 19	2 58
1822	10	7,421,125 00	432,615 73	1,191,971 00	2 75	2,611,571 75	8 79
1823	10	8,050,000 00	503,787 04	1,353,892 00	2 68	2,453,090 62	7 55
1824	12	8,925,000 00	1,119,828 58	1,796,600 52	1 64	4,413,395 63	5 54
1825	14	10,300,000 00	527,789 79	*3,770,536 42	7 02	1,791,018 67	10 53
1826	15	11,050,000 00	736,117 56	3,942,650 54	5 35	1,649,533 70	7 59
1827	15	11,550,000 00	895,078 83	3,681,664 71	4 11	1,858,591 88	6 18
1828	16	12,343,050 00	654,344 91	4,445,599 56	6 79	1,178,801 24	8 59
1829	17	12,900,000 00	661,765 81	2,077,691 00	3 13	1,618,127 86	5 58
1830	17	12,350,000 00	910,390 63	2,171,417 00	2 38	2,194,230 88	4 79
1831	20	13,600,000 00	578,008 05	3,464,275 00	5 99	2,778,768 04	10 80
1832	22	15,150,000 00	596,381 85	3,060,129 00	5 13	1,757,623 16	8 07
1833	25	16,401,250 00	647,618 14	2,823,617 00	4 30	2,419,584 64	8 09
1834	26	17,150,000 00	876,332 76	2,934,451 00	3 34	3,656,627 31	7 52
1835	28	18,150,000 00	861,842 82	3,396,584 00	3 68	4,827,350 69	9 54
1836	33	20,118,850 00	1,155,853 41	4,260,948 00	3 68	7,136,276 13	9 86
1837	34	21,350,000 00	1,129,942 29	4,386,414 00	3 88	6,560,075 89	9 68
1838	28	18,450,000 00	1,690,169 59	3,388,658 00	2 00	5,005,966 89	4 96
1839	27	18,435,600 63	1,272,266 96	2,502,845 00	1 96	3,059,632 69	4 37
Agg	201	360,519,300 63	41,124,573 75	72,476,462 75	1 76	107,039,125 33	4 36

SUMMARY.

	Average No. of Banks.	Average Capital.	Average Specie.	Average Circulation.	Average ratio of specie to circula'n	Average Deposits.	Average ratio of specie to circula'n and dep's
10 yrs. from 1803 to 1812.	3	3,780,000 00	735,316 70 <sup>10</sup>	598,330 10	1 to 0 81	1,784,769 68 <sup>10</sup>	1 to 3 24
10 yrs. from 1813 to 1822	3 <sup>3</sup>	7,644,555 00	1,895,388 77	1,303,518 90	0 68	3,483,270 26	2 52
10 yrs. from 1823 to 1832.	15 <sup>4</sup>	11,621,805 00	718,349 80 <sup>2</sup>	2,976,445 57 <sup>2</sup>	4 14	2,169,318 16 <sup>10</sup>	7 16
7 yrs. from 1833 to 1839.	28 <sup>5</sup>	18,579,385 80 <sup>3</sup>	1,090,575 13 <sup>6</sup>	3,384,788 14 <sup>2</sup>	3 10	4,666,506 32	7 38
37 yrs. from 1803 to 1839.	12 <sup>11</sup>	9,743,764 88 <sup>7</sup>	1,111,474 96 <sup>23</sup>	1,958,823 31 <sup>23</sup>	1 76	2,892,949 33 <sup>12</sup>	4 36

\* The circulation in this, and the other tables, includes "bills or notes in circulation, bearing interest," from 1825 to 1828.



## Banks of Massachusetts.

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in the banks out of Boston, for thirty-seven years, from 1803 to 1839, inclusive, according to the bank returns.

DATES.	No. of B'ks.	Capital.	Specie.	Circulation.	Ratio of specie to circulation.	Deposits.	Ratio of specie to circulation and deposits.
1803	5	625,262 00	518,259 00	850,319 00	1 to 1 64	343,155 00	1 to 2 30
1804	10	1,612,887 00	575,072 00	1,177,006 00	2 04	286,278 00	2 54
1805	13	2,060,000 00	521,572 00	1,303,430 00	2 49	351,710 00	3 17
1806	12	2,085,000 00	567,716 00	1,309,168 00	2 30	449,921 00	3 09
1807	13	2,160,000 00	489,093 00	1,238,259 00	2 53	410,593 00	3 37
1808	13	2,160,000 00	383,706 79	778,161 00	2 02	526,636 35	3 40
1809	13	2,160,000 00	422,757 77	688,727 00	1 62	765,034 79	3 43
1810	12	2,085,000 00	647,116 01	1,191,913 00	1 84	754,164 26	3 00
1811	12	2,085,000 00	682,171 21	1,296,258 00	1 90	537,973 99	2 68
1812	12	2,160,000 00	799,579 79	1,082,610 00	1 35	588,294 85	2 08
1813	12	1,895,000 00	1,211,223 49	811,457 00	0 66	1,431,245 74	1 85
1814	15	2,325,000 00	1,479,882 96	1,176,859 00	0 79	1,837,851 63	2 03
1815	19	2,362,000 00	1,231,887 76	1,192,318 00	0 96	966,624 39	1 75
1816	19	2,375,000 00	444,182 88	992,383 00	2 23	459,163 31	3 26
1817	20	2,498,050 00	516,079 45	1,275,109 00	2 33	530,981 52	3 30
1818	20	2,699,850 00	532,510 39	1,538,361 00	2 88	594,793 27	4 00
1819	21	3,024,750 00	458,672 83	1,396,375 00	3 04	516,059 43	4 16
1820	21	3,250,000 00	490,783 15	1,342,508 00	2 73	576,977 98	3 91
1821	21	3,250,000 00	770,919 49	1,681,351 00	2 18	786,707 01	3 20
1822	23	3,400,000 00	513,651 20	1,940,581 00	3 77	624,256 38	4 99
1823	24	3,600,000 00	529,588 43	1,775,094 00	3 35	668,968 28	4 61
1824	25	3,932,350 00	820,014 14	2,046,041 00	2 49	825,248 85	3 50
1825	27	4,235,000 00	511,196 33	2,223,728 31	4 35	924,357 03	6 15
1826	40	5,599,996 55	587,703 51	2,462,228 63	4 18	987,201 82	5 86
1827	45	6,719,750 00	471,182 25	2,983,658 98	5 22	1,133,291 61	7 20
1828	45	6,994,750 00	490,300 80	3,038,265 78	6 17	884,271 42	8 00
1829	49	7,520,000 00	325,444 66	2,670,093 50	8 24	927,105 15	11 05
1830	46	6,945,000 00	348,053 42	2,952,673 00	8 48	1,380,726 16	12 13
1831	50	7,839,800 00	341,951 68	4,275,042 00	12 50	1,623,197 58	17 24
1832	61	9,370,200 00	305,823 93	4,062,727 00	13 21	1,181,347 17	17 14
1833	77	11,835,000 00	274,691 70	5,065,493 67	18 44	1,296,597 73	23 16
1834	77	12,259,450 00	283,963 33	4,715,695 75	16 60	1,253,426 41	21 01
1835	77	12,260,000 00	274,601 48	6,033,773 72	21 97	594,885 89	24 13
1836	84	14,359,260 00	239,377 06	6,631,301 50	22 18	1,643,240 81	27 65
1837	95	16,930,000 00	388,041 73	5,886,704 71	15 17	1,907,122 13	20 08
1838	92	16,180,000 00	704,454 65	6,011,854 75	8 53	2,116,675 14	11 53
1839	91	16,050,000 00	566,006 03	5,372,477 50	9 31	1,707,777 81	12 50
Aggr.	1311	207,763,355 55	20,909,231 30	92,470,039 80	4 42	34,398,912 89	6 06

## SUMMARY.

	Average No. of Banks.	Average Capital.	Average Specie.	Average Circulation.	Average ratio of specie to circula'n	Average Deposits.	Average ratio of specie to circula'n and dep's
10 yrs. from 1803 to 1812.	11 <sup>2</sup>	1,919,314 90	560,704 35 <sup>7</sup> <sub>10</sub>	1,091,588 40	1 to 1 94	501,381 12 <sup>4</sup> <sub>10</sub>	1 to 2 84
10 yrs. from 1813 to 1822.	19 <sup>0</sup>	2,600,965 00	767,979 36	1,334,730 20	1 76	632,466 06 <sup>6</sup> <sub>10</sub>	2 83
10 yrs. from 1823 to 1832.	41 <sup>5</sup>	6,265,684 65 <sup>1</sup>	483,125 81 <sup>2</sup>	2,848,955 22	5 89	1,053,571 50 <sup>7</sup> <sub>10</sub>	8 07
7 yrs. from 1833 to 1839.	84 <sup>1</sup>	11,267,815 71 <sup>3</sup>	398,733 71 <sup>1</sup>	5,673,900 22 <sup>6</sup>	14 23	1,503,532 27 <sup>3</sup>	18 00
37 yrs. from 1803 to 1839.	35 <sup>7</sup>	5,615,225 82 <sup>7</sup>	565,114 35 <sup>5</sup> <sub>37</sub>	2,490,190 26 <sup>16</sup> <sub>37</sub>	4 42	929,689 53 <sup>25</sup> <sub>37</sub>	6 06

Banks of Massachusetts.

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in all the banks of Massachusetts, for thirty-seven years, from 1803 to 1839, inclusive, according to the bank returns.

DATES.	No. of B'ks.	Capital.	Specie.	Circulation.	Ratio of specie to circulation.	Deposits.	Ratio of specie to circulation & deposits
1803	7	2,225,262 00	1,079,928 00	1,565,189 00	1 to 1 44	1,522,271 00	1 to 2 85
1804	13	5,012,887 00	977,902 00	1,695,301 00	1 73	1,122,119 00	2 88
1805	16	5,460,000 00	847,998 00	1,553,824 00	1 83	1,021,229 00	3 03
1806	15	5,485,000 00	959,394 00	1,613,684 00	1 68	2,036,490 00	3 80
1807	16	5,560,000 00	714,783 00	1,481,777 00	2 07	1,713,968 00	4 47
1808	16	5,960,000 00	1,015,843 95	1,038,042 00	1 0	2,548,717 31	3 53
1809	16	6,960,000 00	821,942 03	1,334,948 00	1 62	2,314,788 26	4 44
1810	15	6,685,000 00	1,347,722 69	2,098,491 00	1 55	2,461,877 66	3 38
1811	15	6,685,000 00	1,513,000 66	2,355,571 00	1 55	3,385,721 82	3 79
1812	16	7,960,000 00	3,681,696 27	2,162,358 00	0 58	4,734,325 00	1 87
1813	16	8,895,000 00	5,780,798 08	2,186,837 00	0 37	6,903,593 42	1 57
1814	21	11,050,000 00	6,946,542 62	2,922,611 00	0 42	9,201,718 33	1 74
1815	25	11,462,000 00	3,464,241 21	2,740,511 00	0 79	4,057,394 81	1 96
1816	25	11,475,000 00	1,260,210 45	2,134,690 00	1 69	2,133,278 98	3 38
1817	26	9,298,050 00	1,577,453 69	2,495,260 00	1 70	3,520,793 77	3 81
1818	27	9,749,275 00	1,129,598 27	2,680,477 00	2 18	2,905,797 93	4 94
1819	28	10,374,750 00	1,198,889 31	2,464,057 00	2 05	2,574,346 60	4 20
1820	28	10,600,000 00	1,280,852 01	2,614,734 00	2 04	3,176,003 09	4 52
1821	28	9,800,000 00	3,048,829 18	3,010,762 00	0 98	5,448,608 20	2 77
1822	33	10,821,125 00	946,266 93	3,132,552 00	3 31	3,235,828 13	6 72
1823	34	11,650,000 00	1,033,375 47	3,128,986 00	3 02	3,122,058 90	6 04
1824	37	12,857,350 00	1,939,842 72	3,842,641 52	1 98	5,238,614 48	4 68
1825	41	14,535,000 00	1,038,986 12	5,994,264 73	5 76	2,715,375 70	8 38
1826	55	16,649,996 55	1,323,820 07	6,404,879 17	4 83	2,636,735 52	6 82
1827	60	18,269,750 00	1,466,261 08	6,665,323 69	4 54	2,991,883 49	6 58
1828	61	19,337,800 00	1,144,645 71	7,483,865 34	6 36	2,063,072 66	8 34
1829	66	20,420,000 00	987,210 47	4,747,784 50	4 81	2,545,233 01	7 38
1830	63	19,295,000 00	1,258,444 05	5,124,090 00	4 07	3,574,957 04	6 91
1831	70	21,439,800 00	919,959 73	7,739,317 00	8 41	4,401,965 62	13 19
1832	83	24,520,200 00	902,205 78	7,122,856 00	7 89	2,938,970 33	11 15
1833	102	28,236,250 00	922,309 84	7,889,110 67	8 55	3,716,182 37	12 57
1834	103	29,409,450 00	1,160,296 09	7,650,146 75	6 59	4,910,053 72	10 82
1835	105	30,410,000 00	1,136,444 30	9,430,357 72	8 29	5,422,266 58	13 06
1836	117	34,478,110 00	1,455,230 47	10,892,249 50	7 48	8,784,516 94	13 52
1837	129	38,280,000 00	1,517,984 02	10,273,118 71	6 76	8,467,198 02	12 34
1838	120	34,630,000 00	2,394,624 24	9,400,512 75	3 92	7,122,642 03	6 90
1839	118	34,485,600 63	1,838,272 99	7,875,322 50	3 28	4,767,410 50	6 87
Agg 1766	569	422,656 18	62,033,806 50	165,946,502 55	2 67	141,438,038 22	4 93

SUMMARY.

	Average No. of Banks.	Average Capital.	Average Specie.	Average Circulation.	Average ratio of specie to circula'n	Average Deposits.	Average ratio of specie to circula'n and dep's
10 yrs. from 1803 to 1812.	142	5,699,314 90	1,296,021 06	1,689,918 50	1 to 1 30	2,286,150 89 <sup>1</sup>	1 to 3 06
10 yrs. from 1813 to 1822.	2510	10,352,520 00	2,663,368 27 <sup>1</sup>	2,638,249 10	0 99	4,315,736 32 <sup>0</sup>	2 64
10 yrs. from 1823 to 1832.	57	17,897,489 65 <sup>1</sup>	1,201,475 12	5,825,400 79 <sup>1</sup>	4 84	3,222,889 67 <sup>1</sup>	7 53
7 yrs. from 1833 to 1839.	1137	32,847,058 66 <sup>1</sup>	1,489,308 85	9,410,818 87 <sup>1</sup>	6 08	6,170,038 59 <sup>3</sup>	10 22
37 yrs. from 1803 to 1839.	4737	15,389,801 5137 <sup>31</sup>	1,676,589 3637 <sup>18</sup>	4,485,040 6037 <sup>35</sup>	2 67	3,822,649 6837 <sup>6</sup>	4 93

## AGGREGATE OF CIRCULATION AND DEPOSITS.

AGGREGATE OF CIRCULATION.				AGGREGATE OF DEPOSITS.		
	<i>In Boston.</i>	<i>Out of Boston.</i>	<i>Total Circulation.</i>	<i>In Boston.</i>	<i>Out of Boston.</i>	<i>Total Deposits.</i>
1803 to 1812	5,983,301 00	10,915,884 00	16,899,185 00	17,847,696 81	5,013,811 24	22,861,508 05
1813 to 1822	13,035,189 00	13,347,302 00	26,382,491 00	34,832,702 60	8,324,660 66	43,157,363 26
1823 to 1832	29,764,455 75	28,489,552 20	58,254,007 95	21,693,181 68	10,535,715 07	32,228,896 75
1833 to 1839	23,693,517 00	39,717,301 60	63,410,818 60	32,665,544 24	10,524,725 92	43,190,270 16
1803 to 1839	72,476,462 75	92,470,039 80	164,946,502 55	107,039,125 33	34,398,912 89	141,438,038 22

## Aggregate of Circulation and Deposits.

1803 to 1812	39,760,693 05
1813 to 1822	69,539,854 26
1823 to 1832	90,482,904 70
1833 to 1839	106,601,088 76
1803 to 1839	306,384,540 77

## AGGREGATE OF CIRCULATION AND DEPOSITS.

	<i>Boston.</i>		<i>Country.</i>		<i>Total.</i>	<i>Total of Circulation and Deposits.</i>
	Cir. 5,983,301 00 +		10,915,884 00 =		16,899,185 00	
	Dep. 17,847,696 81 +		5,013,811 24 =		22,861,508 05	
1803 to 1812		23,830,997 81 +		15,929,695 24 =		39,760,693 05
	Cir. 13,035,189 00 +		13,347,302 00 =		26,382,491 00	
	Dep. 34,832,702 60 +		8,324,660 66 =		43,157,363 26	
1813 to 1822		47,867,891 60 +		21,671,962 66 =		69,539,854 26
	Cir. 29,764,455 75 +		28,489,552 20 =		58,254,007 95	
	Dep. 21,693,181 68 +		10,535,715 07 =		32,228,896 75	
1823 to 1832		51,457,637 43 +		39,025,267 27 =		90,482,904 70
	Cir. 23,693,517 00 +		39,717,301 60 =		63,410,818 60	
	Dep. 32,665,544 24 +		10,524,725 92 =		43,190,270 16	
1833 to 1839		56,259,061 24 +		50,242,027 52 =		106,601,088 76
1803 to 1839		179,515,588 08 +		126,868,952 69 =		306,384,540 77

The following tables are added, in order to show, at one view, the ratio of the specie to the bills in circulation, and to the sum of the circulation and deposits, in the Boston banks, in the banks out of Boston, and in all the banks of Massachusetts, together with the number of banks in the several years, and the average ratio in different periods, from 1803 to 1839, prepared from official returns.

*Banks of Massachusetts.*

DATES.	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	<i>No. of Banks.</i>	<i>Ratio of specie to circulation</i>	<i>No. of Banks.</i>	<i>Ratio of specie to circulation.</i>	<i>No. of Banks.</i>	<i>Ratio of specie to circulation.</i>
1803	2	1 to 1 27	5	1 to 1 64	7	1 to 1 44
1804	3	1 28	10	2 04	13	1 73
1805	3	0 76	13	2 49	16	1 83
1806	3	0 77	12	2 30	15	1 68
1807	3	1 07	13	2 53	16	2 07
1808	3	0 41	13	2 02	16	1 02
1809	3	1 61	13	1 62	16	1 62
1810	3	1 29	12	1 84	15	1 55
1811	3	1 27	12	1 90	15	1 55
1812	4	0 37	12	1 35	16	0 58
1813	4	0 30	12	0 66	16	0 37
1814	6	0 31	15	0 79	21	0 42
1815	6	0 69	19	0 96	25	0 79
1816	6	1 27	19	2 23	25	1 69
1817	6	1 18	20	2 33	26	1 70
1818	7	1 91	20	2 88	27	2 18
1819	7	1 44	21	3 04	28	2 05
1820	7	1 61	21	2 73	28	2 04
1821	7	0 58	21	2 18	28	0 98
1822	10	2 75	23	3 77	33	3 31
1823	10	2 68	24	3 35	34	3 02
1824	12	1 64	25	2 49	37	1 98
1825	14	7 02	27	4 35	41	5 76
1826	15	5 35	40	4 18	55	4 83
1827	15	4 11	45	5 22	60	4 54
1828	16	6 79	45	6 17	61	6 36
1829	17	3 13	49	8 24	66	4 81
1830	17	2 38	46	8 48	63	4 07
1831	20	5 99	50	12 50	70	8 41
1832	22	5 13	61	13 21	83	7 89
1833	25	4 30	77	18 44	102	8 55
1834	26	3 34	77	16 60	103	6 59
1835	28	3 68	77	21 97	105	8 29
1836	33	3 68	84	22 18	117	7 48
1837	34	3 88	95	15 17	129	6 76
1838	28	2 00	92	8 53	120	3 92
1839	27	1 96	91	9 31	118	4 28

SUMMARY.

	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	<i>Average No. of Banks.</i>	<i>Average ratio of specie to circulation.</i>	<i>Average No. of Banks.</i>	<i>Average ratio of specie to circulation.</i>	<i>Average No. of Banks.</i>	<i>Average ratio of specie to circulation.</i>
10 yrs. fm 1803 to 1812.....	3	1 to 0 81	11 1-2	1 to 1 94	14 1-2	1 to 1 30
10 yrs. fm 1813 to 1822.....	6 3-5	0 68	19 1-10	1 76	25 7-10	0 99
10 yrs. fm 1823 to 1832.....	15 4-5	4 14	41 1-5	5 89	57	4 84
7 yrs. fm 1833 to 1839.....	28 5-7	3 10	84 5-7	14 23	113 3-7	6 08
37 yrs. fm 1803 to 1839.....	12 11-37	1 76	35 16-37	4 42	47 27-37	2 67

## Banks of Massachusetts.

DATES.	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	No. of Banks.	Ratio of specie to circulation and deposits.	No. of Banks.	Ratio of specie to circulation and deposits.	No. of Banks.	Ratio of specie to circulation and deposits.
1803	2	1 to 3 37	5	1 to 2 30	7	1 to 2 85
1804	3	3 36	10	2 54	13	2 88
1805	3	2 81	13	3 17	16	3 03
1806	3	4 82	12	3 09	15	3 80
1807	3	6 89	13	3 37	16	4 47
1808	3	3 60	13	3 40	16	3 53
1809	3	5 50	13	3 43	16	4 44
1810	3	3 73	12	3 00	15	3 38
1811	3	4 71	12	2 63	15	3 79
1812	4	1 81	12	2 08	16	1 87
1813	4	1 49	12	1 85	16	1 57
1814	6	1 65	15	2 03	21	1 74
1815	6	2 07	19	1 75	25	1 96
1816	6	3 45	19	3 26	25	3 38
1817	6	4 08	20	3 30	26	3 81
1818	7	5 78	20	4 00	27	4 94
1819	7	4 22	21	4 16	28	4 20
1820	7	4 89	21	3 91	28	4 52
1821	7	2 58	21	3 20	28	2 77
1822	10	8 79	23	4 99	33	6 72
1823	10	7 55	24	4 61	34	6 04
1824	12	5 54	25	3 50	37	4 68
1825	14	10 53	27	6 15	41	8 38
1829	15	7 59	40	5 85	55	6 82
1827	15	6 18	45	7 20	60	6 58
1828	16	8 59	45	8 00	61	8 34
1829	17	5 58	49	11 05	66	7 38
1830	17	4 79	46	12 13	63	6 91
1831	20	10 80	50	17 24	70	13 19
1832	22	8 07	61	17 14	83	11 15
1833	25	8 09	77	23 16	102	12 57
1834	26	7 52	77	21 01	103	10 82
1835	28	9 54	77	24 13	105	13 06
1836	33	9 86	84	27 65	117	13 52
1837	34	9 68	95	20 08	129	12 34
1838	28	4 96	92	11 53	120	6 90
1839	27	4 37	91	12 50	118	6 87

## SUMMARY.

	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	Average No. of Banks.	Aver. ratio of specie to circulation and deposits.	Average No. of Banks.	Aver. ratio of specie to circulation and deposits.	Average No. of Banks.	Aver. ratio of specie to circulation and deposits.
10 yrs. fm 1803 to 1812. ....	3	1 to 3 24	11 1-2	1 to 2 84	14 1-2	1 to 3 06
10 yrs. fm 1813 to 1822. ....	6 3-5	2 52	19 1-10	2 83	25 7-10	2 64
10 yrs. fm 1823 to 1832. ....	15 4-5	7 16	41 1-5	8 07	57	7 53
7 yrs. fm 1833 to 1839. ....	28 5-7	7 38	84 5-7	18 00	113 3-7	10 22
37 yrs. fm 1803 to 1839. ....	12 11-37	4 36	35 16-37	6 06	47 27-37	4 93



The above tables present a favorable view of the banks of Massachusetts during the last thirty-seven years, in respect to the ratio of specie to their immediate liabilities from circulation and free deposits. The ratio of both kinds has been generally less in the latter part of this period of thirty-seven years, especially in the country banks, from 1830 to 1837. In the last two years, this ratio has been very much increased, so that in 1838 and 1839 it had approximated considerably to the average of the whole period. The expansion of the paper currency, and also the increase of the capital, have been very much according to the prosperity of the times, and the activity of business.

It will be perceived, that generally, the specie in the Boston banks has been comparatively larger than in the country banks; but it should be borne in mind, that the latter have, for a number of years, usually had a deposit of specie in one of the banks in Boston, for the redemption of their bills, while at their own counters, specie, to any great amount, is seldom called for. There are only three years, namely, 1825, 1826, and 1828, in which the proportion of the specie to the circulation, has been more favorable in the country than in the Boston banks.

In 1812, 1813, 1814, 1815, and 1821, the amount of the specie in all the banks, exceeded the circulation. In 1813, it was nearly three times the circulation, the capital then being \$8,895,000, the circulation \$2,186,837, and the specie \$5,780,798 08. The largest amount of specie was in 1814, when it was \$6,946,542 62; but the circulation had increased during the preceding year in a greater proportion than the specie.

The smallest proportion of specie to circulation, in the Boston banks, was in 1825, when it was only \$1 to 7 02; the smallest proportion in the country banks, was in 1836, when it was \$1 to 22 18; and the smallest proportion in all the banks, was in 1833, when it was \$1 to 8 55.

From 1836 to 1837, the ratio of the specie to the circulation, in the Boston banks, was a little diminished; and in the country banks, increased nearly one third part, or 31½ per cent.; and in all the banks, a little less than 10 per cent. In 1837, the bills in circulation of the Boston banks, were about (3 88,) four times the specie, while those of the country banks, were more than (15 17,) fifteen times the specie; but, it should be recollected, that the country banks had specie deposits in the Boston banks for the redemption of their bills. In 1838, the circulation of the Boston banks was twice the specie, while that of the country banks, was over eight and a half times the specie (8 53.) Thus, there was in one year, from 1837 to 1838, a reduction of the proportion of the circulation to the specie, in the aggregate average of all the banks, from 6 76 to 1, to 3 92 to 1, or 42 per cent., effected partly by diminishing the circulation over a million and a half in the Boston banks, though the circulation was increased in the country banks, in the sum of \$125,150 04, and partly by increasing the specie, which was nearly doubled in the country banks, and in the Boston banks this increase was \$560,227 30. In the Boston banks, this reduction was from \$3 88 to \$2, or more than 48 per cent.; in the country banks, from \$15 17 to \$8 53, or nearly 44 per cent.; and in all the banks, it was from \$6 76 to 3 92, or 42 per cent. In 1838, the ratio of the specie to the circulation in the Boston banks, being as \$1 to 2, was only 14 per cent. less than the average for 36 years, and that in the country banks, being as \$1 to

8 53, was 49 per cent. less than the average for 36 years, and was the most favorable since 1830.

The aggregate ratio of the specie to the circulation, in the Boston banks, was better in 1839 than it had been since 1824; in the country banks, than it had been since 1830, except in 1838; and in all the banks, better than it had been since 1824, except in 1838.

The smallest proportion of the specie to the circulation and deposits, in the Boston banks, was as 1 to 10 80, in 1831; in 1825, it was as 1 to 10 53; in 1836, as 1 to 9 86. The smallest proportion in the country banks, was as 1 to 27 65, in 1836; before 1829, it had never been less than as 1 to 8. The smallest proportion, in all the banks, was as 1 to 13 52, in 1836.

From 1836 to 1837, this proportion in the Boston banks, was increased nearly two per cent.; in the country banks, 27 per cent.; and in all the banks, 8 per cent.

From 1837 to 1838, this proportion in the Boston banks, was increased nearly 49 per cent.; in the country banks, 42½ per cent.; and in all the banks, 44 per cent.

From 1838 to 1839, this proportion, in the Boston banks, was increased nearly 12 per cent.; in the country banks, diminished nearly 8 per cent.; and in all the banks, increased about the half of one per cent.

The ratio of the specie to the circulation and deposits, in 1839, in the Boston banks, differed only by a small fraction from the average for 37 years; in the country banks, it was 51 per cent. less, and in all the banks, about 28 per cent. less.

The following table exhibits, at one view, the average ratio of the specie to the circulation, and to the circulation and deposits, in all the banks of Massachusetts; in the bank of England, according to the quarterly returns in March, June, September, and December, (the ratio in 1838 embracing only the first three quarters;) and in all the banks in the United States, nearest to January 1, following the years in the first column, as the condition of these last is made up from the most recent returns on the first of January.

BANKS OF MASSACHUSETTS.			BANK OF ENGLAND.		BANKS IN THE UNITED STATES.		
Returns in	Ratio of specie to circulation.	Ratio of specie to circulation & deposits.	Ratio of specie to circulation.	Ratio of specie to circulation and deposits.	Returns in	Ratio of specie to circulation.	Ratio of specie to circulation & deposits.
1810	1 to 1 55	1 to 3 38	1 to 6 73	1 to 10 73	1811	1 to 1 82	....
1814	0 42	1 74	12 50	19 26	1815	2 67	....
1815	0 79	1 96	9 86	14 80	1816	3 57	....
1819	2 05	4 20	6 43	8 09	1820	2 26	1 to 4 07
1829	4 81	7 38	2 89	4 21	1830	2 77	5 28
1834	6 59	10 82	2 30	4 04	1835	2 35	4 25
1835	8 29	13 06	2 21	4 66	1836	3 50	6 38
1836	7 48	13 52	2 79	5 02	1837	3 67	7 29
1837	6 76	12 34	3 13	5 07	1838	3 28	6 06
1838	3 92	6 90	1 95	3 04			

On the seventh of May, 1838, the specie to the circulation, in all the banks in the United States, was as \$1 to 3 08, and to the circulation and deposits, as \$1 to 5 80.

The average ratio of the specie in all the banks of Massachusetts, for the five years, from 1834 to 1838, inclusive, according to the official returns, and in the bank of England, for the five years from December, 1833, to September, 1838, inclusive, according to the quarterly returns in March, June, September, and December, was

IN BOSTON.		OUT OF BOSTON.		IN THE STATE.		IN THE BANK OF ENGLAND.	
<i>To circulation.</i>	<i>To circulation &amp; deposits.</i>	<i>To circulation.</i>	<i>To circulation &amp; deposits.</i>	<i>To circulation.</i>	<i>To circulation &amp; deposits.</i>	<i>To circulation.</i>	<i>To circulation &amp; deposits.</i>
1 to 3 21	1 to 7 97	1 to 15 01	1 to 18 86	1 to 6 21	1 to 10 74	1 to 2 46	1 to 4 23

From which it appears, that during these five years, according to the returns, the average ratio of the specie to the circulation has been 30 per cent. more favorable in the bank of England than in the Boston banks, 510 per cent. more so than in the country banks, and 152 per cent. more so than in all the banks of Massachusetts; and also, during the same period, the average ratio of the specie to the circulation and deposits, has been 88 per cent. more favorable in the bank of England than in the Boston banks, 345 per cent. more so than in the country banks, and 153 per cent. more than in all the banks of Massachusetts. It should, however, be remembered, that London is truly the metropolis of the commercial world; and as such, we may suppose that the liabilities of its great monied organ to demands for specie, are in greater proportion than its superior ratio of bullion to that of the bullion in the banks of Massachusetts.

The following table shows the number and capital of the banks in Boston, in the country, and in the state, at different dates.

	<i>No. of Bks.</i>	BOSTON.	<i>No. of Bks.</i>	COUNTRY.	<i>No. of Bks.</i>	TOTAL.
		<i>Capital.</i>		<i>Capital.</i>		<i>Capital.</i>
1803	2	1,600,000 00	5	625,262	7	2,225,262 00
1813	4	7,000,000 00	12	1,895,000	16	8,895,000 00
1823	10	8,050,000 00	21	3,600,000	34	11,650,000 00
1833	25	16,401,250 00	77	11,835,000	102	28,236,250 00
1839	27	18,435,600 63	91	16,050,000	118	34,485,600 63

In 1837, in consequence of the numerous charters granted in 1836, the whole number of banks returned, as having gone into operation, was 129, with a capital of \$38,280,000; but, before the next returns, the charters of several having been surrendered or annulled by the legislature, the number in 1838 was 120, with a capital of \$34,630,000.

From 1803 to 1813, inclusive, embracing eleven returns, the number of banks in Boston was doubled, and the capital was increased over four times; in the country, the number more than doubled, and the capital increased more than three times; and in the state, the number more than doubled, and the capital increased about four times.

From 1813 to 1823, inclusive, embracing eleven returns, the number of banks in Boston was increased two and a half times, and the capital increased by one seventh part; in the country, the number doubled, and the capital nearly doubled; and in the state, the number more than doubled, and the capital increased by nearly one third.

From 1823 to 1833, inclusive, embracing eleven returns, the number of banks in Boston was increased two and a half times, and the capital more than doubled; in the country, the number was increased more than three times, and the capital more than three times; and in the state, the number was increased three times, and the capital increased nearly two and a half times.

From 1833 to 1839, inclusive, embracing seven returns, the number of banks in Boston, increased by two, and the capital by about two million, or an eighth; in the country the number increased by fourteen, and the capital by a third part; and in the state, the number by sixteen, and the capital by a fifth part.

From 1803 to 1839, inclusive, embracing thirty-seven returns, the number of banks in Boston, increased thirteen and a half times, and the capital over eleven times; in the country, the number increased over eighteen times, and the capital twenty-six times; and in the state, the number increased nearly seventeen times, and the capital about fifteen times.

The increase of both the number and capital, during the whole period, has been in greater proportion than the increase of population, and in some portions of the period, obviously much greater than the amount of commercial business, or the good of the community, has required.

The increase of the bank capital from 1830 to 1837, embracing eight returns, was from \$19,295,000 to \$38,280,000, being the largest increase of any for an equal period since 1804. From 1809 to 1816, another period of equal length, the capital was also about doubled, or from \$5,960,000 to \$11,475,000. These two periods embrace the times when the charters of the two United States banks expired.

Now, it is presumed, that this increase of bank capital has been more rapid than the conditions requiring it have augmented. From 1809 to 1816, the increase of population was only about one thirteenth, or about eight per cent., and from 1830 to 1837, about one sixth, or seventeen per cent. On account of this consideration the increase in the first period would have been less than one million, instead of about five and a half millions; and, in the second period, it would have been a little more than three millions, instead of over nineteen millions; that is, the increase in both cases, six times more rapid than that of the population. If other circumstances had been equally strong for an increase of bank capital, the augmentation would still have been three times as great as the condition of the community required.

In consequence of the discontinuance of the United States bank in 1836, we will add two millions to the three millions as above, for the healthy increase of the capital of the state banks, and we should then have had in 1837, \$24,000,000 instead of \$38,280,000, which is more than 14 millions too much, according to the proportion in 1830.

During this period, neither in the state of New York, nor in that of Pennsylvania, (exclusive of the United States bank chartered in 1836,

by the state,) was the increase of banking capital so great as in Massachusetts.

Throughout the United States, the banking capital and the number of banks were doubled in about seven years, from 1830 to 1836, inclusive. According to Mr. Woodbury's report on the state banks, January 8, 1838, the banking capital, which, according to returns received at the treasury department, including the United States bank chartered by congress, was, on the first of January, 1830, \$145,192,268, with 330 banks, had, to the first of January, 1837, increased to \$290,772,091, of the state banks alone, having 634 banks, and 154 branches; in all, 788. According to the same report, the banking capital, on the first of January, 1811, including the old United States, of \$10,000,000, was 52,601,601, with 89 banks; and on the first of January, 1816, the capital of the state banks was \$89,822,422, with 246 banks.

The increase of bank capital from 1830 to 1836, inclusive, or, for seven years, if according to the probable increase of population in the United States, would have been about 41 millions; this sum, added to 145 millions, would make 186 millions, so that there was an excess of banking capital of 104 millions in this period beyond the supply at the commencement of it.

Also, from 1811 to 1816, the increase was in excess above that of population, about 26 millions.

At other periods of our national history, there has been only a moderate increase of bank capital in the whole country. Such increase of bank capital could hardly fail of being a temptation to, and a cause of, extensive pecuniary engagements and embarrassments in the country.



Tables showing the Ratios of the Population to the Bank Capital, and to the Bank Circulation in Massachusetts.

## I. IN BOSTON.

DATES.	Population	No. of B'ks.	Capital.	Ratio of population to capital.	Circulation.	Ratio of population to circulation.
1803	27,430	2	1,600,000 00	1 to 58 33	714,840 00	1 to 25 06
1804	28,262	3	3,400,000 00	120 30	518,295 00	18 33
1805	29,093	3	3,400,000 00	116 85	250,304 00	8 60
1806	29,924	3	3,400,000 00	113 62	304,516 00	10 17
1807	30,756	3	3,400,000 00	110 54	243,518 00	7 91
1808	31,587	3	3,800,000 00	120 30	259,878 00	8 22
1809	32,418	3	3,800,000 00	117 21	646,221 00	19 93
1810	33,250	3	4,600,000 00	138 34	906,578 00	27 26
1811	34,255	3	4,600,000 00	134 28	1,059,313 00	30 92
1812	35,260	4	5,800,000 00	164 49	1,079,718 00	30 62
1813	36,235	4	7,000,000 00	193 02	1,375,380 00	37 92
1814	37,269	6	8,725,000 00	234 10	1,745,752 00	46 84
1815	38,274	6	9,100,000 00	237 75	1,548,193 00	40 45
1816	39,279	6	9,100,000 00	231 67	1,142,307 00	29 08
1817	40,284	6	6,800,000 00	168 80	1,220,151 00	30 28
1818	41,288	7	7,049,425 00	170 73	1,142,116 00	27 66
1819	42,293	7	7,350,000 00	171 42	1,067,682 00	25 50
1820	43,298	7	7,350,000 00	169 75	1,272,226 00	29 38
1821	46,295	7	6,550,000 00	141 48	1,329,411 00	28 71
1822	49,291	10	7,421,125 00	150 55	1,191,971 00	24 19
1823	52,283	10	8,050,000 00	153 95	1,353,892 00	25 87
1824	55,284	12	8,925,000 00	161 43	1,796,600 52	32 49
1825	58,281	14	10,300,000 00	176 72	3,770,535 42	64 69
1826	58,903	15	11,050,000 00	187 59	3,942,650 54	66 93
1827	59,525	15	11,500,000 00	194 03	3,681,664 71	61 85
1828	60,147	16	12,343,050 00	205 21	4,445,599 56	73 91
1829	60,769	17	12,900,000 00	212 27	2,077,691 00	34 19
1830	61,392	17	12,350,000 00	201 16	2,171,417 00	35 36
1831	64,834	20	13,600,000 00	209 76	3,464,275 00	53 43
1832	68,276	22	15,150,000 00	221 89	3,050,129 00	44 81
1833	71,718	25	16,401,250 00	223 69	2,823,617 00	39 37
1834	75,160	26	17,150,000 00	228 16	2,934,451 00	39 04
1835	78,603	28	18,150,000 00	230 90	3,396,584 00	43 21
1836	79,464	33	20,118,850 00	253 18	4,260,948 00	53 62
1837	80,325	34	21,350,000 00	265 79	4,386,414 00	54 60
1838	81,183	28	18,450,000 00	227 25	3,388,658 00	41 73
1839	82,047	27	18,435,600 63	224 69	2,502,845 00	30 50
Average	1,874,273	201	360,519,300 63	192 55	72,476,462 75	38 66

## SUMMARY.

	Average Population.	Average No. of Banks.	Average Capital.	Aver. ratio of Population to Capital.	Average Circulation.	Aver. ratio of Population to Circulation.
10 yrs. from 1803 to 1812.	31,223 <sub>2</sub>	3	3,780,000 00	1 to 121 06	598,330 10	1 to 19 16
10 yrs. from 1813 to 1822.	41,383 <sub>5</sub>	6 <sub>5</sub>	7,644,555 00	184 72	1,303,518 90	31 49
10 yrs. from 1823 to 1832.	59,969 <sub>10</sub>	15 <sub>5</sub>	11,621,805 00	193 79	2,976,445 57 <sub>2</sub>	49 63
7 yrs. from 1833 to 1839.	78,357 <sub>7</sub>	28 <sub>7</sub>	18,579,335 80 <sub>7</sub>	237 11	3,384,788 14 <sub>7</sub>	43 19
37 yrs. from 1803 to 1839.	50,656 <sub>37</sub>	11 <sub>37</sub>	9,743,764 68 <sub>37</sub>	192 35	1,958,823 31 <sub>37</sub>	38 66

2. OUT OF BOSTON.

DATES.	Population.	No. of B'ks.	Capital.	Ratio of population to capital.	Circulation.	Ratio of population to circulation.
1803	410,452	5	625,262 00	1 to 1 52	850,349 00	1 to 2 07
1804	414,499	10	1,612,887 00	3 89	1,177,006 00	2 83
1805	418,547	13	2,060,000 00	3 91	1,303,430 00	3 11
1806	422,596	12	2,085,000 00	4 93	1,309,168 00	3 09
1807	423,644	13	2,160,000 00	5 06	1,238,259 00	2 90
1808	430,693	13	2,160,000 00	5 01	778,164 00	1 80
1809	434,742	13	2,160,000 00	4 96	688,727 00	1 58
1810	438,790	12	2,085,000 00	4 75	1,191,913 00	2 71
1811	442,909	12	2,085,000 00	4 73	1,296,258 00	2 92
1812	447,023	12	2,160,000 00	4 83	1,082,610 00	2 42
1813	451,147	12	1,895,000 00	4 20	811,457 00	1 79
1814	455,268	15	2,325,000 00	5 10	1,176,859 00	2 58
1815	459,388	19	2,362,000 00	5 14	1,192,318 00	2 59
1816	463,508	19	2,375,000 00	5 12	992,383 00	2 14
1817	467,628	20	2,498,050 00	5 34	1,275,109 00	2 72
1818	471,749	20	2,699,850 00	5 72	1,538,361 00	3 26
1819	475,869	21	3,024,750 00	6 35	1,396,375 00	2 93
1820	479,989	21	3,250,000 00	6 77	1,342,508 00	2 79
1821	485,704	21	3,250,000 00	6 69	1,681,351 00	3 46
1822	491,420	23	3,400,000 00	6 91	1,940,581 00	3 94
1823	497,135	24	3,600,000 00	7 24	1,775,094 00	3 57
1824	502,851	25	3,932,350 00	7 82	2,046,041 00	4 06
1825	508,566	27	4,235,000 00	8 32	2,223,728 31	4 37
1826	516,656	40	5,599,996 55	10 83	2,462,228 63	4 76
1827	524,746	45	6,719,750 00	12 80	2,983,658 98	5 68
1828	532,836	45	6,994,750 00	13 12	3,038,265 78	5 70
1829	540,926	49	7,520,000 00	13 90	2,670,093 50	4 93
1830	549,016	46	6,945,000 00	12 64	2,952,673 00	5 37
1831	558,563	50	7,839,800 00	14 03	4,275,042 00	7 65
1832	568,110	61	9,370,200 00	16 49	4,062,727 00	7 15
1833	577,657	77	11,835,000 00	20 49	5,065,493 67	8 76
1834	587,204	77	12,259,450 00	20 87	4,715,695 75	8 03
1835	596,750	77	12,260,000 00	20 54	6,033,773 72	10 11
1836	608,878	84	14,359,260 00	23 58	6,631,301 50	10 89
1837	621,005	95	16,930,000 00	27 26	5,886,704 71	9 47
1838	633,134	92	16,180,000 00	25 55	6,011,854 75	9 49
1839	645,262	91	16,050,000 00	24 87	5,372,477 50	8 32
Ag'gate	18,557,866	1311	207,763,355 55	11 19	92,470,039 80	4 98

SUMMARY.

	Average Population.	Average No. of Banks.	Average Capital.	Aver. ratio of Population to Capital.	Average Circulation.	Aver. ratio of Population to Circulation.
10 yrs. from 1803 to 1812.	428,690	11 $\frac{1}{2}$	1,919,314 90	1 to 4 47	1,061,588 40	1 to 2 54
10 yrs. from 1813 to 1822.	470,167	19 $\frac{1}{10}$	2,606,965 00	5 54	1,334,730 20	2 83
10 yrs. from 1823 to 1832.	529,540 $\frac{1}{3}$	41 $\frac{1}{5}$	6,265,684 65 $\frac{1}{2}$	11 82	2,848,955 22	5 37
7 yrs. from 1833 to 1839.	609,984 $\frac{3}{7}$	84 $\frac{5}{7}$	14,267,672 85 $\frac{5}{7}$	23 39	5,673,900 27 $\frac{6}{7}$	9 30
37 yrs. from 1803 to 1839.	501,564 $\frac{37}{37}$	35 $\frac{16}{37}$	5,615,225 82 $\frac{21}{37}$	11 19	2,499,190 26 $\frac{18}{37}$	4 98

## 3. IN THE STATE.

DATES.	Population.	No. of B'ks.	Capital.	Ratio of population to capital.	Circulation.	Ratio of population to circulation.
1803	437,882	7	2,225,262 00	1 to 5 08	1,565,189 00	1 to 3 57
1804	442,761	13	5,012,887 00	11 32	1,695,301 00	3 82
1805	447,640	16	5,460,000 00	11 97	1,553,824 00	3 47
1806	452,520	15	5,485,000 00	12 12	1,613,684 00	3 56
1807	457,400	16	5,560,000 00	12 15	1,481,777 00	3 23
1808	462,280	16	5,960,000 00	12 89	1,038,042 00	2 24
1809	467,160	16	5,960,000 00	12 75	1,334,948 00	2 85
1810	472,040	15	5,685,000 00	12 04	2,098,491 00	4 44
1811	477,164	15	6,685,000 00	14 00	2,355,571 00	4 93
1812	482,288	16	7,960,000 00	16 50	2,162,358 00	4 48
1813	487,412	16	8,895,000 00	18 24	2,168,837 00	4 44
1814	492,537	21	11,050,000 00	22 43	2,922,611 00	5 93
1815	497,662	25	11,462,000 00	23 03	2,740,511 00	5 50
1816	502,787	25	11,475,000 00	22 82	2,134,690 00	4 24
1817	507,912	26	9,298,050 00	18 30	2,495,260 00	4 91
1818	513,037	27	9,749,275 00	19 00	2,680,477 00	5 22
1819	518,162	28	10,374,750 00	20 02	2,464,057 00	4 75
1820	523,287	28	10,600,000 00	20 25	2,614,734 00	4 99
1821	531,999	28	9,800,000 00	18 42	3,010,762 00	5 65
1822	540,711	33	10,821,125 00	20 01	3,132,552 00	5 79
1823	549,423	34	11,650,000 00	21 20	3,128,986 00	5 69
1824	558,135	37	12,857,350 00	23 03	3,842,641 52	6 88
1825	566,847	41	14,535,000 00	25 64	5,994,264 73	10 57
1826	575,559	55	16,649,996 55	28 92	6,404,879 17	11 12
1827	584,271	60	18,269,750 00	31 26	6,665,323 69	11 40
1828	592,983	61	19,337,800 00	32 61	7,483,865 34	12 62
1829	601,695	66	20,420,000 00	33 93	4,747,784 50	7 88
1830	610,408	63	19,295,000 00	31 61	5,124,090 00	8 39
1831	623,397	70	21,439,800 00	34 39	7,739,317 00	12 41
1832	636,386	83	24,520,200 00	38 53	7,122,856 00	11 19
1833	649,375	102	28,236,250 00	43 48	7,889,110 67	12 14
1834	662,364	103	24,409,450 00	44 40	7,650,146 75	11 54
1835	675,353	105	30,410,000 00	45 02	9,430,357 72	13 96
1836	688,342	117	34,478,110 00	50 08	10,892,249 50	15 82
1837	701,331	129	38,280,000 00	54 58	10,273,118 71	14 64
1838	714,320	120	34,630,000 00	48 47	9,400,512 75	13 16
1839	727,309	118	34,485,600 63	47 41	7,875,322 50	10 82
Ag'gate	20,432,139	1766	569,422,656 18	27 86	164,946,502 55	81 07

## SUMMARY.

	Average Population.	Average No. of Banks.	Average Capital.	Aver. ratio of Population to Capital.	Average Circulation.	Aver. ratio of Population to Circulation.
10 yrs. from 1803 to 1812.	459,913	<sup>1</sup> 142	5,699,314 90	1 to 12 39	1,689,918 50	1 to 3 67
10 yrs. from 1813 to 1822.	<sup>3</sup> 511,5505	<sup>7</sup> 2510	10,352,520 00	20 23	2,638,249 10	5 15
10 yrs. from 1823 to 1832.	<sup>2</sup> 589,9103	57	17,897,489 652 <sup>1</sup>	30 53	5,825,400 792 <sup>1</sup>	9 87
7 yrs. from 1833 to 1839.	688,342	<sup>3</sup> 1137	32,847,058 667 <sup>1</sup>	47 71	9,058,688 377 <sup>1</sup>	13 10
37 yrs. from 1803 to 1839.	<sup>35</sup> 552,21937	<sup>27</sup> 4737	15,389,801 5137 <sup>31</sup>	27 86	4,485,040 6037 <sup>35</sup>	8 07

In estimating the population of Massachusetts for each successive year, in the foregoing tables, the United States census for 1800, 1810, 1820, and 1830, and the state census for 1837, have been used, and a mean between the numbers in those years has been taken, for each of the intervening years, and for 1838, 12,989, the average annual increase during the seven previous years, have been added to the population of 1837. To the population of 1838, thus formed, 12,989 are added for that of 1839.

In estimating the population of Boston, the United States census for 1800, 1810, 1820, and 1830, the city census for 1825 and 1835, and the state census for 1837, have been used, and the population for the intervening years has been assumed to be the mean between those successive dates; and for 1838, 861, the average annual increase during the two preceding years are added to the last census, and for 1839, 861 have been added to the population of 1838. The population out of Boston, is obtained by deducting that of Boston from that of the whole state for each year. These results are to be considered only an approximation; but still, they are, doubtless, so near the truth, that the ratios probably do not vary more than one or two cents from exactness.

The number, capital, and circulation of the banks, are derived from the annual returns as published by the secretary of state.

The ratios of the population to the capital and to the circulation, are obtained by dividing the capital and the circulation successively, by the population for each year.

These tables exhibit some important results relating to the amount of the bank capital, and bank issues, compared with the population of Massachusetts, for the last thirty-seven years. These results suggest interesting reflections concerning the habits and condition of the people, as indicated by, and we may add, as modified by the banking institutions of the state, during this period. During these thirty-seven years, the bank capital per head, has increased nearly four fold in Boston, over sixteen fold out of Boston, and over nine fold in the whole state; its greatest increase was four and a half fold in Boston, nearly eighteen fold out of Boston, and nearly ten fold in the state, in 1837; its average above what it was in 1803, has been over three fold in Boston, over seven fold out of Boston, and over five fold in the state.

The circulation per head, in Boston, in 1839, was fourteen and a half per cent. larger than in 1803, and twenty-six and three fourths per cent. smaller than the average for the whole time; its greatest expansion in 1828, being nearly two and a half times that in 1839. In the country, it had increased four fold in 1839, and was then nearly double the average for thirty-seven years; its greatest expansion in 1836, being five times that of 1803. In all the banks, it had increased three fold in 1839, and was then one and one third times the average for thirty-seven years, its greatest expansion in 1836, being about four and a half times that of 1803.

In other words, the bank capital and the circulation of bank paper have increased in the above proportions faster than the population.

In this connexion, it may be mentioned, that, according to the United States census, the population of Boston, as compared with that of Massachusetts, has, in forty years, from 1790 to 1830, increased from 4.762

to 10.057 per cent. of that of the state, which is more than twelve times greater than the increase of New York city, as compared with that of the state of New York, and more than four times that of Philadelphia, as compared with that of Pennsylvania; in other words, in these forty years, Boston has increased, in respect to Massachusetts, 111.1927 per cent., New York city, in respect to the state of New York, only 8.9129 per cent., and Philadelphia, in respect to Pennsylvania, 27.2170 per cent.

In thirty-seven years, from 1803 to 1839, the population of Boston has increased nearly three fold, (2.99,) while its bank capital has increased over eleven fold, (11.52); the population of the country has increased one and a half fold, (1.57,) while its bank capital has twenty-five and a half fold, (25.50); and the population of the state has increased one and a half times, (1.66,) while its bank capital has nearly fifteen and a half times, (15.49.)

But it is the *circulation* in its relation to the habits and condition of the people, to which we would particularly direct the attention. This has risen, during the period in question, from \$1,565,189, 1803, to \$10,892,249 50, or been increased seven fold, and per head five fold, in 1836. Its average per head for the thirty-seven years has been \$8 07, or more than double what it was in 1803. What does this increase of paper currency indicate and imply? It implies a change in the habits and condition of the people. It implies that the greater amount of a paper currency (for we may suppose that the proportion of specie among the people has been during the whole period, and is now, as great as it was in 1803) has been *used* in the way of trade—of buying and selling; that the people have come into the habit of buying more than they used to; that they have come into the habit of living less within themselves; and that they have become more dependant upon others than they formerly were.

It is well known that the habits of the mass of the people have greatly changed during this period, as is indicated by the currency alone. The value of the products of certain branches of industry in Massachusetts, for the year ending April 1, 1837, was estimated at \$86,282,616, and the hands employed at 117,352, over a seventh part of the population. A large portion of this business has been created in the last thirty-seven years; in other words, a larger proportion of individuals was then employed, and a larger proportion of manufactured articles produced, than in 1803; and we presume that it is not materially different now from what it was three years ago. Thus the attention and labor of many have been diverted from other pursuits, especially agricultural, to various manufacturing pursuits, which have rendered them more dependant for the necessaries of life upon others, and also others more dependant upon them for manufactured articles, which at length have become necessaries to all. The people formerly wore homespun, now they wear factory and imported cloths and silks; formerly they subsisted chiefly upon provisions of their own raising, now they rely much more upon foreign produce. In fact, if we survey the houses, the furniture, the luxuries, in fine, the whole apparatus of living, we shall find that, in the last thirty-seven years, the habits of the people of Massachusetts, their labors and occupations, have rendered them more dependant upon



others, and upon foreign countries. Should this circulation be greatly and suddenly diminished, or wholly withdrawn, without a substitute, it would be attended with great distress among thousands and tens of thousands. It would take a long time, if it were possible, for them to return to their former habits and condition.

## ART. VII.—SUGGESTIONS ON THE LAW OF AUCTIONS.

## No. II.

## CONDITIONS OF SALE, AND PUFFING.

It is expedient that the conditions of sales be reduced to writing, printed, and publicly announced, prior to the commencement of the sale. They may be read, or put up in some conspicuous place in the auction room. They should be drawn up carefully and with precision, so as to express the intentions of the party, and contain all the terms of the contract; for they are binding on the vendor and purchaser, and neither can travel out of them, and give evidence of what was said by the auctioneer at the time of the sale, in any respect varying the written or printed conditions; for it would open a door to fraud and inconvenience, if an auctioneer were permitted to make verbal declarations in the auction room contrary to the printed conditions of sale; or, in the words of Lord Ellenborough, men cannot tell what contracts they enter into, if the written conditions of sale are to be controlled by the babble of the auction room.

In the sale of real property at auction, care should be taken that the description be accurate, or the purchaser will not be holden. But if the description be substantially true, and be defective or inaccurate in a slight degree only, the purchaser will be required to perform the contract, if the sale be fair, and the title good. If every nice and critical objection be admissible, and sufficient to defeat the sale, it would greatly impair the efficacy and value of public judicial sales; and therefore if the purchaser gets substantially the thing for which he bargained, he may generally be held to abide by the purchase, with the allowance of some deduction from the price by way of compensation for any small deficiency in the value by reason of the variation.

The verbal declarations of an auctioneer, at the time of sale, are not admitted in evidence to explain ambiguities in the printed conditions. Nor will parol evidence be permitted to introduce a new term into the written agreement. The conditions of sale will be construed in accordance with the apparent intention of the parties, without reference to the technical expressions introduced into the agreement; thus, the term that the purchaser should make *satisfaction* to the vendor for not completing the sale, was holden to mean pecuniary satisfaction.

If the conditions provide that any mistake in the particulars shall not vitiate the contract, such stipulation does not extend to a wilful misdescription; so, when it is stipulated that the commodity shall be taken with all faults, such a proviso does not preclude the purchaser from

availing himself of defects wilfully concealed by the vendor. On this branch of the subject, it will be sufficient to add, as a well settled principle, that the verbal declarations of an auctioneer, at the time of sale, are not admissible in evidence, for the purpose of varying, adding to, or explaining the printed conditions. But parol evidence may be introduced to prove *fraud*. If a material false description of goods be given in the particulars, the sale will be void; a trifling variation will not affect the validity of the contract.

A bidding at an auction may, unless the conditions of the sale express to the contrary, be retracted before the hammer is down. Every bidding is an offer on one side, which is not binding on either, until it is assented to, and that assent signified on the part of the seller by knocking down the hammer.

By the civil law, a private bidding by or on behalf of the vendor, is treated as a fraud; this was the doctrine of Lord Mansfield, and is an evidence of his lofty conception of right and morals; it certainly commends itself as a just rule: if the owner wishes to bid, he ought to reserve that right in the conditions of sale. The authorities are not uniform upon the subject; it may, however, be considered as settled, that the employment of a bidder by the owner will be fraud or otherwise, according to the circumstances tending to show innocent intentions or fraudulent design. Thus, if a bidder be appointed by the owner to prevent the estate from being sold at an undervalue, the transaction is valid. But if the person employed, was appointed not with a view to prevent a sale at an undervalue, but to take advantage of the eagerness of bidders, and thus enhance the price, it is fraudulent. So, if a number of bidders are employed, to increase the price by a pretended competition, and the bidding was not sincere, but a mere artifice, in combination with the owner, to mislead the judgment and inflame the zeal of others, it is a fraudulent and void sale. It will be a void sale if the purchaser prevails on the persons present to desist from bidding, by reason of suggestions by way of appeal to the sympathies of the company. A bidder who procures goods to be struck off to him, by false representations made by him at the time of the sale to those assembled to bid, cannot insist upon the transaction as a sale.

If two persons, being desirous of purchasing certain articles advertised for sale at auction, agree not to bid against each other, but that one of them shall bid in the property, and then divide it between them, such an agreement is without consideration and void, and against public policy. In short, it seems generally understood, that some person will bid on the part of the owner, and it is deemed lawful for the owner to employ a bidder for the purpose of preventing a sacrifice of his property; for by so doing, the seller is enabled to protect himself against the tricks which otherwise might be practised upon him by bidders.

It is lawful to place goods in the hands of an auctioneer for sale, with directions that he shall not part with or dispose of the same, unless they produce a particular sum; the restriction not being considered as an unlawful means of enhancing the price of the goods, or as an imposition upon fair purchasers.

#### STATUTE OF FRAUDS.

This celebrated statute of 29 Charles II., was enacted with a view to

prevent contracts concerning real estate from being enforced, or damages recovered for the breach of such contracts, unless proved by written evidence; it being found inconvenient to depend upon the memory or the integrity of witnesses, in disputes relating to real estate. Some of its provisions relate to the validity of contracts concerning personal property; the leading idea of the statute being, that certain kinds of contracts should be in writing. This statute, or a part of it, has been adopted in most, if not all, of the United States. It has been made a question, both in England and in this country, how far auction sales were within the provisions of the statute of frauds. The provision of the statute of this State, as to goods, chattels, or things in action, is, that every contract for the sale of them, for the price of fifty dollars or more, shall be void, unless,

1st. A note or memorandum of such contract be made in writing, and be subscribed by the parties to be charged thereby; or,

2nd. Unless the buyer shall accept and receive part of such goods, or the evidences, or some of them, of such things in action; or,

3rd. Unless the buyer shall, at the time, pay some part of the purchase money.

The question that arose in sales at auction was, whether the auctioneer had authority to sign a memorandum, so as to bind the purchaser? The statute of this State provides, that whenever goods shall be sold at public auction, and the auctioneer shall, at the time of the sale, enter in a sale-book a memorandum specifying the nature and price of the property sold, the terms of the sale, the name of the purchaser, and the name of the person on whose account the sale is made, such memorandum shall be deemed a note of the contract of sale within the statute of frauds. It is now generally understood in England and in the United States, that an auctioneer is the agent of both parties, and authorized by the purchaser, either of lands or goods, to sign the contract of sale for him as the highest bidder. The writing his name as the highest bidder in the *memorandum* of the sale by the auctioneer, immediately on receiving his bid, and knocking down the hammer, is a sufficient signing of the contract within the statute of frauds, so as to bind the purchaser. Entering the name of the buyer by the auctioneer, in his book, is the same thing as if the buyer had written his own name. The purchaser who bids and announces his bid to the auctioneer, gives the auctioneer authority to write down his name.

AUCTIONEER'S DUTY IN TAKING CARE OF PROPERTY, AND THE MODE OF SELLING.

The responsibility of an auctioneer as to the safe keeping of property entrusted to him for sale, is the same as that of a factor. He is required to keep it with the same care as a prudent man would his own. He is not liable in cases of robbery, fire, or any other accidental damage which may happen without his default. It is generally true, that the trust reposed in an agent cannot be transferred; yet reasonable convenience, and attention to the benefit of his employer, will often justify him in delegating the custody of goods to another, provided due care is taken to select a proper depository.

An auctioneer is bound to possess such a degree of skill as is ordinarily possessed by men of that profession, and he is bound to use great

care and diligence in the execution of his trust. If he be not furnished with instructions, he must pursue the accustomed course of the business in which he is employed, and is responsible for damage arising from incompetence, negligence, or breach of orders. What the usages of each trade are, is the subject of proof as the occasion arises; unless they are such, as by repeated proof have become to be recognised in the law. If he depart from his instructions, he is liable to his employer for all the damages sustained thereby. Thus, where an auctioneer sold a house for a sum less than the price limited by his instructions, and credited the vendor the full price, he was held bound, though the price was the full value of the property sold. And where a factor had been instructed to sell for cash, and he permitted the purchaser to take the goods away without payment at the time of sale, he was held liable, though a usage among factors was proved of allowing to purchasers a week or fortnight to make payment, where the sales were for cash.

An auctioneer would not be charged with breach of instructions, if compliance with them would have been a fraud upon others. If he disobey by mistaking his instructions, he is responsible. If he has notice that the property he is about to sell is not the property of his principal, but notwithstanding such notice, he sells the same, he is personally liable to the true owner for the produce of the sale.

An auctioneer has not only possession of the goods which he is employed to sell, but he has an interest coupled with that possession. He has a special property in them, and a lien upon them for the charges of the sale—his commission and the auction duty. He may sue the buyer for the purchase money; and if he gives credit to the vendee, and makes delivery without payment, it is at his own risk. He has such a special property in goods sold by him, as will enable him to maintain an action for the price of the goods against the vendee, even though the goods were sold at the house of his employer, and were known to be his property. He is, in some sense, not only an agent, but a contracting party, and may sue the purchaser in his own name. It is his duty to receive payment for goods sold by him; and if, instead of doing so, he rescinds a contract, and receives the goods back after sale, he will be liable to an action at the suit of his employer. If he sell goods and deliver them without any notice of any lien or claim which he has on the owner, and the buyer, without such notice, settle for the goods with the owner, the auctioneer cannot sue the buyer for the price of the goods. If he sell the goods of B as the goods of A, and the buyer pay the price to A, the auctioneer cannot recover the price from the buyer. If no payment be made by the buyer in such case, and the auctioneer bring an action against him for the price of the goods, the buyer may set off a debt due from A to him.

If an auctioneer sell an estate without a sufficient authority, so that the purchaser cannot obtain the benefit of his bargain, the auctioneer will be compelled to pay all the costs which the purchaser may have been put to, and the interest of the purchase money, if it has been unproductive.

As the right of property remains in the principal, notwithstanding the possession of the auctioneer, the principal may maintain an action of trover against the auctioneer for goods wrongfully disposed of by him. A disposal contrary to express directions is such a conversion as will

sustain the action; but it has been held, that where goods were deposited with a person to be sold at not less than a certain price, and the depository sold them at a less price, the owner could not maintain trover against him, but must resort to a special action on the case.

An action may be supported against an auctioneer, if he rescinds a contract made with a purchaser, without his employer's consent.

If the auctioneer does not disclose the name of his principal at the time of his sale, the purchaser is entitled to look to him personally for the completion of the contract, and for the damages for its non-performance. He cannot sell by private contract, when property has been entrusted to him for sale by auction. If he exceed his authority, and any loss ensue from it, he must bear it, unless his principal recognise his doings; and if any gain result, he must account for it to his employer. If he be ordered to sell goods at a particular price, and they are of a perishable nature, and not in a condition to be kept, and the auctioneer has no time nor opportunity for consulting with his employer, in such case, he would probably be justified for selling under the price limited, to prevent a total loss. He is deemed an agent of the seller at the sale only, and therefore, after the sale is made, he has no incidental authority to deal with the purchaser, as to the terms upon which a title is to be made, without some special authority for that purpose. Before knocking down the goods, he is the agent of the seller only; after knocking them down, he becomes agent of both parties; that is, of the vendor and purchaser.

If the sale of an estate by auction become nugatory by the negligence of the auctioneer, he will not be entitled to any recompense for his services from the vendor.

It does not appear clear upon the authorities, whether an auctioneer has, by virtue of his office, a right to warrant the goods sold by him. In case of judicial sales by marshals and other public officers, they have no authority to warrant. If he be employed to sell, with express orders not to warrant, or without sufficient authority to that effect, nevertheless does warrant, he is responsible to the purchaser. But if he make a warranty on a sale at auction, after he has disclosed the name of his principal, pursuant to his authority, he will not be personally liable to the purchaser for any breach of the contract, unless it should appear by the terms of the warranty, that he has individually bound himself.

If after the purchase money has been paid, and the sale completed, it appears that there was any defect in the article sold, of which the seller was aware, but fraudulently concealed, and which the buyer had not the means of discovering by the exercise of ordinary diligence, the purchaser may maintain an action upon the case for a deceit in the sale.

A party defrauded is not obliged to consider the contract void, but may, at his option, maintain an action of deceit, or a special assumpsit, and recover damages for the fraud. But if he commence an action of deceit, it will be a waiver of his right to consider the contract as void, he having thereby made his election to consider it as subsisting.

Where the goods are not delivered at all, and the purchase money has been paid, the purchaser may either declare specially on the contract, and obtain damages for the non-delivery, or he may recover the money which he has paid in an action for money had and received. If goods be sold of a certain value, and if they prove to be of a different



kind and of little value, after returning the goods, the consideration paid may be recovered by the vendee, although there be no express warranty or fraud in the sale. If the goods be of any, though but of small value, the vendee cannot rescind the contract, so as to entitle himself to recover back the money paid, without first returning the goods. Affixing the name of an old master against a picture in a catalogue, is merely a representation of the auctioneer's opinion, and not such a warranty as will subject the seller to an action, if it turns out that it was not the work of the artist to whom it was attributed.

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#### ART. VIII.—MERCANTILE LAW CASES.

SPECIAL AND GENERAL PARTNERS.—NOVEL INSURANCE CASE.—MERCHANTS' CLERKS—CONTRACT.—SALVAGE CASE.

##### SPECIAL AND GENERAL PARTNERS.

An action was recently brought in the United States Circuit Court, Judge Betts presiding, by the President, Directors, and Co. of the Hampden Bank, *vs.* Edward M. Morgan, Henry F. Morgan, Knowles Taylor, and William H. Jessup, to recover about \$14,000, being the balance of an account. The action, though nominally against all the defendants, was virtually against Knowles Taylor, the other parties making no defence. On the part of Taylor the defence set up was, that he had been only the special, and not general partner of the other defendants, and as such, was not liable in the present action.

It appeared that in the latter part of December, 1836, Taylor and the other defendants formed a partnership, in which it was agreed that Taylor should put in \$75,000, and be only a special partner. This partnership was advertised in the usual way, and the other requisitions of the law complied with, as the defendant alleged.

The advertisement announced the formation of the partnership under the different names which composed the firm, and also contained the word company, and it is now contended that the use of the word company was contrary to the express provisions of the statute relative to special partnerships, and rendered all the members of the firm general partners. It was also alleged, that there was not sufficient proof of Taylor's having put in a cash capital of \$75,000, and that if he had done so, he afterwards withdrew it. In proof of the latter allegation, it was shown, that during the existence of the firm, which failed in about three months after its commencement, Taylor had obtained small sums at various times from the firm. But in relation to his having paid into the firm the cash capital of \$75,000, it was so fully proved as to admit no doubt of it. It was also contended, on the part of the plaintiff, that the certificate of the partnership had not been sworn before the proper officer, as it was sworn before the Recorder, who is not a judge of the county court within the meaning of the law.

The court charged the jury, that it was conceded that a cash capital

must be paid bona fide by the special partner, and if he fails to do so he is to be considered a general partner. But the court held, that the certificate and affidavit was prima facie evidence that the money had been paid, and required no further evidence until this proof was impeached by the other party, and evidence adduced on their part to show that the money never had been paid. But in the present case, besides the certificate and affidavit, the defendant had also produced other proof that he paid the money. But if the jury found the fact that the defendant had not paid in the capital, they should on that ground find a verdict for the plaintiff.

The court also ruled, that the word "Company," in the title of the firm, rendered the defendant and all the other members general partners.

The court considered that the withdrawal of part of his capital only rendered the defendant responsible to pay it back, but in order to raise the point of law, it was necessary to ascertain the fact, and the jury were to say whether he had withdrawn any part of his capital.

The jury would therefore find two facts, whether the defendant had paid in the capital, and whether he had withdrawn any part of it. And then on the other questions of the law involved in the case, the jury would, under the direction of the court, find a verdict for the plaintiff.

The jury find that the sum of \$75,000 was paid into the concern of E. M. Morgan & Co. by the defendant, Knowles Taylor. They find also that no part of said money has been withdrawn by the said defendant.

And under the charge of the court, they find a general verdict for plaintiff, in the sum of \$14,116 29.

#### NOVEL INSURANCE CASE.

The Quebec Gazette publishes a long report of an insurance case, an abstract of which may be of some interest to the readers of the Merchants' Magazine. It is the case of Robert Gillespie and others against J. B. Forsyth and others, and was this: The schooner Industry, having, besides the master and a supercargo, a crew of ten men, including the mate, sailed from Quebec in June, 1837, with a cargo, for Montego Bay. On the vessel's arrival there, the supercargo discharged the master, and previous to her sailing on her return voyage to Quebec, appointed the mate (Dixon) master. To supply the place of Dixon, one of the seamen was appointed mate, as fully competent to discharge all the duties of that office, depending on seamanship, although he could not write, and was not what is called a navigator. Before the appointment, however, Captain Dixon and the supercargo endeavored to find a person of higher qualifications, but without success. The vessel, on her return home, was lost in the Gulf of Florida, during a violent storm, but not from any want of skill or knowledge on the part of the master, or from any fault or insufficiency of the mate.

The vessel was insured at the Canada Marine Insurance office, on her return cargo, for £2000, after the change of masters; and the name of Dixon, the new master, was mentioned as such, in the policy. Payment of the insurance was resisted on the ground that the vessel was *unseaworthy* at the time of her sailing from Montego Bay, she not having on board a mate of *competent qualifications*, nor any person on board capable

of taking charge of her in case of disqualifying accident to the master. The case, by mutual consent, was referred to Chancellor Kent, of New York, and Sir J. Campbell, the Queen's attorney general. The opinion of Chancellor Kent covers the whole ground of the principles of insurance in the premises. That of the Attorney General is brief. The decision was, that the mate *was* competent to all the duties pertaining to that office, and that the supercargo had a right, as the representative of the owners of the vessel, to change the master, and that the question should go to the Jury as one of fact rather than law. The verdict of the Jury was in favor of the plaintiffs—£2000, with interest from the service of the process.

## MERCHANTS' CLERKS—CONTRACT.

An action for damages for a breach of contract was recently brought in the Marine Court, New York, before Judge Schieffelin. The plaintiff, Daniel B. Taylor, was a salesman, and the defendant, Dominick R. Smith, a dry goods dealer in Chatham-street.

The contract, dated September 7th, 1839, was to the effect that the plaintiff was to serve as salesman for the defendant for three months, with a proviso that if, at the end of that time, he was found competent to perform the duty of salesman, and that the business of the defendant grew no worse than at the beginning of the time, then the plaintiff should continue for six months, at a salary of six hundred dollars per annum. At the end of the first three months, (or a date sworn to by some witnesses as December 7th, and by others as December 11th,) the defendant told the plaintiff that he "didn't require his services any longer." The plaintiff, however, remained until the 18th of December, when he was discharged.

It was therefore to recover for an alleged breach of the contract, in the discharge of the plaintiff before the expiration of the specified time, that the action was brought.

It was proved, also, on the part of the plaintiff, that at this season of the year, it was difficult for a clerk or salesman to procure employment.

The defence was, that the plaintiff was not sober or attentive to business while in the defendant's service; and that at the time of his discharge the business had greatly fallen off, and was not likely soon to improve. It was proved by one witness, that during the three months, the plaintiff was on several occasions considerably *fuddled*, and another witness swore that he was occasionally inebriated.

To rebut this testimony, the plaintiff called several witnesses, who stated that if the plaintiff had occasionally been *fuddled* during the specified time, he was not an habitual inebriate. The same witnesses also testified to the fact of its being difficult at this season of the year for a clerk to procure employment.

The Court charged, that the jury should give to the contract a reasonable construction, according to the general usage prevailing in a commercial community; and in arriving at a conclusion, it would be necessary for them to consider—1st. Whether the plaintiff was competent as a salesman? 2d. Had he done any act which would justify his discharge? 3d. Had it appeared that the business of the defendant had

fallen off at the expiration of the first three months? and, 4th. If the terms of the contract had been in other respects complied with, did it appear that the plaintiff was discharged at a proper and legal time, inasmuch as the first three months expired on the evening of the sixth of December?

The jury rendered a verdict for the plaintiff of sixty-five dollars, damages and costs.

## SALVAGE CASE.

In the United States Circuit Court, Judge Thompson presiding, an important decision was made in the case of *E. Hope and others vs. the brig Dido, her tackle and cargo*. The report is compiled from the *Journal of Commerce*. The law decisions of that journal are generally very correct, and can be implicitly relied upon for their fidelity. The main question involved in this case was, whether a vessel which had lost her rudder, but was capable of being steered by her sails, was to be considered wholly unnavigable, and was in such a state that the pilots who brought her into port were entitled to salvage, or to be paid only as pilots.

The *Dido* left Rochelle, in France, for New York, on the fifth of December, and on the second of February she lost her rudder; from which period until the fifth of March she was steered by her sails. On that day she was fallen in with by a pilot boat, which boarded her between Fire Island and the Highlands, and inquired if she wanted a pilot, to which the captain replied in the affirmative. The pilot remarked to the captain that his vessel had lost her rudder, and asked two hundred dollars for bringing her into port. The captain refused to give so much, and the pilot intimated to him that unless he would have the pilot boat to tow in his vessel, he, the pilot, would leave her. The captain consented to this proposal, and the brig was taken in tow by the pilot boat, and her sails were used to steer as before until she came under the Highlands, where she cast anchor. The ensuing morning, the sails of the brig were again set, and the pilot boat continued ahead of her until she came to Fort Diamond. From this place a signal was made for a steamboat, which went down from the city and towed her up. The vessel and cargo were then relinquished by the pilots, and some difficulty having afterwards occurred in relation to the compensation claimed by them, they brought the matter before the Board of Wardens, who adjudged one hundred and sixty-two dollars as compensation for their services. From this decision the pilots appealed to the Recorder, who adjudged them about seven hundred dollars, which the parties concerned refused to pay them. The pilots then libelled the vessel and cargo, and claimed salvage on their value, alleged to be about \$130,000. On this claim for salvage, Judge Betts awarded them between three and four hundred dollars, or about one half the sum which had been awarded them by the Recorder, and discharged the claim on the cargo of the vessel, with costs. From this decision both parties appealed to the United States Circuit Court, and Judge Thompson overruled the decision given by Judge Betts, and decided that this was not a case of salvage, and was only a case in which the pilots were entitled to extra compensation for pilot duty. He therefore awarded the pilots only one hundred and sixty-two dollars, which had been adjudged them by the Port Wardens, and

without costs, as the parties interested in the vessel had offered to pay that amount, and the pilots refused it. The court also ordered, that the claimants for the cargo should recover their costs.

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ART. IX.—ANNUAL REPORT OF THE MERCANTILE  
LIBRARY ASSOCIATION.

[WE have concluded to enlarge the present number of our magazine, for the purpose of laying before our readers, entire, the nineteenth annual report of the Mercantile Library Association of New York. It will, we think, be read with interest by all who have at heart the welfare of an institution that promises so much for the moral and intellectual improvement of the mercantile character of the great commercial emporium of our country.

It is matter of regret that the spirit and zeal manifested in the establishment of institutions of this class, often flags when their novelty ceases ; but those who will take the trouble to trace the rise and progress of this association, will find that its advance has been steadily and rapidly, onward. Indeed, its volumes, members, and resources, have been daily augmenting, and, notwithstanding a season of unusual commercial embarrassment, the report exhibits a greater degree of prosperity during the past than in any preceding year.

The character of the president and directors of the new board, for energy, efficiency, and intelligence, gives assurance, that nothing will be wanting on their part to carry out the views of their predecessors, and advance, with the same laudable spirit, the best interests of the association. The report of Mr. Ward, which follows, is an able and business-like document, alike creditable to the author and the association.]

REPORT.

THE close of another year in the existence of our Institution, brings with it the agreeable duty of giving a report of our doings for that period. But, before entering into detail, we may pause for a moment to congratulate you upon the prosperous condition in which they will show us to be placed. We have not, indeed, reached the highest attainable point of excellence, in the formation of plans for the accomplishment of the great object had in view by the founders of the Institution ; but, in other respects, we have matter rich and abundant for hearty rejoicing. We congratulate you upon the possession of a Library seldom equalled, and rarely surpassed ;—a Reading Room furnished with the periodical literature of nearly all England and America, and with the most ample conveniences for perusing it ;—courses of Lectures of peculiar brilliancy, whether you regard the arrangement and discussion of the subjects, or the elegant style and diction of the distinguished men by whom they are delivered ;—in fine, we congratulate you upon the establishment of Literary and Scientific classes, and whatever other means of improvement have already been adopted. The pleasure of present success is not a little heightened by a comparison with the past. If we revert to the earlier periods of our history, — a short, but eventful space, — we shall find



still higher gratification in contrasting what we *are* with what we *were*. We shall have the joy that accompanies the triumph of wisdom over folly; of perseverance over discouragement; of growth over neglect; of success over opposition. The future, too, presents a prospect of increasing delight. Judging from what we have done, what may we not expect to do? The path to eminent utility and fame lies through a country not difficult to be cleared; but the pioneers must be judicious in the choice, and energetic in the use, of the means selected for the accomplishment of their task. These are the requisitions for prosperity in the important work before us; and in the virtue and intelligence of our members we trust they will ever be found.

From this general view of our condition, which affords so much matter for gratulation, we now proceed to a statement of our proceedings during the past year.

#### LIBRARY.

Soon after entering upon our duties, we directed our attention to an examination of the Library, in order to ascertain in what departments of learning the greatest deficiencies existed. A slight investigation proved sufficient to show, that in works upon the several sciences, general history, and geography, it was, though moderately supplied with the recent popular treatises, still much wanting in those of a more extensive and profound character. Accordingly, measures were taken to procure, as far as our means would admit, the requisite supply, and thus to give greater uniformity and completeness to the several departments. With this view, in the early part of the year, an order, comprising about 450 volumes, chiefly works published during the last few years, was transmitted to Messrs. Smith, Elders, & Co., of London, accompanied with a remittance of £200.

A large number, also, of very valuable works, and well adapted to our library, has been obtained through the instrumentality of Mr. Charles Welford, to whom we take pleasure in acknowledging our obligation. This gentleman, during his stay at London in the early part of the year, made for us a most judicious selection from the stores of literary and scientific productions there only to be met with. For a list of these we may refer generally to our catalogue, which bears ample evidence of his well directed exertions. We may be allowed here to mention a few of the most valuable obtained from this source, viz: The Monthly Review, in 204 volumes; The Eclectic Review, in 66; The Transactions of the Society of Arts, Commerce, and Agriculture, in 47; The Philosophical Magazine, in 88; Journal of the Royal Institution in Cobbett's Parliamentary History of England, in 36; Murray's Family Library, in 64; and Annual Obituary, in 21 volumes. Respecting the character of the works added during the past year, we believe it to be such as will reflect credit upon the institution, and increase its reputation for usefulness. We feel gratified to know that our efforts have been duly appreciated by those who have sought the benefit of a perusal of these volumes; and to find, in the diminished demand for books of a light and trivial kind, what we esteem a very substantial proof, that nothing is wanting to diminish the prevailing taste for superficial reading, but a liberal supply of those works which combine *instruction* with amusement.

To give the members easy access to all the new works added to the library, seemed to require an additional supplementary catalogue, which, by embodying the one prepared last year, would contain all the additions made since the general catalogue was published. The work of arranging it was entrusted to Mr. Thomas Delf, who has accomplished the arduous task in a manner creditable both to himself and to the institution. The board of direction in 1837, had a large edition of the general catalogue printed; 1,000 of which still remained unbound. It was therefore deemed advisable to have those bound up with the supplement now prepared, to facilitate their disposal; and also have a sufficient number bound separately, for those who are in possession of that catalogue. This will afford a ready index to all the books now in our possession.

Various improvements have been made in the library and reading room, from time to time, as the necessity has become apparent, to facilitate the convenience of the members.

At the period of the last annual report the library contained		18,323 vols.
Added during the past year, by purchases,	3,527 vols.	
“ “ “ “ “ “ “ “ donations,	56 “	
Total during that period,		3,583 “
Making the whole number,		21,906 “

now in our possession. Besides the addition of new works, made during the past year, there have been 1814 volumes re-bound, in a neat and durable manner.

While on this subject, we may remark, that the abuse of books has been a cause of much complaint, and, for several years past, been noticed in the reports. We are happy in being able to say that this practice has nearly, if not entirely, ceased. The committee appointed by the board, in conformity with the constitution, to examine the books and property of the association, report, that not a single instance of wilful abuse of its property has come to their knowledge. The eradication of this evil has been ardently desired; and in future, we trust, there will be no cause of complaint on account of the mutilation of our common property, in which we all have an equal interest.

#### READING ROOM.

This department is now well furnished. We have continued to supply it with foreign and domestic periodicals as far as our resources would admit. It now vies with the best in this country. Periodical literature is both of a useful and instructive character. It presents the views of living writers, embracing in its range all the new discoveries in the arts and sciences, besides much miscellaneous matter only to be found in such publications, and combining, as it were, “the very age and body of the time.” The reading room now contains one hundred and fifteen European and American Periodicals. The constant attendance of the members fully attests the popularity of this branch of the institution, and consequently, that the treasures of knowledge it contains are sought after and appreciated.

## MEMBERS.

The number of members added since the last report exceeds that of any preceding year. This constant accession gives additional evidence, that the advantages afforded by the association are duly appreciated, and leads us to indulge the hope, that at no distant period we shall have all who are entitled to admission numbered among us.

The whole number of members, according to the last annual report, on the 1st of January, 1839, was	4,527
Added during the past year,	1,097
Deduct withdrawals for same period,	323
Nett gain,	774

Making the total, on the 1st January, 1840, 5,301

There are of this number 4,901 at \$2 per annum, 124 who pay \$5 annually, and 278 stockholders of Clinton Hall Association. Of those first mentioned, but 3,652 are regular paying members.

It is proper to observe, that of the number required to pay \$2 annually, there are 715 whose accounts are suspended, and, as there is no power vested by the constitution in the board, by which either payment may be enforced or delinquents expelled, in each annual report *must* appear a number of barely nominal accounts, which is yearly increasing, and will probably continue to, unless there is some provision made for the expulsion of members who shall have neglected to pay their dues for the period of one year. This would have a tendency to diminish the number of bad accounts, and obviate the necessity of including them in the reports. The firm foundation upon which the institution now rests, renders any artificial view of its affairs unnecessary. The new constitution about to be presented for your approval, contains, we are happy to say, a salutary clause in reference to this subject.

## TREASURY.

By reference to the Treasurer's Report, hereto annexed, it will be seen, that our financial condition has also been greatly improved. This is gratifying, as it has enabled the directors further to extend the usefulness of the association.

The total amount of receipts for the past year, is \$9,209 01. For a statement of the receipts and disbursements for that period, we refer to that report.

But while we are thus enabled to congratulate you upon our increased resources, it becomes a less pleasing duty to state, that, within the last few years, that individual liberality which contributed so largely, in our early history to the extension of our library by donations, has been constantly diminishing. This is much to be regretted, as, when we reflect, that a single volume presented by each member, (which would scarcely be missed by the donor,) would make a number in the aggregate equal to the purchases of a whole year.

To those who have kindly contributed donations of books, minerals, and autographs, and to the Messrs. Smith, for the donation of a splendid clock, manufactured by them expressly for the association, we offer our sincere acknowledgments. Among the donations of autographs, we take pleasure in calling your attention to the valuable collection presented by

the Hon. Ogden Hoffman, comprising all the names of the members composing the 25th congress.

## LECTURES.

The course of lectures delivered during the close of the year 1838, and the beginning of 1839, was, in a pecuniary point of view, highly successful. The surplus remaining after liquidating all the expenses incurred, was \$1,009 41, which was duly paid over to the present board by the late lecture committee.

This balance was, by a resolution of the last board of direction, handed over to us, to make such disposal of it as we might deem proper; and, as the establishment of a permanent lecture fund had been repeatedly urged by our predecessors, it was, therefore, thought to be advisable to still hold this sum for the purpose of creating such fund. We have, accordingly, by resolution, passed it over to our successors, for that object, should it in their opinion be thought proper. We would recommend, that in future, any surplus accruing from the lectures be added to this fund, if created; and, also, that such other measures be adopted by our successors to increase it as may seem necessary or expedient. The advantage of such a fund is obvious, whether the lectures hereafter become, or not, engrafted among the legitimate objects of the association.

The arrangements made for the delivery of lectures during the present winter, were submitted to you in October last. As the crowded state of our lecture room, heretofore, had been a cause of much complaint, the board endeavored to obviate it, by making arrangements for the delivery of two courses of lectures. This measure, we thought, would not only remove a just cause of complaint, but also permit a larger number to participate in the benefits afforded by this popular branch of instruction.

Another change made, is in the increased number of lectures delivered on each subject. This, we think, commends itself strongly to your favorable consideration. The plan hitherto adopted, of delivering single lectures upon important subjects, is rather a means of amusement than of instruction; while the plan now presented will combine both. To commercial young men, lectures are a desideratum not easily supplied. The mind, engrossed during the day by the cares of business, has not time to enter upon the investigation of any of the numerous subjects connected with the sciences and the arts, in the manner adopted by men of leisure. It is, therefore, important that a commercial institution, like ours, should afford especial encouragement to this department. This being settled, the question arises, should it be the means of amusement or instruction? It is clear that the latter should be the paramount object, though the former will follow, of course, if the choice of lecturers be judicious.

Under this view, the board deviated from the plan hitherto pursued, and made arrangements for two courses on scientific subjects, of ten lectures each, and one on a branch of German literature in six lectures, in addition to the numerous lectures on miscellaneous subjects, interspersed in the courses. Thus far it has been eminently successful, as is sufficiently attested by the numerous and gratified audience that has attended during the course just completed. The second one will com-

mence on the 20th of January next, and from the number of gifted minds engaged to participate in it, and the low price at which members are admitted, we may reasonably anticipate a full attendance, and an additional demonstration, we trust, in favor of the views here expressed.

We would recommend to our successors, if it be not thought advisable to change the whole system according to the suggestions offered in a subsequent part of this report, to pursue, as far as may be expedient, this plan.

#### CLASSES.

This department is in a progressive condition, and continues to receive encouragement. Many have availed themselves of the opportunity thus presented, of acquiring a knowledge of the modern languages, drawing, and elocution. The board, sensible of the importance of classes, have adopted rules for their government, with the view of aiding their prosperity, and promoting a friendly intercourse between the board and the teachers.

There are six classes engaged under Mr. Bekeart, in the study of the French language. The meetings of the two principal classes are held in this building. Those of the remaining four, owing to want of room, at the private residence of the instructor. The whole number at present under the tuition of this gentleman is 123; who have expressed to the board their full confidence in his ability as an instructor.

The class in Spanish, under the supervision of Don Carlos Rabadan, contains 20 students; and the one on Elocution, under Mr. Dwyer, numbers 14. Classes are also formed in Drawing, and Bookkeeping; the former under the charge of Mr. Newbery, and the latter, Mr. Jones. These meet at their apartments. Any member joining either of these classes will receive instruction at a greatly reduced charge. So far as the board has been informed, the instructors in the different branches give entire satisfaction.

It has been a source of much regret, that we have been unable to offer inducements for the formation of classes in Chemistry, and in other branches of study, in addition to those already organized. This is owing to the limited accommodation possessed by the association, having but one apartment that can be appropriated to this object. This disadvantage we must patiently bear with, until additional room can be obtained from Clinton Hall Association. No application has been made to the board of trustees, during the past year, in reference to this subject, as it was well known that existing engagements with others would prevent them from yielding to our wishes. We recommend it to the attention of our successors.

The most amicable relations continue to subsist between Clinton Hall Association and the board of direction; and, from the liberal spirit always manifested by the trustees, we are induced to believe that, upon application, they will, at their earliest convenience, set apart for our use such other apartments as may seem necessary. It will then be in the power of the board to increase the number of classes, so as to afford to young men so disposed, an opportunity for the regular pursuit of many very important branches of study immediately connected with their profession, besides others highly useful in other points of view. Thus will this department of the association be rendered eminently serviceable,



especially to our younger members, many of whom have entered the counting room without the advantage of previous complete or systematic education. The leisure which they enjoy after business hours, will, if thus employed, be in general found sufficient, with the aid of the library to which they have access, to supply entirely, or in a great measure, the deficiencies of early education, before the time comes for them to assume the responsible stations of principals in mercantile houses. Nor would the benefit of these classes, properly formed and conducted, be small even to those who had previously received what is styled a liberal education. To such the study of foreign languages, or some of the higher branches not usually far pursued in literary institutions, might offer inducements to form classes of great advantage to themselves, and great credit to the institution. This whole subject is worthy of most careful consideration.

It may not be improper, while on the subject of classes, and apartments for their accommodation, to allude to a subject, in which, we think, our members should feel much interest. By reference to the agreement existing between the two associations, by which we are granted the use of our present commodious rooms, it will be seen that after the debt which accrued in building Clinton Hall has been liquidated, the fund arising from the rents, etc., is to be expended in purchasing books and apparatus for our library. Although nine years have elapsed since this building was erected by the munificence of our merchants—a period at first thought to be more than sufficient for discharging the debt then contracted, which was \$18,000—still, owing to the commercial revolutions which of late years have swept away the accumulated earnings of so many of our merchants, and to the curtailment of the income arising to Clinton Hall Association, in consequence of setting apart additional accommodation for our use, \$12,000 of that sum still remains unpaid. These causes make the period quite remote when we may expect aid from that source, unless the board of directors can adopt some measure to facilitate the early liquidation of this debt; and, as its early or late payment is calculated principally to affect the interest of our institution, it becomes worthy of consideration, whether some steps cannot be taken to assist the board of trustees in effecting this object. As a means of so doing, we would recommend that exertions be made to dispose of a sufficient number of the shares of the stock of Clinton Hall Association remaining unsubscribed for, to raise the necessary sum.

#### MUSEUM.

This feature in the institution, though of very recent origin, is fast becoming prominent. It is dependant for its increase entirely upon the contributions of individuals: and we take pleasure in stating, that many curious and interesting specimens have already been received, for which we desire to make due acknowledgments. We cannot forbear also to express our obligation to Mr. John H. Redfield, for his kind and valuable services in arranging and classifying the minerals in scientific order. We earnestly entreat our members to contribute more liberally in future towards this branch of the institution. Many may be in possession of valuable specimens which they would cheerfully present to us, if the subject were brought to their attention.

It will readily occur to every one, that in order to sustain this and

other similar departments, we must have increased accommodations in Clinton Hall. This subject has already been touched upon in another part of this report, but still we may here just remark, that in our judgment no small benefit would accrue to us, could we have rooms also for literary conversation, for a picture gallery, and other like purposes. As an incipient step towards a collection of choice works both of nature and art, a subscription might be opened for the purchase of Audubon's birds, the magnificent plates of which might be framed and suspended on the walls of the apartments appropriated to things of this kind. Numerous contributions of paintings might with reason be expected from members and others; and in time, a vast and valuable assemblage of specimens of this elegant art.

#### SCHOLARSHIP.

In the early part of the past year, one of the scholarships granted to the association by Columbia College, became vacant by the withdrawal of Mr. James Weatherspoon. Public notice was, therefore, given, that such vacancy existed. From among the applicants, the board conferred the appointment upon Mr. John Sym, who presented strong claims on the ground of integrity and intellectual qualifications. From the testimonials adduced in his favor, we have the fullest confidence that the honor has been worthily bestowed.

#### PLAN OF IMPROVEMENT.

In the last annual report, a plan of improvement was submitted, by which the association might be made to assume the form and afford the benefit of a collegiate institution. The plan contains much that recommends itself to our favorable consideration, and may be *ultimately* practicable and expedient. At present, however, we are compelled to question the propriety of its adoption, at least in the detail. The objections to it are indeed both numerous and weighty. In confirmation of this, it seems proper to mention, that early in the year a committee was appointed to consider and report upon the whole subject; and, although a powerful effort was made to bring it about, experience soon showed more fully the utter hopelessness of success at present. The time, indeed, may come, when it will find fewer difficulties in the way of its adoption. In the meantime, however, it becomes us to consider whether any new system of improvement can be devised, that will enable us to employ to more advantage the valuable materials we already possess, without incurring additional pecuniary responsibility, or interfering too much with the leisure or regular occupation of our members.

The end had, or that ought to be had, in view by us all, is, moral and intellectual improvement. Diversity of opinion, then, can exist only in relation to the best means of promoting it. But even here, difference in sentiment, it is thought, would be materially lessened by due consideration of the circumstances of those for whose benefit we labor. Were the members of the association so situated as to be able to devote the whole, or even the larger portion of their time, to literary and scientific pursuits, we might with reason entertain the idea of giving to our institution the form and advantages of a regular college. But the very nature of the case seems to forbid the cherishing of this view. All of our members are necessarily engaged, during the day, in the busy pursuit of their

profession, and this must, of course, occupy their chief attention. Any employment, therefore, be it ever so worthy in other respects, that shall so engross their minds as to prevent proper regard to their main vocation, must and will be considered as highly prejudicial both to them and their employers. Accordingly, if by their connexion with our association, be the cause what it may, they are led to deviate from the straight line of business affairs, the institution will soon come to be considered a thing of doubtful utility, and consequently, much, if not all, the aid and countenance now afforded us by merchants, will be entirely withdrawn. Such a state of things no one could desire, and certainly every one would deprecate. The question then arises, how shall we best promote the moral and intellectual welfare of our members, without injuring their commercial interests? That much improvement in our present arrangement may be made, is verily believed. We have, indeed, done much, but much more remains to be accomplished; for, thus far, we seem to have been engaged principally in procuring materials for future operations.

Possessing, as we do, a large, valuable, and constantly increasing library; classes formed and engaged, under competent instructors, in the regular pursuit of several useful branches of education; a well supplied reading room, and courses of interesting and instructive lectures: it may with much reason be said, these surely are amply sufficient to answer all the purposes of the institution; and, under careful and judicious arrangement, it is believed they would. But with all these advantages within our reach, it must be obvious that some system is wanting by which the different departments may be made more immediately useful to, and dependant upon, each other. The plan then that we would respectfully submit to the consideration of our successors is simple, and may be carried into effect, without incurring much, if any, additional pecuniary responsibility. We propose that the directors shall, with the best aid and advice they can obtain, ascertain first what branches of knowledge are likely to prove most beneficial to our members as citizens and as merchants. In every one of these, let classes be formed under competent teachers, and every possible encouragement extended to them. Then cause our lectures to be so arranged as to subserve the useful purpose of more fully developing the studies pursued in the several classes. To this it might be objected, that we would narrow down the subjects of the lectures to the necessarily few studies pursued in the several classes that may be formed, and so benefit the small number who attend them, at the expense of the mass. The answer to this, we think, is full and satisfactory. The studies pursued *need* not be few, though the number in attendance upon them might be small. If the course of studies marked out be complete, and the courses of lectures be made accordingly, all objection on this ground will cease. Let classes be formed, or proposed to be formed, in the Classics, in Spanish, in French, in German, in Rhetoric and Oratory, in Moral and Natural Philosophy, in Chemistry, in short, in whatever may be thought necessary; and you will have a range of topics for lectures sufficiently wide to gratify the wishes of every one. The advantage of having these two branches thus conducted would be manifold. Let us suppose this system in operation, that we may take a view of a single part. Among the classes, some are engaged in studying the French language. They are occu-

ped in acquiring the pronunciation, grammatical forms, and syntax of the language; and, perhaps, in translating from some one of the elementary books. In that language, locked up in a great measure from them, is an immense literature, of which most of them know perhaps little or nothing. The teacher has no time to enter into long details, or perchance requires to refresh his own mind. The whole class, like the miners of Pompeii, or Herculaneum, are darkly digging a passage into something, of which they have heard or read some vague account, but of the extent of which they are really ignorant. In this state of things, some man deeply read in the literature of the French, and able to give an interesting and eloquent history of the same, is announced as a lecturer. He traces its origin, progress, and extent; gives us a portrait of the principal characters who have mainly contributed to its advancement; and a judicious comparison of it with the literature of other nations. What member of the class, nay, what member of the association, would not hail with pleasure the announcement of such a lecturer?

In this way, it will be seen, that the two modes of instruction, by classes and by lectures, would be made mutually to assist each other, in carrying forward the design of their institution, which, with the aid of the library and reading room, will afford the means of quite a complete system of education, adequate to all the necessary purposes of life. But in order to make the library and reading room still more useful, let a lecture or lectures be given on the subject of discretion in the selection of books for reading, and the best method of studying an author. And with a view to greater variety still, let the whole be interspersed with occasional lectures upon such subjects of general interest, as may relieve the tedium of severer study, or furnish the means of literary entertainment.

We have thus ventured to throw out a few suggestions, which if acted upon, would, we think, tend vastly to increase our usefulness, without materially increasing our labors or expenses. The plan, either with or without modification, might be adopted and prosecuted during the ensuing year, as no increased outlay is required for this purpose. Time will, doubtless, discover defects and difficulties in its operation. These may be removed, or the system improved by the wisdom of succeeding directors; if not, let them be set down among the things to be endured as inseparable from the successful accomplishment of a worthy object.

It is always gratifying to reflect, that amid the many changes to which human friendships are liable, occasional instances occur of constancy of attachment. We have been led to this reflection by the pleasing circumstance, that he whose hand first traced the lines that called public attention to, and which resulted in, the formation of this laudable institution, continues to manifest a zealous interest in its welfare. We allude to William Wood, Esq., who, during a recent visit to England, transmitted to us many valuable documents, and established intercourse with several literary and scientific institutions in London, in Liverpool, and in Manchester. Correspondence between kindred societies may be of great utility in cultivating harmony and good feelings, and, perhaps, aid in suggesting new improvements for the mutual benefit of the respective associations. We avail ourselves of this occasion to make due acknowledgments to Mr. Wood, and also to thank him, on your behalf, for the presentation of a portrait of Mr. James Maury, ex U. S. Consul at Liverpool, and formerly a prominent merchant of this city.

## CONCLUSION.

We have now laid before you a statement of the proceedings of the board during the past year. It has yielded, as we see, the most abundant evidence of prosperity. But it must not on this account be imagined, that we have reached the point of greatness or excellence to which it should be our highest ambition to attain. Let our past prosperity be a stimulant to greater exertions in future. With unison of mind and concert of action, the association may be made the means of conferring upon the young men now coming upon the theatre of action, the greatest benefit.

We feel proud indeed to congratulate, not only you, but the whole commercial community, upon the possession of an institution like ours, belonging exclusively to the mercantile profession, and solely aiming at the promotion of its intellectual character. Not only have we, as an association, done much to elevate the mental character of merchants, but our efforts have animated others, apart from us, to the same laudable work. The eminent success which has attended the formation of this commercial institution, has brought into existence other aids, in elevating as well as vindicating the dignity of the profession: among the most prominent is the establishment of a Magazine devoted entirely to the interests of commerce. Heretofore, while almost every department of learning, embracing polite literature, politics, the sciences, the arts and manufactures, have had journals advocating their respective claims upon public attention, a commercial chronicle has been wanting, that might furnish a history of the rise, progress, influence, and statistics of commerce, together with the mercantile literature of the day. This has happily been supplied by "*Hunt's Merchants' Magazine, and Commercial Review*," commenced under the auspices of this, and similar associations. The success which has thus far attended this work, is another evidence of the liberality of our merchants, and a most flattering mark of approbation upon the efforts of the editor and proprietor, FREEMAN HUNT, Esq., in this new field of periodical literature.

The able manner in which it is conducted, renders it worthy of the most ample support, which we trust it will continue to receive from all who are engaged in commercial or other pursuits.

Having now performed the last duty of our office, we conclude with expressing, in obedience to the dictates of courtesy and gratitude, the high gratification we have ever experienced in our intercourse with our fellow members. In making this acknowledgment, we take especial pleasure, as it gives indication of a spirit that cannot be too highly commended. In these demonstrations of mutual kindness, which seem light in the eyes of a superficial observer, we may discern the basis of that unanimity, from which may be expected to spring the most happy results; and without which, vigorous efforts and powerful resources, so far from being beneficial, will speedily become destructive. Nor can we let pass the occasion respectfully and affectionately to remind those whose interest we now cease officially to promote, of the importance of cherishing unity of sentiment, energy of action, and amity of deportment, among themselves. Such a course, best befitting the dignity we ought ever to sustain, and essential to the success of every body united for a common object, will secure to the Mercantile Library Association the richest rewards of benevolent enterprise.





## ANNUAL MEETING.

THE Nineteenth Annual Meeting of the Members of the MERCANTILE LIBRARY ASSOCIATION was held at Clinton Hall, on Tuesday evening, January 14th, 1840.

The meeting was called to order by the President, on whose motion, PHILIP HONE, Esq., was called to the chair.

The Minutes of the last annual meeting were read and approved.

The Treasurer read his Report of the receipts and expenditures for the past year, which, on motion of Charles Rolfe, Esq., was accepted.

The President read the Nineteenth Annual Report, which, on motion of H. H. Elliot, Esq., was unanimously adopted, and ordered to be printed.

The President named the following gentlemen, as inspectors of the election to be held on the following day:—Reuben Leggett, Henry P. Marshall, Samuel O. Howe, Albert R. Cooke, Robert S. Jenkins, John R. Platt, James Rintul, Charles W. Fisher, Henry Dexter, William W. Wright, Augustus N. Saltus, John De Witt Chambers.

The Report of the committee on amending the Constitution was called up and read, when, on motion of Charles Rolfe, Esq., it was Resolved, That when this meeting adjourns, it will adjourn to meet on Saturday evening, February 1st, and, that the proposed amendments to the Constitution be made the special order of business for that evening.

On motion of \_\_\_\_\_

Resolved, That the thanks of the association be tendered to Philip Hone, Esq., for his friendly feeling expressed towards the institution, and his services as chairman of this meeting.

On motion of Mr. Ellsworth Cheesebrough, Resolved, That the thanks of the association be tendered to Elijah Ward, Esq., for his very able annual report presented this evening.

On motion of Mr. Nicholas Carroll,

Resolved, That the thanks of the association be, and are hereby, presented to the Board of Trustees of Clinton Hall Association, for their friendly manifestations towards our association.

D. C. ROBBINS, *Secretary pro. tem.*

At an election held on Wednesday, January 15th, 1840, pursuant to the 20th article of the Constitution, the following gentlemen were elected officers of the Mercantile Library Association, for the ensuing year :

AUGUSTUS E. SILLIMAN, *President.*  
 HECTOR MORRISON, *Vice President.*  
 HORATIO N. OTIS, *Secretary.*  
 W. BRENTON BOGGS, *Treasurer.*

*Directors.*

CHARLES WELFORD,  
 HENRY F. FISH,  
 GEORGE C. BAKER,  
 T. H. SELBY,

JOHN BUTLER, JR.,  
 LOUIS McMULLEN,  
 ROSWELL E. LOCKWOOD,  
 EZRA A. DOW.

## ART. X.—MERCANTILE LITERATURE.

1. *A Manual of Law, for the use of business men ; containing, alphabetically arranged, the legal principles of most frequent application to ordinary business transactions ; together with references to the authorities sustaining them.* By AMOS DEAN. Albany: 1838. Gould & Co.

THE title of this small volume clearly indicates its character, which is unlike that of any other known to us. The subjects appear to be well chosen, and the definitions of them concisely given, without the introduction of technical phraseology. The business man, for whose use it was designed, will find it of service in many instances. Like all other manuals, its circulation must be restricted to the particular section of country governed by the laws it seeks to expound, though it will prove a convenient book of reference to any one. As a fair sample of its pages, and of the mode in which the different subjects in them are treated, we extract the whole of the title "Assignment," premising that the principles stated are not of universal application, being fortified only by the authority of the statutes and decisions of New York.

"*Assignment* is the transfer or setting over the interest a man hath in any thing to another.

"Choses in action, like bonds, are not assignable at law.

"So bare rights and possibilities are not assignable.

"Interests in contingency respecting personal estates are assignable in equity, but the assignee is there required to show that he gave a valuable consideration for the thing assigned.

"Although choses in action are not assignable at common law, yet courts of law will protect the assignee against the acts of the assignor, in a suit brought in the name of the latter for the benefit of the former.

"The assignee of a chose in action, as a bond for example, should give immediate notice to the debtor of the assignment. This will entitle him to protection. The debtor has no right after such notice to pay the debt to any one but the assignee.

"A judgment and obligation under seal may be assigned in equity, by a writing not under seal. A mere delivery of a chose in action, for a valuable consideration, is sufficient.

"The assignment of a judgment for debt carries the debt ; and if the debt be secured by a mortgage, carries the mortgage interest.

"The assignment of a bond or debt secured by a mortgage, passes the interest in the mortgage.

"The assignee of a mortgage takes it subject to all the equities existing in the hands of the mortgagor.

"An assignee is liable for covenants broken only while he continues assignee, and he may discharge himself of liability for any subsequent breaches, by assigning to another.

"An assignee of a chose in action takes it subject to all liens against the assignor.

"An assignee of a chose in action takes it subject to all equities existing against it at the time of the assignment, though he have no notice of such equity.

“ Assignees, to ensure protection, must give notice to the debtor of the assignment.

“ An insolvent debtor may be discharged from his debts on procuring a petition to be signed by his creditors in the United States, having against him two thirds in amount of all the debts owing by him to creditors in the United States, and on his making an assignment of all his property.

“ An insolvent may also, without procuring any such petition, obtain exemption of his person from imprisonment.

“ The doctrine of voluntary assignments for the benefit of creditors is of recent origin, but of very general use in the mercantile world. It is important, therefore, to understand it.

“ A debtor finding himself in failing circumstances, and pressed by one or more of his creditors for payment, assigns his property in trust, to be disposed of as in the assignment is directed. What are the benefits of such an assignment, what its essentials, what renders it void, what disabilities does the debtor subject himself to by so doing ?

“ A valid assignment places the debtor's property beyond the reach of creditors, except as they are provided for in the assignment. It deprives them of no remedy. They may still proceed to judgment and execution. But it destroys the right to appropriate the debtor's property to the payment of their debt.

“ A general assignment, to be valid, must assign all the property of the assignor for the payment of his debts. There must be no reservation of any right or interest to himself until after the payment of every debt.

“ There is no necessity of inserting any reservation in the assignment. The assignee, on general principles of equity, is bound to account to the assignor for any surplus that may remain after the payment of all debts.

“ There is no necessity that the assignment should be accompanied with a schedule of the property assigned, or of the debts for the payment or satisfaction of which it is assigned. Those are matters of evidence, and ascertainable by almost any means.

“ Where the debtor is prosecuting a manufacturing or mercantile business, the assignee may be authorized under the assignment to carry on the business, sell the manufactured articles, work up and sell the unmanufactured articles, and dispose of the assigned property, in fulfillment of the trusts created in the assignment.

“ The principle is, that whatever is obviously for the benefit of the creditors will be sustained.

“ A debtor may prefer one creditor, or set of creditors, to another or others, in his assignment, provided he devote the whole of the property assigned to the payment of his just debts, and that the assignment be absolute and entirely unconditional.

“ Sureties liable on existing or even future responsibilities for an assignor, are as much entitled to an indemnity and preference by an assignment, as creditors.

“ An assignment containing a provision making a preference to certain creditors in the distribution of the assigned property, to depend upon the execution by them of a release to the debtor of all claims against him, is void.

“ Such a provision has been sustained in Pennsylvania, but pronounced void in Connecticut, Ohio, and Maine.

"An assignment void in part, as against the provisions of a statute, is void in toto.

"An assignment cannot be sustained if it be made with the intent to hinder, delay, or defraud creditors.

"Whether a provision in an assignment giving power to the assignees to compound with any or all of the creditors, in such manner and upon such terms as they shall deem proper, avoids the assignment, has not been distinctly decided. It is supposed, however, it would.

"The assignee is bound by acceptance to perform the trusts contained in the assignment, and assumes the responsibility of ordinary trustees.

"An insolvent debtor, by assigning and giving a preference to creditors, precludes himself from taking the benefit of any insolvent law of this state.

"By a recent decision of the chancellor, the assignor cannot continue the possession and disposition of the property assigned without rendering void the assignment."

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2. *Tariff, or Rates of Duties, payable on Goods, Wares, and Merchandise, imported into the United States of America, on and after the first day of January, 1840, until the thirtieth day of June, 1842, inclusive, in conformity with the compromise act. Also, the Rates of Duties imposed by the Tariff of 1832; together with many important Laws, Circulars, and Decisions of the Treasury Department, relating to Commerce and the Revenue, and much useful information to Merchants, Masters of Vessels, and others.* By E. B. OGDEN, Entry Clerk, Custom House, Port of New York. New York: 1840. Bronson & Co. Svo. pp. 144.

THE copious title of the volume before us, sufficiently expresses the design of the work. It may, however, be inferred, from the facilities and character of the author, that the volume has been carefully compiled, with the view of furnishing to those engaged in navigation and mercantile pursuits, a work that may be relied on for an accurate exhibition of the *rates and duties* imposed by congress, now in force, and established by the several decisions of the United States courts and the treasury department. We are assured by the publishers that no pains have been spared in the revision of the proof sheets, to guard against typographical errors, a freedom from which is so essential in a book of this description. The utility of the work strongly commends it to the patronage of all engaged in foreign trade.

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3. *The Boston Almanac for the year 1840.* By S. N. DICKINSON. Boston: Thomas Green. 24mo. pp. 130.

THIS elegant and useful little almanac has reached its fifth annual issue. In addition to the usual astronomical calculations, it contains much useful matter for the merchant and man of business. Our knowledge of the editor, enables us to express our entire confidence in the accuracy of the information embraced in its comprehensive pages.



4. *The American Almanac, and Repository of Useful Knowledge, for the year 1840.* Boston: David H. Williams. New York: Collins, Keese, & Co. 12mo. pp. 334.

THE number of this sterling annual for 1839 was the last of the first series of ten volumes. The present number commences a new series. It is proposed to have every ten volumes, for ten successive years, form a distinct series. This arrangement we consider at once judicious and convenient. The past series contains a mass of statistical information, carefully compiled and judiciously arranged, of great interest to all classes of the community, and well calculated to render the work one of value for general reference, on all matters of statistical *data*. We cheerfully commend it to the attention of intelligent merchants, as an almost indispensable requisite to the counting house.

## COMMERCIAL STATISTICS.

### CANTON CURRENCY.

The circulating medium at Canton is broken Spanish dollars by weight, the proportion of which, to a tael, varies in different transactions; being in *calculations* of prices of *accounts* between foreigners and native merchants, at the rate of..... 720 taels per \$1000  
 But in the *weighing* of money for *payment*. .... 717 " 1000  
 Excepting to the Company's treasury, when it is weighed ..... 718 " 1000  
 Or to native merchants, not of the co-hong, who receive, unless otherwise agreed. .... 715 " 1000  
 As do also ship and house compradors

### Commercial Weights.

<i>Pecul.</i>	<i>Catties.</i>	<i>Taels.</i>	<i>Lbs. Av'poids.</i>	<i>Cwt.</i>	<i>Kilogrammes.</i>
1	100	1600	133½	1.0,21½ or 1.19047	
	1	16	1½		0.604,725

One ton = 16 peculs, 80 catties. One cwt. = 84 catties. One pound avoirdupois = ¼ of a catty. Four ounces avoirdupois = 3 taels.

### Money Weights.

<i>Tael.</i>	<i>Mace.</i>	<i>Candareen.</i>	<i>Cash.</i>	<i>Ounce troy.</i>	<i>Grs. troy.</i>	<i>Ind. Tolahs.</i>
1	10	100	1000	1.208	579.84	3.2213
	1	10	100		57.984	
		1	10		5.7984	

500 taels = 604 ounces troy. 3000 taels = 302 pounds troy.

Usage has established a difference between the tael of commercial weights, which, at the rate of 33½ pounds to the pecul, weighs 583½ troy grains; and the tael of money weights, of which the old standard is 579.84 troy grains.

## STATISTICS OF VAN DIEMAN'S LAND.

We gather the following statistics respecting the trade, commerce, manufactures, etc. of Van Dieman's Land, from an official return drawn up by the colonial secretary to the government, for the years 1836, 7, 8, and published in the *Hobart Town Courier*, May 31, 1839.

**NAVIGATION.**—The number of vessels entered inwards, and cleared outwards, in 1835, was—inwards, vessels 229, tonnage 55,833; outwards, vessels 225, tonnage 53,560; whereas, in 1838, they had increased respectively, to—inwards, vessels 370, tonnage 64,454; outwards, vessels 369, tonnage 63,392; being an increase of 61 per cent. on the vessels inwards, and 64 per cent. on those outwards. The increase in the number of vessels and tonnage belonging to the colony has even more than kept pace with the great advancement of our commerce. The vessels have increased 42 per cent. in the three years, the tonnage 90 per cent.; from which it is evident, that more distant trade is now undertaken by our merchants than formerly.

**POST OFFICE DEPARTMENT.**—The post office system has been considerably extended. In Hobart Town there are now three deliveries in the day by the twopenny post; and the number of letters has increased, during the four years in question, from 9,689 to 16,095.

**REVENUE.**—The fixed revenue of the colony has increased from £91,320, in 1835, to £98,081, in 1838; although, in the interval, there has been a decrease of £18,000 on the annual revenue from spirit duties. "The reduction of the price of labor, and the improvement in the moral and civilized habits of the lower classes, have induced the use of the more cheap and wholesome beverage of beer, which, of course, must also, have displaced the use of spirits." The number of licenses to publicans and wholesale dealers in spirits has been considerably diminished.

**IMPORTS.**—The imports for the three years have increased 20 per cent., and the exports for the same period have increased at the astonishing rate of 81 per cent., or from £320,679, in 1835, to £581,475, in 1838. The imports are more than £15 for every individual on the island. This great increase in our trade is, no doubt, in some measure attributable to the establishment of the two new colonies of Southern Australia and Port Philip, which has given a fresh stimulus to commerce.

**EXPORTS.**—The exports have likewise greatly increased. Of wool, "the exports have increased from 8,000 bales, in 1835, value £142,921, to nearly 11,000 bales, in 1838, value £171,599. The oil has likewise increased from 2,154 tuns, value £51,398, to 4,801 tuns, value £121,270, or more than double; and the whalebone, from 132 tuns, value £10,698, to 187 tuns, value £15,807."

**POPULATION.**—The population has increased from 40,283, in 1835, to 45,846, in 1838, or nearly 14 per cent.; and it is satisfactory to see, that, while the male population has increased only about 13 per cent., the number of females has increased nearly 21 per cent., and that of free females more than 25 per cent.

**MANUFACTURES.**—There has been a progressive increase in almost every branch of trade and manufactures. In 1835, the number of mills driven by water and wind, was forty-seven; it is now fifty-one: and in place of one driven by steam, we have now three. The number of breweries, cooperages, candle manufactories, engineers, sail-makers, and shipwrights, has also greatly increased. Ship-building is likely to prove another source of colonial industry. The number of vessels built in 1835 was five, with a tonnage of 382; while in 1838, ten vessels were built, tonnage 1267; a very great and rapid increase.

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## MERCANTILE MISCELLANIES.

### VIEWS OF BOSTON.

In an address delivered before the Mercantile Library Association of Boston, by the Hon. Edward Everett, (noticed in our first number,) we find the following eloquent remarks; they present a highly interesting panoramic view, if we may be allowed the expression, of the capital of New England:

"To understand the character of the commerce of our own city, we must not look merely at one point, but at the whole circuit of country, of which it is the business centre. We must not contemplate it only at this present moment of time, but we must bring before our imaginations, as in the shifting scenes of a diorama, at least three successive historical and topographical pictures; and truly instructive I think it would be, to see them delineated on canvas. We must survey the first of them in the company of the venerable John Winthrop, the founder of the State. Let us go up with him, on the day of his landing, the seventeenth of June, 1630, to the heights of yonder peninsula, as yet without a name. Landward stretches a dismal forest; seaward a waste of waters, unspotted with a sail, except that of his own ship. At the foot of the hill, you see the cabins of Walford and the Spragues, who, the latter a year before, the former still earlier, had adventured to this spot, untenanted else by any child of civilization. On the other side of the river lies Mr. Blackstone's farm. It comprises three goodly hills, converted by a spring-tide into three wood-crowned islets; and it is mainly valued for a noble spring of fresh water, which gushes from the northern slope of one of these hills, and which furnished, in the course of the summer, the motive for transferring the seat of the infant settlement. This shall be the first picture.

"The second shall be contemplated from the same spot, the heights of Charlestown, on the same day, the eventful seventeenth of June, one hundred and forty-five years later, namely, in the year 1775. A terrific scene of war rages on the top of the hill. Wait for a favorable moment, when the volumes of fiery smoke roll away, and over the masts of that sixty-gun ship, whose batteries are blazing upon the hill, you behold Mr. Blackstone's farm changed to an ill-built town of about two thousand dwelling-houses, mostly of wood, with scarce any public buildings but eight or nine churches, the old State-house, and Faneuil Hall; Roxbury beyond, an insignificant village; a vacant marsh, in all the space now occupied by Cambridgeport and East Cambridge, by Chelsea and East Boston; and beneath your feet the town of Charlestown, consisting in the morning of a line of about three hundred houses, wrapped in a sheet of flames at noon, and reduced at eventide to a heap of ashes.

"But those fires are kindled on the altar of liberty. American independence is established. American commerce smiles on the spot; and now from the top of one of the triple hills of Mr. Blackstone's farm, a stately edifice arises, which seems to invite us as to an observatory. As we look down from this lofty structure, we behold the third picture, a crowded, busy scene. We see beneath us a city containing eighty or ninety thousand inhabitants, and mainly built of brick and granite. Vessels of every description are moored at the wharves. Long lines of commodious and even stately houses cover a space which, within the memory of man, was in a state of nature. Substantial blocks of warehouses and stores have forced their way to the channel. Faneuil Hall itself, the consecrated and unchangeable, has swelled to twice its original dimensions. Athe-næums, hospitals, asylums, and infirmaries, adorn the streets. The school-house rears its modest front in every quarter of the city, and sixty or seventy churches attest that the children are content to walk in the good old ways of their fathers. Connected with the city by eight bridges, avenues, or ferries, you behold a range of towns, most of them municipally distinct, but all of them in reality forming with Boston one vast metropolis, animated by one commercial life. Shading off from these, you see that most lovely back ground, a succession of happy settlements, spotted with villas, farm-houses, and cottages, united to Boston by a constant intercourse, sustaining the capital from their fields and gardens, and prosperous in the reflux of the city's wealth. Of the social life included within this circuit, and of all that in times past has adorned and ennobled it, commercial industry has been an active element, and has exalted itself by its intimate association with everything else we hold dear. Within this circuit what memorials strike the eye; what recollections; what institutions; what patriotic treasures and names that cannot die! There lie the canonized precincts of Lexington and Concord; there rise the sacred heights of Dorchester and Charlestown; there is Harvard, the an-

cient and venerable, foster-child of public and private liberality in every part of the State; to whose existence Charlestown gave the first impulse, to whose growth and usefulness the opulence of Boston has at all times ministered with open hand. Still farther on than the eye can reach, four lines of communication by railroad and steam have within our own day united with the capital, by bands of iron, a still broader circuit of towns and villages. Hark to the voice of life and business which sounds along the lines! While we speak, one of them is shooting onward to the illimitable west, and all are uniting, with the other kindred enterprises, to form one harmonious and prosperous whole, in which town and country, agriculture and manufactures, labor and capital, art and nature—wrought and compacted into one grand system—are constantly gathering and diffusing, concentrating and radiating, the economical, the social, the moral blessings of a liberal and diffusive commerce.

"In mere prosperity and the wealth it diffuses, there is no ground for moral approbation; though I believe in any long period of time, it will be found that those communities only are signally prosperous where virtuous principle is revered as the rule of conduct. It is the chief glory of our commercial community, that the old standard of morals is still kept up; that industry and frugality are still held in honorable repute, that the rage for speculation has not eaten out the vitals of character, and that lucky fraud, though plated stiff with ill-gotten treasure, dare not yet lift up its bold, unblushing face, in the presence of the humblest man, who eats the bread of honest industry."

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#### CLEARING HOUSE, LONDON.

In a large house in Lombard street, about thirty clerks, from the various London bankers, take their station in alphabetical order, at the desks placed round the room, each having a small open box by his side, and the name of the firm to which he belongs in large characters on the wall above his head. From time to time, other clerks from every house enter the room, and passing along, drop into the box the checks due by that firm to the house from which the distributor is sent. The clerk at the table enters the amount of the several checks in a book previously prepared, under the name of the bank to whom they are respectively due.

Four o'clock in the afternoon is the latest hour to which the boxes are open to receive checks, and a few minutes before that time, some signs of increased activity begin to appear in this previous quiet and business-like scene,—numerous clerks then arrive, anxious to distribute, up to the latest possible moment, the checks which may have been paid into the houses of their employers. At four o'clock, all the boxes are removed, and each clerk adds up the amount of checks put into his box, payable by his own to other houses. He also receives another book from his own house, containing the amount of the checks which their distributing clerk has put into the box of every other banker. Having compared these, he writes out the balances due to or from his own house, opposite the name of the other banks, and having verified the statement by a comparison with the similar lists made by the clerks of those houses, he sends to his own bank the general balance, resulting from this sheet, the amount of which, if it is due from that to other houses, is sent back in bank notes.

At 5 o'clock the Inspector takes his seat, when each clerk who has, upon result of all the transactions, a balance to pay to various houses, pays it to the Inspector, who gives a ticket for the amount. The clerks of those houses to whom money is due, then receive the several sums from the Inspector, who takes from them a ticket for the amount. Thus, the whole of these payments are made by a double system of balance, a very small amount of bank notes passing from hand to hand, and scarcely any coin. It is difficult to form a satisfactory estimate of the sums which daily pass through this operation—they fluctuate from £2,000,000 to perhaps £15,000,000 sterling—about £2,500,000 may possibly be considered as something like an average, requiring for its adjustment, perhaps £200,000, in bank notes, £20, specie. By agreement between the different bankers, all checks which have the name of any banker written across them,

must pass through the clearing house ; consequently, if any such check should be lost, the firm on which it is drawn would refuse to pay at the counter, a circumstance which adds greatly to the convenience of commerce.

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#### ILLEGALITY OF HEAPED MEASURES.

In the Bath police report is a circumstance of a gentleman being summoned for purchasing, and a poor woman for selling goods in the Bath market, contrary to the act of parliament lately passed to regulate weights and measures. It appears, that the gentleman purchased a measure of potatoes, and the woman who sold them piled them up above the rim of the measure about two inches. In this case, our laws would appear to establish a new mode of morality to that established by christianity. Christianity recommends " full measure, pressed down, and running over ;" but the English laws, contrary to this precept, say, it shall not be running over, but perfectly level, or what is called a strike measure ; or, if this is impossible, less, rather than more. Sound morality, as far as we have understood it, has ever said, as much more than the measure as you like, but nothing under ; the measure law of England says, under, if you please, but not an inch above. It appears, that if the surface is in places below the level, the conscientious vender of market produce does not dare to add another potato, because that would make it above the measure, this being the grand terrorem of the English law — you must not exceed the measure. It appeared in evidence, that the inspector summoned the parties, not to obtain fines, but to enforce, if possible, the necessity of selling by weight.

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#### TOBACCO IN MEXICO.

It may not be generally known, that in Mexico tobacco is one of those articles the sale of which is monopolized by the government. This exclusive privilege it usually rents out to a company of speculators, who agree to *advance* a very considerable item of the stipulated amount. In files of papers, transmitted to the editor of the New Orleans Bulletin by a military friend of high standing in the Mexican army, is a copy of the " contract" for the sale of this article for the next five years. The lessees are to pay the government six hundred thousand dollars for the first three years, and seven hundred thousand for the last two. The cultivation of tobacco shall be permitted only in those territories designated by the law of 15th April, 1837. In Yucatan, by an agreement, the cultivation and sale of it shall be free, with liberty to export it abroad, but not to be introduced into any other department of the republic without the consent of the company, and in the quantities designated by them. The duties accruing from the legal introduction of foreign tobacco are to be paid to them, they are to have the national tobacco stores in all the departments of the republic rent-free ; and any losses that may be sustained, owing to political commotions, the one half is to be borne by the government.

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#### MORTALITY OF SEAMEN.

It has been computed, that for every sixteen sailors who die of all diseases, eleven die by drowning or in wrecks ; that the number of British ships which are lost is about one to twenty-five ; that very few short of two thousand perish annually in the mighty deep, chiefly from shipwreck, by which, property to the value of three millions annually is absolutely lost to the nation, and hundreds of widows and thousands of children are thrown on the cold and precarious charity of the public : that the more frequent cause of these shipwrecks is intemperance, and that in the case of those who are saved from such sudden death and a watery grave, the average life of seamen is, from hard service, finished at forty-five.



## INLAND SEAS OF SOUTH AUSTRALIA.

Since the establishment of the colony, says the London Monthly Chronicle, a navigable inlet has been found to Lake Alexandrina, a large inland sea situated within the assigned limits of the province; and it has, moreover, been discovered, that the Murray river, the only river of any magnitude which has yet been met with in New Holland, discharges its waters into this lake or inland sea. The prospect of a large extent of inland navigation is thus opened to the colonist; and so important are the advantages anticipated from this discovery, that many of the purchasers of land-orders have declined to select sections in the district of Adelaide, choosing rather to wait until some of the lands on the lake and along the river have been surveyed.

## OBITUARY NOTICE.

## SAMUEL HENRY, ESQ.

AMONG the individuals who perished on board the ill-fated Lexington, there was no one more generally beloved and respected than Samuel Henry, Esq., of Manchester, England. Intimately connected as he was, in his mercantile pursuits, with a large class of merchants in this city, this magazine seems a proper medium to express the deep sympathy which his death has occasioned in this community. Though not a native of this country, Mr. Henry had, for many years, been actively engaged in extensive commercial operations with America, and he has left behind him a large circle of friends, who ever welcomed him to our shores with sincere regard and affection.

In his business intercourse with his fellow-men, rigid, uncompromising integrity, marked his character. No one knew better the true requirements of a merchant, or the generosity becoming a man; and throughout his life, he ever maintained the strictest consistency of high mercantile principles, and the most generous liberality. During the commercial distress which affected every class in the country for the past three years, Mr. Henry was here, yielding relief and assistance to those whom misfortune had crushed; and there are many, in this city and elsewhere, who will bear honorable testimony of his open confidence and generous forbearance, when they were most needed and appreciated. Indeed, in all his business transactions, there was a free, honest spirit, a manly, straight-forward course of conduct, which won the esteem and confidence of all with whom he came in contact.

In his private relations, Mr. Henry was no less estimable than in his mercantile position. Simple, open, frank, in his manners, he drew around him a host of friends; and such was his sincerity and courtesy, that we feel he has not left an enemy behind him. At home he was distinguished for his unbounded hospitality, and whenever an American placed his foot on the English shore, Mr. Henry was among the foremost to extend the right hand of welcome, and by his kindness and attention, made him feel that he was not wholly a stranger, though in a foreign land.

We dare not speak of the heart-rending catastrophe which caused Mr. Henry's death, nor of the sorrow and anguish which a knowledge of it will create in those hearts in England, where he was most loved and valued. Cut off in the rich maturity of noble manhood, with a brilliant prospect before him, the heart sickens when it reflects on his mournful end; but it finds a consolation in the feeling, that he lived and died a true, an HONEST MAN. A friend who knew and valued him, pays this inadequate but sincere tribute to his memory.

E. L. H.

## TO READERS AND CORRESPONDENTS.

In our next number we shall commence the publication of a series of articles on the Poor Debtor and Insolvent Laws of the several States of the Union. Our object is, to present, in as brief and condensed a form as may be consistent with a clear understanding of them, the various provisions of Statute Law appertaining to the modes of securing and enforcing the payment of debts, and the enactments for the relief of poor debtors, together with such kindred matter as may be suggested in the prosecution of our design. We think, if successfully accomplished, it will prove of essential service to our mercantile friends.

We shall begin with the Laws of Maine, being in possession of an article prepared by FRANCIS BRINLEY, Esq., of this city, Counsellor at Law. Mr. B. has contributed to the value and interest of several of our Law Journals, is a gentleman of highly respectable legal acquirements, and has had an extensive practice at the bar in the courts of Maine.

It is our purpose to secure, in the prosecution of our plan, the best legal talent in the country—the aid of gentlemen of extensive practice, that the information furnished may be relied upon for its correctness and fidelity.

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We have on hand a variety of papers, several of which will appear in the March number, or at our earliest convenience. Among them are,

1. The Principles of Credit, by CHARLES FRANCIS ADAMS, Esq., of Massachusetts.
2. The Theory of Profits, No. II., by Professor GEORGE TUCKER, of the University of Virginia.
3. Suggestions on the Law of Auctions, (embracing an auctioneer's right to purchase—the rights of vendor against purchaser at auction—the rights of the purchaser at auction, &c.) by FRANCIS BRINLEY, Esq., of New York.
4. Life Insurance. By E. W. STOUGHTON.
5. The Period of the Risk insured in Marine Policies.
6. A Review of the Hon. JOHN SARGENT'S Lecture on Commercial Character.
7. The Commercial League of the Hanse Towns, &c.
8. The Harbors of North America, by DAVID STEVENSON, of Edinburgh, Scotland.
9. Speculations on Commerce, by W. W. WHEILDON, Esq.
10. Biographical Sketch of Hon. James Lloyd, an eminent Merchant, by ALDEN BRADFORD, Esq.

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ELIJAH WARD, Esq., LATE PRESIDENT OF THE MERCANTILE LIBRARY ASSOCIATION.—We took occasion in the last number of the magazine, to express our regret that Mr. Ward had declined accepting the nomination for re-election to the office of president. It was, however, we understand, with the intention, which he has already carried into effect, of adopting the profession of the Law. His abilities, and courteous deportment, together with an extensive acquaintance with commercial young men, give promise of success in his new sphere.

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Persons who wish to become subscribers to this Magazine, are reminded, that Postmasters are allowed, by order of the Postmaster-General, to remit the amount of subscription to periodicals, to any part of the country, under their *frank*.