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ART. I.—THEORY OF PROFITS.—No. III.

THE sources and functions of capital having been developed, it may not be amiss to consider some of the minor incidents by which this agent of national wealth is distinguished.

While the other two agents of production, land and labor, are commonly fixed, and susceptible of but slow changes by improvement or addition, capital is capable of being suddenly transferred from one country to another, and such transfers are continually taking place from countries in which capital is abundant to those in which it is much wanted and comparatively scarce, either by the sale of merchandise on credit, or by direct loans of money on interest.

The United States have always obtained the use of much English capital, by means of debts contracted by their citizens to the merchants and manufacturers of Great Britain; but of late the amount has been greatly augmented, by means of loans made on the credit of the individual states, or by the sale of the stock of chartered companies; the effects of which borrowed capital have been very differently estimated by different classes of our citizens. According to some, the use of foreign capital is neither economically nor politically wise; and according to others, its use in all situations, and under all circumstances, must be advantageous. Neither of those opinions appear to be well founded, and I apprehend that truth, as so often happens between conflicting theories, will be found on inquiry to be between them.

Let us examine these opinions, and begin with the one that would proscribe the use of foreign capital.

I. From what has been stated in the preceding number, it seems that capital is an agent of production in three ways: which are, by giving employment to those who would otherwise be idle; by giving a more productive employment to those who were previously employed; and by the use of labor-saving and labor-aiding machinery. We have seen that in these ways capital has a *creative* power, and adds to the stock of national wealth not less directly than a piece of fertile land well cultivated, and that the nett revenue of the nation would be as much diminished by the abstraction of the one as the other.

If such be the productive powers of capital, it is obvious that a nation may be a gainer by paying interest for it, if the nett gains it affords exceed the interest; and a little reflection will satisfy us that it may be thus gainful, whether employed in agriculture, commerce, or manufactures. Let us, for instance, suppose a threshing machine to be invented, which, by the saving it effected in labor, would in ten years, besides repaying the cost and interest, yield an annual profit of 20 per cent., and that those machines could be imported from abroad at less cost than they could be made at home. Under these circumstances, a country would evidently be a gainer by borrowing the money to pay for these machines, and that the extent of its gain, during the ten years, would be the difference between the interest it paid and the twenty per cent. it gained. So, in commerce, if any branch of trade would yield a nett profit beyond the interest of money, a community which had not the requisite capital for carrying it on, must gain by borrowing foreign capital for that purpose, to the amount of the difference between the interest paid and the profits of the trade. In manufactures, too, the rule must be the same. In a word, if a farmer may find it more profitable to pay rent for his farm rather than to buy it, the merchant to freight a ship rather than to build or buy one, and the manufacturer to pay an annual rent for his water power rather than to purchase it, and if many can obtain these sources of profit, for a time, and by means of renting, who could not obtain them by purchase, then may a community also draw a profit from borrowed capital which it could obtain in no other way.

In all these cases of employing capital profitably, it would be better, unquestionably, if it could be procured at home; but there are few countries which have as much capital as they can employ with advantage; and where that is the case, they are reduced to the alternative, when they embark in any new enterprise of profits, either to withdraw the requisite capital from some other business, or procure it from abroad. In this case it may be far more advantageous to pay interest for foreign capital.

These principles lie so near the surface, and are so familiar to all men of business, that they would not have been thus dwelt upon, if the practice of allowing foreigners to be shareholders in our banks, and other joint-stock companies, had not occasionally been denounced by some of our politicians, as if there were any material difference between these modes of obtaining the use of foreign capital, and those lately pursued of making sale of state bonds, or directly negotiating a specific loan. It is true, that where foreigners are permitted to be shareholders, they are commonly also allowed to vote by proxy; but as the persons for whom they vote must be citizens, as their proxies are residents, and may be required to be citizens too, and as such foreign proprietors cannot easily be actuated by any other motive than to advance their pecuniary interest, which is also the main, or rather sole interest of the corporation, the permission seems to afford no ground of apprehension or objection to the most sensitive national jealousy. Even in Great Britain, whose laws breathe a much less liberal spirit than ours towards foreigners, they are freely permitted to share in the profits of banking, as well as in those of every other branch of commerce, and the only restriction in the law establishing the bank of England, relative to this subject, is, that the governor, deputy governors, and directors, must be natural born or natu-

ralized subjects. It may be farther remarked, that as the foreign shareholders with us always have been, and, in the nature of things, are always likely to be, a minority, and relatively a small minority, and as for greater security they may, by the terms of the charter, be prevented from exceeding a certain proportion of the whole number of stockholders, we have in these foreign shareholders some additional pledge for the justice and respect of their respective, while the whole power possessed by the corporations is exclusively exercised by our own citizens. Supposing, then, the objection founded in political jealousy to have no solid foundation, there remains only that of drawing an annual tribute, as it has been invidiously called, from the country by way of dividend, and which is essentially the same as that objection which has been made to loans contracted abroad, and which has already been fully answered.

II. But still it must not be forgotten, that the benefits of foreign capital depend upon the uses to which it is put; and that it may be so used as not only to be of no national advantage, but even to be a source of national loss.

The amount of capital which any country can advantageously employ depends on its population; their industry; their skill in the useful and mechanical arts; and on the capital it has already acquired. As the numbers of a people increase, so must also their capital, or their condition must deteriorate; and it is according to the natural progress of society, for capital to increase much faster than population. Where, indeed, there are no strong counteractions, it continues to increase after population is stationary.

But under all circumstances, there must be a certain proportion between the number of operatives in a country, and the capital which is to give them employment; and if, by any means, the capital be so increased as to exceed this proportion, the excess becomes either inactive or unproductive, and is but too probably wasted and consumed.

Capital can, in no mode of employment, be productive, without the concurrence of human labor. In the mode in which labor is least required—in labor-saving machines, as the steam engine—the supervisory and concurrent agency of man is indispensable. Nor can those engines be furnished with the raw materials on which they are to operate, nor can the articles which they have assisted in manufacturing, be conveyed to the consumer without a yet greater expense of human labor. The numbers, then, of a community must be taken into account, in our estimate of the benefits it is likely to derive from any new accessions of capital; and that amount which would impart a healthy activity to the trade of a town of one hundred thousand inhabitants, would, in one of twenty thousand, if retained, either remain comparatively idle, or find employment only in stimulating consumption.

The field for the useful employment of capital, in any community, is also greatly affected by the *industry* of its population. The more active and energetic are the inhabitants of a country, the greater must be their agriculture, their commerce, or their manufactures, according to the particular direction their industry takes, and consequently the more capital they can use in the various forms in which their employments severally require it, whether it be in farming stock or provisions, in ships or merchandise, in raw materials or machinery. On this account the slavehold-

ing states cannot use as much productive capital, in proportion to their gross population, as the free states, inasmuch as a large part of the proprietors of slaves is comparatively idle, or at least unproductive of material wealth. Among several reasons why more capital can be used in England than in Ireland, the greater industry of the English population is one. That this difference may be traced to moral causes, there can be no rational doubt, but the fact itself is equally certain. There is the same difference between the people of France and Spain.

Climate seems to have great influence in determining the amount of human industry, and as yet the world has afforded no instance of an industrious community within the torrid zone, where the labor was not produced by compulsion. The island of Hayti, when it was a colony of France, and cultivated by slaves, exported more sugar than any colonial possession in the West Indies, but since its emancipation it does not make quite enough for its own consumption. The same consequences will finally result in the British West Indies; and judging from all past experience, we may as soon expect to see an active, intelligent, and ingenious people, in the heart of Africa, with all the stimulants and aid they can derive from their civilized instructors, as that the Scotch people will relapse into the ignorance and barbarism of the ancient Picts, their ancestors. In a word, the inhabitant of a cold country is constitutionally active, while that of a hot one is constitutionally indolent, and this law of man's physiology mainly contributes to determine the amount of capital he can acquire or employ. Perhaps no part of the United States is within the limits of this physical incapacity.

The amount of a nation's industry is also greatly affected by moral causes. It is greatly encouraged by good government and good laws, by which every one is free to use his labor, talents, capital, and credit, in the way that he deems best, and is permitted to enjoy what he has earned. It is to the want of this blessing that the characteristic indolence of the Turks may be attributed. The want of industry among the people of Spain, of Naples, and some other parts of Europe, may also be attributed to the defects of their government. Nations, too, habitually industrious, may have their labors suspended or relaxed by temporary causes. Thus, wars, embargoes, and interdictions of trade, may, for the time, throw one half of a nation out of profitable employment, and occasionally an epidemic frenzy for speculation may divert a large proportion of the community from the pursuits of productive industry. Pestilence may obviously produce the same effect; and whatever lessens industry, whether the cause be temporary or permanent, must proportionally narrow the demand for capital, as an agent of production.

The *skill* of a nation, too, comprehending both practical science and manual expertness, tends to enlarge the field for the employment of capital. By the discoveries and improvements they make, new wants are created, and new gratifications afforded; but they can be afforded only by the aid of capital. It is true, that some employments of ingenuity and skill require a very small amount of capital, as, for instance, the arts of painting, sculpture, engraving, the manufacture of lace, cutlery, and indeed all the nicer manufactures of the metals, but these are cases of exception; and it will be found, in general, that every addition to a nation's productive skill and ingenuity tends to put in requisition a farther amount of capital. Let us, for example, suppose that the fabrics

now made at Lowell, or in Rhode Island, were imported from England, and that the operatives there employed in manufactures were employed in the simpler pursuits of agriculture and commerce, (supposing them to receive the same reward for their labor,) they would not employ near as much capital at present. The additional capital they would then require for agriculture would be for the purchase of the tools, carriages, and other farming stock; and that which would be required for the additional commerce this created, would be the shipping required for the transport of the agricultural produce abroad, and of the foreign commodities received in exchange for them; but the aggregate amount of the capital thus demanded for agriculture and commerce, would be small compared with the amount which is now expended in the cost of the numerous manufactories of cotton and woollen goods, and of its machinery, and in the purchase of the raw materials. When we consider that the fixed capital employed in the two places mentioned was, nine years ago, about twelve millions of dollars, and that the cotton manufactured was more than twenty millions of pounds, (equal to seventy thousand bales,) it can scarcely be doubted, that the whole capital which those manufactories require, must be from three to five times as much as would be required by the same number of hands distributed, in the ordinary proportion, between the employments of agriculture and commerce.

The effect of thus employing domestic skill and ingenuity instead of relying on that of other countries, may indeed eventually save capital as well as labor, but it adds very greatly to the first outlay. We may form some general notion of the difference of capital required to fabricate those manufactures at home and to procure them from abroad, by the fact that the tonnage of our ships employed in foreign commerce is about 850,000 tons, which, at \$50 per ton, is worth \$42,500,000, while their imported cargoes are worth about three times that amount, and that the establishment of the manufactories necessary for their production would necessarily require an outlay of many times their value.

Without doubt, every country adopts, as it ought to do, that mode of procuring the commodities it consumes which is the cheapest, whether it be to fabricate them for itself or to import them, but it may easily happen that it could fabricate some things at a yet lower price than it can import them, if it possessed the requisite skill; but when this was acquired, many of the articles could not be fabricated at home without a large expenditure of capital in establishing their manufacture.

There is, lastly, one other circumstance which affects the amount of additional capital which a community can advantageously employ, and that is, the amount it has already accumulated. If its capital has advanced at an equal pace with its population, industry, and skill, it can receive no farther addition without proportionably lowering its rate of profit. If, however, its savings of capital have not equalled the demands for it, created by an increase of numbers, activity, and intelligence, then a farther supply, equal to the deficiency, may find employment at the same rate, or nearly the same rate, as that previously employed.

In all infant colonies, and newly settled countries, there must necessarily be a deficiency of capital, not so much because the settlers are not wealthy, but because that amount of capital which they require in this new residence it was physically impossible to carry with them. Tools, utensils, clothing, and a temporary supply of provisions, is all that was

capable of distant transport; but the more costly, and no less desirable conveniences, of houses, barns, mills, bridges, roads, orchards, gardens, fences, they must necessarily leave behind; and they can be obtained only after a long course of patient labor, during the progress of which, the colonists are required to provide not only food and raiment, but materials for that foreign commerce to which they must yet look for a supply of such articles as the new settlement does not yet furnish. And, although with the choice of the best land, an industry always goaded to exertion, and a consumption necessarily frugal and plain, capital rapidly accumulates with them; yet by the natural increase of their numbers, aided commonly too by migration, the demand for fresh capital still keeps in advance of the supply, and a long period may elapse before the two may approach a state of equilibrium. Such has been the history of all the English colonies on this continent. Such is the present condition of the settlements in New Holland, and such are the circumstances which characterize our frontier settlements in the west. It may then be laid down as a general rule, that every newly settled country, and every rapidly increasing country, has a deficiency of capital compared with its field of profitable employment.

We have seen, in our former inquiries on this subject, that as the amount of capital augments in proportion to the population, its rate of profits diminishes. It is, however, clear, that the greater the amount of capital accumulated in a country, the greater can be the addition to it, without materially lessening its profits, and the more the amount can be diminished without enhancing its value; just as the larger the reservoir, the less will it be affected by the addition or deduction of a given quantity.

Such appear to be the circumstances, moral and statistical, which determine whether additional capital could be profitably employed in a country, and to what extent; and one might as soon expect to fatten an animal in a shorter time, by giving it more food than it could digest, as to add to the wealth of a country by the use of capital beyond the amount which its condition, in those particulars, actually requires.

Let us now apply the preceding principles, and see how far they justify one country in borrowing money or capital of another on interest.

It is obvious that the answer to this inquiry must depend on the difference between the annual profit derived from the borrowed capital, and the annual interest paid for it. If, for example, the interest is five per cent., and the profit is ten per cent., the national gain from the loan is five per cent. This gain, however, must be exclusive of all risk; of the expense and loss incident to the transfer of capital from one country to another; and of all charges of management.

The profit afforded by the employment of this additional capital depends evidently on the uses to which it is put, as well as those circumstances which afforded it a field for profitable employment. Of the various purposes to which it may be put, let us, for the purpose of illustration, consider the five following principal modes, namely: 1. In making a canal or rail-road. 2. In commerce. 3. In manufactures. 4. In agriculture. 5. In banking. There is scarcely a purpose to which foreign capital can be profitably employed which will not range itself under one of the preceding heads.

1. *Capital invested in canals and rail-roads.* The benefit which these

public works may render to a nation is two fold; first, in the excess of their dividends over the interest on their cost; and secondly, in the additional value they give to the lands whose produce they more cheaply transport to market, and in the additional trade they give to the cities and towns with which they communicate. These two sources of advantage are entirely distinct; and it may easily happen that a canal or railroad yields a nett profit of but three per cent., or half the ordinary interest of money, to the shareholders, and yet is profitable to the community. Suppose, for instance, the work cost five millions of dollars, in which case, estimating money to be worth six per cent., a permanent dividend of but three per cent. is equal to a loss of one half the capital, or of two and a half millions. If, however, by facilitating the transportation of commodities to market, it raise the annual profit of the lands thus accommodated five millions, the community is benefitted by the difference on two and a half millions. This may seem to some a great addition to the yearly value of the neighboring lands; yet, when we recollect how large a part of the labor of every country is expended, not in the business of producing, but in that of transporting what has been produced to market, and that the public works in question so greatly reduced the cost of transportation, we can readily see how large an addition they may make to both the annual and the fee simple value of the lands of the adjoining country. Again: they cause the transportation of articles which could not previously defray the cost, and thus increase the materials of trade in the towns, besides cheapening most articles of their consumption. A portion of these benefits may indeed be at the expense of smaller towns and of the lands in the immediate vicinity, but the last is commonly but temporary, as the advantages which the country near a large city derives from its growth, have been found more than to compensate the loss arising from the competition of more distant rivals. Though New York now draws from a distance a part of the supplies for which, before steam navigation and the Erie canal, she was dependent on lands near the city, those lands have continued to advance in price.

But the profit afforded to a country by its canals and rail-roads is subject to great deductions. Besides the first cost, the annual repairs and expense, especially on rail-roads, are considerable. While they are in progress they yield little or no return, and in the mean time, they have withdrawn a part of the labor of the country from other productive employments. They sow the seed of a crop of which, the harvest is not likely to be reaped in many years, and which, when reaped, may not repay the seed, and still less compensate the long interval of unproductiveness. By far the larger part of the money the states have borrowed in Europe has been expended in this species of improvement, and while some of them have proved very profitable investments of capital, there are others which, it is to be feared, have destroyed more than they have created.

2. *Capital invested in commerce.* Whenever goods are purchased abroad on a credit, they constitute so much foreign capital lent to the country. The debts contracted in this way do not indeed bear interest until after the time of payment has elapsed, but the excess of price beyond what similar goods may be purchased for in cash, is probably more than equal to the ordinary interest. English capital to a large amount is lent to American merchants in this way, and of course a cor-

respondent amount of domestic capital is disengaged, and free to be employed in any other branch of commerce, or other profitable undertaking. A part, which is thus crowded out of the mercantile arena, may find a suitable field for profit in ships, in steamboats, in warehouses, and other city improvements, and in manufactures. In general, foreign capital will not be borrowed unless it is profitable to borrow it. When there is a speculating spirit abroad, as is apt to be the case after an unusual course of national prosperity, it may extend to those branches of foreign trade which are supported by foreign capital as well as any other; and more foreign capital may be borrowed than is wanted, or is profitable. The wealth of the community is consequently diminished, not merely by the interest paid, but by that part of the domestic capital which is sunk with the foreign, in the wide spread wreck of fortune by bankruptcy. The mischief may be heightened by a temporary redundancy of money in the creditor's country; and such was the relation between England and the United States in 1835 and 1836, and which was followed by the catastrophe of 1837.

3. *Capital invested in manufactures.* Without doubt foreign capital thus invested may add as much to the national wealth as in any other employment, if it establishes no manufactures but such as are suited to the circumstances of the country—to its population, its skill, its business habits, and its facility of procuring the raw materials—such indeed as might be expected naturally to spring up in no long time, without such fostering aid; but where their growth is forced by the hot-bed process of legislation, there they are not likely to afford a profitable employment even to the borrowers of foreign capital, to say nothing of the loss otherwise occasioned to the community. Under the encouragement which the tariff of 1824 and of 1828 gave to manufactures, numerous establishments for the manufacture of cotton, wool, and iron, shot up like mushrooms, unsupported by the prudence, or experience, or capital required to insure success, and the consequence was that they soon failed, besides having injured their well-conducted rivals. This was the history of many cotton and woollen factories in the New England states, and of iron works in New Jersey. A great waste of capital was occasioned in this way, but little of it is believed to have been obtained from abroad. Indeed, of all the modes in which the foreign capital we have borrowed is used, that of manufactures employs the least.

4. *Capital invested in agriculture.* It is but to a small extent that additional capital can be employed in agriculture in the northern or middle states, except in raising wool, or in the grazier's business, or occasionally in cultivating on a large scale, and little or no foreign capital has taken these directions. In the southwestern states, however, capital can be used to procure additional labor by the purchase of slaves from the Atlantic southern states; and when the price of their great staple, cotton, is high, as such an investment of capital promises extraordinary profits, and does at first yield them, it holds out the strongest temptations to borrow it. Those states have fertile unoccupied land in abundance—their population in no state south of Tennessee much exceeding five or six to the square mile—nothing, then, is wanting, but labor, to make it yield the richest return; and that labor money can readily procure. Money, therefore, to a large amount, has been borrowed in the cotton-growing states for this purpose.

But two consequences resulted from these investments, which, although according to the ordinary course of things, were not foreseen at the time, and which have not been fully appreciated since. One of these was, that the great additional demand for slaves raised their price to more than double its former amount, even in the states in which they were bought. The other was, that the great addition that was thus suddenly made to the quantity of cotton produced, lowered its price in the general market of the world. The quantity raised in the United States had increased, in the interval between 1824 and 1835, from five hundred and sixty thousand bales to one million three hundred sixty thousand seven hundred and twenty-five bales, when it was supposed to reach one half the quantity made in the world. It was morally impossible for so large an addition to the quantity to find a vent, except by reducing its price, so that it could be applied to new purposes and be more liberally consumed. The capital thus vested in slaves increased the cost of producing cotton while it lowered its price, and those who had borrowed it were totally unable to extricate themselves from debt by the cultivation of cotton. The price of open land and improved tracts was greatly augmented by the same eagerness to extend the cotton culture, and by reason of the subsequent fall of price in cotton, slaves, and lands, many who had confidently expected to acquire fortunes by the aid of borrowed capital, not only sunk that capital, but with it all the property they previously possessed.

5. *Capital invested in banking.* In those states in which they had a deficiency of capital by reason of their having been recently settled, and their rapid advancement, they endeavored to remedy the inconvenience by the establishment of banks, by the aid of capital obtained from abroad. By this expedient they considered that the money borrowed would be more efficient; and many, in their inexperience, fondly believed that their currency would thus be doubled or trebled in amount.

The benefit arising from this use of borrowed capital would evidently depend upon the uses which was made of the money borrowed of the banks. Of that which was borrowed by the southwestern states, amounting to upwards of forty millions of dollars, a large part was expended in the purchase of lands and slaves, which, as we have seen, proved generally an unprofitable, and often a ruinous investment.

Nor was this all the mischief. While men's hopes were high of soon realizing fortunes, they naturally fell into habits of expense better suited to their expected than their real condition; and thus the consumption of foreign luxuries in dress, furniture, equipages, was prodigiously increased. It would often happen, too, that these habits would continue, when the dreams of wealth which had given rise to them had passed away, and in defect of other means, be kept up on borrowed funds until credit was exhausted. In this way, no small part of the capital transferred to the southwestern states from Europe, or northern capitalists, has been irrevocably lost.

If we apply the preceding doctrines, concerning the use of foreign capital, to the loans which have been obtained from Europe by the several states, and the amount of which is far less than the president, in his last annual message, seems to suppose, it will be found that a part of it has been usefully employed in the construction of rail-roads and canals; that a part has been of dubious benefit in the same way; and that most

of that which has been employed in banking will be found not to have increased the value produced in the nation, whilst it has greatly increased its consumption; and we are almost brought to the conclusion, that there can be no sudden and large transfer of capital from one country to another, except by the exchanges of commerce, without doing mischief, always to the country from whence it is withdrawn, and not seldom to the country to which it is sent.

The principles which have been maintained in the preceding remarks will now, in conclusion, be briefly recapitulated. They are,

That capital may add to the wealth of the nation as certainly as a fruitful soil in a benignant climate, by either giving employment to the idle, or by transferring industry from one employment to another more productive, or by creating substitutes for human labor. But that unless it acts in one of those ways, the *use* of it does not add to the wealth of a country.

That if it acts in any one of those ways, it is quite immaterial whether it be procured abroad or at home. It will be most advantageous for the nation to use that capital, whether foreign or domestic, which can be procured at the lowest interest. But that even where the use of capital may be at first advantageous, the benefit may bear the seeds of its own destruction; and it should always be inquired, whether the benefit is permanent, or may be only temporary—whether its employment is likely only to enrich some at the expense of others—or whether it promises a creation of new values.

And, lastly, that it is better for every new employment of industry and capital to be engaged in by degrees, than by sudden and violent changes.

ART. II.—CAUSES OF UNSTEADINESS OF THE CURRENCY, AND THE REMEDY THEREFOR.

NUMBER II.

WHAT ARE THE CAUSES OF UNSTEADINESS ?

PRICES are dependent upon the relation existing between the amount of property of every description in which the owners of unemployed capital may invest it, and the amount of *capital seeking investment*, and constituting *currency*. The latter may be, as we have shown, dependent in a great degree upon the will of individuals, enjoying the power of raising or depressing prices, as fear, ignorance, or selfishness, may influence them.

Wherever power exists there is danger that it will be abused; and the greater its amount the greater is the danger. Men accustomed to dictate to their fellow men, learn to regard as just and necessary measures that are calculated to destroy the happiness of those around them, when in reality they are uncalled for, except for the gratification of their own selfish views and feelings. Napoleon seems to have persuaded himself that his measures were dictated by a regard for the interests and

prosperity of France, whereas almost every man will now agree that his motives for their adoption were purely selfish. Even where no such feeling exists—where men are actuated by the purest motives, and have the strongest desire to do right—there is great danger to be apprehended from ignorance. No mistakes, it has been said, are so dangerous as those of men of genius. Such men acquire power to influence the action of the community, and if their views chance to be erroneous, they inflict injury that years, and perhaps centuries, can scarcely repair; as witness the vast debt of Great Britain, the consequence of an unnecessary and wasteful war of more than twenty years.

In nothing, except the single question of peace or war, is it so dangerous to invest individuals with power, as in regard to the currency, and therefore it is in the highest degree desirable to find the system that is most nearly self-acting: that which affords the least scope for the exercise of caprice, and is least likely to be affected by panics, whether produced by the apprehension of political changes, the failure of crops, or the desire of promoting individual interests. With a view to ascertain what is necessary to secure such steadiness, we will now inquire, what are the causes of the variations that are observed.

Every exchange of labor, or of its products, for money payable on demand, places at the command of the laborer, or owner, a certain amount of capital for investment, or re-investment, and enables him to appear in the market as a purchaser of commodities, or property. His labor, or his property, has taken the form in which it passes *current* in all exchanges.

If the investment take place at once, no change is produced in the currency; but if not, the amount thereof will be increased or decreased, according to the course of action adopted by the person who receives, or becomes entitled to receive, money, as we shall now show:

I. A farmer sells his wheat to a storekeeper, and invests the proceeds in the purchase of supplies for his family, and machinery for the improvement of his cultivation. He has converted his produce into money, or a claim to receive money on demand, which he has exchanged for sugar, coffee, ploughs, and harrows; and the owners of these commodities have obtained money, drafts, or notes in exchange. The currency is unchanged in amount.

II. Instead of investing it in this manner, he purchases with it the note of the storekeeper, or that of his neighbor, or a share of stock in a neighboring bank, or a few acres of land—paying to the owners thereof the money he has received. The amount of the currency is, in this case, also unchanged.

III. Unwilling to invest it in any of these forms, he claims the amount in gold or silver, which he deposits in his cellar. Here a *diminution* of the currency is produced.

IV. Instead of placing it in his cellar, he takes it to a neighboring banker, and deposits it with him for safe keeping, while he is seeking the means of securely investing it. The banker charges nothing for his trouble, calculating upon being indemnified by the interest he may derive from its use while the owner leaves it unemployed. He purchases securities with it. Here are two persons who have equally *the power and the will* to contract for the delivery of the same money. To the extent that this double power is exercised over this and all similar de-

posits, *the currency is doubled*. A, the owner, is in the market, acting as if he had money in his pocket, when it is really in the pocket of C, to whom the banker has paid it in exchange for his note or promise to return it to him at some future time. Both have *capital seeking investment*.

In the first and second of these cases, the currency is unchanged, and no alteration of prices is produced. In the third, the currency being reduced, prices tend to fall. In the last, prices tend to rise, producing a constantly increasing difficulty of investing capital profitably, with an equally constant tendency to an increase in the amount of unemployed capital, for which the owners are seeking investment. That such must be the case, will be obvious to the reader, when he sees that the banker is enabled, by the use of A's money, to purchase the notes of C and D, the very securities, perhaps, that A himself would most desire to obtain; or C and D, having obtained the use of his money, are enabled to hold *against him* the houses or the stocks that he most desires to purchase, and thus to raise the price. Were A now to demand a return of his deposit, the currency would, by this act, be reduced to its original amount. The bank would be compelled to sell the notes which it held, or to require payment thereof, and to meet this demand, C and D would be obliged to sell their houses or stocks. In either case, A would be enabled to obtain the securities or property that he desired, and the price would be proportioned to the diminished amount of the currency.

The mode in which a surplus of uninvested capital placed on deposit with persons who are permitted temporarily to use it, tends to increase the currency, has been so little observed, and is generally so little understood, that we shall, perhaps, be excused, for devoting a little more space to its illustration. In doing so, we will assume that both parties throughout make investments, or desire to do so, in the same species of security.

A, receives on Monday \$100,000 in specie. He deposits it in a bank, until he can find a mode of employing it. Five per cent. state stock is at par, and he desires to avail himself of the first opportunity of purchasing. The bank, having \$100,000 placed at its command, orders its broker to invest \$80,000 in state five per cents. *Here are two competitors for the first lot that is brought into market, both desiring to use the same capital; and the consequence is, that the price advances to 101, the purchase being made by the bank, which can best afford to give a good price, as it pays no interest.* A has still 100,000 to invest, although \$80,000 of it has been paid out to sundry persons in exchange for stocks.

On Tuesday, B receives a similar sum, and the same operation is performed. The bank invests \$80,000, and stock now rises to 102, *because of the vigorous competition between the agents of the owners and of the bank.* An original capital of \$200,000 has given to sundry persons the power to contract for the delivery of \$400,000, and they exercise it to such extent as to produce the same effect upon the market, as if the real amount of capital seeking investment, were \$360,000; that is, A and B have 200,000 of capital which they are anxiously seeking to invest, while four fifths of the coin received has been paid out and is now circulating in the community, the possessors having both the power and the will to apply it to the purchase of property of any description.

During the rest of the week, C, D, E, and F, receive similar sums, and at the close of it the deposits have been increased \$600,000, of which the bank has invested \$480,000 in stocks, in payment for which she has issued that amount in the silver received from her customers. The operations of the week have tended to add \$1,080,000 to the currency; whereas, *had the parties who received the various remittances, kept the money in their own hands until their broker purchased stock for them, and then paid it out therefor, the increase could have been only \$600,000.*

Let us now suppose that the owners claim a return of the money they have deposited. At once the reverse operation has to be performed. The bank is compelled to exchange stock for silver, to be delivered to its depositors, who retain it in their own hands. The currency is reduced to \$600,000. Instead of this, let us suppose that the bank, finding it somewhat difficult to obtain the specie it had paid out, transfers to the depositors the \$480,000 of stock it has purchased. The reduction of the currency is instantaneous, because \$480,000 of uninvested capital at once becomes invested. Prices fall as much as they had previously risen. A third course would be for the bank to add the \$600,000 to its capital, and create certificates of stock for the owners. Here the same effect would be produced. Prices would fall, because of the increase in the amount of investments, and consequent absorption of the uninvested capital.

What is true of the six persons, and the single bank, here referred to, is equally true of a large community, with numerous banks. The accumulation of an extra million of dollars of unemployed capital in the banks of New York, enables those institutions to purchase an extra million of securities, in opposition to the owners of the money with which it is done, who are endeavoring to invest it. Money is said to be plenty, because one million is performing the operations of two millions. Prices rise, and interest falls. It becomes more difficult to make investments, and the deposits rise to two millions, which now perform the duty of four. By and by, with the constant increase in price of securities and of real estate, unattended by a corresponding increase of income, the rate of interest falls so much that the deposits rise to ten or twelve millions, nearly all of which is lent out by the banks, and thus is produced a *currency*—or apparent amount of capital seeking investment—of more than twenty millions, out of an original *capital* of twelve millions. The banks use it, and the owners try to use it. Both have the power and the will to do so, and both contribute to the daily augmentation of prices, until the crisis arrives, when it is discovered that the apparent twenty millions are really only twelve, or perhaps only ten. The capitalist, who has suffered under the constant reduction of interest, is now enabled to obtain two or three per cent per month, and the poor man, who has built or bought houses with borrowed capital, is ruined. Banks no longer make large dividends at the expense of the capitalists, and fortunes are no longer accumulated by speculators.

We think the reader will now be prepared to admit, that,

I. The more perfect the security of person and property, the smaller will be the tendency to hoarding money, and the less will be the tendency to variation in the amount of the currency from diminution that is liable to be followed by expansion.

II. The more perfect the freedom with which capital may be employ-

ed, the less will be the tendency to its accumulation in the form of deposits with banks and individuals, to be used by them while wholly, or comparatively, unproductive to the owner, and the less will be the tendency to variation in the amount of the currency from expansions, that must be followed by contractions.

III. That the most unsteady system must be that which tends to promote the accumulation of uninvested capital, deposited in strong boxes or cellars, productive of no advantage to any portion of the community; or with banks or bankers, yielding little or no return to the owner, while the person or persons intrusted with its safe keeping are lending it out for their own benefit.

IV. That the most steady must be that under which uninvested capital least tends to accumulate, and in which there is the least cost of management—the least friction of the machinery—between the owner and the employer of capital.

It is usual to attribute fluctuations in the value of the currency to variations in the quantity of the machinery of exchange employed; to wit, in the amount of specie and bank notes kept in circulation. We think our readers may satisfy themselves, and perhaps from their own experience, that it is not usual for any persons to retain about their persons, or in their houses, a larger quantity of bank notes at one time than at another. Whenever they own more money than they want to use, they place it somewhere for safe keeping, and most generally in banks, where it remains on deposit until wanted.

The *circulation* that can be maintained is very nearly a constant quantity. Thus, in Massachusetts :

The <i>nett</i> amount at the close of 1836, when excitement was at the highest, was	\$7,484,000
In October, 1838, when the banks had resumed payment,	7,052,000
In November, 1839, when prices had fallen to their lowest,	6,104,000

From December, 1833, to December, 1836, the highest circulation of the Bank of England was	£17,361,000
And the lowest	16,564,000

From December, 1833, to September, 1836, the highest circulation of the Private and Joint-Stock Banks of England was	£12,202,000
And the lowest	10,152,000

The combined circulation of the Private and Joint-Stock Banks of England, in the two last years of extraordinary fluctuation, has been as follows :

1838. January,	28,770,000
April,	29,913,000
July,	30,792,000
October,	31,129,000

1839.	January,	30,694,000
	April,	30,630,000
	July,	30,376,000
	October,	29,044,000

The greatest variation in these years has, therefore, but little exceeded eight per cent.

Great as has been the change of prices in the United States in the last two years, the variation in the circulation of New York has been but about ten per cent.

The reader will now, perhaps, be prepared to agree with us in the assertion, that *the circulation* that can be maintained in a community, undergoes so little variation in amount, that it would be in vain to look in that direction for the causes of the violent changes that are observed.

Cases of great *apparent* variation do take place, and the observer may be deceived, unless he examine carefully all the circumstances attending their occurrence. Thus, in February, 1826, there was an extraordinary increase in the circulation of the Bank of England, arising out of the substitution of the notes of that institution for those of many of the country banks which had failed, or were likely to do so, and of £1 notes for gold in circulation. Again, in times of great excitement, similar to the year 1836, the *apparent* circulation increases rapidly because of the large amount of notes held by other banks. As an instance of this, we will give the case of Massachusetts in 1836 and 1838. The *gross* circulation in the former year exceeded that of the latter by \$1,500,000, but when we come to deduct the notes held by each other, the *nett* amount is but \$400,000 greater. Changes of policy on the part of the states produce a great apparent variation. Banks and bank notes have been prohibited at one time, while at another, the former have been freely established, and the latter have been permitted to supplant the circulation, whether of specie or notes, that previously existed. The only safe course is, to take a community in which there has been no change of policy, as in that of Massachusetts, or that of England, for the time we have included above, and examine it carefully, when we shall find that changes in the amount of circulation are rather *consequences* than *causes* of changes in the amount, and in the value, of the currency.

We come now to inquire how the variations in its amount and value produced by the deposit of unemployed capital, correspond with the views above submitted, and will commence with the state of Massachusetts, in which the freedom of investment is very great, and more nearly perfect than in almost any other part of the world. There are, nevertheless, as we shall show on a future occasion, still remaining some regulations which tend to produce the unsteadiness which we are now about to exhibit.

A certain portion of the deposits is required for daily use, and circulates by means of checks or drafts, passing in the course of the week from A to B, C, and D, and perhaps changing owners fifty times in that period. Like the circulation, this is almost a constant quantity, varying so little in amount as to exercise scarcely any influence upon prices. Another portion consists of the larger masses of capital, for which the

owners desire to obtain securities, real estate, etc. Here we shall find the principal variation.

The deposits and the specie in the banks of Massachusetts for four years, were as follows:*

	Deposits.	Specie.
1835	10,921,000	1,136,000
1836	15,262,000	1,455,000
1837	14,059,000	1,517,000
1838	9,621,000	2,394,000

We may fairly suppose, that the deposits for the daily uses of merchants, traders, farmers, and other persons, would not be less than six millions, and that to meet any claims on account of *those* deposits and the circulation, they would require to keep not less than a million of dollars in specie.

Deducting these sums from those above given, we shall find:

	Excess of deposits.†	Excess of specie.
1835	4,921,000	136,000
1836	9,262,000	455,000
1837	8,059,000	517,000
1838	3,621,000	1,394,000

Had the banks in 1836 retained in their vaults the excess of deposits, instead of lending them out, they would have had \$4,921,000 in specie to meet them, whereas they had only \$136,000, having paid out \$4,785,000. In purchasing securities, they were competitors with the owners of the money thus deposited with them to the extent that they employed it, the consequence of which was a constantly increasing difficulty of employing capital, and a constant increase of the currency. Prices rose and interest fell. The difficulty of finding profitable employment for capital continued to increase, and the deposits rose to \$9,262,000, of which 8,807,000 were loaned out. Excess of currency produced a reverse. A demand for specie arose, and the banks were compelled to call in their loans. Prices fell, and the capitalists were enabled to employ their money in the purchase of those securities, or that property, which had before been held by those who had been using their capital. The following table shows the variation in the amount of currency resulting from this cause.

The excess thereof was precisely equal to the amount of securities purchased by the banks with the funds thus acquired, and was as follows:

1835	\$4,785,000	1837	\$7,542,000
1836	8,807,000	1838	2,203,700

* A very considerable amount of these deposits belonged to the government, which was not at liberty to use them until after the passage of the distribution law, in 1836. The expansion of the currency produced by *these deposits* had no connexion with the banking system, nor did it arise until the distribution commenced, in 1837.

† A part of these deposits bore interest, and was only convertible upon short notice. The owners were, nevertheless, seeking permanent investment for them. They contracted for the purchase of ships, houses, and stocks, payable at the expiration of thirty or sixty days, with the same confidence as if the money had been in their pockets. The necessity for giving notice has a slight tendency to prevent sudden changes, but it is very slight indeed.

Here we find the variations are four to one, whereas, in the circulation, it was almost nothing. Nine millions of capital, in 1836, produce an apparent amount of capital seeking investment equal to eighteen millions, whereas, in 1838, the owners are using it themselves to the extent of six millions, and the duplication falls to two millions.

Had the owners of eight millions of deposits in 1836, claimed payment of the banks, those institutions would have been compelled to sell stocks or notes to that amount. Prices would have fallen, and the depositors would have purchased those securities at the same rate, or perhaps even a lower one, than they could have done in 1834 or 1835. The currency would have been reduced eight millions by this simple exchange of bank securities for bank liabilities.

Had they become alarmed, and desired to convert their deposits into gold, with a view to hoard it, the change, could it have been effected, would have amounted to sixteen millions, attended with universal ruin.

Increase of deposits causes augmentation of the currency, attended with a rise of prices, and this produces a necessity for a small increase of circulation, because more money is required for the performance of the same exchanges. It is a *consequence* of the depreciation of the currency that is caused by an excess of uninvested capital, and that excess is produced by restrictions upon its employment.

We will now proceed to a similar examination of the operations of the Bank of England, with a view to see if like causes produce similar results. In this case, we suppose the deposits required for daily use, and those of the government, together, to average five millions, and that the quantity of specie required to be kept on hand to meet the demands on account of *those deposits and the circulation* to be also five millions, all above those sums being deemed deposits waiting permanent investment, and bullion held for the purpose of meeting them. It will be observed, that the *proportion* of bullion to liabilities here allowed is much greater than in the case of Massachusetts, the reason of which is, that the system is far less free and less natural, and is of consequence more costly, as we shall have occasion to show.

	Excess of Deposits.	Excess of Bullion.	Deficiency of Bullion.
1834, December,	£8,019,000	£1,978,000	
1835, "	15,370,000	2,710,000	
1836, "	8,330,000		£455,000
1838, January	5,992,000	3,895,000	
April,	6,262,000	5,126,000	
July,	5,424,000	4,749,000	
October,	4,327,000	4,437,000	
1839, January,	5,315,000	4,356,000	
April,	3,998,000	2,073,000	
July,	2,567,000		656,000
October,	1,734,000		2,478,000
December,	952,000		2,113,000

At the close of 1834, we find capital uninvested, and not wanted for daily transactions, amounting to eight millions, all of which, except about two millions, is invested in securities held by the bank for its own profit, while the owners are seeking in vain the means of making it pro-

ductive. Eight millions here appear in the market as fourteen millions, the consequence of which is a great abundance of money, attended with a rapid rise of prices, and a constantly increasing difficulty of making investments. With every rise in the prices of securities, there is an increase of the deposits, and as the sums thus deposited are daily invested by the banks, there is a daily augmentation of prices, producing a farther increase of deposits, and thus we find, at the close of 1835, an excess of fifteen millions, more than twelve and a half millions of which are lent out by the bank. Fifteen millions of capital are here producing twenty-seven millions of currency; that is, twelve and a half millions of capital have been paid out to the community, while the owners of that sum, and of two and a half additional millions, are daily endeavoring to find the means of investing it, and are making engagements for its delivery with the same confidence as if they had the gold in their houses. It is not extraordinary that the explosion now takes place. It does so, and at the close of the following year, we find the deposits reduced to £8,330,000, all of which is invested in securities, together with nearly half a million out of the reserve five millions of gold. Eight millions would here be performing the duty of sixteen, *if the owners of the deposits had the same disposition for investment that they had at the close of the previous year.* Such was not the case. The revulsion had been so great as to shake confidence, and so large a portion of the owners wanted *the will to invest, that the deposits ceased to act as currency.*

At the commencement of 1838, the excess of deposits was less than six millions, only two millions of which were invested, and for a time we find so great a tendency to diminish the amount of trading upon the capital of others, as to retain in the form of bullion nearly the whole excess of deposits. Shortly after, expansion again took place. The bank invested all of its surplus deposits in securities, paying out for them not only all its surplus bullion, but a large portion of the reserve five millions, and in a short time brought itself to the verge of bankruptcy.

The excess of currency produced by this duplicate action of capital, in the period we have taken, was as follows :

1834, December,	£6,041,000	
1835, "	12,660,000	
1836, "	0,000,000	
1838, January,	2,097,000	
April,	1,136,000	
July,	675,000	
October,		£110,000
1839, January, ¹	959,000	
April,	1,925,000	
July,	3,323,000	

This expansion was voluntary, but the effect being seen, the bank now desired to limit its operations. It had depreciated the currency, and compelled the export of capital which was leaving its vaults in the form of bullion, to such an extent as threatened the existence of the institution. In its anxiety to save itself, every effort was now made to correct the depreciation it had caused, and to force down the prices of all commodities, at the risk of ruin to all engaged in trade; yet, notwithstanding

all its efforts, it is but quite recently that it has placed itself in a condition of safety.

Let the reader now compare the variations in the currency produced by the use of the deposits with those produced by circulation, and he will see that the latter sink into insignificance. In the one, from an excess of twelve millions, we fall to a deficiency of three millions, *in the single institution to which we have referred*, and if we include the joint-stock and private banks, it is highly probable that the variations are not less than thirty millions, while those of the circulation are but two or three millions.

Had the owners of unemployed capital kept it in their own hands, in 1833, prices would not have risen in 1834, 5, and 6. *Nor would they have done so*, had the bank traded upon its capital and circulation, keeping its deposits in bullion, the effect of which upon the currency would have been precisely the same. To return to this state of things, in 1834, would have required it to dispose of six millions of its securities, which would have been purchased by its creditors, and all difficulty would have been prevented. The proprietors of bank stock would have had smaller profits; and the owners of the deposits, finding it easy to invest their capital at home, at the usual rate of interest, would not have been under the necessity of sending it to all quarters of the globe, or embarking in hazardous enterprises at home, with a view to its employment.

We will now show, very briefly, the condition of the currency of the United States, that the reader may determine for himself how far it accords with the views we have submitted :

January, 1837, when expansion was at its greatest amount, the <i>nett</i> circulation, was	\$112,000,000
January, 1839, it was	108,000,000
January, 1840, as given by one authority, 86 millions; by another,	92,000,000

Even supposing that of 1840 to be only eighty-six millions, the *difference* in the quantity of notes which, at the two periods, had ceased to circulate, and yet appeared in the statement of circulation, being in transit between the banks of the various parts of the union, could not have been less than four or five millions. We are warranted, therefore, in saying, that the diminution of circulation has not exceeded twenty millions.

January, 1837, the deposits were	\$128,000,000
1839,	90,000,000
1840,	76,000,000

An important portion of those of 1837 belonged to the government, and became currency only as the distribution law took effect. If we suppose the amount of deposits required for daily purposes to be fifty millions, there was in 1837 an excess of seventy-eight millions, which was lent out by the banks, while individuals and states were making roads and canals, and performing other operations, with a view to the permanent investment of the same capital—say \$78,000,000

In 1839, we find similarly situated 40,000,000

In 1840, the *excess* of deposits is reduced to twenty-six millions, but so entire is the destruction of confidence,

that the owners have not *the will* to employ them, and they cease to act as currency in their hands, while only partially employed by the banks. The excess of currency from this cause is therefore —*nothing*.

Here we find the real causes of the vast changes that are witnessed, for which we should look in vain to variations in the amount of circulation.

The extent of the change thus produced will be more obvious, on an examination of the following statement :

1837.	
Circulation,	\$112,000,000
Deposits,	128,000,000
The total amount of specie in the banks was thirty-seven millions. If we permit the whole of this sum to represent the deposits alone, the balance will constitute the sum of depositors' money loaned out by the banks, while the owners are seeking the means of employing it—say	
	91,000,000
Total currency,	*\$331,000,000

* It will be asked, "If currency really represent *capital seeking investment*, how is it that three hundred and thirty-one millions of currency are here represented by only thirty-seven millions of specie—of real capital lying in the bank?" The answer is, we think, very simple.

Every man who has a claim upon a bank, or an individual, as holder of a note, or as owner of money deposited with either of them for safe keeping, holds it as the representative of some species of property that he has parted with. His capital has become uninvested, and has taken that form in which it will pass current in exchange for such other description of property as he may desire to possess, the holder thereof receiving it as money. It is not indispensable that the representative of his capital—the machine used for the performance of his exchanges—should have value in itself. A community might resolve to use inconvertible paper, bank silver-tokens, bricks, or any other article of merchandise, in the transaction of their business, and any of them would answer the purpose equally well if they could devise a mode of preventing excess of issues and consequent depreciation. They cannot do so, because the temptation is too great, and therefore it is necessary to maintain the convertibility of the medium of exchange into money, thereby securing steadiness of value. The dollar is the standard by which the bank note is measured, and so long as it conforms to that standard the object is obtained. Every portion of the above three hundred and thirty-one millions was received in exchange as freely as would have been an equal amount of silver. The holder valued it because it represented property that he had sold. The man to whom it was offered valued it because he knew he could exchange it with his neighbors for such property as he desired to possess. In like manner, the merchant who purchases a bill of exchange on Liverpool, values it because it represents cotton, and he cannot obtain it except at certain cost, and he knows his correspondent will give him cloth for it. The latter does so because he knows he can obtain cotton in exchange; yet the bill itself has no intrinsic value. It is no more necessary that the machine in daily use for the measurement of *values* should be of gold, than that that used in the measure of *lengths* should be so; but it is as important that the one should measure equal values as that the other should measure equal lengths; and therefore, it is essential that standards should be preserved, that the community may have constantly the opportunity of comparing them with those in use, so as to detect variation the moment it occurs. The *right* of conversion gives to every man the power of ascertaining the existence of any depreciation in the value of any representative of capital that he may hold, while it *tends* to compel all who supply such representative to limit the supply to the quantity actually wanted for the performance of exchanges, thus preventing the holders from experiencing

1839.	
Circulation,	\$108,000,000
Deposits,	90,000,000
The specie on hand being forty-five millions, it follows, that the amount of depositors' money loaned out was	45,000,000
Total currency,	\$243,000,000

1840.	
Circulation,	\$92,000,000
Deposits for daily use,	50,000,000
Surplus deposits, \$26,000,000. The owners of these having no longer <i>the will</i> to invest them, they cease to act as currency.	
The specie on hand being \$33,000,000, it follows that the amount of the depositors' money used by the banks is	43,000,000
Total currency,	\$185,000,000

The amount is little more than one half of what existed in 1837. But one seventh of the reduction is to be found in the circulation, and even that is to be viewed as a consequence of the diminished value of property, resulting from the diminution of the currency, produced by the absence of the double application of capital, to which we have called the reader's attention. It cannot be doubted that \$92,000,000 of circulation bears at this time a much larger proportion to the amount of property to be exchanged, than did \$112,000,000 in 1837. With every diminution of the money value of commodities, a diminished quantity of money is required.

Increase in the quantity of circulation throughout England and the United States generally follows the movements of the Bank of England, but time is required to produce the effect. London is the centre of the financial world, and the bank is the prime mover at that centre. When that institution begins to expand its operations, by lending freely the monies deposited with it, thus making money more abundant, there is a rise in the prices of *securities*; but some time elapses before the country banks are enabled to follow its example to the extent that is required to produce the augmentation in the prices of commodities that gives rise to the necessity for increased circulation. A still longer time is required for it to be felt at New York and Philadelphia, and yet longer for it to reach St. Louis. When contraction is required, it begins in London, and after a short time it takes effect throughout Great Britain. After that, it is felt in New York and Philadelphia, and ultimately at St. Louis

any necessity for exercising it. The more nearly the amount approximates that which is required for the daily purposes of life, the smaller will be the proportion of specie required to be kept on hand, the less necessity will there be for resorting to the standard for the purpose of comparison—the less expensive and the more steady will be the currency.

and Calcutta. The water along the shore is calm and unruffled, while the centre of the stream is agitated by the passage of the steam-boat, but the wave thus produced is propagated throughout the mass of waters until it reaches the shore, which is most agitated when the centre is restored to perfect tranquillity. In like manner we find the country banks of England still expanding after the bank has commenced to contract, and those of New York and Philadelphia expanding after the contraction has been established throughout England.

On an examination of short periods, or of a portion of the facts, the fluctuations in the circulation might not appear to follow those which occur in the loans upon deposits, and thus, in the year 1838, there was a diminution in the latter, *so far as the Bank of England was concerned*, and an increase in the former. We hazard little in asserting that there must have been, during that year, an increase in the amount of deposits with the private and joint stock banks, enabling them largely to increase their loans, to aid the Bank of England in bringing about the state of affairs which led to the explosion of 1839. Had we all the materials, this could be shown as clearly in the case of England as we have been enabled to do in that of the United States.

When individuals permit their capital to remain unproductive, it may be safely assumed, either that property is insecure, or that there is a difficulty in finding the means of profitable investment. In neither England nor the United States does there exist that state of feeling which induces men to hoard gold or silver; on the contrary, the universal tendency is to place it in the custody of banks and bankers, proving that the first cause does not exist, and that the latter is the only cause to which an excess of deposits can be attributed. Such difficulties are the result of restrictions, the effect of which upon the currency we shall now show, by comparing the operations of three communities nearly equal in the amount of production and of exchanges to be performed, but differing somewhat in the freedom with which capital can be employed.

In No. 1, there is perfect freedom. Every man employs his time, talents, and capital, as he sees fit. The amount of circulation and deposits is not greater than is necessary to perform the daily operations of the community, and consequently there is no unemployed capital. In No. 2, there are various regulations that render it somewhat difficult to make investments yielding the usual rate of interest, and there is always on hand a small amount yielding no return to the owner. In No. 3, there are superadded many regulations and restrictions, that cause capital to accumulate for months before the means of employing it advantageously can be found. The state of the currency, in these several communities, is as follows:

	No. 1.	No. 2.	No. 3.
Circulation, specie, and paper,	\$3,000,000	\$3,000,000	\$3,000,000
Deposits, <i>for daily use</i> ,	3,000,000	3,000,000	3,000,000
Deposits, unproductive to their owners, }		3,000,000	6,000,000
Total currency,	\$6,000,000	\$9,000,000	\$12,000,000

It must be obvious to the reader, that no apprehension of war—no

panic—no selfishness—can materially affect No. 1. Every man experiences a necessity for using every day that portion of the currency which falls to his lot, and consequently there can be no material change of prices under any circumstances. In No. 2, on the contrary, the apprehension of such an occurrence would at once paralyze the operations of the owners of *one third* of the currency, and would produce such a state of distress, and such a reduction of prices, as would throw out of employment a considerable number of laborers. In No. 3, the same circumstances would exist, and on a much larger scale. The currency would be reduced from twelve to six millions, with universal ruin to the productive classes, whose property would be transferred to the owners of the before unemployed capital. The rich would become richer and the poor poorer.

The power of affecting the currency, and of increasing or diminishing prices, both of labor and commodities, exists in precisely the ratio which unemployed capital bears to the whole currency. The more perfect the freedom of trade, the greater will be the productiveness of labor, and the smaller will be the proportion which currency will bear to production. *Every restraint upon the application of capital, tends to diminish production—to increase the quantity of capital seeking employment—to increase the proportion which currency bears to production—to increase the power of individuals to produce disturbance—and to diminish the possibility of maintaining a currency of uniform value.*

With the growth of population and of capital, we find a constant improvement in the condition of man, and a constantly increasing disposition to assert his right to freedom of trade, a necessary consequence of which is, a constantly increasing tendency to an equality of profits and of condition. In the early ages of society the merchant sells his goods at treble or quadruple the cost, as does the Indian trader of our day; the landlord requires as rent two thirds of what is yielded by the land; and the usurer demands twenty or thirty per cent. for the use of his money. With the increase of capital the share of the merchant is reduced to one tenth, and that of the landlord to one fifth or one fourth; the capitalist demands as interest five or six per cent., and all parties increase rapidly in wealth, because of the superior productiveness of labor, giving to both laborer and capitalist an increased quantity of commodities in return for any given quantity of labor and capital, and producing a great increase in the amount of exchanges to be performed. This tendency to equality is greatest where labor is most productive, and labor is most productive where freedom most exists. The one is the invariable companion of the others. In the three communities to which we have before referred, we suppose the following to be the state of the trade in money, as usually carried on at banks:

	No. 1.	No. 2.	No. 3.
Bank capital,	\$20,000,000	\$17,000,000	\$14,000,000
Circulation, paper, } and specie, }	3,000,000	3,000,000	3,000,000
Deposits,	3,000,000	6,000,000	9,000,000
	<hr/>	<hr/>	<hr/>
	\$26,000,000	\$26,000,000	\$26,000,000
	<hr/>	<hr/>	<hr/>

What are the causes of unsteadiness?

Loans,	\$24,500,000	\$23,500,000	\$22,000,000
Specie in bank and in circulation, }	1,500,000	2,500,000	4,000,000
	<hr/>	<hr/>	<hr/>
	\$26,000,000	\$26,000,000	\$26,000,000
	<hr/>	<hr/>	<hr/>
Interest on loans, at }	\$1,470,000	\$1,410,000	\$1,320,000
6 per cent., }			
Expenses, 1 per cent.,	\$200,000	\$170,000	\$140,000
Dividend,	1,200,000	1,190,000	1,120,000
Surplus,	70,000	50,000	60,000
	<hr/>	<hr/>	<hr/>
	\$1,470,000	\$1,410,000	\$1,320,000
	<hr/>	<hr/>	<hr/>
Rate of profit to stockholders, }	6 per cent.	7 per cent.	8 per cent.
	<hr/>	<hr/>	<hr/>

In the first, there is no unemployed capital. All that is not directly required for the purpose of effecting exchanges is invested, and all parties obtain the usual rate of interest. *Here is equality.*

In the second, the owners of three millions of deposits have nothing, while the owners of bank stock have seven per cent.

In the third, the owners of stock have eight per cent., obtained by using the capital of depositors who own six millions, and who receive nothing. Here is great inequality, resulting from the fact that a large amount remains in the form of currency, because of restrictions on its employment. Some of these deposits may be on interest, and not constituting immediate currency, but are liable very promptly to become so, because the rate of interest allowed on temporary loans of this kind is always much below the average. Individuals who would gladly invest their capital in some species of stock that would yield them the ordinary rate of interest, find themselves obliged to leave it in the hands of bankers, who pay them but two thirds of that rate, and the consequence is, that they are always ready, with the approach of danger, real or supposed, to convert their deposits into claims payable on demand, and thus augment the difficulty that is produced by political or commercial changes. A million of deposits on interest may at any moment become a cause of danger, but *when the owners thereof have accepted from the bank a certificate of stock in lieu thereof, the danger is at an end, because the amount of capital seeking permanent investment is diminished.* Its assets remain the same, while its liabilities are reduced a million of dollars, the amount of the new stock created.

Restrictions upon trade tend to cause, or to increase, inequality of the rate of profit, and to prevent the permanent investment of capital. *The more numerous the restrictions, the greater will be the inequality, the larger will be the amount of currency, and the greater will be the tendency to sudden expansions and contractions, attended with unsteadiness in its value.*

ART. III.—HISTORY OF MASSACHUSETTS CURRENCY.

An Historical Account of Massachusetts Currency. By JOSEPH B. FELT.
Boston: 1839. Perkins & Marvin. 8vo. pp. 248.

THIS is a work containing much rare and curious information, upon a subject in which every member of society feels an interest. It is written in a plain, unpretending style, and without entering into speculations, or chimerical dreamings. Mr. Felt has adhered with praiseworthy strictness to his professed object, of spreading upon its pages a faithful chronicle of the currency of Massachusetts, its nature, the various fluctuations and changes it has undergone, together with the history of many of the banking institutions of that colony, from its earliest settlement down to the present time.

It is not our intention to occupy much space in noticing this book, although the industry and research with which many of its pages abound, would richly repay a lengthened examination.

During the early part of the seventeenth century, we are informed by Mr. Felt, that gold and silver were scarcely known in the dealings among the colonists of Massachusetts, and various other commodities were used to facilitate their trade with each other, and with the natives, of whom they were in the constant habit of purchasing large quantities of rich and costly furs. As a natural consequence of this scarcity of the precious metals, a universal system of barter and exchange of one article for another prevailed. The Indians were ever ready to give their furs in return for knives, hatchets, beads, blankets, and especially were anxious to obtain tobacco, guns, powder, shot, and strong water; the latter being a powerful instrument in enabling the cunning trader to perpetrate the grossest frauds in his dealings with them.

Immense quantities of these furs were shipped to Europe at a great profit; and peltry, as we are informed by Mr. Felt, was received and passed as cash by the colonists. He accordingly mentions it as one among the numerous classes of currency used by them.

Another species of currency made by the Indians, called wampum, introduced into the colony in 1628, from Manhadæes, now New York, was in extensive circulation for a long period of time, and it appears, from the description given of it by Governor Bradford, of Massachusetts, to have enriched the tribes by whom it was manufactured, and to have greatly benefited the colonists. In mentioning it, he says—"That, which in time turns most to our advantage, is their now acquainting and entering us into the trade of wampum. By which, and provisions, we quite cut off the trade both from the fishermen and straggling planters. And strange it is, to see the great alteration it in a few years makes among the savages. For the Massachusetts, and others in these parts, had scarce any, it being only made and kept among the Pequots and Narragansetts, who grew rich and potent by it, whereas the rest who use it not are poor and beggarly." And Roger Williams, in giving an account of this singular currency, the result of Indian ingenuity, observes—"That it is of two sorts; one white, which is made of the stem or stalk of the periwinkle, when all the shell is broken off; and of this, six small beads, which are made with holes to string bracelets, are current with the Eng-

lish for a penny. The second is black, inclining to blue, and is made of the shell of a fish, which some English call hens—poquahock—and of this sort three is equal to a penny. And one fathom of stringed wampum is worth five shillings.”

Money of this nature was in extensive circulation for many years, and at one time constituted the principal circulating medium of the colony—its value, and mode in which it was to be strung, having been regulated by an order of the General Court.

Like the worthless and irredeemable money of modern times, it at length flooded the infant colony, and overflowed the treasury with more than could be disposed of, which led to its being prohibited in payment of taxes, although the inhabitants were compelled to receive it so late as 1650, in satisfaction of all demands not exceeding forty shillings.

Mr. Felt also states, that corn was used as a substitute for money, and even cattle were made to answer the usual and ordinary purposes of currency, and arbitrary prices were fixed upon them, by which they were taken in payment of debts and taxes; the price of horses of four years old and upward, being fixed at seven pounds; and hogs above a year old, were taken at twenty shillings.

Curious instances are mentioned by Mr. Felt, of the propensity for law-making which prevailed in the colony. Provisions were enacted, by which a fine was inflicted upon the hirers and hired, who should give or receive more than a certain sum per day for work; by which wise regulation, the lazy drone received the same wages as were paid to the industrious citizen. This soon led to the enactment of laws, by which the price of imported goods was fixed and determined—all of which legislation, we conceive, had about the same foundation in justice or common sense, as that which is now exercised for the prevention of usury, although the latter may not be quite so palpably ridiculous and absurd as the former.

In order to increase the means of defence, a remarkable currency was introduced into the colony in 1635, which must have been quite as cumbersome as the iron money of the ancients, being nothing less than musket bullets, of a full bore, which were made to pass for a farthing each; although no person was obliged to take more than twelve at once; while at the same time, the payment of all farthings as money was prohibited, for the purpose of effecting the more general circulation of their strange substitutes. Many other articles, of almost equal peculiarity as a currency, were used as such at different periods by the colonists, who for many years experienced the greatest inconveniences from the want of a steady and uniform circulating medium. As the business relations of the colonists with each other increased, and their intercourse abroad became more enlarged, it was found impossible to manage their various dealings, without the aid of a currency composed of less discordant materials; and the most active measures were adopted for its establishment upon a surer and better foundation.

A mint for coining money was accordingly erected in Boston, and as considerable bullion had been brought to the colony from the West Indies, large sums were speedily coined and circulated. This assumption of independence on the part of the colonists, highly displeased the king, who, in accordance with the opinion of other sovereigns of Europe, considered the coining of money as a royal prerogative, and its infringe-

ment treason against the crown. The most humble petitions were presented by the colonists to Charles the second, for liberty to continue their mint, and it does not appear that he ever ordered its abolishment; although the commissioners of the royal exchequer, and the lord high treasurer of England, exerted their influence to effect this object. Propitiatory offerings were also forwarded to the king, for the purpose of ensuring his favor; two of which were curious enough, one consisting of "two very large masts" for his majesty's navy, and the other being "ten barrels of cranberries, two hogsheads of special good samp, and three thousand of cod fish."

Owing to the royal disfavor which the mint experienced, and the continued efforts that were made in London to cast discredit upon the coin which it issued, its operations were finally discontinued, although not until the foundation for the issue of bank bills had been laid by the colonists, upon which has since been built a large portion of our national prosperity. In 1686, when all hopes for the longer successful continuance of the mint were expiring, plans were proposed for the establishment of a colonial bank at Boston, to supply its place; and although many prejudices existed against paper money, which even in the old world was of new invention, yet this institution was created, with liberty, by its charter, to commence issuing bills on the security of real and personal estate, and unperishable merchandise. How long this bank continued in existence, Mr. Felt does not inform us, although he supposes it remained in operation until 1689. It would seem, however, that at the time of its discontinuance, most of the aversion which had prevailed in the colony towards paper money had vanished, for in one year after, a law was passed authorizing the issue of seven thousand pounds of government bills, in denominations of from five shillings to five pounds each. Thus was the foundation laid for issuing a paper currency upon government credit, and controlled and regulated by its officers, which continued for the period of sixty years. During this time it underwent many important changes, in value proportioned always to the ability which the colony possessed for its redemption; and although many individuals suffered severe losses, owing to the various fluctuations which it experienced, yet it proved of great public utility and benefit. It afforded facilities by which persons were enabled to deal extensively in mercantile transactions, and was a powerful instrument in abolishing the use of the cumbersome and perishable articles we have mentioned as a portion of the circulating medium. The more extensively these bills of credit were circulated, the more anxious did the merchants, and others of the colonists, become for the wider diffusion of paper money; and as they could not procure emissions from the government sufficiently large for the purposes of trade, efforts were strenuously exerted for the creation of a private bank. This was warmly opposed by the governor and his officers, and an order was made prohibiting the issue of bills by any private institution, or copartnership of persons. And in order to direct public attention from any project of this nature, a new issue of one hundred thousand pounds in government bills was made in 1716, and deposited with the county trustees, in amounts proportioned to the county taxes. This money they were authorized to loan to individuals in sums not exceeding five hundred pounds, nor less than twenty-five pounds, for

the period of ten years, upon mortgaged estates, worth double the amount, at the yearly interest of five per cent.

This issue, although it relieved the colonists from the pressure of immediate wants, operated in a great degree to depreciate the bills; and the value of silver rose in proportion.

Their real worth in facilitating trade and exchange was continually deteriorating, and larger issues were in consequence clamorously demanded; and as the action of the colonial government had operated to defeat the establishment of a bank for the purpose of supplying a paper currency, it became important to devise some measure by which the expressed value of these bills could be sustained. A most dangerous, unjust, and fraudulent enactment, was accordingly made, by which they were declared a legal tender in payment of all obligations that had been entered into between 1705 and 1715, unless gold and silver was specially mentioned and agreed upon, and this law was afterwards continued in force until 1722. This was a species of high handed, arbitrary legislation, almost unprecedented, and entirely unwarranted by justice, necessity, or even expediency. First, to call into existence a large amount of bills of credit, and then, the moment that the period for their redemption drew near, finding the precious metals were strangers to the treasury, and slight prospects existing of its replenishment, to declare that this almost worthless paper should be received in payment of debts, for which nothing short of gold and silver, or their equivalent, was originally contemplated by either creditor or debtor, furnishes an instance of tyranny and oppression, of which history affords but few precedents or examples.

Although this legislative measure was calculated to keep the bills in circulation, yet we are informed by Mr. Felt, that their depreciation was none the less rapid, and litigation and commercial troubles were multiplied to an alarming degree; and in 1718 Governor Shute, in a communication to the legislature, deploras the indifference which was manifested in regard to their ultimate payment, and says that, unless due attention is given in retrieving their credit, it will end in the ultimate destruction of the colony.

Indeed, the condition of these bills was little better than that of those issued in 1712 by South Carolina, who, in order to pay the cost of an expedition against the Tuscaroras, issued forty-eight thousand pounds as a loan, four thousand of which was to be paid annually; and so fast did this emission depreciate, that but two thirds of its nominal value could be obtained for it at the expiration of the first year, and at the end of the second it was worth but one half, until at length the bills became almost valueless.

To add to the financial embarrassments of the colony, its bills were directed to be paid in stock, and various kinds of country produce, so that those who held them, hoping that they would be ultimately redeemed in silver or gold, were disappointed.

The bad faith manifested by the government, raised up a powerful party against the issuing of bills of credit, and the formation of a private bank was urged with renewed force. The necessity for a paper circulating medium, of a higher and more uniform value than the one enjoyed, was seriously and universally experienced throughout the colony, and particularly among the mercantile classes in the city of Boston. To in-

crease the evil, partial legislation had crept in, and while the poor laborer was compelled to receive these bills for the support of his family at their par value, clergymen were obliged to take them only for the sum which they were really worth. This added powerfully to the many prejudices already existing against money of this nature, until influenced by a desire to increase the public prosperity, and for the purpose of reviving a languishing trade, a number of Boston merchants, and others, formed an association, and issued one hundred and ten thousand pounds in bills, redeemable in ten years, which were so eagerly sought after, and circulated so readily, that they at all times commanded thirty-three per cent. more than those issued by the authorities of the province.

Perceiving the readiness with which the colonists received and passed the bills of this private association, and the increased aversion that prevailed throughout the community against those issued by the province, the governor and both branches of the legislature endeavored to cast discredit upon the merchant's notes, as they were called, and their influence was exerted to destroy the source from which they emanated.

Their object utterly failed, however, for these notes for a long time were freely circulated, from which the public derived many valuable benefits; and this war of the government upon the association, was without doubt a powerful instrument in awakening public attention to the subject of creating a currency through the medium of banks, which even in this instance, surrounded as it was by every material calculated to wither its influence and destroy its credit, had triumphantly vindicated the principle, that an association of private individuals, amenable to the laws for every act they commit, and legally accountable to those with whom they deal for the rectitude and honesty of their business transactions, are infinitely better calculated to create and perpetuate the blessings of a sound and uniform currency, than an irresponsible combination of political power.

Notwithstanding every element which the government of the colony employed to crush and destroy all schemes by which banking institutions were sought to be created, two associations were formed in 1740, for the purpose of issuing notes to circulate as money.

The plan upon which they were organized, and the principles by which their operations were controlled, show that the science of banking was then but little understood, besides presenting a forcible picture of the financial gloom that prevailed throughout the colony.

One of these associations was called the specie paying bank, because its notes were redeemable in silver at twenty shillings an ounce, or gold pro rata, after fifteen years; and it was composed of Edward Hutchinson and one hundred and six partners, with a capital of one hundred and twenty thousand pounds.

The other was called the land bank, and was composed of John Colman, and three hundred and ninety-five other persons, with liberty to issue one hundred and fifty thousand pounds, to be lent in notes on land security, payable in various articles of merchandise at the expiration of twenty years.

After these associations were formed, they petitioned the legislature for its approval and support, and a committee was appointed to examine into their respective merits.

Upon investigation, the committee reported, that less objection exist-

ed to the specie paying bank than to the land bank, although both were declared to be inexpedient, and against sound policy and the public good. No direct action was had upon this report, on account of a division of opinion between the two bodies composing the legislature; the council being desirous of abolishing the land bank, and a large portion of the assembly being anxious to have it go into immediate operation.

Under these circumstances, both associations commenced issuing their notes, and a war was then commenced upon them by the English crown and the colonial governor and council, which ended only with the annihilation of the former. For years previous, the prominent policy of England towards her American colonies had been to introduce measures most calculated to withdraw all silver from them, and to deprive them of every species of local currency. Her merchants had always supplied the colonists with the foreign merchandise which they consumed, and in payment were careful to obtain as much specie as possible. The precious metals were consequently at all times extremely scarce, and as the colony carried on but a trifling commerce, no opportunities were enjoyed by the inhabitants of increasing the amount in circulation.

The coinage of money had, as we have before observed, been declared treason against the crown, and the issue of bank notes, by the institution we have mentioned, was considered an offence in its nature almost as criminal. A policy so ruinous to the best interests of the infant colony, was powerfully calculated to crush the spirit of enterprise that was rapidly pervading society, and tended strongly towards the destruction of all commercial prosperity.

Mr. Belcher, the governor of the province, entered warmly into all the views of the English crown, and used his influence both publicly and privately to effect the destruction of the land bank. He issued a proclamation, setting forth in the most extravagant terms the great damage which must ensue to the interests of individuals, if the bank was suffered to continue its operations; and condemned the specie paying bank also, although with much less severity. Determined to destroy the land bank at all hazards, every person who held a civil or military commission was peremptorily forbidden, by the governor, to be in any manner connected with it, under pain of being summarily deprived of the office he enjoyed.

In consequence of this arbitrary measure, many individuals, holding civil and military stations in the colony, immediately resigned, and among these were some of its most influential inhabitants. Mr. Felt mentions a letter written by Henry Lee, Esq., of Worcester, who it seems had fallen under executive displeasure for his attachment to the bank, in which he says, "I am determined to do what I can to encourage it, and think the privilege of an Englishman is my sufficient warrant. To sacrifice my post for the service of my country, is infinitely more honorable than to keep it on such base conditions." These sentences breathe a spirit of patriotism and devotion to what their author believed to be the good of his country, which are the more meritorious, as their utterance was the seal of his political fate, and deprived him of office, and its attendant emoluments and honors.

From what Mr. Felt informs us, we are led to suppose that the fear of political rulers did not prevail so universally among the colonists as

it has since existed; for we are told by him, that in defiance of the mandates of the governor, the most stern resistance was manifested to every measure that was introduced, which was in the least calculated to retard the operations of the land bank; and individuals occupying the highest positions in society, in point of wealth and respectability, eagerly connected themselves with its interests, notwithstanding that by so doing they incurred a forfeiture of any office of trust and profit with which they had been invested by the colonial government. The excitement upon this subject at length arose to such a height, that serious fears were entertained of an insurrection on the part of the colonists; who, driven to desperation by the policy of their government, in refusing to allow them a currency of any kind, by which their trade had become seriously injured, as a last resort had resolved upon vindicating their claims to the rights and privileges of freemen, by force, and the governor was informed that one thousand men were to be raised by the conspirators in Boston, and twenty thousand in the country, who were to march into the metropolis, and intimidate those opposed to the bank, and mob all such traders as refused to pay coin for its bills.

By using prompt and energetic measures, this rebellion never matured to acts of open hostility; the sheriff and his officers having captured the principal conspirators, before their schemes were fully ripe for execution.

The opposition of the governor to the bank finally made him so unpopular, that through the representations of its advocates to the royal council, he was displaced, and William Shirley was appointed in his stead. Nearly the same financial policy was pursued by him as had been marked out by his predecessor, until through his influence an act was passed by the parliament of Great Britain, by which heavy penalties were inflicted upon all persons who should be connected in any manner with the land and specie companies, as they were called, after the twenty-ninth day of September, 1741, which effectually struck them out of existence, leaving the colonists destitute of every species of currency save depreciated government bills. These were daily decreasing in value, and new emissions were continually issued, which rapidly caused a still greater depreciation, until at length they became almost worthless, and the colonists suffered the greatest inconvenience and embarrassment from the want of a more uniform and less fluctuating medium of exchange. At last the governor, through whose influence the private banks had been abolished, fully saw the error he had committed, in supposing that government bills could serve the purpose of a currency, and in his speech to the legislative bodies of the province, used the following language:

“The general distress of the province, arising from extraordinary emissions of paper money, whereby the value thereof, for all occasions of life, is sunk so low, and is still sinking, and thereby the estates of widows and orphans, and many others, who have no remedy in their power against this growing evil, are daily diminishing, which must inevitably bring many good families to poverty: I most earnestly recommend to you to find some other way to supply the treasury, than by making new emissions of paper money. And I am fully persuaded that you will thereby not only give relief to the oppressed, who justly expect it from you, but also whatever charge may attend any new method to supply it will be found in the end to save money to the province.”

It would be impossible not to respect and admire the candor and nobleness evinced in this speech, the more so as it is in direct opposition to the sentiments which he had previously advocated. But he saw that his measures were injuring the prosperity of the colonists, and that his favorite bills were producing the most injurious consequences, particularly to those engaged in mercantile employments; and with an earnest desire to promote and advance the welfare of his country, which should be the ruling principle of every public officer, he resolved to sacrifice his private wishes and personal prejudices to the public good.

The same reasons which had influenced the governor to advise that no more bills be issued upon the credit of the government, led to the adoption of measures for the speedy payment of those in circulation, and application was made to the English crown for silver to effect their redemption. The colony had expended large sums in fitting out an expedition to assist in the capture of Louisburg from the French, and it now asked to be reimbursed those sums in the precious metals.

This request was at length complied with on the part of the English government, and specie was accordingly shipped to the colony to be used in the payment of its bills. This produced much satisfaction among the colonists; many of whom held large amounts of the bills, which, from the uncertainty that had before existed of their ultimate payment, were considered almost valueless.

As fast as they were redeemed, the treasurer was directed to burn them; and the most confident hopes were entertained by the governor and his friends, that a re-issue would not again be called for. Indeed, an exclusive hard money scheme was contemplated, which found many energetic supporters, numbering, as at the present day, the highest offices in the government. It was warmly opposed, however, by the poorer classes, who feared that if gold and silver formed the exclusive currency, it would be hoarded up by the rich, and the whole of it be withdrawn from circulation.

Influenced by these feelings, large meetings were held in opposition to the scheme throughout the colony, and so far did the excitement extend, that the redemption of the government bills was treated with disapprobation, and its supporters threatened with personal violence, if it should be persisted in. The excitement produced by these measures soon subsided, and a calm determination to urge the adoption of measures for the establishment of a sound and uniform currency, assumed its place.

Notwithstanding the endeavors which had been made for the redemption of the bills, it was found impossible to transact the business of the colonists, with the small amount of silver and gold in circulation; and the colonial government was again compelled to issue paper money, which was done from time to time, from 1751, when the amount in circulation was directed to be redeemed by the gold and silver obtained from England, until 1775, at which period the province issued bills, and made them a legal tender, for the purpose of placing itself in an attitude of defence against the invasion of its liberties by the English crown.

After the commencement of hostilities by the mother country against the colonies, the provincial congress, deeming it a matter of the deepest importance that measures should be speedily adopted which would be most likely to unite them together, passed a resolve, that the bills issued

by the different colonies, shall pass current throughout all of them, and that whoever should refuse to take them, or should demand a discount upon them, should be deemed an enemy to his country. The spirit of patriotism which existed among the colonists, and the determination that prevailed to resist the unrighteous demands of the British crown, for some time exerted an influence in preserving the credit of this new currency unimpaired; and in October, 1775, six months after the first issue of continental bills, they were readily exchanged for gold and silver.

As it is perfectly well known to our readers, this paper soon suffered an alarming depreciation in value; and when the necessities of our forefathers compelled them, for the purpose of supporting themselves in their unequal contest with the mother country, to make issue after issue of these bills, they became after the lapse of two or three years almost worthless. Mr. Felt has given a full and accurate account of them, from the time they were issued, until their ultimate redemption, and has collected much that is rare and interesting in relation to the legislative enactments which were made for the purpose of preserving them in circulation. Resolutions were passed in congress, by which it was rendered highly criminal to attempt to cast discredit upon them; and in 1776, when public confidence in them had become greatly impaired, a committee was appointed by that body, to detect the authors of a conspiracy which had been formed for the purpose of destroying the credit of this currency, in order that they might be punished as enemies to their country.

In 1777, still more powerful endeavors were made for its preservation; and in January of that year, congress declared, that whosoever should pay or receive this currency at a less rate than that originally prescribed, besides being accounted a foe to the liberties of his country, should forfeit a pecuniary penalty; and the states were advised by that body, to make it a legal tender for all debts, and to provide that a refusal to receive it, should operate as an extinguishment of the claim upon which it was offered.

All these measures, energetic as they were, proved insufficient to prevent its rapid and ruinous depreciation, until, in 1781, five hundred paper dollars would not command one of silver, and they finally ceased to circulate as a currency.

Such unfortunate and disastrous results had flowed from every attempt on the part of the government to provide a circulating medium, which should be free from those sudden and oft-recurring fluctuations in value that are ever so destructive to all public confidence, that when the attempt was made in congress to establish the Bank of North America, the representatives from Massachusetts voted against it, having lost nearly all hope that any institution, established for the purpose of issuing paper money, would be conducted upon principles calculated to benefit the community generally. The subsequent action of this bank, which was finally chartered, proved how deeply mistaken they were in these views, and showed how infinitely superior is a currency which emanates from private institutions, to that which is the offspring of a political government.

So many benefits were conferred upon the public by this institution, and so powerfully did it operate in removing the financial embarrassments that had so long and universally prevailed in the colonies, that the distrust and aversion which had for many years existed through-

out Massachusetts towards private banks, gradually wore away and finally disappeared; and in February, 1784, a petition for the Massachusetts Bank was granted by the legislature, with a capital of five hundred and fifty thousand pounds, which was the first institution of the kind, composed and promoted solely by individuals, since the destruction of the silver and land banks.

Although much good resulted from the establishment of this institution, the bills of which were freely circulated, and eagerly taken for all the purposes of business, yet the deep-seated financial evils, under which the inhabitants of Massachusetts had for many years labored, were not easily destroyed; and in November, 1786, so difficult had it become to procure money for the payment of creditors, even by those who were possessed of large amounts of property, that the legislature passed a law, by which the collection of private debts was for a period of time suspended.

The creation of new banking institutions, which speedily followed the establishment of the Massachusetts Bank, added greatly to the prosperity of commercial interests, and tended strongly towards removing the pecuniary embarrassments which for so long a space of time had hung over the province of Massachusetts. Mr. Felt has furnished us with much valuable information concerning these institutions, which he has extended down to so recent a period as the last year, giving a history of the memorable suspension of 1837, and of the events which it led to; but as all these circumstances are still fresh in the recollection of our readers, we have thought it unnecessary to notice them here. We would recommend every one to procure this work and give it an attentive perusal, for it contains a mass of highly useful, and to us interesting information; and unfolding, as it does, a faithful chronicle of the currency of this country, from its earliest settlement, and tracing the various mutations and changes it has undergone, down to the present time, it presents to the mind many valuable financial principles and monetary laws, which are the more sure and unvarying, because they are sanctified by time and long experience.

We trust that Mr. Felt will pardon us for the liberty we have taken in giving a brief abstract of such portions of his work as we have thought most interesting, instead of following in the more beaten tracks of reviewers, by presenting extracts from it entire.

Our reason for adopting a different mode is, that most of it is composed of transcripts of colonial and state legislative records, which are often long; and owing to their peculiar phraseology, are frequently dry, and sometimes uninteresting.

HAVE YOUR PROPERTY AT ALL TIMES FULLY INSURED.

FROM a neglect of this caution, thousands are annually ruined. Insure at those offices that have the reputation of paying claims honorably and punctually; even if you give a higher premium. It would be judicious to show your policies to some experienced and disinterested person well versed in the subject of insurance, in order to be sure that all is right.—
Hints for Merchants.

ART. IV.—THE CONNEXION OF COMMERCE AND AGRICULTURE.*

THE first and early settlers of North America were, evidently, an enterprising people. Without that trait of character, they would not have hazarded so much, nor voluntarily suffered so much as they did. And men of an enterprising spirit, living near the ocean, are found always to engage more or less in navigation, and in maritime pursuits. The usual labor on the land, in their estimation, is rather a dull business. The employments of agriculture or of the mechanic arts, are too tame to satisfy their active and ardent disposition. They have a desire for adventures: they are ready to encounter dangers and losses in the hope of a successful voyage, or from a preference for more active scenes, where they may meet new and exciting events. They are also of a brave and hardy temperament; little daunted by ordinary difficulties, and patient under toils and sufferings.

Such were the first visitors and inhabitants of Virginia, under Smith and others, and with the patronage of the resolute and enterprising Raleigh. The spirit of the leaders was caught by the common adventurers. They expected dangers and impediments; but they were prepared to meet and to overcome them. Such were the Dutch who first settled about Hudson's river, and such were the first people of Plymouth, Massachusetts, New Haven, Maine, L'Acadie, and Canada. Although of different nations in Europe, they were alike in their love of adventure, their readiness for enterprise, and their talent for trade. Their descendants have lost nothing of this character; and we may justly add, perhaps, that they have not *improved* upon it. For, if more enterprising, they are, it is feared, more injudicious and more reckless in their speculations.

Now, the active and adventurous seaman, especially if intelligent, will soon be induced to engage in mercantile pursuits. He who has seen much of navigation, will naturally prefer trade and commerce to other occupations; for he has seen the profitable nature of exchanging the products and commodities of one country for those of another. And, frequently, by the meridian of life, he becomes a merchant. His personal experience and knowledge have fitted him to be a successful one. Perhaps, however, there is danger of his becoming a rover; though this will, in a great measure, depend on the sort of early self-government and discipline he has had. If well educated, and of common stability of character, he will be willing to exchange the bustle and dangers of a seafaring life for that of the merchant, when he is fifty, or before. And an intelligent ship-master, who has visited distant countries, is not in danger of impositions when he engages in mercantile pursuits, from the common reports often got up by speculators, and those who obtain profits by misrepresenting the state of trade in other countries. Such a man is able to decide correctly for himself, in most cases, without seeking for advice of others, who may be induced to deceive him. Many of

* The attentive reader of the Magazine may detect some views similar to these, contained in an article on the comparative benefits of Agriculture, Commerce, and Manufactures, in No. VI., Vol. I.

those who deserve the name of merchants in this country, were sometime ship-masters in early life, or supercargoes in voyages to distant regions.

The recollection of these facts will prevent any surprise at the large number of merchants in the Atlantic cities and towns within the United States. It is natural that it is so: it is happy for us that it is so: for their enterprises have added incalculably to the wealth and improvement of the whole country. It is matter of gratulation, that the early settlers of Virginia, about Hudson's river, and the puritans in various parts of New England, were addicted to navigation and trade. They did not depend wholly on husbandry, though this was not neglected; nor upon mechanical arts, though some of these received early attention by a portion of the people. They bought vessels in Europe, to be employed here in trade to and from the parent country, and with different parts of the American continent, and the West India islands. And they early built vessels for the purpose of extending and facilitating their commercial intercourse with the rest of the world. The opinions and views of the people in the different colonies were in some respects dissimilar. But none of them wished to flee from society, or to discard the social state, or to forego the comforts of civilization. They were all, perhaps, desirous of a more independent state; and some of them of a better, a more moral condition, than then existed in any part of Europe.

Their early voyages were for the necessaries of life; and the "Blessing," built by Governor Winthrop, in 1631, was chiefly employed for this purpose. But within the period of ten years, several large ships were built in Massachusetts, of three hundred tons, or nearly of that size; and trading voyages were then made to England, exchanging fish and furs for articles most needed by the colonists; and to islands in the West Indies, and ports in Spain, France, and Portugal, a few years later. Indeed, within the short time before mentioned, Maverick, Gibbons, and others, of Massachusetts, made some voyages to the West Indies; and Allerton and Willet of Plymouth were denominated merchants, as they traded with the French settlements, at Penobscot, and farther east in L'Acadie. Comfort, rather than wealth, was the object of these enterprises; for the lands were not so cultivated within the first five or six years, as to afford a sufficient supply for their reasonable wants, without importations of clothing and some provisions from Europe. And hence the policy of trade, even with the native Indians, to obtain furs to pay for debts contracted in the parent country. We are too apt to consider the early puritans as ascetics, and willing to retire altogether from the civilized world. Such was not their character. They wished, indeed, to avoid the vices and luxuries of the old world, but they had known too much of the comforts and conveniences of civilization to esteem them of no importance, or as not worth some labor and hazard to procure for their families. And literary and charitable institutions, which are only to be found where civilization and christianity have united their benign influences, they early established and maintained, even in their infant and almost destitute state. The merchants have always been among the most liberal supporters of such institutions.

What was the general and usual course of trade before the revolution, and while the navigation of the colonies was regulated and controlled by the parent state, it would not be very interesting to American mer-

chants of the present day particularly to state; and the principal places and articles have been already noticed. It is well known, that it was exceedingly restricted and cramped by acts of the British parliament, with a view to the prosperity of the mother country, if not for the direct purpose also of preventing the growth of the colonies, and keeping them dependent on the political authority of the crown. But for these restrictions, the commercial enterprise and the general prosperity of the colonies would have been far greater in 1770, than facts testify they were. The natural resources of the country would have been developed, and the unrestricted enterprise of the merchants must have added greatly to our strength and wealth at that period. The war of the revolution, which continued from 1775 to 1783, deprived the United States almost entirely of the blessings of commerce; and our navigation was necessarily employed as the means of defence. For seven years after the peace of 1783, the American merchants were struggling against the adverse policy of other nations, without aid from our government, either state or continental, but with no little success; so that when the federal government was established in 1789, commerce was regarded as the chief source of a revenue which would revive the public credit, and therefore received the early attention and encouragement of our national rulers.

Even then, indeed, the spirit of commercial enterprise had sent our vessels to various places on the shores of the Baltic, to the more distant ports in the East Indies, to the islands in the Pacific, and to the north-eastern coasts of the American continent. And these maritime adventures, under the untoward circumstances of the times, are striking proofs of the energy of the American character, as well as of the preference of a portion of our citizens for commercial pursuits. It would seem that no discouragements could extinguish that spirit of enterprise whose object is foreign trade and commerce, and that no want of aid from government will divert man from the business of navigation.

For nearly twenty years, our commerce extended and prospered in a measure almost unexampled. It received a favorable impulse from the federal government, and its increase called forth the industry of all classes of people, and added to the wealth of the nation. The administrations of Washington and Adams, afforded it direct and efficient protection; and in return received from it all the benefits they expected or hoped—the means of supporting the credit and paying the debt of the nation. It would have been impossible to collect a revenue by direct taxes, adequate to the exigencies of the general government. It was in the successful pursuits of commerce chiefly, that ability was found to pay the debt of the United States, amounting, in 1790, to \$120,000,000. The interest of the debt alone, would have proved a grievous burden to the people, without the means arising from trade and navigation. The sales of public lands have, indeed, amounted to an immense sum; but the government has realized comparatively little: the expenses of land agents, with what has been granted to the new states, has consumed eighty per cent. of the lands alienated by the United States.

It is also to be recollected, that on enterprising merchants, more than on any other class of men, the mechanics and the laboring portion of the community are dependent for profitable employment. In the seaports, where the mechanics are industrious and frugal, their condition is that of comfort and competence, and they are frequently able to give their

children a superior education. To the merchants, the husbandmen are also indebted, in a great measure, for a market for their surplus produce in foreign ports, and for thus keeping up the price of their products at home also.

But in contending for the benefits of commerce and navigation, it is not my purpose to undervalue the importance and the necessity of agriculture; nor in giving a high estimate of the latter, can we be justly charged with a design to underrate the advantages of the former. They will generally prosper and decline together; and the extent and success of one will not fail to promote the interests of the other. We therefore protest against the hasty conclusion, that they who plead for the cause of agriculture, are necessarily inimical to commerce, or would place any impediments to its prosperity. And it is believed the wise observers of the times must perceive, that the interests of navigation and commerce for the future will be closely connected with an extended and improved state of agriculture in our country. This is now, indeed, the plain language of facts. Not that there must be a new order of things, or a very material change in the course of trade: but that navigation will be more supported than formerly, by conveying the products of our soil to foreign countries; and the merchants will find much of their employment in supplying distant nations with the fruits of our industrious farmers. In less than one week, in the month of February just past, 25,000 barrels of flour were shipped for Europe, besides a large amount to the West Indies and Brazilian ports, at the city of New York; and nearly the same quantity, at the same time, at Philadelphia. Thus the farmer furnishes the means of profitable occupation to the merchant and to the navigator; and the merchant is enabled to pay for the foreign goods and articles which he imports, without draining the country of its specie to meet the demands of his creditors in Europe.

There is nothing *new* in all this, it may be said; every one sees and admits it. But do we conform to the theory in our practice? Has proper encouragement been given to the interests of agriculture by either the general or state governments? Is agriculture cherished as the support, and the permanent support, of commerce? And is it not essential to the prosperity of commerce, that agriculture be extended and improved in the United States, if our immense population, and it is constantly and rapidly increasing, cannot subsist, or cannot have all their wants supplied, but by a proportionally large commerce. The products of other climes, to a vast amount, are annually consumed or sought for among us. And how are these to be procured, except by means of commerce and navigation; and by the transportation of the surplus products of our country in exchange? The exports of cotton from some of the southern states are to a great amount, and some other states export tobacco and rice; but the middle and western states can only raise grain for exportation. And where they now raise one hundred bushels, they might raise two or five hundred. There should be encouragement for such a purpose, as well for the benefit of the merchant who exports, as of the farmer himself who grows it. Before the revolution, fish, and naval stores, and tobacco, were the great staples of which our exportations consisted. Now it is cotton and grain; and the latter will probably be of superior amount, unless there is some unexpected change in the state of Europe,

or a mistaken indifference of the importance of agriculture should prevail in the country.

It would certainly be a most mistaken and unfortunate policy, to compel the citizens of the United States to withdraw from the ocean, and to become exclusively an agricultural people. Commerce is indispensable to our growth and power as a nation. In this age of the world, a people situated as those of the United States are, would be little accounted of or respected, who were without commerce. And it is, therefore, worthy of deep consideration, even with the friends of commerce, whether, if agriculture is not encouraged and carried to a more prosperous state, the interests of foreign trade and navigation will not speedily and extensively suffer.

It cannot be said that manufactures are as favorable to the interests of navigation as agriculture. Their extension is undoubtedly for the general prosperity of the country; but they are not to be cherished for the sake of any direct or peculiar advantage to the mercantile portion of the nation. For many generations, we shall have little of manufactures to send to distant countries. Our population is increasing, and will need all the goods and articles we can manufacture, unless agricultural pursuits are unusually neglected. It is true, that we export cotton goods and shoes, but they are all wanted in the country, and there is still a great importation, especially of the former. All trade with foreign nations will not, indeed, be at an end, for we cannot manufacture many articles so cheap as they can be imported from old countries, where they are made with ease and perfection. But generally speaking, as manufactures increase among us, our navigation will be curtailed, except when the labors of our mechanics shall so far exceed those of other nations, that the articles here made shall be far superior to those of a similar kind in other countries. But the tendency of agriculture is different; and its surplus products will never be an evil, for they may always be conveyed with some profit to other regions of the globe. Unless the government should be unfriendly to commerce, and should adopt the narrow policy of preventing all intercourse with other nations, the enterprising spirit of the people will lead them to engage in trade to other countries, as their ancestors have done, and the abundance of our agricultural products will constitute their chief motive for it, as well as their profits from it.

If the subject is correctly considered, and with liberal and patriotic views, there will be no jealousy in the merchants towards the husbandman, but his success and prosperity will be just cause of satisfaction. For not only will the prosperous farmer furnish articles for transportation to other countries, but will consume a much greater amount of the articles imported in exchange from foreign parts, where they are more naturally or more easily produced.

There is another consideration, which should lead us to appreciate more highly than many do, at present, the advantages of agriculture, and that is, to induce a greater portion of the rising generation to give their attention and labors to that important department of national wealth and prosperity. It is believed there is less fondness for cultivating the soil than there should be in such a country as ours; far less than would necessarily conduce to a general supply and competence. As sincere patriots, we must desire to witness an increase of farmers, either great or small, with five hundred acres or with fifty; for these are the citi-

zens who are truly attached to the welfare of the country, and who are too independent to be bribed or influenced by the hollow-hearted demagogue. And as friends to commerce, we should like to see a less number crowding into shops, and engaging in mere traffic for a subsistence. To be either respectable or successful, there must be only a due portion of people concerned in merchandise and navigation. Especially is it necessary, to be an honorable and prosperous merchant, to have experience and knowledge of the course of trade in other countries. And yet many seek to become merchants, that they may suddenly acquire wealth, whose only claim to the honorable distinction is, that they are extravagant and injudicious speculators. A good merchant must have enterprise, but he must also have prudence and experience, or his enterprise will only be another name for recklessness and folly. It is precisely because we desire to see our merchants honorable and respectable, as they have usually been, and the concerns of foreign commerce in the hands of upright and intelligent men, that we intimate a wish that the profession may not be crowded by persons eager only for wealth, and destitute of the education and probity proper for so elevated a rank in society. And all the present generation need to be admonished, of the pernicious results of that reckless spirit for speculation which now prevails in this country, beyond that of all others; and which aims to secure wealth or competence without steady labor and habits of industry. It would greatly promote the general prosperity, if a far larger portion of young men would become practical farmers; and in most cases, their worldly lot would thus be far more free from calamitous reverses, than by engaging in speculation, where the chance is three to one against success; or in trade, with an expectation of becoming rich or independent, without diligent application to business.

The intelligent merchant himself would not desire to have the profession crowded, nor be ready to recognise every uninformed and petty trader as a brother in that honorable profession. He is liberal, indeed, in his feelings, and therefore will extend the hand of friendly assistance to one who is worthy, by his education and habits and integrity, and who promises to pursue a prudent and honorable course. He has no narrow or jealous views, and therefore is far from obstructing the path of the young adventurer, whose enterprise will be guided by judgment and honesty of purpose; and it is only such characters that he is pleased to see entering on the mercantile career. And the young men, too, who aspire to the honorable profession of merchants, should be impressed with a deep sense of the importance of a regular preparation for the exertions and duties necessary alike to their success and their reputation. In a word, the business of a merchant is a profession, an art; and they who would excel in it, must be trained to it by a proper course of study and of practice. The enterprises and the services of such men are necessary to the respectability of the nation. They afford proof of its prosperity and its civilization; they are the messengers of its intelligence and glory to distant countries. But the merchants of the United States must remember, that they are citizens of a vast empire, and in some measure on a level with the industrious mechanic, farmer, and manufacturer; that they are members of one great body, of which the others are also essential parts; nor would they be much in error by recognising the independent landholders and cultivators of the soil, as the true lords of the realm.

ART. V.—LAWS RELATIVE TO DEBTOR AND CREDITOR.

No. III.

THE MODE OF PROCEEDING IN NEW JERSEY FOR THE RECOVERY OF DEBTS,
AND IN GENERAL FOR ENFORCING PAYMENT AND SATISFACTION OF ANY
CLAIM OR DEMAND.

IN order to a full understanding of the laws of New Jersey, relative to debtor and creditor, and the mode of proceeding for the recovery of any debt or demand, it will be necessary to give a cursory view of the several courts, and the subject matter of their respective jurisdictions.

In this attempt we are, very fortunately, not driven to the unwelcome necessity of marking step by step the wily progress of either court in obtaining cognizance of any matters, which originally were or might have been of doubtful claim; nor amid the struggles of contending jurisdictions, to point out the cunning fictions which any one court has resorted to, in order to obtain concurrent jurisdiction, at least, in those actions, of which any other has claimed to have the exclusive cognizance.

Happily in New Jersey, as to the matter of jurisdiction, no court need trespass upon the right of another, nor in any contest upon this point, will it be necessary for either to intrench itself behind the "*ac etiam*" of a king's bench, or the "*quo minus*" of an exchequer, to defend itself against any exclusive claim of the other.

The line of demarcation is also so clearly drawn around each, by statute and practice, that I apprehend the humiliating picture need never be presented to the "good people" of New Jersey, of a presiding judge of the common pleas, and the chief justice of the supreme court, submitting to the unsuccessful umpirage of the chancellor of the state the question of their respective jurisdiction.

The case of Chief Justice Keelynge and Sir John Vaughan, in the reign of Charles the second, has, it is believed, never became a leading one to settle questions of usurped jurisdiction; for all that is taught by that single and singular case, is that Sir Matthew Hale, who was umpire in the cause, proved himself to be, as he had always been, a most upright and impartial judge; for this worthy chief baron of the exchequer, perceiving that the declamatory argument of Sir John Vaughan against the unwarranted use of the magical *ac etiam* of the king's bench, was a sinister aim at the unjustifiable introduction of the *quo minus* in the exchequer, like an honest judge begged to decline the umpirage altogether, and left the wily justice of the king's bench in quiet possession of all the advantages of the *custodia maraschalli*.

Courts of Civil Jurisdiction, wherein cognizance is had by Writ or Process.

The courts of civil jurisdiction in New Jersey, which obtain cognizance by writ or process, are four in number, namely, the justice's court, or as it is commonly styled in the writs and records of the supreme court, the "court for the trial of small causes;" the inferior court of common pleas holden in every county in the state; the circuit court, also holden in every county in the state, and the supreme court of judicature of the state of New Jersey. These are all courts of original, and three of them

of appellate jurisdiction, namely, the common pleas, the circuit court, and the supreme court, and in what way appeal is made to them will be shown, when we come to speak of the proceedings in each.

Court for the trial of small causes.

This court is created by statute, and by the act passed the twelfth of February, 1818, it is enacted, that every suit of a civil nature, at law, where the debt, balance, or other matter in dispute, does not exceed, exclusive of costs, the sum or value of one hundred dollars, shall be and hereby is made cognizable before any justice of the peace, of any county in this state, who is hereby authorized to hold a court within such county, to hear, try, and determine the same, according to law, although the cause of action does not arise in the same county; and farther, that the said court shall be a court of record, and vested, for all the purposes aforesaid, with all such power as is usual in courts of record of this state. But by a proviso in the same section, it is declared, that the jurisdiction of the justice shall not extend to any action of replevin, slander, trespass for assault, battery, or imprisonment, or to any action wherein the title of any lands, tenements, or hereditaments, or other real estate, shall or may in any wise come in question. Accounts for an unlimited sum may be settled in this court, and a judgment obtained for the balance, provided it be reduced within the jurisdiction of the justice by real bona fide credits.

So, also, whenever any bond, bill, note, or other contract in writing, for the payment of any sum above one hundred dollars, shall by bona fide payments endorsed thereon, or set-off, be reduced to the sum of one hundred dollars or under, the balance is considered as the real debt, without regard to any penalty expressed therein, and may be recovered before the justice; and every sum of money, or penalty, not exceeding one hundred dollars, shall be sued for and recovered in this court.

A justice may hold his court any time or place within his county, and is always open for the issuing and return of process; but must name the time and place when and where his court is to be held, in all process returnable thereto.

OF ACTIONS COGNIZABLE BEFORE A JUSTICE.

The following will comprehend the cases usually occurring, viz. :

1. Debt.
2. Covenant.
3. Trespass with force and arms, (excepting as before mentioned.)
4. Trespass on the case.

It is useless for the purposes of this article, to speak of the subject matter of all these different actions. Let it suffice to mention those only which belongs to the action of debt; and because the statute creating this court has made some alteration of the common law in this particular, and made that a subject matter for the action of debt, which strictly belongs to the action of assumpsit.

Actions of Debt are,

1. On a former judgment.

2. On an act of the legislature to recover penalties, where no particular action is directed.
3. On a lease for a certain rent.
4. On bond.
5. On a sealed bill, promissory note, or bill of exchange, whether foreign or inland, and between any of the parties thereto, whether drawers, acceptors, or endorsers, and checks on banks.
6. On an agreement under seal to pay money.
7. For money lent and advanced, paid, laid out and expended, for defendant at his request, and for money received by defendant to the plaintiff's use.
8. For work and labor.
9. For goods sold and delivered.
10. For a book account.
11. For a legacy.
12. And, in general, upon all assumpsits for the payment of money only.

Also, against constables, and other officers, for neglect of duty, etc., as is provided in the act, but which need not be mentioned specifically.

The common law rules with regard to the parties, as well as the style of the action, must be observed, excepting as above mentioned.

The Process to be made use of in this Court.

The first process which may be issued against any defendant or defendants from this court, may be a summons, or a warrant in the nature of a *capias ad respondendum*, as the case may require; but the plaintiff may, notwithstanding, in any case make use of the former. But in cases where the defendant is a freeholder and resident in the county where such process shall be issued, and in cases wherein the defendant cannot be holden to bail, the first process shall be a summons. Provided, however, if any plaintiff, his attorney or agent, shall prove either by his or her own oath or affirmation, or by the oath or affirmation of any indifferent person, to the satisfaction of the justice, that if the process be by summons against such freeholder, the plaintiff will be in danger of losing his or her debt or demand, or doth really believe that such freeholder will abscond, or depart or remove from the county wherein he or she resides, before the return day of the summons, then it shall be the duty of the justice to issue a warrant against such freeholder. But by an act passed two days after the passage of the above, it was declared, that it should not be lawful thereafter to confine the person of any female for debt; therefore no warrant, in debt, under any circumstances, can issue against a female—a wise provision of the legislature, clearly evidencing the gallantry of the then members, but which would have shone more conspicuously, had their generosity induced them to have extended the provision to all civil actions whatever.

In addition to the above modes of proceeding, parties may agree to enter, without process, any action before a justice of the peace, to the decision of which he is competent if process had been executed, and such court may proceed therein to final judgment and execution, in the same manner as if a summons or a warrant had been issued or served.

Either party is also entitled to have his cause tried by a jury upon request.

Proceedings after the return of Process.

Upon the return of process, the plaintiff must file a copy of his account, or a state of demand, setting forth his cause of action or complaint. Strict technicality is not required in this proceeding. It is sufficient if there appear upon the declaration a substantial cause of action, with the necessary or usual circumstances of time, place, and person. The different actions must be clearly distinguished, so that what is alleged in debt, may not seem more properly to belong to covenant, trespass, trespass on the case, or other action than debt; so vice-versa. The defendant, if he have a legal claim against the plaintiff, must file an off-set of the same on the return of the summons; or when the process is a warrant, at the time of the hearing of the cause; but if the warrant shall not have been executed three days prior to the day of hearing, then the defendant, upon entering into the recognisance prescribed by law, may have farther time, not exceeding three days; and if he refuse or neglect to deliver and file the same as aforesaid, he is forever thereafter precluded from having or maintaining any action therefor. Provided, however, if the balance found to be due defendant shall exceed the sum of one hundred dollars, the defendant shall not be precluded from recovering his or her account or demand against the plaintiff, in any other court of record having cognizance of the same.

Of the Judgment.

A judgment in this court does not bind the real estate of the defendant or plaintiff; but the execution to be issued on any such judgment, commands the constables, who are the ministerial and executive officers of this court, to levy and make the debt, or damages and costs, of the goods and chattles of the party, and for want of sufficient goods and chattles whereon to levy and make the same, to take the body of such party, and convey him to the gaol of said county.

Of the proceedings on Execution after Judgment obtained.

Under this head will be considered,

1. In what cases execution may issue immediately.
2. In what cases, and for how long a time, there must be stay of execution, if judgment be against a freeholder.
3. In what cases a person not a freeholder may obtain a stay.

I. In what cases Execution may issue immediately after Judgment.

1. In all cases where judgment is for costs only, as upon a nonsuit or discontinuance, execution may issue immediately against the plaintiff.
2. In all cases where plaintiff or defendant recover a sum under five dollars, execution may issue immediately, whether against a freeholder or other person.
3. In all cases where judgment is against one not a freeholder, execution for any sum may issue immediately, unless the defendant shall appear on the return day of the summons or warrant, or by consent with-

out process, or on the day that judgment is rendered, and procure a good and sufficient freeholder, resident in the county, to confess judgment with him, and then such defendant shall be entitled to all the privileges of a freeholder.

4. In all cases where judgment is entered against a freeholder for any sum, execution may issue immediately, if the party for whom judgment is given shall make it appear, on oath or affirmation, to the satisfaction of the justice, that he is in danger of losing his debt or damages, if delay of execution be allowed; but if the party against whom execution is prayed, shall thereupon give sufficient security to the adverse party for the payment, he shall be entitled to his privilege.

II. *In what cases, and for how long a time, there must be a stay of Execution against a freeholder.*

1. *When a month is allowed.*—When any judgment given against a freeholder, shall not be more than fifteen dollars, nor less than five, execution shall not issue until after one month from the time when such judgment was rendered.

2. *When three months.*—If the judgment exceed fifteen dollars, and is not more than sixty, no execution shall issue until after three months from the date of such judgment.

3. *When six months.*—When any judgment is rendered against a freeholder for any sum above sixty dollars, no execution can issue until after six months from the time of rendering such judgment.

But when a suit is brought upon a judgment before a justice, and judgment rendered therein, execution may issue immediately, provided the time limited for stay of execution, as above mentioned, have expired since the first judgment; or if not, then such farther time, as with the time already passed since the date of the first judgment, will make up the time allowed for stay.

If the suit have been commenced by summons, the justice may consider the defendant a freeholder, so as to grant a stay of execution, until the contrary be shown.

Of proceedings on Appeal.

Under this head will be considered,

- I. Who may appeal, and in what cases.
- II. Of the manner of appealing, and the duty of the justice thereon.

1. *Who may appeal, and in what cases.*

Either party may appeal from the judgment of a justice to the court of common pleas of the county, to be holden next after the rendering of such judgment, whether the judgment be in his favor or against him, except in the following cases:

1. When judgment has been given by default, which does not mean without evidence, and simply by default, neglecting to appeal, (for evidence of the claim is always required in this court,) but where the defendant makes no objection whatever to the claim or the proceedings.
2. When judgment has been given in the absence of the defendant.
3. On a debt, demand, balance, or other matter in dispute, not exceed-

ing three dollars, excepting where the judgment is rendered on the verdict of a jury, when an appeal will lie, though the demand be under three dollars; so also if the judgment be on a report of referees.

2. *Of the manner of appealing, and the duty of the Justice thereon.*

If the judgment have been rendered by a justice without a jury.—The party demanding the appeal, must enter into a bond to the other party, with at least one sufficient surety, being a freeholder in the county, in double the sum for which judgment was given, conditioned to prosecute his said appeal with effect, and abide the judgment of the common pleas, and pay such farther costs as shall be taxed, if the judgment be affirmed. And upon tendering this bond to the justice, and demanding an appeal, he is to grant the said appeal.

If the judgment have been rendered on a verdict, or by a report of referees.—The appellant, at the time of filing the bond with the justice, must also file an affidavit made by himself, that the appeal is not intended for delay, and that he verily believes he hath a just and legal defence to make upon the merits of the case.

The duty of the justice thereon, is to send a transcript of the proceedings and judgment, under his hand and seal, together with the bond and affidavit, to the clerk of the common pleas, on or before the first day of the next term of that court. If he refuse or neglect, the common pleas proceed against him by rule and attachment.

It will appear that it is on proceedings in the justice's court, as above mentioned, that the court of common pleas becomes a court of appeal, as was heretofore mentioned in this article.

In all the cases above excepted from appeal, the party thinking himself aggrieved by the judgment of the justice, may remove the judgment into the circuit court of the county, or into the supreme court of the state, by certiorari, for the correction of any supposed error therein.

No attorney's fees, as such, allowed in this court.

We have been thus particular in speaking of this court, because it is created by statute, and governed by rules of proceedings therein prescribed, which are at variance in many particulars with the common law; and because also, the sum of which it has jurisdiction is unusually large, more so, perhaps, than the same court in any other state of the union. Suitors, therefore, who are often deterred from prosecuting small claims, by reason of the large bills of costs that are often created, are above shown a mode for the recovery of a large sum, attaching to itself no such odious feature as an attorney's "fee bill." The whole taxable costs amount to a few shillings, and the attorney for his services must depend upon the liberality of his client.

MODE OF PROCEEDING IN THE HIGHER COURTS IN NEW JERSEY.

Of the Court of Common Pleas.

These courts are courts of original jurisdiction and of record, and have all the power incident to courts of common law, except in cases of a criminal nature, to institute, hear, try, and determine all personal actions and causes, to conduct the same, issue subpoenas, render judgment, and award execution thereon, according to law and right; but actions personal, of

a local nature, are confined to the proper counties in which such cause of action arose, and their territorial jurisdiction is confined to the county in which they are holden; and as appellate courts have cognizance of all causes which are brought before them on appeal from the "court for the trial of small causes."

Of the Circuit Courts.

These courts were created by statute, passed the 14th of February, 1838, and are holden in every county in the state, at the times and places appointed by law for holding the courts of common pleas (which are four times in the year) in such county, except in two counties mentioned in the act; and, in addition to the power and authority there possessed by said circuit courts, of trying issues in fact from the supreme court, they are by said act constituted courts of original jurisdiction and of record, and are vested with, and have all the power and authority incident to courts of common law, except in cases of a criminal nature; and have power, authority, and jurisdiction in like manner, and to the like extent as the court of common pleas and supreme court have, to institute, hear, try, and determine all actions and causes, real, personal, and mixed; to conduct the same, issue subpoenas, render judgment, and award execution thereon, according to law and right. But in actions of a local nature, the same must be confined to the proper counties in which such cause of action arose.

These courts have also cognizance of other matters, which it is needless to mention.

Their territorial jurisdiction is confined to the county in which they are respectively held; and are courts of appeal upon certiorari from the justice's court, and from the common pleas in causes tried there on appeal from the justice's court.

The Supreme Court.

The civil jurisdiction of this court embraces all the civil actions, which are cognizable in the common pleas and circuit courts of this state; but no issues in fact are triable in this court, unless the matter or property in dispute shall be of the value of three thousand dollars. The territorial jurisdiction of this court extends over the whole state.

OF THE MODE OF PROCEEDING IN THESE COURTS FOR THE RECOVERY OF DEBTS AND DEMANDS.

As all the proceedings which it is necessary to mention in this article, are common to all these courts, they shall be included under one head, and whatever is hereafter mentioned, must be considered as relating to each, unless particularly excepted.

The first process to be made use of.

The first process allowed by law in personal actions, in cases where the plaintiff is not entitled to bail, is a summons, which amounts to no more than a notice to the defendant of the action that is brought against him. And in cases where the plaintiff is entitled to bail, the first process is a *capias ad respondendum*, a writ commanding the sheriff to arrest

the defendant by his body, that he may have him in court upon the return day of the writ.

A female, however, is privileged from arrest for debt, therefore under no circumstances can she be arrested for that cause of action; and we question very much whether any judge, at this time, would order any woman to be holden to bail for any other cause of civil action, wherein as against a man an allowance of bail may be granted.

Surely that feature of the law, which authorizes a man to be imprisoned for debt, is odious enough, or, to say the least of it, is no ornament to a statute book. But what shall be said of that judge, who should order a female to be imprisoned in a civil action.

That complaint must be of an exceedingly aggravated character, amounting almost to a crime, which would justify such a proceeding; yet we shrink back from the contemplation of such a trespass by any woman, and are willing and ready to declare that no female should be arrested in any civil action whatever.

Proceedings on Arrest.

In order to an arrest, it is necessary that an affidavit be made of the cause of such action, and filed with the clerk of the court out of which the writ is to issue; which affidavit may be made before the chancellor of the state, or any judge of a court of record of this state, or any master in chancery, or any justice of the peace of this state, or any mayor, recorder, or alderman, of any city or borough of this state, or any commissioner for taking bail and affidavits in the supreme court of this state; or, if the plaintiff be out of this state, before any judge of any court of judicature, or a notary public, of the state, kingdom, or nation, in which the plaintiff resides, or happens to be.

The *capias*, which is issued upon this affidavit, only authorizes the officer to take the body of the defendant, so that he may have him in court upon the return of the writ.

Upon the arrest, the defendant is allowed to give bail to the sheriff for his appearance at the time and place mentioned in the writ.

As against residents, there is no mesne process of attachment in New Jersey, to compel a defendant's appearance to answer any action; and whatever objectionable features there may be in its proceedings in other respects, it is certainly relieved from this very exceptionable one.

Thus brought into court by the two methods above mentioned, the defendant is proceeded against according to the rules of pleading and the practice of the courts, all of which we pass over as being too tedious, as well as useless, to mention.

The comparative merits of the two processes used in commencing an action, naturally becomes a matter of some consideration with every suitor in the courts; and it is almost impossible to say, with any positiveness or certainty, which is the better of the two.

A man unacquainted with the practice of the courts in all its details, readily supposes, that that process which compels his debtor to give bail, must of course have the advantage; yet when he is introduced to the various modes in which that bail may be discharged, he as quickly perceives how accidental that advantage becomes. For instance, if a creditor hold his debtor to bail, he is sure, at least, of his appearance at court, for if he give bail to the sheriff for that appearance, it rarely hap-

pens that he does not appear, either by surrendering himself to the custody of the officer, after special bail filed, or by putting in special bail, and not surrendering. If he surrender himself, what possible advantage has the plaintiff gained from the bail to the sheriff. They are discharged thereby, as well as the special bail; or if he do not surrender, but puts in special bail to the action, then no benefit is derived from the bail to the sheriff, for they are immediately released.

But he has, under this last case, bail to the action. What advantage accrues to a plaintiff from this? In the first place, the bail may surrender the defendant any how they please before judgment, and any time after judgment, if it be on or before the return day of a certain writ, called a *scire facias*, which is sued out against them, and which is served upon them; or some time during the term to which a summons served upon them is made returnable. As these writs against the bail are issued and served some days before they can possibly be charged for not surrendering the defendant in time, how easy is it for the bail to take their principal, and surrender him to their relief.

What is gained, then, by all this proceeding? Surely the creditor has his debtor confined in close custody, unless he can be so fortunate as to procure some friend to become his surety, that he will take the benefit of the insolvent laws at the next term, or that he will keep within the bounds of the limits prescribed by the inferior court of common pleas of the county.

And what man in any community, is hardly so fortunate? If the principal be really insolvent, scarcely will his bail wait upon him so long before a surrender, as to receive a warning from the plaintiff of his intention to make him liable if he can. And what man is there, who, because he is bail for a friend, thinks himself under any greater moral obligations to pay his debt.

The only hope for a creditor under these circumstances, and it is a forlorn hope indeed, is that the principal will abscond or secrete himself so as not to be taken and surrendered by his bail, or as a "dernier resort" to keep hope still alive, that the bail will voluntarily pay the debt for him. All the advantage, therefore, of this mode of proceeding, is accidental at the most.

We proceed now to speak of the

JUDGMENTS OF THE SEVERAL COURTS.

Judgments rendered in the common pleas and circuit courts are of the same efficacy, and have a binding force upon the property of the party over the same extent of territory, they being concurrent as to territorial jurisdiction.

The effect of them, is to bind the real estate of the party, lying and being in the county wherein the court is held in which the judgment is rendered.

All conveyances, therefore, of any real estate, made by the party against whom the judgment is rendered, after the actual entry of such judgment on the minutes or records of the court, are void and of no effect as against the judgment creditor.

The personal estate of the party, however, is not so effected by the entry of the judgment; but in order to secure a lien thereupon, it is necessary to issue an execution, and deliver the same to the proper officer for

service ; and then the personal estate of the party is bound from the time of such delivery, which time is readily known by the endorsement of the officer upon the writ, which he is obliged to make at the time he receives the same. Questions of priority of lien, whether upon real or personal property, need never be agitated, (except in cases of fraud on the part of prior execution creditors,) as the endorsement of the sheriff, or other officer, can immediately settle the point.

The jurisdiction of the supreme court extending over the whole state, judgments rendered in it bind the real estate of the party, at the time above mentioned, wherever the same is situate in the state. So also in the other two courts as well as in this, whatever real estate a party acquires after the date of the judgment against him, becomes subject to that judgment, and the lien instantly attaches. They remain, after recording, in full force and effect, so that actions may be brought thereon any time within twenty years, or may during that same time be revived by *scire facias* ; but the time during which any person entitled to the benefit of the judgment, who shall have been under the age of twenty-one years, *femme covert*, or insane, shall not be taken or computed as part of the said limited period of twenty years.

Of the Execution.

There are three kinds of executions recognised in the above courts, viz. : a "*capias ad satisfaciendum*," a "*feri facias de bonis*," and a "*feri facias de bonis et terris*."

The first, commanding the sheriff to take the body of the defendant, and keep him till he make satisfaction of the debt or damages, may be used in all cases against residents as well as non-residents.

This writ will detain the defendant in close custody, until he give a bond to keep within the prison limits, or a bond to apply at the next term of the court of common pleas for the benefit of the insolvent laws of the state, or until he make satisfaction of the debt or damages.

This is the highest writ known to the laws, and after it no other can issue on the same judgment, excepting in the two following cases :

First. If the debtor, after being committed to prison by virtue of an execution, shall escape thence, the creditor, at whose suit such prisoner was charged in execution at the time of his escape, may retake such prisoner by any new *capias*, or *capias ad satisfaciendum*, or sue forth any other kind of execution on the judgment, as if the body of such prisoner had never been taken in execution.

Second. That if the party charged in execution for any debt or damage recovered, die in execution, then the plaintiff may have a new execution against the goods and chattles, lands and tenements, or any of them, of the person so deceased, in as simple a manner, and to all intents and purposes, as he might have had, if the person so deceased had never been taken and charged in execution. Provided, however, that no person, at whose suit any such party shall be in execution, and die in execution, shall have or take any new execution against the lands, tenements, or hereditaments, of such party so dying in execution, which shall at any time after the judgment against such party so dying as aforesaid, have been by him sold *bona fide* for the payment of any of his creditors, and the money given for the lands, paid, or secured to be paid, to any of

his creditors, with their privity or consent; nor against any lands, tenements, &c. of such party so dying in execution, which shall have been sold by virtue of any other judgment and execution against him so dying as aforesaid.

The second, is a "*feri facias de bonis*," and as the words import, is an execution commanding the sheriff to levy and make the debt or damages of the goods and chattles of the party.

The third is a "*feri facias de bonis et terris*," and commands the officer to levy and make the debt or damages of the goods and chattles of the party, and for want of sufficient thereof, to make it on the residue of the lands, tenements, and hereditaments of the defendant.

In the above courts, executions issue immediately after the rendition of the judgment, no stay thereof being allowed, either against residents or non-residents, or whether they be freeholders or not, excepting where the party wishes to bring a writ of error; then, in order to stay the execution, a recognisance must be filed, as prescribed by the act, within fifteen days after the rendition of the judgment.

Complaints are sometimes made by the foreign suitors in the courts of New Jersey, of the great delay and tardiness accompanying their proceedings.

In the collection of claims above one hundred dollars, six, nine, and twelve months often intervene between the commencement of the action and the final receipt of the money.

The state of New Jersey being of an agricultural, rather than of a commercial character, the same necessity for a very speedy determination of a suit, does not prevail, as in those states wherein are large commercial cities. It seldom happens that the docket of any one court, in this state, becomes so crowded with cases, that they may not be disposed of at any one sitting.

In large cities and populous counties, remedies must be speedy to prevent an aggregation of suits upon the calendar, for the final determination of which, long sessions of the courts must be had. These are objectionable upon two important grounds. Those plaintiffs whose suits are placed low on the list, are compelled to be in attendance, with their witnesses, watching their turn for trial, which may not arrive for weeks, and are consequently subjected to both delay and a heavy expense. But perhaps the greatest objection to long sessions, is the detention of the jury, who are either farmers, and must necessarily incur a loss by their absence from their farms at those seasons of the year, when a day is of all importance to them, or are manufacturers and mechanics, and must suffer great detriment in business, by reason of their continued absence from their factories and work-shops.

For these reasons, it is to be regretted that, in some parts of New Jersey, particularly in the county of Essex, some more speedy way for the determination of causes has not been provided by the legislature. Some satisfaction, however, is derived from the present constitution of the courts, and the delay in their proceedings; and that consists in their certainty and regularity.

There is cause for regret after a hasty and erroneous proceeding.

Amidst the multiplicity of causes which may be entrusted to any one attorney, time is given him to look well at his step before it is taken; and besides, parties are not driven to a hasty trial, before they have time to

collect their evidence and gather together their witnesses. This delay favors one party at least, towards whom it has always been the disposition of the law to extend the greater lenity, if it do not prejudice the right of the other.

Defendants, both in civil and criminal actions, have received the more indulgence from the law; and from the fact, that the presumption of the existence of the plaintiff's claim in a civil suit is against him, and of the wounded "dignity," and disturbed "peace" of the crown or the state in criminal cases, is against the king or the people. The delay, then, in the proceedings at law in New Jersey, is consistent at least with the principles of a sound and wholesome jurisprudence.

ART. VI.—MERCANTILE LAW REPORTS.

CHEATING—FRAUDULENT ENDORSEMENT OF A NOTE.—COMMISSION MERCHANTS—THEIR DUTY TO INSURE GOODS CONSIGNED TO THEM.—EASTERN LANDS—FRAUDULENT SALE.—BILLS AND NOTES.—INSURANCE.—COMMON CARRIERS.—INSURANCE—VIOLATION OF FOREIGN REVENUE LAWS—CONFISCATION IN, AND JURISDICTION OF, FOREIGN COURTS.

Reports of the proceedings in our courts of justice, often possess an interest far deeper than the mere legal questions involved would excite. Judicial tribunals are, in fact, the true tests of character. Few business men but are called into them in some way, either as parties, witnesses, or jurors; and fewer still but feel a personal interest in the proceedings, as they may affect, injuriously or otherwise, individuals with whom they are connected by business or friendship. Many a rogue's true character has been exposed for the first time in a court where he has been called as a party or a witness; and where, in spite of his exertions, his cunning, hypocrisy, and knavery, are, for the first time, fully laid bare to the gaze of a community, where he has hitherto, perhaps, passed as an honest man.

Judicial proceedings are among the best sources of personal history. They are the history of personal transactions which would otherwise never see the light; and they are the result of tribunals erected for the express purpose of eliciting the truth.

It behooves business men to become familiar with the proceedings of the courts of justice in all our large cities, as far as circumstances will permit. And this, not for the purpose of becoming their own lawyers—for no prudent man will be willing to go forward in enterprises involving legal responsibilities, entirely on his own knowledge of the law—nor, from a morbid curiosity, to become familiar with the details of crime and wretchedness with which our courts, and especially those of inferior jurisdiction, are attended, but for the purpose of a knowledge of those great and leading principles of law with which every man should be familiar; and especially for the purpose of obtaining a knowledge of personal character.

It is for these, among other reasons, that we devote a portion of each

number of our magazine to the reports of legal proceedings; and where cases which are here presented at length, involve no legal principles of importance, they may be useful in exposing knavery, detecting fraud, and placing individuals before the mercantile community in the true light, which a severe judicial examination, by persons entirely impartial, has thrown upon their characters. If after they have undergone this scrutiny, their reputation has received no stain, the world should know it; and if, after being weighed in the balance of justice, they have been found wanting, this fact also should be known by all with whom they have been or may be connected in business transactions.

These remarks are general. They are not intended to apply in particular to any court reports which have heretofore, or may hereafter, appear in this magazine. We have no feelings in this matter, except a desire to render ourselves useful to the public; and as chroniclers of passing events in the legal world, we endeavor to exercise the same truth and impartiality, that we do in making out statistical tables. Our duty is with the public, and not with individuals; and as we shall publish nothing in this department to gratify private feelings, so we shall keep back nothing which the public ought to know.

CHEATING — FRAUDULENT ENDORSEMENT OF A NOTE.

The Supreme Judicial Court of Massachusetts, at the last term, in Boston, were occupied several days in the trial of the case of *Thomas J. Lobbell*, broker, v. *Eliphalet Baker*, merchant.

It was an action of trespass on the case, and the plaintiff's writ set forth that the defendant, on the 25th day of February, 1837, had in his possession a certain promissory note of hand, signed by Hicks, Lawrence, & Co., of New York, payable to James J. A. Bruce, of New York, and by him endorsed, for the sum of 2,775 dollars and eighty-nine cents, payable in five months. That the defendant, wishing to dispose of the note, and with the intent to defraud any person who might become the purchaser, procured his clerk, a minor under the age of twenty-one years, to endorse the note; and on the same day the defendant sold the note to a broker, the same being fraudulently and deceitfully procured to be endorsed as above mentioned. That the plaintiff afterwards became the purchaser of the note, relying on the said endorsement as good and effectual.

And the plaintiff, in this action, sought to recover of the defendant the full amount of the said note, and interest, together with the cost and expenses incurred by the plaintiff in an action against the above mentioned minor.

The plaintiff contended and attempted to prove, that the defendant received the note in question, and several others, amounting to about \$7,000, in New York. That on his return to Boston, he asked one of his clerks if he was afraid to endorse the notes. The latter said he was not, and wrote his name as requested, and subsequently they were delivered by Mr. Baker to Benjamin Winslow, a broker, to be sold. That Winslow sold the note which was the subject of this suit, to George B. Stearns, of whom the plaintiff received it. That the surname of the clerk being the same as that of a well known firm in New York, although his christian name was different, it was the intention of the defendant to

give the impression that the note was, in fact, endorsed by a member of that firm. That Hicks, Lawrence, & Co., and James J. A. Bruce, the makers and first endorser of the note, had failed, and when the plaintiff came to hunt up the second endorser, he found, to his surprise, that he was a clerk in the employ of the defendant, and a minor. That the plaintiff commenced an action against the clerk, and the latter pleaded infancy, and recovered costs against the plaintiff. That the defendant procured the notes to be endorsed fraudulently, and with an intent to deceive and cheat any and all persons who might purchase them. That the defendant sold the notes to Winslow as New York business paper, and that Winslow so represented them when he sold them.

On the part of the defendant, it was admitted, that he procured the note to be endorsed by his clerk, well knowing that he was a minor; but it was contended, and attempted to be proved, that the defendant did not intend to defraud any one. That it was his intention to sell the notes in New York for foreign exchange, or to send them there by the clerk, and he wished them endorsed for safe remittance. That the defendant is a man of quick and sudden feelings, and acts in all his business transactions upon the impulse of the moment. That immediately after the clerk had written his name upon the notes, the defendant said he was sorry for it, but added that "it would do no harm." That it was a very common thing for merchants to procure their clerks, although minors, to endorse paper; that though this was not strictly right, it still was common. That Mr. Winslow came to the defendant's counting room, and the defendant instructed a clerk to give him (Winslow) a memorandum of these notes; that the clerk did so, and the defendant took the memorandum, and seeing the name of the minor on it, he told the clerk to make out another, omitting the name of the second endorser, (the minor.) That this memorandum was given to Mr. Winslow, to sell the notes by, who came in subsequently and said he had sold the notes, and wished for them to deliver to the purchaser. That the notes were given to him. That he afterwards came in and remarked that the name of the second endorser was not on the memorandum originally given him; that Mr. Baker then distinctly said to him, "that name is nothing." That the notes were sold on the memorandum which did not contain the name of the minor, and consequently, that the purchaser could not have received them on the credit of the second endorser, and consequently also, that all presumption of having put the name on the notes with a fraudulent intent was repelled. That the plaintiff did in fact rely wholly on the names of Hicks, Lawrence, & Co., who were well known on 'Change to be perfectly responsible at that time.

There were many witnesses examined in the case, and there was considerable conflict in the testimony of some of them.

The great point in the argument of the plaintiff's counsel appeared to be, that the defendant must have procured his clerk's endorsement for some fraudulent purpose, or he would not have procured it at all; and that the reason assigned for procuring it was of no substance whatever. That no evidence had been offered to show that Mr. Baker had any intention to send the notes to New York.

On the part of the defendant the great argument appeared to be, that the notes had been sold on the memorandum, which did not contain the name of the minor, and the purchaser could not have been deceived, and

that this fact entirely negated any presumption of fraud on the part of the defendant.

Judge Wilde charged the jury, that the plaintiff must show,

1. That the note was put into circulation fraudulently; and,
2. That he was defrauded, or took the paper relying on the name of the second endorser.

The defendant having procured the endorsement, the burthen was on him to explain that fact.

If the jury were satisfied that Winslow was informed, before the notes were sold, that the name of the clerk was not to be relied on, this would tend strongly to rebut the implication of fraud; and if he effected the sale before the name of the second endorser was known to him, this would tend to show that no credit was given to the name of the clerk. But it was not necessary that they should be satisfied that the plaintiff took the note solely on the credit of the second endorser; it was sufficient if any reliance was placed on his name. Here, again, the burthen of proof was on the defendant, for the presumption was, that a credit was given to every name on the note.

After the jury were out several hours, they sent into court the following inquiry: "Would the plaintiff be entitled to a verdict, if the fraudulent act was proved to the satisfaction of the jury. Provided, that there was a doubt in the mind of the jury whether or not that Lobdell was apprised that the name of the second endorser was not valuable."

The judge ruled this point in favor of the defendant, as above stated, and in a short time the jury came in with a verdict for the defendant.*

COMMISSION MERCHANTS—THEIR DUTY TO INSURE GOODS CONSIGNED TO THEM.

In December last, at Boston, the case of *Bates and others v. Parker and others*, tried in the Supreme Court, was an action brought by Messrs. Bates & Co., of Boston, against Messrs. Parker, Howard, & Co., of New York, for not insuring against fire certain merchandise consigned to the latter house, for sale on commission, by Messrs. Bates & Co. It appeared that on the second December, 1835, the plaintiffs, pursuant to a previous agreement, sent to the defendants the invoice and bill of lading of the merchandise which had then just arrived in New York, and that it was received into the store of the defendants on or about the fourteenth December, and was burned in the great fire on the sixteenth December, not being insured. The plaintiffs produced an account of sales of a previous consignment of property, dated about eighteen months previous to the consignment in question, in which there was a charge for fire insurance, and this account appeared to have been settled, and this charge allowed without objection. Two merchants of Boston testified, that they had made consignments to the defendants, and that in their ac-

* It is proper to state, that the above report is necessarily somewhat meagre in respect to many nicely balanced points of evidence, and that it has been the endeavor of the reporter rather to present the grounds taken by the parties, than to give any intimation as to what they made out by evidence. Upon some of the positions taken no evidence whatever was offered. They were merely conjectures of counsel, and are stated in order that the position of the parties, as they understood them, may be seen.

counts a charge for fire insurance was inserted and allowed, and that they had no recollection of having given any special orders to have insurance effected. Evidence tending to prove the existence of a general usage among commission merchants in the city of New York to insure property held for sale on commission, and charged the premium to the consignor without orders to that effect, and also of a usage to make such insurance in all cases where it had been once done and the charge allowed without objection.

The defendants denied the existence of both these usages, and asserted that the property had been for so short a time in their possession in a new fire proof store, that they were not guilty of any neglect in failing to procure insurance thereof. They also argued, that the defendants were not liable as insurers, as the plaintiffs averred, but only for so much damages as the plaintiffs would have recovered if insured, from the insolvent insurance companies in New York, where the defendants had policies.

The judge directed the jury, that if the defendants, being bound to procure insurance, neglected so to do, they became thereby the insurers of the property for its full value, and as such were entitled to a reasonable premium, to be deducted from the damages. That if there was a general usage for commission merchants in New York to procure insurance on property consigned to them for sale on commission, and charge the premium to the consignors, or if there was such a usage in the cases where they had rendered an account containing such a charge, and had it allowed without objection, then the law would imply a contract by the defendants that they would follow the usage existing when this engagement was made. That it would thus be the legal duty of the defendants to insure this property with all reasonable diligence after it was received. That the jury must judge whether, under the circumstances of this case, the delay to insure for a day or two after the property was received, the defendants having thirteen days' notice that it was coming, was or was not reasonable diligence. That if they thought it was not, and either of the usages relied on by the plaintiffs was proved, they should find for the plaintiffs. In reference to the liability of the defendants for more than the insurance companies where they insured would have paid, the jury were directed to find the fact whether or no the defendants intended to cover the property by their general policies.

The jury found a general verdict for the plaintiffs. They also found that the defendants did intend to cover the property by their general policies.

EASTERN LANDS—FRAUDULENT SALE.

At the late term of the Supreme Judicial Court, in Boston, an action was tried, involving questions of peculiar interest to all who were engaged in the recent speculations in eastern lands.

It was an action brought by *P. H. & J. E. Hazeltine*, now of Lowell, Mass., and formerly of Bangor, Maine, against *Henry Warren and Augustus J. Brown*, counsellors at law, of Bangor.

The plaintiffs sought to recover of the defendants the sum of twelve hundred dollars, on a note of hand, signed by *Nehemiah Kittredge*, of Bangor, and endorsed by the defendants.

The counsel for the plaintiffs, in opening the case to the jury, said the note, which was the subject of this suit, was given, with others, in payment of three lots of land in No. 4, Old Indian Purchase, in the state of Maine. At the time of the land speculations in Maine a year or two ago, the plaintiffs were the owners of these three lots, and on request, gave a bond of them to Mr. Kittredge, of Bangor, who formerly owned a lot in the same township, and had sold it. They gave the bond at three dollars per acre, but the understanding was, that Kittredge was to have all he could make over two dollars and fifty cents per acre. Kittredge assigned the bond for thirty days to Horatio P. Blood, for about five hundred dollars. Before the bond expired, the land was sold to the defendants. A deed was then demanded of the plaintiffs, but they were unwilling to give one, as the land had risen in value, but finally, after taking legal advice, they executed a deed to the defendants, and one payment was made in money. The other payments were made in promissory notes, which were signed by Kittredge, and endorsed by the defendants. One of the notes had been paid at maturity. Another had been sued in Maine, and the defendants suffered the action to go by default. The defendants refused to pay the present note, on the ground of alleged deception in regard to the value of the land, although they kept it through the whole period of the speculation fever, and had sold stumpage on it for two seasons. In this defence the whole burthen of proof was on the defendants, it being necessary for the plaintiffs to make out a *prima facie* case only.

The note was then produced and read to the jury.

The defendants' counsel then contended, and offered evidence to prove, that Kittredge was the mere agent of the plaintiffs in selling this land; that the plaintiffs applied to him, and offered him fifty dollars to sell it at two dollars and fifty cents per acre,* that Kittredge declined, and it was finally agreed that he should, in addition to the fifty dollars, have all he could get over two dollars and fifty cents per acre; that the plaintiffs, or one of them, represented, that they had been on the land, and that it was heavily timbered with white and Norway pine, and spruce and ash timber; that the plaintiffs, or one of them, told one Potter, the surveyor who went upon the land, that he must make a good report to sell by, and promised to make him a handsome compensation in case of a sale. That the plaintiffs subsequently made the same statements to Blood that they had made to Kittredge. That they recommended their surveyor to Blood, and the latter sent him with another surveyor to explore the land. That Blood followed them, and met them coming home. He then returned with one of them, not the one recommended by the plaintiffs, and they were unable to find any ash timber at all, not a tree, but as there was a violent snow storm, they were unable to make a thorough exploration. That Blood informed the plaintiffs of the result, and they, or one of them, said there was a large quantity of ash timber there, for he had seen it. That the plaintiffs also represented the land as containing much good farming land. That all these representations of the plaintiffs were false; that the land was worth little or nothing; that there was very little

* From the testimony of Kittredge, it appeared that the plaintiffs, or one of them, refused to pay him the fifty dollars after the land was sold, alleging that he could not prove they agreed to pay him that sum, there having been no written agreement!

timber of any sort on it, and it was literally good for nothing for farming land. That the plaintiffs had already been paid far more than the actual value of the land, and had actually got possession of it under the mortgage given by the defendants. That eastern land speculations in general, and this one in particular, were so tainted with fraud, deception, cheating, lying, and swindling, that the very term had become proverbial for those vices.

Upon these points, the defendants introduced the depositions of Kittredge, Blood, the surveyor, and others, and the plaintiffs offered rebutting testimony.

Judge Putnam charged the jury, that so far as the defendants complain of a hard bargain, the jury had no part to take. The substantial ground of defence, if any thing, was that there was fraud on the part of the plaintiffs. Upon this point, the jury need not be satisfied that the plaintiffs intended to defraud. If they made false representations, believing them to be true, it was their misfortune, and not the defendants. If a man owns a lot of land, and in going to explore it, goes upon a lot belonging to his neighbor, and finds a mill site, and thereupon represents that his lot has a mill site, and a person purchases upon this representation, he cannot be obliged to pay, because the vender really thought his lot had a mill site, and had no intention of deceiving.

In this case, the jury must inquire what in fact were the representations of the plaintiffs. And in considering them, the jury must distinguish between the representation of facts, and the expression of opinions.

In the next place, were Kittredge and Blood the agents of the plaintiffs, or did they act for themselves alone? If they acted in the former capacity, the plaintiffs were responsible for their acts. If they were in no wise the agents of the plaintiffs, then the plaintiffs were not responsible for their statements, any farther than they were brought home to the knowledge of the plaintiffs.

But the representations respecting the land must not only be false, but they must also have influenced the defendants in making the purchase, or their contract to pay is still binding. It was not necessary that the representations should be proved to have been the sole inducements with the defendants. It was sufficient if they were influenced in part even by them.

If Potter, the surveyor, was to be believed, there was evidence of real fraud. His testimony was material, and the jury must attach what weight to it they believe was due.

On the whole, his honor considered that the principles of law contended for by the defendants, were correct; of the facts and of the application of the law to the facts, the jury were the sole judges.

The case was committed to the jury on Tuesday afternoon, December 31. They were out all night, and came in the next morning, with a statement that they were unable to agree. They were then discharged.

BILLS AND NOTES.

In the case of *Smith v. Bythewood*, recently decided in South Carolina, it was held, that on a note payable on demand, the maker is bound to pay immediately, and is not entitled to days of grace. The holder

may sue on the same day the note is made. Any other demand than by suit is unnecessary.—1 *Price's Reports*, 245.

INSURANCE.

1. Where the master fails to employ a pilot to navigate a vessel in coming into or leaving a port, where it is customary to do so, (as the port of Charleston,) and a loss happens in consequence of a pilot not having been employed, the underwriters upon a policy on the cargo would be discharged. But if the vessel pass uninjured through the dangers, to avoid which a pilot is usually employed, and the loss happens at a point beyond which the pilot's service ceases to be necessary, the assured would be entitled to recover.—*M'Millan v. Union Ins. Co.*, 1 Rice, 248.

2. It is an error to consider the employment of a pilot, in coming into or leaving a port, as a part of the seaworthiness of the vessel; nothing can enter into that which is not for the whole voyage. The business of a pilot is merely temporary. He is a part of the crew of a vessel for only a few miles, or a few hours. He navigates her only occasionally. Under such circumstances, it would be an abuse of terms to say, that a competent pilot was necessary to make a vessel seaworthy. The true principle seems to be, that if a vessel without a pilot sustain injury in entering or leaving a harbor where it is customary to have a pilot, such injury does not come within the perils insured against. It is not a peril of the sea. It is a loss from the bad navigation of the vessel, and is to be set down to the fault of the master, and consequently the owners would be liable, and not the underwriters.—*Id.*

COMMON CARRIERS.

The master of a vessel, as well as the owner, is liable to the merchant or shipper of goods, for damages, in case of injury to the goods, or their loss. But their liability is several and distinct. The master is liable precisely to the same extent, and in the same form of action, as the owner; but he is liable in a different character and on a different ground. Where he has no property in the vessel, and has only the conduct and management, he is the confidential servant or agent of the owners. They are bound by his contracts, by reason of their employment of the ship, and of the profit which they derive from it, by the receipt of the freight money. The master is also liable on his own contract for the transportation of the goods, and by virtue of his taking charge of them for that purpose. The liability of the owners is implied by law, from the nature of the employment, on the ground of public policy. The liability of the master seems rather to be by express undertaking, and although he is not owner and receives no part of the freight, yet, on the same ground of public policy and in favor of commerce, he is made personally responsible on his undertaking, even where the owners are known, which is thus far a departure from the general law of principal and agent.—*Patton v. M'Grath*, 1 Rice, 162.

INSURANCE.—VIOLATION OF FOREIGN REVENUE LAWS—CONFISCATION IN,
AND JURISDICTION OF, FOREIGN COURTS.

The case of *Simon Bradstreet and others v. The Neptune Insurance Company*, which was decided at the late term of the circuit court of the United States in Boston, was an action on a policy of insurance underwritten by the defendants, for "three thousand dollars, on the schooner Gardiner, of Gardiner, at sea or in port, for and during the term of three years, commencing the risk on the 28th day of September, 1836, at noon." The policy contained the following clause:—

"It is agreed that the insurers shall not be answerable for any charge, damage, or loss, which may arise in consequence of seizure or detention for or on account of illicit or prohibited trade, or trade in articles contraband of war. But the judgment of a foreign consular or colonial court shall not be conclusive upon the parties, as to the fact of there having been articles contraband of war on board, or as to the fact of an attempt to trade in violation of the laws of nations."

The vessel was seized by the government of Mexico, within the time covered by the policy.

The defendants contended, that the seizure and condemnation of the schooner was on account of a violation of the revenue laws of Mexico, and to establish this defence they produced an authenticated transcript of the proceedings of the Mexican court against the vessel.

The plaintiffs denied the existence of any such alleged law of Mexico, or that any breach thereof was committed, or that the court passing the decree had any jurisdiction; and they insisted that the vessel was confiscated and condemned arbitrarily and unjustly, and without trial, or any opportunity on the part of the master to make any defence, or to examine any witnesses.

The questions submitted to the court were, *first*, whether the record of the proceedings was conclusive as to the existence of the laws of Mexico, the jurisdiction of the court, and the cause of seizure and condemnation, so that the plaintiffs were estopped from controverting them, and show that there was no violation of the revenue laws of Mexico. *Second*, could the plaintiffs traverse the allegations of the record, that the master of the vessel was summoned to appear and defend his rights, and that the condemnation took place after he had appeared in court and been heard, and if he could traverse these allegations, then was the record sufficiently conclusive to establish that the seizure was such as would discharge the underwriters?

On this last point, Judge Story decided, that if the proceedings before the Mexican tribunals were unexceptionable in all respects, the allegations in those proceedings *would* be conclusive on the parties; but if the defence was, that the record was a tissue of falsehoods, and that the whole proceedings were a positive fraud, evidence would be admissible to show that the master was never summoned, never did appear, and never was heard before the condemnation.

In regard to the first point above mentioned, Judge Story decided that the sentence in a foreign court of admiralty and prize *in rem*, was, in general, conclusive, not only on the parties in interest, but for collateral purposes, and in collateral suits. But this rule proceeded on the ground that the court had jurisdiction over the case, and that the thing

was either positively or constructively in its possession, and submitted to its jurisdiction. And where the sentence of a foreign court *in rem* was sought to be held conclusive as to the title to property, it was essential that there have been proper judicial proceedings upon which to found the decree, by which he meant, not that there should be regular proceedings according to the forms of our law, but that there should be some certain written allegation of the offences, or statement of the charges, for which the seizure was made, and upon which the forfeiture was sought to be enforced; and that there should be some personal or public notice of the proceedings, so that the parties in interest may know what is the offence, and have an opportunity to defend themselves. Where this was not the case, a sentence ought to have no intrinsic credit given to it, either for its justice or its truth, by any foreign tribunal.

Now, in the present case, although it was quite clear that the tribunals of Mexico had jurisdiction over the subject matter, the schooner being within the limits of that government, and although it was stated in the record, that the master of the vessel appeared and was admitted to make defence before the court, yet the real difficulty was, *the total want of any libel, or allegation in the nature of a libel, containing specific charges for which the confiscation was sought.* The only documents which contained any statements on the subject, to serve the place of a libel, were, a letter from the commissioner of the custom house, addressed to the administrator of the custom house in the department, containing some general statements respecting two boxes of medicines on board the schooner. It was a mere letter from one officer to another. It made no charge against the vessel. It alluded to no seizure, and proposed no proceedings.

The next document was a letter from the administrator of the custom house to the district judge of the department, which was couched in still more general terms. It contained no accusation, asserted no offence, and asked for no forfeiture.

These were the only papers upon which the district judge proceeded to summon the captain to appear before him to defend his rights. He (Judge Story) thought it would violate all notions of the administration of public justice, to call them a libel or an accusation on which to found a decree of forfeiture against the vessel.

The vessel was confiscated; but upon what pretence or grounds was not stated in the sentence, although certain facts and grounds were stated by the attorney general and the public administrator, namely, that the boxes were brought into port without the requisite manifesto. This might or might not have been the ground of condemnation. At any rate, this court was not bound to fish out a meaning when sentences of this sort are brought before it.

On the whole, therefore, for these defects in the proceedings, his honor was of opinion that the sentence was not conclusive against the plaintiffs.

But it was not necessary to rest the case on this. There was a clause in the policy that the insurers shall not be answerable for any loss which may arise in consequence of seizures or detention from illicit trade, &c.

Now the seizure here was clearly made on account of a supposed illicit trade, that is, a trade carried on without the proper documents required by law. It was not necessary that there should have been any just

grounds of condemnation. It was sufficient if there was any just ground for the supposed illicit trade. The only question was, whether the accusation of the asserted illicit trade was a mere cover for a wanton trespass and aggravated wrong, or was *bona fide*, however unfounded in fact. If the latter, the insurers were exonerated; if the former, they were liable for the loss.

This question must be determined by a jury, and it would probably be found necessary to have the Mexican laws on the subject, in order to settle the question properly. The case was therefore continued to the next term, to take a verdict of the jury on this point.

In concluding his opinion in this case, Judge Story alluded to a statement made by the American consul, that an appeal was not taken from the decree of the judge who condemned the vessel in Mexico, because it was thought to be of no use; all the tribunals being so corrupt, that justice was out of the question.

ART. VII.—THE AMERICAN MERCHANT.

The Young Merchant. Philadelphia: R. W. POMEROY. New York: L. W. RANSOM.

A LITTLE work with the above title, published some few months since, commends itself to attention, for the perspicuity of its style, the soundness of its principles, and the practical utility of its precepts. The business and social virtues and habits, essential to a promptness of character, the confidence and respect of the community, and the approbation of conscience, in those for whom the manual is especially intended, are clearly defined and earnestly impressed; and the work cannot be perused without the attainment of much beneficial instruction.

But while it is probably calculated to subserve the object intended by its author, to be a manual for the merchant, abstractly so considered, we are constrained to the declaration, that it is of too general a character to answer the requirements of a young American merchant, more especially if he be of New York, amidst the peculiar and anomalous circumstances by which he is surrounded. There is a great and pressing deficiency still unsupplied. There is yet ample room for a powerful mind, whose comprehensiveness and independence will enable it clearly to elucidate, and boldly to declare, the dangers which surround the path of the American merchant, and the responsibility of his position, to confer upon the mercantile community, and society in general, an enduring and all-pervading benefit. We propose, without entering deeply into the subject, to define our estimate of these dangers and that position, that the propriety of our assertion may be appreciated.

It has become a matter of anecdote, that the people of the United States are so wedded to the accumulation of property, that it engrosses all their thoughts; and that a casual conversation never occurs between any two of them, without the introduction of the significant word "dollar." Circumscribing the sweeping nature of such a declaration within the limits demanded by the strictest justice, it must be candidly and honest-

ly confessed, that the acquiring of wealth is the one great and notable trait of the American character. It is all absorbing in its engrossment of the mind; it recognises no limit, however broad may be the standard displayed, from the more humble competence, to the revenues of a millionaire. It seems to have been adopted by the mind as its aliment, to be necessary to its existence. It is not checked in its demands by the contemplation of the hoards of the past; but regarding them with indifference, its vision is ever directed to the present and the future. It is, in short, its own sufficient interpreter—"the acquiring of wealth," finding its happiness and reward in unstinted and unintermitted action. This peculiarity of its nature, widely distinguishing it from avarice, which labors only for the sake of increasing its gains, redeems it from much of the odium it would otherwise deserve, and testifies, that its growth and luxuriance are referable to the agency of strikingly peculiar circumstances. Foreign writers have uniformly attributed it and its consequent evils to the inevitable influence of our democratic government; which, by repudiating a legal aristocracy, has induced the substitution of the possession of wealth as an equivalent for titles and distinctions, the garter and the cross. But the fallacy of such an attribution is easily demonstrable and apparent. It is not to the operation of our form of government, which has nothing whatever to do with it, that the universal eagerness for gain in our community is to be assigned; it is to the discovery of a new world, when the discoverers were able to engraft the attainments of a high degree of civilization directly upon the wild luxuriance of savage nature—to the broad and glorious field for energy thus exposed—in fine, to the insatiable spirit of enterprise thus developed. It is this enterprise, not the love of money, which makes the American a money-getter; and it has become a portion of his very existence—he inhales it with every breath he draws, for its contagion pervades the very air—he is brought into the arena of life and action, by its irresistible influence—a man in determination of soul, while yet a boy in years; and it is the mentor of his mind to the moment of expiring nature. It is enterprise which inspires him to act for the sake of action—which imparts to his character a restless and never-slumbering activity—which impels him to hazard the accumulations of years upon a single stake in the lottery of speculation—which opens his ears wide to catch the first whisper of something new—which teaches him to laugh at misfortunes that would crush others in the dust—which awakens the click of the trowel and the echoing stroke of the hammer, above the yet smoking ruins of the warehouse, and bids the merchant to soar, phoenix-like, from the midst of the flames that have destroyed his all, with stronger resolves, bolder determination, and more-enduring energies, to try with fortune anew!

It is this same enterprise, to cast a glance at darker shades of the picture, which has tended to a too intense engrossment of the mind with the affairs of business, to the exclusion of those great uses and aims of life—the improvement of the mind, and the progressive elevation of the character; a neglect of domestic duties; a substitution of appearances for realities in social intercourse; induced a laxity gradually—therefore unappreciated—of that lofty incorruptibility of principle, which is man's surest safeguard; and, finally, a devotion of existence to unreal machines of happiness, which bring no true content in its progress, and sheds no ray of comfort over its close.

Are we expressing the character of our merchants? Are we putting forth assertions, groundless and base as they are wanton—base, because wanton and unprovoked? We earnestly deprecate any such accusation. We know that on our seaboard, and more especially in our own city, to which particular reference is had in the course of these remarks, the merchants give tone to society in general, and we shall be among the first to repel any unjust impeachment of them. But, at the same time, we are rendered the more urgent to impress upon the mercantile interests the social responsibility resting upon them. We have drawn our conclusions after much examination, study, and reflection. If they be false, let our excuse and pardon be found in our good intentions. If true, when is it demanded that the truth should be spoken with more independence and earnestness? Let us be farther heard then, while we consider our points in detail.

It will scarcely be denied, in reference to the first, that the improvement of the mind, and the exaltation of the character, are sacrificed, in far too great a degree, to the anxieties and engagements of business. It may be said, indeed, with too much truth, of men, of whatever pursuits, that they live on earth as though it were forever to be their abiding place. But setting aside the great question of religious accountability, and confining ourselves to the point already broached, viz. : the controlling influence of the mercantile interests in our social as well as business relations, is it not manifest that literature and the improvement of the mind are far too little regarded by those who are thus to give tone to the habits and customs of so great, so populous a city. Should not a vivid feeling of peculiar responsibility to their fellow-citizens, under such a consideration, induce our merchants to relinquish something of business to their own mental improvement? And yet more,—what treasures of the truest, heartiest gratification, are neglected, for comparatively paltry acquisitions! The mind is capable of enlargement in every one of its glorious attributes, saving, indeed, its own immortality; and, in the process of that enlargement, imparts to its possessor a thousand-fold return for his investment of time and labor to procure it. That is a speculation, the success of which is certain—the pursuit most honorable—the profits better than silver or gold. Would that many might embark in it who now fritter away peace, happiness, and content, in the headlong and never-ending pursuit of deceiving and useless projects, seen, alas! by their microscopic vision, to be glorious and full of reward; but when scanned by the eye of truth, frail as the spider's web, and vanishing at a breath.

We have often conversed with merchants—we say *often*, and mean as we say—some of them of age and vast influence, respected as the foremost in honor, who have acquired fortunes in their business, yet who are more totally ignorant of the geographical position of the various countries of the globe, than many a child of seven years of age. They have freighted ships for every clime beneath the sun; they will tell you the distances, the length of voyages, the risk in the chances and freights to every seaport you may name, but of the relative positions of those ports to each other, and of geographic knowledge in general, they will be profoundly ignorant. We write not of such in reproach or scorn; far from it. They began their career in those bygone years, when but little learning was to be obtained; and they deserve praise—unstinted

praise—for their noble advancement, in defiance of the difficulties and impediments under which they labored. But we write now, particularly, for the eye of the young merchant; and we adduce these instances of their elders to ask, if any of them are similarly defective? If so, we say boldly, for it is truth, what is excusable in the former is unpardonable in them. And they should possess, too, a modicum of information upon all the primary divisions of knowledge. We have instanced geography, only, as being of particular necessity—for the advancement of civilization has so developed mental improvement, even in a secular point of view, to be of surpassing importance in the fulfilment of duty and the acquirement of happiness, that to neglect it is to confess oneself indifferent to the higher attributes of our nature, and a laggard in the rear of the attainments of the age.

There are those with whom we have conversed, who argue that the nature of the business of the merchant is incompatible with literature—books; and that all the learning to be expected from him, is such as he may obtain from his experience. We are disposed to deny to such shallow and insulting reasoners more room than to chronicle the argument, which is the record of their shame. While, at the present day, a want of mental cultivation detracts from the elevation of the mercantile character, there is none upon the earth more noble and worthy of respect, than the *educated* merchant—the more if he be self-educated—who combines with his honorable vocation the cultivation of those powers which, thus aroused to activity, shed a halo of never-ending delight around his path, and aid him both in business and in duty; who assists the dicta of experience in the management of his affairs, by the unflinching truths of philosophy, and the keenness of an invigorated judgment—and who has enlarged his sympathies through the improvement of his intellect. Such are the pillars of the honor of commerce.

We consider it not improper to advert, in this connexion, to the benefits dispensed to our city in the great particular we have been considering, by the MERCANTILE LIBRARY ASSOCIATION. That institution will ever be a monument to the discernment and philanthropy of its projectors and founders; heaven smile upon its prosperity!—and may the establishment of this magazine, devoted as it is to the interests and improvement of the mercantile community, prove a pioneer to that general literary advancement which we are earnest in desiring, and for which its success is an impulse to our hope.

We have said, farther, in reference to the effects of American enterprise, that it “has tended to induce a neglect of domestic duties, and a substitution of appearances for realities in social intercourse.”

The mind of man, in the freedom of natural action, finds the intensest delight in the ties, sympathies, and responsibilities of “home.” It is led, by an irresistible impulse, to contract those ties, that it may experience this delight. It seems to be endowed with peculiar faculties for such enjoyment, that find no rest, no gratification, elsewhere; and which, if deprived of aliment, exerts a constant power, calling out aloud for action, and even in the engrossments of business, and the excitements of pleasure, making its voice to be heard, or paralyzing joy. There is nothing, too, which so softens and elevates the mind, as the possession of a “home.” Its endearing relations, its holy duties, its tender sympathies, twining about the heart closely as the very chords of existence, wean

the spirit from debasing appetites; assimilate it more and more to the better things of life; give strength to virtue, soften the asperities of character, and make the desert of passion, by their gently soothing influence, "to blossom as the rose."

But what constitutes such a "home?" Not alone to take to oneself a wife, and to place her in a splendid establishment—not to furnish her with means for fashionable display—not to be the parent of children whom you love, and withal to hurry from your table when a hasty breakfast is over; to enter your door just in season for dinner, to endanger health in its rapid consumption, and haste away again; to return at evening, the thoughts loaded with the anxieties of complicated projects and designs for the future; to retire within yourself, passing the time in silent abstraction to the hour of sleep, and rising in the morning to the same undeviating round;—such is not, in our sense, a "home"—it may be a home for the body, it is no resting place for the soul.

For such sympathies, such enjoyments, such a "home," that wife must be knitted to your spirit, to commune with all its action—and then you will find one of the strong delights of your home, in mutual instruction and mutual correction; for, if she be knitted to your soul—and wherefore is she your wife if she be not so?—that correction will be recognised by each as the kind act of love, and will be a thankful gift. The assembling round your table at every meal, should be an occasion for mental as well as bodily aliment; and when the labors of the day are over, your mind should be free to consecrate the fireside, by a mingling of sympathies with those who gather there—to instruct your children—to sport, it may be, with them—to be, in truth as well as in name, the "husband" and the "father."

It has been remarked by strangers, especially the English,—for "the blessed homes of England" have been made the theme of the poets, and the English have eyes for such defects,—that, in the city of New York, there is less of fixedness, solidity, and depth, in the domestic relations and social intercourse, than in the rest of our country, or in their own land. The husband and wife are too much separated, have too little community of interests. He is day after day engrossed by his business—it may almost be said, from sunrise to sunset; and she is necessarily left to form her own plans, and seek her own enjoyments. Marryatt notices, very truly, the peculiarity in our city, that so many families take lodgings in preference to maintaining an establishment of their own. The cause, we opine, is in many instances to be sought in the too sedulous attention of the male head to business—not to economical motives, since more will he lavish on appearances, than would suffice for the genteel support of an establishment. And how much excuse is to be found for the lavish habits in the wife, when she is deprived of the concert and companionship of her husband? How much for waste of time in empty frivolities, for the final concentration of her thoughts and feelings upon the nothings of fashion?

Finally, and what is of most importance, we have asserted, that American enterprise "has tended to create a laxity, gradually induced, and therefore unappreciated, of that lofty incorruptibility of principle, which is man's surest safeguard." As the proper consideration of this point demands more attention than can be at present bestowed, it is suggested for the reflection of our readers, to be taken up hereafter.

ART. VIII.—MERCANTILE BIOGRAPHY.

RICHARD W. DOW.

THE Merchants' Magazine seems a fit vehicle for recording the worth of those called away from the midst of business life. It is a beautiful and holy thought, that, in the eagerness of competition, the anxiety of expectation, the haste of crowded cities—time should be found to remember the departed. We endeavor to secure to our own characters whatever is most precious in those no longer left among us—not merely to weave a wreath of imperishable flowers for the early tomb, but to cause the virtues of the dead, immortal as their souls, to engrave themselves on our hearts.

Richard W. Dow, of the firm of Dow & Co., was born at Salem, the 14th of August, 1810. His youth was marked by a thirst for knowledge, which often kept him away from the sports of his fellows, with some old volume of history in a garret. Though his calling in life did not favor this decided taste, he never lost his interest in books, nor his desire to promote the knowledge and use of them in the community. Many of his last evenings were spent in the Brooklyn library; preparing that institution for the high place he trusted it would take in the esteem of the community.

But another trait marked his youth even more honorably. His parents say it passed without a stain. Fit portico was it for that temple of a holy spirit we have been impelled to describe—that boy was the mould of the man—that youth the seed-time of manly goodness. The idea of right and wrong, embodied in his being from the earliest hour, spoke forth in every tone of his voice, every line of his sedate countenance. All who knew him, felt that there was a peculiar moral elevation about him. All who have mentioned his name, have at once praised that quick true conscience which exalted him in the eyes of man, and with Him who seeth not as man seeth! His brief career, just passing, one might say, the threshold of business-life, was an eloquent commentary upon commercial integrity—a trait far nobler in our eyes, and more worthy of remembrance, than that capacity for business which was observed in him by all. We may be pardoned for mentioning a single instance. Conversing with a gentleman, resident in the western part of this state, during one of the last journeys Mr. Dow made to the East, (before he found an unexpected grave in that doomed boat, the Lexington,) he remarked, "that though the great discount on southern funds would no doubt ruin many, yet that every man, rather than delay or refuse to pay his debts, should submit to the loss."

Mr. Dow never exaggerated, never indulged himself in vague statements, the embellishments of a wild fancy. This he avoided as wrong in itself, and fruitful of evil to society. His every word was sure as the most solemn oaths. He would often recall and qualify his statements, in some points so minute as to escape general notice. It was a systematic truthfulness, the united result of high principle, and a thoroughly just education, which alone is able to purify society from the countless evils of deception. One instance we recall, of his emphatic directness in the use of language. A southern merchant had written to inquire, if it would

be convenient, instead of paying certain notes at six months, to pay them at three, six, and nine months. Mr. Dow's whole reply was, "It will." Its singular appropriateness induced the gentleman to seek his acquaintance, and enter into frequent business correspondence with him.

But his severe views of duty were blended in beautiful harmony, in perfect proportions, with other prominent traits. Though firm in the right, he was ever gentle to the wrong—impregnable in his own principles, he respected the principles of others. Often and often we have known him, in the peace-maker's spirit, check severe criticism, defend the absent, (one perhaps who had injured himself,) and extenuate conduct which did not admit of honest justification. Chivalrous in his devotion to duty, he was equally remarkable for the modesty of his self-appreciation, and the generous praise he bestowed on the worth of others.

A devoted son, (relieving his father of burdens which his infirmities permitted him not to undertake, the hope and support of his age,) a loving brother, a fast friend. He showed in this active community, that business talent and energy are in nowise incompatible with that earnest solemnity of spirit, which (by frequent musings on its destiny) works out in the soul the fire-baptism of holiness!

Had his life been spared, from his love of usefulness, and his unusual power of self-concentration, great might have been his services to society—important the part he would have borne in the world's progress! But, though to die at thirty years of age was indeed soon for us, it was not too soon for the ripeness of his character and the meekness of his spirit! Though to be called away without one farewell to those we love, or one hour of calm thought, amidst circumstances of unusual horror, shocks every sentiment within us—yet no one who knew Mr. Dow can doubt, that he met his fate calmly, trusting fully in the providence which stayed his steps, and called him to lay his head on some unknown spot in the ocean deep—that he laid down this life for a higher and better, peacefully—

"As fades a summer cloud away,
As sinks the gale when storms are o'er,
As gently shuts the eye of day,
As dies a wave along the shore."

ISRAEL THORNDIKE,

A distinguished merchant of Massachusetts, was born in Beverly, as one of his biographers states, in 1757, but we think a year or two before that period. He was, for some years of his youth, an apprentice to the cooper's trade; but his enterprise burst out while he was quite young, and at the commencement of the revolutionary war he engaged in privateering, and soon became part owner and commander of a privateer, which made many successful cruises. He was a bold athletic commander, possessing the most unquestionable courage, and superior strength of body and mind. After the close of the war, he engaged in the fisheries and foreign commerce, and grew rich. When the old confederation was found deficient, and a federal constitution was proposed, Mr. Thorndike was elected, from his native town, one of the members of the state convention for the adoption of the constitution, and he was as efficient as any man in that body; not that he made long and learned speeches, but

that he talked with the yeomanry of that body in a style of common sense which they understood, and his arguments had the desired effect.

For many years he was elected to the senate of the state, and always brought a great share of practical good sense to the question under discussion. He aspired to no grace, no ornament, but took up the subject in a clear, forcible manner, and always said something worth remembering.

From Beverly he removed to Boston, and soon took a high stand among merchants and politicians. His wealth allowed him to live in a more splendid style than any other man in the city, but there was no parade about it—all seemed as natural as if he had been to the "manor born."

He was a careful observer of the times, and when commerce began to be taxed with heavy duties, he at once invested a large portion of his large capital in manufacturing establishments, which he early saw would be the true policy of New England. His investments in real estate, shipping, or factories, were wonderfully judicious, and hundreds watched his movements, believing that his pathway was safe.

In addition to other public acts of munificence, he purchased, in 1818, the library of Professor Ebeling, of Hamburg. This library contained between three and four thousand volumes of American history, or kindred works. The possessor had been one of those valuable enthusiasts for the rights of man and the liberty of nations, who had caught at and preserved every thing relating to the history of this new world, while those on this side of the water had too often been unmindful of preserving matters of moment to their posterity. It is probable that this is the most complete collection of newspapers, pamphlets, state papers, and books relating to America, that is now extant. Mr. Jefferson had done much in this way, but Professor Ebeling much more. The public are under lasting obligations to Mr. Thorndike for bringing this treasure to the United States.

Mr. Thorndike died May 10, 1832, at Boston. He was an active business man to the last of his life. His fortune was the largest that has ever been left in New England. Many years may pass, before the public will find another man so entirely the maker of his own fortune, by strength of intellect and nerve, as Mr. Thorndike. It may be said that he resembled more the Amsterdam than the Florentine merchant; still his sagacity, foresight, energy, and patriotism, was not surpassed by any one of the princes of traffic that history has brought down to us.

NATHANIEL TRACY,

A distinguished merchant previous to, and during the revolutionary war, was born at Newbury, afterwards Newburyport, about the year 1749. He was the son of Patrick Tracy, who was an opulent merchant in that place, and having a proper view of life, gave his sons the best education the country afforded. Nathaniel graduated at Harvard college, 1769, and commenced business in his native town in company with Jonathan Jackson, an accomplished gentleman and thorough merchant. The house was prosperous, and extended its concerns to a wonderful magnitude for that day. During the war of 1775, his privateers were for several years numerous and successful. He was generous and patriotic, and assisted the government with money and articles of clothing,

and other necessaries for carrying on the war. He lived in a most magnificent style, having several country seats, or large farms, with elegant summer houses and fine fish ponds, and all those matters of convenience and taste that a British nobleman might think necessary to his rank and happiness. His horses were of the choicest kind, and his coaches of the most splendid make. He expended as if fortune would be always propitious, and the thought of straitened circumstances never came across his mind. But in the last years of the war, the enemy had grown wise, and sent a large proportion of small frigates and heavy gun brigs, and swept the American privateers from the ocean. The government failed to pay him; his debtors, who were numerous, had encountered similar difficulties, and, in 1786, he was minus some millions of dollars. His splendid estates sold for a small portion of their value, and he gave up business, retiring to a large farm which had been secured to his children. Fortunately, his debts were of such a magnitude, that he was not pestered by a swarm of little creditors, who rejoice in having a momentary power over a man once so conspicuous in society. These little vampires love to suck the blood of fallen greatness, and to show their lips red with a drop of the current from the noble veins of one who has moved in a region beyond them. Tracy was too sensitive to bear his misfortunes as a philosopher or a subdued christian. He sunk under them, and found a premature grave. He left a widow and several children; she was an elegant woman, and supported her dignity to the last hour of her life. He had, when fortune smiled, built up hundreds of little men, who made sage sayings, and quoted wise saws, upon his profusion in the days of his glory, a portion of which had been lavished upon themselves. He was a gentleman of polished manners and fine taste. In looking upon his houses and works of amusement at the present time, when most of them are in a state of decay, you still see the hand of taste in every thing he did. Does not some of the surplus revenue of our country belong to those who brought their property to the shrine of their country in the hour of darkness and peril, and threw it down at the altar, as a free will offering, to secure our liberty and independence? The history of those times is glanced at, and makes up the theme of the political declaimer, at every touch and turn in his pathway, but no serious examination has ever been gone into, nor will there ever be a true history of those times written. Such men saved the nation,—must they be forgotten?

ART. IX.—MERCANTILE LITERATURE.

Hints to Tradesmen, and Maxims for Merchants. Boston: Perkins & Marvin. 24mo. pp. 96.

THIS little volume commends itself to the attention of young tradesmen and merchants, as embracing within its comprehensive pages, maxims and sentiments which, if carried into practice, must generally insure success in mercantile life. The maxims are expressed with force and

piquancy, and, on the whole, we can cordially recommend it to our mercantile readers as a useful book.

We give an extract or two from the introduction, as furnishing some idea of the author's style and views, touching the subjects discussed.

" 'How to get money,' is now the order of the day—the one thing needful,' so far as worldly matters are concerned. It is, I admit, an awkward thing to begin the world without a dollar; and yet hundreds of individuals have raised large fortunes from a single shilling. I know a builder, now worth two hundred thousand dollars, who was a bricklayer's laborer forty years ago, at eight shillings per day. He became rich by acting upon principle. He assured me that even when he was in this employment he contrived to save a few shillings a day out of his earnings, and thus laid by \$100 per annum. From this moment his fortune was made. Like a hound upon the right scent, the game, sooner or later, was sure to be his. He possessed an indomitable spirit of industry, perseverance, and frugality, and the first \$100 he realized became the foundation for thousands.

"The world at large would call this man fortunate, and ascribe his prosperity to good luck; but the world would be very wrong in doing so. If there was any luck at all in the matter, it was the luck of possessing a clear head and active hands, by means of which multitudes of others have carved out their own fortunes, as well as the person to whom I allude. Franklin and Girard may be mentioned as instances:—they adapted the means to the end; a process which commands a never failing success. In brief, they were men of business!

"But to be frugal is not of itself sufficient,—the young man who would insure his success must be industrious too:—what is saved by thrift must be improved by diligence, for the last doubles the first, as the earth, by reflection, renders the sunbeams hot, which would, otherwise, seem but warm.

"What cannot be done by one stroke may be effected by many; and application and perseverance have often succeeded when all other means have failed. Nothing can be more ridiculous than that, because we cannot suit our means to our ends, we will not suit our ends to our means; or because we cannot do what we will, we will not do what we may, depriving ourselves of what is in our power, because we cannot attain things beyond it; whereas, the way to enlarge our ability, is to double our industry, because, by often repeated efforts, we may accomplish, in the end, what in the beginning we despaired of.

"The fool who promises himself success without endeavors, or despairs at the sight of difficulties, is always disappointed; but, on the contrary, he who is indefatigable succeeds even beyond his expectations.

"There is not a more certain sign of a craven spirit, than to have the edge of one's activity soon turned by opposition; on the contrary, there is no disputing his fortitude who contends with obstacles, and never gives over the pursuit till he has reached the end he aimed at. Indeed, to tempers of this kind, few things are impossible.

"It argues a weak and pusillanimous spirit to sink beneath perplexities and calamities, and rather sit down and lament one's misfortunes than attempt to remove them. If, therefore, young reader, you ever apprehend yourself to be, in a manner, overwhelmed with adversities, bear up boldly against them all; you have this advantage, at least, it will be

the longer before you sink, and perhaps allow time for some friendly hand to interfere for your preservation.

“The force of example is the greatest force in the world, because it is the force of habit—which has been truly and appropriately called, a second nature. Its overwhelming influence is so great, that honest men become rogues by contact. Do you imagine yourself exempt from the contagion? If strong-minded men have frequently fallen victims to evil examples, how shall the weak escape? Very easily! Do not submit yourself to it. The preliminaries of temptation are easily to be avoided, however difficult the subsequent coils may be to unwind. If you mean to make your way in the world, look about you, and ensure your well-doing by copying the habits, and following the example of those only whose conduct, experience, and success, entitle them to the character of models.

“Nothing is more deceptive, or pernicious, than the idea which is entertained by some, that the rich obtain their wealth without exertion—merely by what is termed ‘good luck.’ There is no sure way of getting money but by industry; and no way of keeping it, so as to grow rich, but by economy. The foundation of great fortunes are all to be traced to small beginnings, small profits, and frugal expenditures. The man who desires to grow rich, must never wait to acquire large sums before he begins to save. The economy of small expenses lays the corner-stone of wealth. Large amounts take care of themselves; it is the small dribbles that waste the substance, and keep men poor, if they are not careful to restrain their outgoings. One of the most opulent merchants now living, made his fortune by gaining and saving sixpences!

“The philosopher’s stone is no fiction. He who labors with industry, and lives with economy, will find it at the bottom of the crucible of life, to reward his toil, and compensate him for his virtue. It was a favorite theme with Girard, when he grew rich, that he commenced life with a sixpence; and that a man’s best capital was industry. He died worth \$10,000,000!”

AGREEMENTS.—The time has been, when a verbal contract between two parties would be considered binding. The world since then has changed, and in order to be perfectly safe from loss or injury, I advise my readers to deal with every man and woman, so far as business is concerned, as if they were rogues. They may start, but I state no more than what is necessary to be done. As for friends—with them, still greater precautions are needful. Let nothing of any moment whatever be undertaken without its being first penned down in black and white, and signed in the presence of a witness. You have then some data to go upon, and can right yourself, in case of necessity, in a court of law. A want of attention to these points in early life, cost me some thousands. I paid dearly for my experience, but if I may yet be serviceable to my fellow-tradesmen, the money will not have been altogether thrown away.

STATISTICS OF COINAGE.

ANNUAL REPORT OF THE DIRECTOR OF THE MINT OF THE UNITED STATES.

Philadelphia, January 30, 1840.

The coinage executed at this mint, in 1839, amounted to \$3,021,170 11, comprising \$1,040,747 50 in gold, \$1,949,136 in silver, and \$31,286 61 in copper, and composed of 9,260,345 pieces.

The deposits of gold within the year amounted to \$1,042,500, of which \$138,500 was derived from the mines of the United States.

The deposits of silver amounted to \$1,851,500, and consisted principally of Mexican dollars.

Statement of the Coinage of the Mint of the United States, Philadelphia, in 1839.

DENOMINATIONS.	Pieces.	Total number of pieces.	Value.	Total Value.
<i>Gold.</i>				
Eagles.....	38,248	....	\$332,450 00	....
Half eagles.....	118,143	....	590,715 00	....
Quarter eagles.....	27,021	....	67,552 50	....
		183,412		\$1,040,747 50
<i>Silver.</i>				
Dollars.....	300	....	300 00	....
Half dollars.....	3,334,561	....	1,667,280 50	....
Quarter dollars.....	491,146	....	122,786 50	....
Dimes.....	1,053,115	....	105,311 50	....
Half Dimes.....	1,069,150	....	53,457 50	....
		5,948,272		1,949,136 00
<i>Copper.</i>				
Cents.....	....	3,128,661	....	31,286 61
		9,260,345		\$3,021,170 11

Statement of the annual amount of Gold deposited at the United States Mint, Philadelphia, from the mines in the United States.

Years.	Virginia.	North Carolina.	South Carolina.	Georgia.	Tennessee.	Various sources.	Total at U. S. Mint.
1824	....	5,000	....	....	....	....	5,000
1825	....	17,000	....	....	....	....	17,000
1826	....	20,000	....	....	....	....	20,000
1827	....	21,000	....	....	....	....	21,000
1828	....	46,000	....	....	....	....	46,000
1829	2,500	134,000	3,500	....	....	....	140,000
1830	24,000	204,000	26,000	212,000	....	....	466,000
1831	26,000	294,000	22,000	176,000	1,000	1,000	520,000
1832	34,000	458,000	45,000	140,000	1,000	....	678,000
1833	104,000	475,000	66,000	216,000	7,000	....	868,000
1834	62,000	380,000	38,000	415,000	3,000	....	898,000
1835	60,400	263,500	42,400	319,900	100	12,200	695,500
1835	62,000	148,100	55,200	201,400	300	....	467,000
1837	52,100	116,900	29,400	83,600	....	....	282,000
1838	55,000	66,000	13,000	36,000	1,500	200	171,700
1839	57,600	53,500	6,300	20,300	300	500	138,500
	539,600	2,702,000	346,800	1,820,000	14,200	13,900	5,436,700

There was also deposited for coinage in 1839, as follows:

Coins of the United States, old standard.....	\$7,000
Foreign bullion.....	167,000
Foreign coins.....	730,000
	<u>\$904,000</u>

Statement of deposits of Silver for coinage, at the U. S. Mint, Philadelphia, in 1839.

The deposits of silver, for coinage, amount to.....	\$1,851,500
Of which, there was in—	
Mexican dollars.....	\$1,406,000
Five-franc pieces of France.....	180,000
Other coins.....	100,000
Bullion and plate.....	164,000
Parted from gold.....	1,500

Statement of deposits of Gold and Silver, for coinage, at the Branch Mints of the United States, in 1839.

Deposited at the Charlotte branch mint.....	\$126,836
Deposited at the Dahlonega branch mint.....	113,035
Deposited at the New Orleans branch mint.....	259,060
	<u>\$498,931</u>

Recapitulation of deposits and coinage at the U. S. Mint and branches, in 1839.

DEPOSITS.

MINTS.	GOLD.			Silver.	Total.
	U. S. Gold.	Foreign Gold.	Total of Gold.		
Philadelphia.....	138,500	904,000	1,042,500	1,851,500	2,894,000
Charlotte.....	126,836	....	126,836	....	126,836
Dahlonega.....	113,035	....	113,035	....	113,035
New Orleans.....	6,869	78,290	85,159	173,901	259,060
	<u>385,240</u>	<u>982,290</u>	<u>1,367,530</u>	<u>2,025,401</u>	<u>3,392,931</u>

COINAGE.

GOLD.		SILVER.		COPPER.		TOTAL.	
Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.
183,412	1,040,747 50	5,948,272	1,949,136	3,128,661	31,286 61	9,260,345	3,021,170 11
41,640	162,767 50	....	....	....	....	41,640	162,767 50
32,613	128,880 00	....	....	....	....	32,613	128,880 00
....	....	2,401,600	227,160	....	....	2,401,600	227,160 00
<u>257,665</u>	<u>1,332,395 00</u>	<u>8,349,872</u>	<u>2,176,296 3</u>	<u>3,128,661</u>	<u>31,286 61</u>	<u>11,736,198</u>	<u>3,539,977 61</u>

STATE OF THE BRITISH MINT.

A document has been recently printed by order of the house of commons relating to the mint, and giving an account of all the supplies now remaining there, of the sums advanced out of the consolidated fund for purchasing bullion for coinage, of cash received in payment for coin delivered, and of the sums paid into the exchequer in payment of the advances from January 1, to December 31, 1839. This document shows, that the total assets remaining in the mint on the 31st of January, 1839, were £68,569 1s. 8d., of which £25,742 6s. 9d. was in uncoined silver bullion, £3,284 1s. in uncoined copper, £11,571 3s., in unsold silver coin, £1,376 9s. 9d. in unsold copper coin. The

remainder was cash in hand, cash due from the commissariat, and balance on the exchequer and cash accounts. The whole assets are given as payable into the exchequer for the use of the consolidated fund. The total amount issued out of that fund for the purchase of bullion in the year 1839 was £382,107 2s. 1d. The value of the silver bullion and dollars purchased for coinage within the same year, at a rate varying from 58½*d.* to 60½*d.* per ounce, is stated at £360,762 8s. 8*d.*, which by an addition of £1,887 16s. 9*d.* for "gold contained in silver ingots," is increased to £362,640 5s. 5*d.* The mint value for the whole, at 66s. per pound troy, is given at £395,067 15s. The seignorage is stated at £34,313 16s. 2*d.*, from which £8 9s. 10*d.* being deducted for "dumb coin," leaves £34,305 6s. 4*d.*, the difference between the purchase and mint values.

The purchase value of copper bullion is £2,435 9s. 3*d.*, the mint value £5,582 12s. 9*d.*, and the difference gives a seignorage of £3,217 3s. 6*d.* The loss in exchanging old silver coin sent in for recoinage, or the difference between the nominal and the standing value, is £216 18s. entirely for worn out sixpences received from the bank of England. The coin account, or account of "coined monies delivered into the mint office," gives £379,170 for silver, and £5,936 for copper.—The cash account, or account of "cash received for coin," gives £363,656 4s., cash received for gold contained in silver ingots being £1,887 16s. 9*d.* The repayment into the exchequer of advances out of the consolidated fund gives £330,000, which, with £37,140 0s. 9*d.* on account of seignorage, and £1,887 16s. 9*d.* paid for gold and silver ingots, gives a total of £369,027 17s. 6*d.* paid into the exchequer. The debtor and creditor account of the whole is balanced by an exchequer credit of £16,021 6s. 11*d.* Silver bullion remains uncoined to the amount of £43,423 3s. 9*d.*, copper to the amount of £3,030 13s. 9*d.* The balance remaining to be paid into the exchequer is £7,954 2s. 4*d.*

STATISTICS OF INSURANCE.

MASSACHUSETTS INSURANCE COMPANIES.

After looking over the "abstract of the returns of insurance companies, incorporated with specified capital, exhibiting the condition of those institutions on the first day of December, 1839, prepared by the secretary of the commonwealth," Dr. Jesse Chickering, of Boston, one of the most acute mathematicians in the country, and the author of the very lucid and ingenious article on the "Massachusetts banks" which appeared in the February number of our magazine, prepared, and has politely furnished us for publication, the following table.

The first column of this table contains the names and localities; the second, the capital; the third, the average annual dividends for five preceding years, or since these companies were incorporated; and the fourth, the average amount of the dividends per annum, according to the above average annual dividends. It appears from this table, that there are twenty-three of these insurance companies located in Boston, whose average annual dividends for the five preceding years, have amounted to 9.48 per cent. on the capital; and eighteen companies out of Boston, whose average annual dividends have been 9.54 per cent. on the capital. The average annual dividends of the forty-one companies, have been for the five years, 9.49½ per cent. on the whole capital of 7,965,000.

According to the returns by order of the house of representatives of the fourth of February, 1835, there were twenty-seven offices in Boston, and eighteen out of Boston, —total forty-six offices; with an aggregate capital of \$9,225,000. The average annual dividends were 9 3-5 per cent.

According to the returns on the first of December, 1837, there were twenty-nine offices in Boston, and nineteen out of Boston,—total, forty-eight offices; with a capital of \$9,415,000.

According to the returns on the first of December, 1838, there were twenty-four offices in Boston, and nineteen out of Boston,—total, forty-three offices; with a capital of \$8,316,000.

NAMES AND LOCATIONS.	Capital.	Av'ge annual dividends, for 5 preceding years, or since incorp'ted.	Av'ge annual amount of dividends.
American, Boston	\$300,000	10 8-10 per ct.	\$32,400
Atlantic, do.	250,000	6 2-5 ..	16,000
Atlas, do.	300,000	6 4-5 ..	20,400
Boston, do.	300,000	12 ..	36,000
Boylston Fire and Marine, Boston.....	300,000	7 1-5 ..	21,600
Columbian, Boston.....	300,000	6 3-5 ..	19,800
Firemen's do.	300,000	3 3-5 ..	10,800
Fishing, do.	100,000	4 4-5 ..	4,800
Franklin, do.	300,000	10 4-5 ..	32,400
Hope, do.	200,000	6 4-100 ..	12,080
Manufacturers', Boston.....	300,000	12 4-5 ..	38,400
Massachusetts F. and M., Boston.....	300,000	6 3-5 ..	19,800
Mercantile Marine, Boston.....	300,000	3 1-5 ..	9,600
Merchants', Boston.....	500,000	25 46-100 ..	127,300
National, do.	500,000	9 4-10 ..	47,000
Neptune, do.	200,000	6 1-5 ..	12,400
New England Marine, Boston.....	300,000	6 ..	18,000
Ocean, Boston.....	200,000	16 4-5 ..	33,600
Suffolk, do.	300,000	8 1-5 ..	24,600
Tremont, do.	200,000	10 ..	20,000
United States, Boston.....	200,000	6 1-4 ..	12,500
Warren, do.	100,000	2 3-4 ..	2,750
Washington, do.	200,000	10 1-5 ..	20,000
Twenty-three offices in Boston.....	6,250,000	9.48	592,630
Gloucester, Gloucester.....	50,000	5 4-5 ..	2,900
Lynn Mechanics', F. and M., Lynn....	50,000	18 ..	9,000
Union F. and M., Lynn.....	50,000		
Marblehead M., Marblehead.....	100,000	9 ..	9,000
Essex Marine, Newburyport.....	50,000		
Essex, Salem.....	100,000	6 ..	6,000
Oriental, Salem.....	200,000	9 ..	18,000
Salem Commercial, Salem.....	200,000	8 ..	16,000
Union Marine, Salem.....	100,000	7 ..	7,000
Springfield Fire, Springfield.....	100,000	12 4-5 ..	12,800
Fairhaven, Fairhaven.....	100,000	12 4-5 ..	12,800
Bedford Commercial, New Bedford....	150,000	18 4-5 ..	28,200
Mechanics', New Bedford.....	100,000	14 2-5 ..	14,400
Merchants', do.	100,000	18 6-10 ..	18,600
Pacific, do.	100,000		
Old Colony, Plymouth.....	50,000	6 2-3 ..	3,333 $\frac{1}{2}$
Fishing, Provincetown.....	40,000	4 3-4 ..	1,900
Commercial, Nantucket.....	75,000	5 ..	3,750
Eighteen offices out of Boston.....	1,715,000	9.54	163,683 $\frac{1}{2}$
	6,250,000		592,630
Total.....	7,965,000	9.49 1-2	756,313 $\frac{1}{2}$

PREMIUM CREDITS IN BOSTON, ON MARINE RISKS, FROM AND AFTER THE NINTH DAY OF MARCH, 1840.

All credits shall commence at the date of the policy.
 All premium notes shall be considered due on the expiration of the credit expressed in the note, and if not then paid, interest shall be exacted from that time till paid.

	To.	From.	To & from.
	months	months	months
All voyages round Cape of Good Hope, or Cape Horn.	14	7	16
Or two months after the termination of the risk, the election } to be made by the assured at the date of the policy. }			
To east coast of South America, between the equator and Cape Horn, or west coast of Africa to Cape of Good Hope, inclusive, To Europe	6	4	8
To West Indies, Gulf of Mexico, or ports between Gulf of Mexico and River Amazon, inclusive	4	3	6
To ports in the United States, northeast of Cape Florida	3	3	4
To the West Indies, Europe, and back to the United States			10 months
From the West Indies to Europe, and back to the United States			8 months
To Brazil, Europe, and back to the United States			10 months
From Brazil to Europe, and back to the United States			8 months
To West Coast of America, China, and back,			16 months
To North West Coast of America, China, and back, 16 months } To North West Coast of America and China			} or two months after the termination of the risk.
In the Whale Fishery to the Pacific . . . . .				14 months
In the Whale Fishery to the Atlantic			18 months
On time, two months after the termination of the risk.			14 months
Open policies for vessel or vessels, two months after the termination of the risk.			
Cases not provided for, as parties may agree, the above credits to form the basis of calculation.			
Premiums, of twenty dollars and under, cash, without discount of interest.			

STATISTICS OF NAVIGATION.

LAKE NAVIGATION.

Statement showing the number of Ships, Brigs, and Schooners, on Lakes Erie, Michigan, and Superior, together with their amount of tonnage and value.

VESSELS,	No.	Tons.	Value.	To what Port belonging.
Ships	1	260	\$8,000	Cleveland.
Brigs	2	261	12,000	Cleveland.
Schooners	51	4,207	150,000	Cleveland.
Ships	3	685	36,000	Buffalo.
Brigs	3	677	27,000	Buffalo.
Barques	1	245	8,000	Buffalo.
Schooners	52	4,368	168,000	Buffalo.
Schooners	9	652	38,000	Presque Isle.
Schooners	5	356	10,400	Miami.
Brigs	3	559	23,000	Detroit.
Schooners and Sloops	80	4,730	120,000	Detroit.
Schooners and Sloops	15	792	58,000	Sandusky.
Total Ships, Brigs, Schooners, and Sloops	225	17,988	658,400	
Total Steamboats	61	17,324	\$1,741,200	

CANADIAN NAVIGATION.

Statement of Arrivals in Quebec, from 1833 to 1839, both inclusive, specifying the amount of Tonnage, number of Seamen employed, and number of Immigrants; also, the number of Vessels built in Quebec, the Tonnage, and number of Men employed in building the same.

	1833.	1834.	1835.	1836.	1837.	1838.	1839.
Arrivals.....	1,005	1,122	1,132	1,185	1,032	1,125	1,175
Tonnage.....	271,148	325,863	323,305	353,505	326,186	343,782	383,844
Seamen.....	12,384	13,546	13,756	14,400	12,844	13,443	15,727
Immigrants.....	22,062	30,217	30,217	27,513	21,855	2,950	7,413
Ships built.....	13	11	18	3	18	16	17
Tonnage.....	3,952	4,601	8,482	749	9,220	8,448	9,312
Men employed....	715	608	990	165	990	880	935

1840.—There are now in progress of building, 33 vessels; averaging 19,800 tons, and 2,090 men employed.

MISCELLANEOUS STATISTICS.

PUBLIC DEBT OF SPAIN.

At the present moment, the following detail respecting the liabilities of the Spanish Government may be acceptable to a large portion of our readers:—

Domestic debt, bearing interest up to 1834.....	£9,130,000
Without interest, same date.....	38,430,000
Together.....	47,560,000
Foreign debt.....	25,440,000
Cortes loans.....	16,600,000
Together.....	42,040,000

In 1834, the unliquidated claims on the Spanish Government amounted to 277,000,000*l.* The arrears of interest in 1834 on 14,000,000*l.* Cortes Bonds, since November, 1823, are about 7,000,000*l.*

In 1834, the estimated amount required to discharge the interest on the acknowledged debt was 3,400,000*l.* annually, while the expenditure, including the amount due for interest on the debt, exceeded 9,000,000*l.* annually.

The Spanish securities which have been introduced into the London market are as under:—

Spanish Consolidated Five per Cents. (Active).—In 1834, a loan of 4,000,000*l.* was raised in London and Paris for the Spanish Government, at 60 per cent., and at the same time the old Cortes loans of 1821 and 1823 were recognised, two thirds being converted into active debt, and consolidated with this loan. The dividends are payable on the 1st of May and the 1st of November, in London, Paris, and Madrid. The Bonds are for sums of 4*l.* 10*s.*, 8*5l.*, 17*0l.*, 25*5l.*, 34*0l.*, 51*0l.*, 1,02*0l.* respectively. No dividends have been paid on these for some time.

Deferred Debt.—At the period of the conversion of the Cortes Bonds in 1834, the arrears of interest amounted to 55 per cent., no dividend having been received for eleven years. In exchange for the Coupons the holder received Deferred Bonds which were to be gradually converted into Active Debt, commencing on the 2d of May, 1838, when one twelfth of the Deferred Debt was converted into Active; the bonds to be determined by lot; to be continued on the same day in each successive year until the 2d of May, 1849. No interest has, we are informed, ever been paid on these bonds.

Passive.—This arose from the conversion of the Cortes Bonds in 1834, when two thirds became Active, and one third Passive. It was arranged that sufficient Passive Debt should be converted annually to replace the amount of Active cancelled by the Sinking Fund, to commence on the 2d of May, 1836; but no conversion has yet taken place, nor have any dividends been paid.

Three Per Cents.—Originated in 1831, by the conversion of about £4,000,000 Cortes Bonds. The dividends were payable on the 1st of April and the 1st of October, but there are several now unpaid.

Indemnity Bonds, Five Per Cents.—These bonds were issued in 1828, to liquidate certain claims made upon Spain by British merchants and others. The amount is about £600,000, and the loan is liable to redemption, at 60 per cent., at the pleasure of the Spanish Government. The dividends are payable on the 1st March and the 1st September. Since 1837 no dividends have been paid.

We are indebted for some of these particulars to a little work published some time since by a member of the Stock Exchange, to which we have added the result of our own inquiries.

COMMERCE OF GREAT BRITAIN.

In the course of a speech in Parliament, by Sir T. Cochrane, he said: In 1790, Great Britain employed 15,015 vessels with a tonnage of 1,460,000. The value of the exports amounted to £18,544,205, and the value of the imports was equal to £17,783,572. On the 31st December, 1837, the country employed 26,037 vessels, with a tonnage equal to 2,791,018 tons, while their crews amounted to 173,506 men. The number of vessels employed in foreign trade, exclusively of those in ballast or engaged in the coasting trade, was, inwards, 12,252, with a tonnage of 2,346,300, and outwards, 10,614 vessels, with a tonnage of 1,861,121. The official value of the exports in 1838, amounted to £105,170,549, and the imports to £61,268,320. The number of vessels employed between Great Britain and Ireland was 16,347, with a tonnage of 1,585,624; and in carrying on the rest of our coasting trade, 122,443 vessels were engaged, with a tonnage of 9,315,563.

COMMERCE OF ST. PETERSBURG.

The Commercial Gazette of St. Petersburg publishes tables of the exports and imports of that capital during 1839, of which the following are the results. The total value of imports was 198,061,386 rouble assignats; exports, 122,018,295 roubles ass. Abstracting 2,504,445 roubles, the value of the merchandise shipped on account of captains, and what they received for passengers, the whole of this trade has been carried on by 170 houses, of which the dealings of 94 have been under, and 76 above, one million of roubles.

"Several owners of estates in the neighborhood of Tiflis," says a St. Petersburg letter, "have for several years been growing sugar canes, which have at last produced crops beyond their hopes. Three merchants of Tiflis have established a refinery for the produce, and in three months have sent out of it 120,000 lbs. of loaf-sugar."

THE SUGAR CROP OF LOUISIANA.

From a memorial upon this subject, we learn that the average annual crop is estimated at 70,000 hhds. or 70,000,000 of pound of sugar, and 250,000 gallons of molasses. At 6 cents for sugar, and 20 cents for molasses, the product of the crop would be \$4,900,000; expenses reckoned at \$2,000,000, the nett balance would be \$2,900,000, or about 5½ per cent. on the capital invested. At 5 cents for sugar and 17 for molasses, the nett product would yield 4 per cent on the capital; at 4 cents and 16 cents, the nett produce would yield 2 8-10 per cent.

COMMERCIAL REGULATIONS.

CONSULAR CERTIFICATES.

PARIS, March 7th, 1840.

Ministry of Foreign Relations.

Sir:—The ministerial instructions directed to your consulate general, in the month of September, 1824, had in view to make known that, in accordance with the regulations adopted in France, for the execution of the convention of the twenty-fourth of June, 1822, with the United States of America, the merchandise coming from that country could not be admitted at the reduced duties, except, amongst other conditions, they

should be accompanied by a special manifest or certificate of origin, issued by the collectors of the American customs, and legalized by the consul of France, attesting that they are the product of the soil or the manufactures of the Union.

It appears, nevertheless, from the reports made to the minister of finance, that, since some time, many American vessels have arrived in our harbors without being provided with their documents, or at least, that the captains have generally neglected to have it legalized by the consul of France, and in consequence its authenticity was not sufficiently proved.

However, sir, the administration of the French customs, not wishing to act too rigorously, consented that the cargoes thus imported should be admitted with the privilege of the convention of 1822, if there was no ground to suspect the truth of the declaration; but such an admission was permitted only as provisional, and in imposing on the interested parties the obligation of bonds, to produce within a given time the regular certificate of origin.

I must therefore, sir, request you to give public notice to the commerce of the United States, that nothing has been changed, in France, in the regulations relative to the operations of the treaty of 1822, and that in consequence, all captains of vessels, who may not be provided with a special manifest legalized by the consul of France, at the port of clearance, will not obtain for his cargo the benefit stipulated in the said treaty.

I request you to inform me of the means you may have taken for the publication of the present notice.

Receive, sir, the assurance of my most distinguished consideration.

(Signed)

A. THIERS.

Mr. De La Forrest, Consul General of France, New York.

LAW RELATIVE TO VESSELS ENGAGED IN THE WHALE FISHERY.

The following law, to cancel the bonds given to receive duties upon vessels and their cargoes, employed in the whale fishery, and to make registers lawful papers for such vessels, was passed by the present congress of the United States, and approved by the President, April 4th, 1840.

1. That all vessels which have cleared, or hereafter may clear, with registers, for the purpose of engaging in the whale fishery, shall be deemed to have lawful and sufficient papers for such voyage, securing the privileges and rights of registered vessels, and the privileges and exemptions of vessels enrolled and licensed for like voyages, shall have the same privileges and measure of protection as if they had sailed with registers, if such voyages are completed, or until they are completed.

2. That all the provisions of the first section of the act, entitled, "An act supplementary to the act concerning consuls and vice consuls, and for the farther protection of American seamen," passed on the 28th day of February, Anno Domini eighteen hundred and three, shall hereafter apply and be in full force as to vessels enrolled and licensed for the fisheries, and all vessels which have been engaged in the whale fishery, in the same manner and to the same extent as the same is now in force and applies to vessels bound on a foreign voyage.

3. That all forfeitures, fees, duties, and charges of every description, required of the crews of such vessels, or assessed upon the vessels or cargoes, being the produce of such fishery, because of a supposed insufficiency of a register to exempt them from such claims, are hereby remitted; and all bonds given for such cause are hereby cancelled, and the secretary of the treasury is hereby required to refund all such monies as have been, or which may be paid into the treasury, to the rightful claimant, out of the revenues in his hands.

INFORMATION TO MASTERS OF VESSELS.

Intelligence having been received at the department of state, that upon all the vessels of the United States, whether fishing or trading, passing the strait or gut of Canso, a light duty of six and two thirds cents per ton register of shipping is demanded by the British custom house officers, it is thought proper that public notice be given of the fact, in order that the masters of vessels on trading voyages, requiring their passage through the Strait of Canso, may, to avoid difficulties and delays, provide themselves with the means of paying the duty referred to; and that vessels engaged in fishing or other pursuits not requiring their passage through said strait, may not from ignorance unnecessarily subject themselves to the payment of it. As the right of the British authorities to levy the duty on fishing vessels is disputed, it is recommended that masters of vessels be prepared, in order to avoid injury from delay,—to pay the duty, but to do so under protest.

MERCANTILE MISCELLANIES.

CANTON,

One of the greatest emporiums in the East, ranking, as a port of trade, either before, or immediately after Calcutta, situated in the province of Quantong, in China; being the only place in that empire frequented by European traders: lat. $23^{\circ} 7' 10''$ N., lon. $113^{\circ} 14'$ E.

Canton stands on the eastern bank of the Pekiang River, which flows from the interior in a navigable stream of three hundred miles to this city, where it is rather broader than the Thames at London Bridge; falling, after an additional course of eighty miles, into the southern sea of China. Near its junction with the sea, it is called by foreigners *Bocca Tigris*. The town is surrounded by a thick wall, built partly of stone and partly of brick, and is divided into two parts by another wall running east and west. The northern division is called the Old, and the southern part the New City. In the old city is the Mantchou or Tartar general, with a garrison of Mantchou troops under his command. The lieutenant governor, or Fooyuen's, office is also in the old city, but the governor and Hoppo (principal customs officer) reside in the new city, not far from the river.

All foreign commerce is conducted in the south-west suburb, where the foreign factories are situated, and which, with the other suburbs, is probably not less populous than the city itself. The residence of Europeans is confined to a very small space, on the banks of the river; which might, however, be as pleasant as a crowded mercantile place can well be, were it not for the great number of small dwelling boats, which cover the face of the river. The people who occupy the larger portion of these boats are said to have come originally from the south; and being a foreign and despised race, were not, at first, allowed to dwell on shore; but most of the distinctions between them and the rest of the people have been abolished.

Although Canton is situated nearly in the same parallel of latitude as Calcutta, there is a considerable difference in their temperature; the former being much the coolest, and requiring fires during the winter months. The streets of Canton are very narrow, paved with little round stones, and flagged close to the sides of the houses. The front of every house is a shop, and those of particular streets are laid out for the supply of strangers; China street is appropriated to Europeans; and here the productions of almost every part of the globe are to be found. One of the shopkeepers is always to be found sitting on the counter, writing with a camel's hair brush, or calculating with his swanpan, on which instrument a Chinese will perform operations in numbers with as much celerity as the most expert European arithmetician. This part of Canton being much frequented by the seamen, every artifice is used by the Chinese retailers to attract their attention; each of them having an English name for himself painted on the outside of his shop, besides a number of advertisements composed for them by the sailors in their own peculiar idiom. The latter, it may be supposed, are often duped by their Chinese friends, who have, in general, picked up a few sea phrases, by which the seamen are induced to enter their shops; but they suit each other extremely well; as the Chinese dealers possess an imperturbable command of temper, laugh heartily at their jokes without understanding them, and humor the seamen in all their sallies.

Ships only ascend the river as far as Whampoa, about fifteen miles below Canton; loading and unloading by means of native boats.

The Chinese, considered as traders, are eminently active, persevering, and intelligent. They are, in fact, a highly commercial people; and the notion that was once very generally entertained, of their being peculiarly characterized by a contempt of commerce and of strangers, is as utterly unfounded as any notion can possibly be. Business is transacted at Canton with great despatch; and it is affirmed, by Mr. Milburn, and by most of the witnesses examined before the late parliamentary committees, that there is no port in the world, where cargoes may be sold and bought, unloaded and loaded, with more business-like speed and activity.

The fears, whether real or pretended, of disturbances arising from a want of discipline in the crews of private ships, have been proved to be in a great degree futile; the Americans, and other private traders, having rarely experienced the slightest inconvenience from any tumults between their sailors and the natives.

Provisions and refreshments of all sorts are abundant at Canton, and, in general, of an excellent quality; nor is the price exorbitant. Every description of them, dead or

alive, is sold by weight. It is a curious fact, that the Chinese make no use of milk, either in its liquid state, or in the shape of curds, butter, or cheese. Among the delicacies of a Chinese market are to be seen horse flesh, dogs, cats, hawks, and owls. The country is well supplied with fish from the numerous canals and rivers by which it is intersected.

Foreign Factories.—These extend for a considerable way along the banks of the river, at the distance of about one hundred yards. They are named, by the Chinese, honges, and resemble long courts, or closes, without a thoroughfare, which generally contain four or five separate houses. They are built on a broad quay, and have a parade in front. This promenade is railed in, and is generally called Respondentia Walk; and here the European merchants, commanders, and officers of ships, meet after dinner and enjoy the cool of the evening. The English hong, or factory, far surpasses the others in elegance and extent. This, with the American and Dutch honges, are the only ones that keep their national flags flying. The neighborhood of the factories is occupied with warehouses for the reception of European goods, or of Chinese productions, until they are shipped. In 1822, during a dreadful conflagration that took place at Canton, the British factories, and above ten thousand other houses, were destroyed; on which occasion the East India Company's loss was estimated at five hundred thousand pounds sterling, three fifths in woollens.

For the space of four or five miles opposite to Canton, the river resembles an extensive floating city, consisting of boats and vessels ranged parallel to each other, leaving a narrow passage for others to pass and repass. In these the owners reside with their families; the latter rarely visiting the shore.

All the business at Canton with Europeans is transacted in a jargon of the English language. The sounds of such letters as B, D, R, and X, are utterly unknown in China. Instead of these they substitute some other letter, such as L for R, which occasions a Chinese dealer in rice to offer in sale in English a rather unmarketable commodity. The name mandarin is unknown among the Chinese; the word used by them to denote a person in authority being *quan*. Mandarin is a Portuguese word, derived from the verb *mandar*, to command.—*Hamilton's East India Gazetteer*; *Milburn's Orient. Commerce*; *Companion to Anglo-Chinese Calendar, Macao, 1832, &c.*

Conduct of Chinese Government.—The only difficulty in trading with China originates in the despotism, pride, and jealousy of the government, and in the general corruption of its officers. The former affects to treat all foreigners with contempt, and is always exposing them to insult; while the latter endeavor to multiply and enforce vexatious regulations and demands, that they may profit by the douceurs given for their evasion. Hitherto we have submitted with exemplary forbearance to every annoyance the Chinese authorities have chosen to inflict; but it is questioned by some whether this be the most politic course. The imbecility and powerlessness of the government is at least equal to its pride and presumption; and in the event of its attempting to stop the trade, or to subject those engaged in it to unmerited ill treatment, it is contended that we ought, in the event of redress being refused on the presentation of a remonstrance, to vindicate our rights by force. We are rather disposed to concur in this opinion. We believe that little more than a demonstration would be necessary; and that the appearance of a single ship of the line in the Chinese seas would have more influence over the court of Pekin than a dozen ambassadors. But it is essential, before employing this sort of negociators, that we be well assured that we have justice on our side, and that our own misconduct has not occasioned the interruptions and annoyances complained of. The superintendents about to be sent to Canton should be vested with full powers to prevent, if possible, and, at all events, suitably to punish, any British subject who may act so as to give just cause of offence to the Chinese. We have a right to claim fair treatment from them, as we have a right to claim it from the Americans, or any other people; but we have no right to expect that our claim should be regarded, unless we respect the prejudices of the people, and the equitable rules and regulations of the government.

Trade to the North of China.—At present, all foreign trade with China is confined to the port of Canton; but this was not the case for a long time after China was visited by British ships, and it appears highly probable that it will be again extended towards the north. The interesting details given in the account of the voyage of the ship *Amherst* along the Chinese coast, shows that the people are every where most anxious for an intercourse with foreigners, and that the law is the only obstacle to its being carried on to a very great extent. But, where the people are so well disposed to trade, the officers so corrupt, and the government so imbecile, it may, we think, be fairly anticipated, that the unalterable laws of the "Celestial Empire" will not prove a very serious obstacle to such private individuals as may choose to engage in a clandestine trade with the northern provinces. The smuggler is even more omnipotent in China than in

Spain. The extent and perfect regularity with which the trade in opium is carried on, in defiance of all the efforts of government for its suppression, shows how unable it is to contend against the inclinations of its subjects, which, fortunately, are all in favor of a free and liberal intercourse with foreigners.

CURRENCY OF CUBA.

In the following letter, addressed to the editor of the New Orleans Commercial Bulletin, our readers will find an able and lucid treatise on the financial system of Cuba. The writer resided many years on the island, and is well versed in all that relates to its manners and customs, its statistics, mode of conducting business, and particularly its affairs, commercial and financial. Much of new and valuable information may be gathered from his remarks. The style of the letter indicates the man of business, whose opinions have been formed after close, accurate, and extensive observation and experience. They are, therefore, entitled to high credit.

Havana, Nov. 20, 1839.

"You ask of me to give you some information on the state of our currency, emphatically a 'hard money' one—and of the mode of doing business here, where the auxiliary to the credit system, a bank, does not exist. Also my opinion as to the effect which would follow the introduction of banks in Cuba, and whether it is likely to occur.

"1st. The currency is of gold and silver only, and composed of royal doubloons at seventeen dollars each—whilst the rebels pass for only sixteen dollars—and of all descriptions of silver coin, which pass for one sixteenth, one eighth, one quarter, and one half dollar, according to their weight! no—but according to their size; thus we are gradually acquiring a stock of your old dimes and half dimes. Years ago, God knows how long, for none can recollect, it became the custom to pay and receive pistareens at two rials or twenty-five cents each, and the coins of Spain of the value of ten and five cents passed in like manner for one eighth and one sixteenth of a dollar—no matter what be the weight of, or the impression on the coin—indeed if worn or beaten perfectly plain, it is all the same thing, so that it be 'big' enough for a rial (twelve and a-half cents) and it passes—nay, to show you how utterly ignorant are the mass of petty traders in regard to the real nature of coin—whilst the old worn and defaced dimes of Spain pass freely for a rial, your new dimes are occasionally objected to because they are not 'big' enough! It follows, inevitably, that the ordinary channels of circulation are filled with a base currency; for the term will, I presume, equally apply to an adulterated coin and to one to which a fictitious value has been given by arbitrary custom. Almost every one who visits the island with a previous knowledge of this fact, will provide himself with so profitable an 'exchange,' and the utter futility of the laws enacted against its further introduction, is shown in the circumstance that a very large portion of the pistareens in circulation are of the coinage of our present 'Royal Mistress,' who, bless her little heart, was not born when the law was made!

"Not only is the entire circulating medium of the every-day traffic, marketing, &c. composed of these various silver coins, especially the pistareens, but so great has been their increase of late years that they now enter into every transaction among merchants and others, who handle large sums, occasioning very often disputes and altercations as to the 'proportion' to be paid or received, and to make the evil still worse, every one tries to get rid of them; every payer offers first his 'pecetas,' and thus flooded as we are with them, the quantity is apparently interminable, from the mere eagerness of every one to pass them upon his neighbor; this is done in rouleaux of sixty-eight, answering to the royal doubloon of seventeen dollars, and in a majority of cases, these are not counted. Thus opening the door, by deficient or base pieces, to a wide system of fraud, which would tempt the cupidity of any populace upon earth.

"It is equally uncertain, as far as I can ascertain it, when the royal doubloon was made to pass for seventeen dollars; but I presume it was done under the erroneous impression that it would prevent its leaving the country; but it is long since such ideas have proved their own fallacy, and that the great regulator, 'exchange,' has settled all those things in its own way. Hence, when the public convenience made it absolutely necessary to fix a standard value upon the South American gold coins, that they might enter into the currency of the island, the sagacity of the Intendente (his excellency the Conde Villanera) was applied to preventing the further extension of the existing evil, by fixing the value of such doubloons at sixteen dollars; and even this is more than

their intrinsic worth according to the British standard. Thus we have two descriptions of gold coins, which causes some little annoyance in paying and receiving; but there is scarcely any risk of loss at present, except from base pieces, which an experienced eye will readily detect.

"So much for the present 'currency,' than which, probably, a more extraordinary one does not exist in any country. Hundreds of thousands of dollars weekly paid in coins at twenty-five cents, which were issued at twenty cents, and which, frequently, are not intrinsically worth eighteen cents! and enormous amounts of gold coin passing at sixteen and seventeen dollars, which are not worth but fifteen dollars and fifty cents.

"No one troubles himself about the matter—it comes as it goes; we receive as we pay; and for those who look out beyond the hour, or the expediency of the time, it does not signify a rush. If we come here with foreign products to sell, and we are told that the price is twenty dollars, or fifty dollars for a barrel of flour, we pause to calculate what will be the net proceeds, and how much exchange it will buy, before deciding whether the nominal price be a good or bad one; and thus it is with every business and trading transaction; provided we can pay away the money for as much as we have received it, we are content; so suffer all the evils of an arbitrary currency to be fastened upon us, taking no heed of the silent workings of a system (or rather the want of one) which sooner or later must end in an explosion, that will not only involve the holders of the coin in immediate loss, but inevitably create discontent, if not commotion, among a populace but ill-prepared to appreciate so violent a change in their circulating medium.

"2d. The mode of doing business. It is, I find, an opinion frequently expressed, that business in Havana is entirely transacted with money. Nothing can be more erroneous. The credit system, with few exceptions, is practised at this moment almost to as great an extent as in the United States. Perhaps this may be because there is an immense amount of capital always waiting employment—the one cause may have produced the other. But I have nothing to do with that. I wish only to communicate facts as they exist.

"The credit system commences at the custom-house, where one, two, three, and four months time is allowed upon the heavy duties upon flour; and the same upon all dry goods, hardware, and crockery, provided the said duties amount to a thousand dollars. On jerked beef the duty is paid on the last day of discharging. All other duties are payable in cash. But it is not exacted on making the entry; you merely hand in a note of your goods, with your signature, and the permit is granted immediately—the demand for the duties being made in regular course, varying from two weeks or two months from the date of entry.

"The produce of the island, like your own agricultural products, is generally sold for cash. But even here there are exceptions, for in many instances the sugar crops are bought at short, sometimes at long credits, (by monthly payments,) with or without interest, according to agreement. But I am not aware of credit being given on any other article of produce, unless in rare instances.

"Our provision sales on the wharf are heavy, and the greater number of the articles, *cash*; but the heaviest in amount, for credit—for instance, flour, almost invariably on a credit, varying from one to five months, according to the amount. Next in importance, jerked beef, of which the annual sales average one and a half million of dollars. A cargo usually requires for its sale and discharge, one day for every one hundred quintals; and the payments are made, one half on the day of discharge, and the other half in as many days more—or, in other words, a cargo of six thousand quintals is sold at two and four months: and lumber is very often sold either for direct notes, or in barter for molasses, deliverable at a future day.

"But the heaviest and most uniform credits are given on dry goods, hardware, and crockery; these are never sold for cash, although often paid for on delivery, with a deduction of interest on the time agreed for; the credit varies from three to six, and is often extended to seven and eight months; more especially during the time when exchange is at the highest, when the dry goods houses are, in the end, the gainers by giving credits running into the time when exchange on England is at its lowest. If to the immense amount of credits thus raised, you add a not unfrequent practice of buying exchange either for direct notes, or for those which may exist in one's 'porte feuille,' you will perceive that we have the credit system engrafted upon us in its full force.

"But this is not all. I have mentioned only the credits arising from imports and exchange. The system enters into many, if not all, the every-day transactions of the people. The planters obtain credit, as well from their factors as from their *iron-mongers*, their grocers, their clothiers, and the whole catalogue of traders who minister to their wants. The country store-keepers all keep open accounts with the large dealers in Havana, Matanzas, &c.; and it is fair to presume that the ramifications of the 'system' are through them still farther extended. If we leave the importers and wholesale dealers,

and descend to the ordinary retail traffic—the markets, the petty grocers, (the bodegas,) the mechanics, laborers, &c. — we find the cash system more generally in use, and long may it continue so; but even here, the ‘credit system’ is gradually acquiring the sanction of custom. Every one can perceive that the credit upon the flour duties extends through all the ramifications of the trade—to the consumers of the bread, who keep weekly, monthly, or even longer accounts with their bakers. It is unnecessary to give farther details—suffice it to say, that the example of the baker is insensibly working an influence over other tradesmen, and credit will sooner or later become the practice here, as it is in many other countries.

“I have thus endeavored to explain to you what appeared to you the anomalies of your hard money currency, and to correct the impression you seem to have entertained, that we were a cash-dealing people. In doing so, I have scarcely ventured to give opinions, but have stated *facts*, that cannot be without interest to any one acquainted with the island of Cuba, and its vast trade and commerce—the latter fully equalling one fifth of the United States in the time of its greatest expansion of business.

“But as it regards banks, I could but give you opinions, which would be of interest to no one; and would, perhaps, be judged of in the United States according to the political bias of the reader. As to the probability of such institutions being established here, I am unprepared to answer you: some English capitalists have long talked of doing something in that way, but their applications to the government of Spain for authority, have invariably been met with such onerous terms, that the projects have been abandoned. Why, then, you will ask, do not the great capitalists of the place combine, and form one of their own? Simply, because people, in a state of colonial vassalage, never will enter into schemes which deprive them of the immediate control of their own funds; and although an immense amount of capital is employed in private discounting through brokers, there are those who will not even do this, but keep enormous sums lying idle, because they themselves have no use for it.

“At the close of the year I will furnish you with some statistics of the island; meanwhile, I am, with regard,
Yours, &c.

“P. S. Nov. 23d.—The explosion in regard to the currency is likely to occur speedily. Very recently, a merchant tendered to another a large sum of money, with thirty per cent. in pistareens; it was refused—came before the ‘consulado,’ which sanctioned the refusal—an appeal taken to the ‘real audiencia,’ which reversed this decision, and the ‘pecetas’ were received. Now, to-day, the officers of the government, holding the acceptance of one of the most respectable houses in the place for thirty thousand dollars, call for payment—the money was tendered, (one fourth in pecetas,) but refused, and the bill protested, under a counter-protest from the acceptors! The crisis is approaching—the explosion is at hand, and, since it must come, the sooner the better.”

ANCIENT COINS.

In removing some old wooden buildings recently in Charleston, S. C., the following coins were disinterred from the repose of more than a century.

1. A coin about the size of a half dollar, one side a crowned head in the centre, and “Gulielmus III. Dei Gra.” and on the other side, a vignette or compound coat of arms, representing, we believe, the three Lions Rampant of England, the Thistle of Scotland, the Harp of Green Erin, and a defaced emblem, which probably designated the Principedom of Wales, or the Kingdom of France—the Quadruple Crown—and along the circular border, 1690, Mag. Britain: et Hib. Rex.

2. A coin, so clipped as to form an irregular figure, which may be termed a catecornered square, and yet not a diamond, with two angles, also clipped, so as to make an irregular hexagon. It was originally a dollar, from the Spanish mint, with figured work on the upper and lower faces, instead of the present well known devices, and struck in 1733, during the reign of “Philip V. Hispan. et Indiarum Rex.”

ADVICE TO MEN IN DEBT.

Ascertain the whole state of your affairs. Learn exactly how much you owe. Be not guilty of deceiving yourself. You may thus awaken suspicions of dishonesty, when your intentions were far otherwise.

Deliberately and fully make up your mind, that come what will, you will practice no concealment, or trick, which might have the appearance of fraud. Openness and candor command respect among all good men.

Remember that no man is completely ruined among men, until his character is gone. Never consent to hold as your own, one farthing which rightfully belongs to others.

As you are at present in circumstances of great trial, and as many eyes are upon you, do nothing rashly. If you need advice, consult only a few. Let them be disinterested persons of the most established reputation.

Beware of feelings of despondency. Give not place for an hour to useless and enervating melancholy. Be a man.

Reduce your expenditures to the lowest amount. Care not to figure as others around you.

Industriously pursue such lawful and honest arts of industry as are left to you. An hour's industry will do more to beget cheerfulness, suppress evil rumors, and retrieve your affairs, than a month's moaning.

If you must stop business, do it soon enough to avoid the just charge of an attempt to involve your unsuspecting friends.

Learn from your present difficulties the utter vanity of all earthly things.

INSURANCE ON LIVES FOR THE BENEFIT OF MARRIED WOMEN.

The people of the state of New York, represented in senate and assembly, do enact as follows:

1. It shall be lawful for any married woman, by herself and in her name, or in the name of any third person, with his assent, as her trustee, to cause to be insured, for her sole use, the life of her husband for any definite period, or for the term of his natural life; and in case of her surviving her husband, the sum or nett amount of the insurance becoming due and payable, by the terms of the insurance, shall be payable to her, to and for her own use, free from the claims of the representatives of her husband, or of any of his creditors: but such exemption shall not apply where the amount of premium annually paid shall exceed three hundred dollars.

2. In case of the death of the wife, before the decease of her husband, the amount of the insurance may be made payable, after her death, to her children, for their use, and to their guardian, if under age.

This act passed on the first day of April, 1840, and signed by the governor, became a law on that day.

TRADE OF MASSACHUSETTS IN ICE.

Last year, the quantity of ice shipped for distant ports, at the wharves in Charlestown, on board *one hundred and forty vessels*, was upwards of *thirty thousand tons*; all of which, with the exception of about six thousand tons, was brought from Fresh Pond, Roxbury. And it is stated that if greater facilities for transporting it were offered by a railroad, the quantity would be increased. The Lowell Railroad has, therefore, obtained a grant from the legislature for an extension of the road to the Pond.

THE BRAZILIAN SLAVE TRADE.

From official returns of the vessels engaged in the slave trade to the coast of Brazil, under the Portuguese flag, for the several months of the year 1838, it appears, that, during that year, eighty-four vessels entered the port of Rio de Janeiro, and that by them 36,974 slaves were imported; and farther, that an apparent reduction in the number, compared with 1837, is accounted for, not by any falling off in this infamous traffic, but by the fact, that several of the traders have ordered their vessels to discharge at other ports of Brazil, and fit out from thence.

AFRICAN HEMP.

The African Repository states that there is in the Colonization rooms at Washington, a specimen of African hemp, a small bale of which Gov. Buchanan sent to the Board by the Saluda, in June last. This hemp is prepared from an indigenous plant which abounds in Liberia. It resembles the Manilla in colour, and is pronounced by good judges to be equal in strength and fibre to the best American hemp.

VALUABLE INVENTION.

Messrs. Coutures Brothers, of Bordeaux, glass blowers, have just introduced an important improvement into the art of blowing black or bottle-glass, by using a flexible

tube, worked by machinery, for injecting air into the parcels of fluid metal, instead of letting their men continue to blow them by mouth. An ingeniously contrived cock allows them to consume just as much or as little air as is wanted. These gentlemen have declined taking out a patent for their invention, and in a spirited manner have made it public.

MERCANTILE LIBRARY ASSOCIATION OF NEW YORK.

We cannot mention in terms of too high commendation, the energetic and laudable efforts which the officers of this institution are making for promoting its usefulness, and securing to its members the enjoyment of almost unrivalled literary advantages.

They now have in contemplation the establishment of a gallery of paintings, and we trust that our native artists will be as distinguished for their liberality in contributing to its creation, and ultimate success, as they are eminent in the profession which they have chosen.

Whatever is bestowed upon this institution, whether in the literary department, or in that of the fine arts, is well calculated to confer upon its present and future members lasting benefits, while at the same time the name of the donor is gratefully preserved—a record of his beneficence and liberality.

In glancing over the donations which have been recently received, we were particularly struck with the appearance of a beautifully bound volume, containing the illustrations of Shakspeare's dramatic works, designed by eminent English Artists, and presented by A. E. Silliman, Esq., the talented and liberal president of the institution.

The engravings it contains are conceived with the greatest truth and clearness, while their execution evinces the utmost elegance, combined with an appearance of eminent strength and beauty. The thrilling scenes that are so powerfully portrayed by the great poet, are thrown by the genius of the artists into living shapes, breathing forth the soul of the master-mind by which they were created; and every illustration contained in the richly bound volume we have mentioned, is distinguished for the great force, and vivid beauty, with which the text of the author is presented to the mind of the beholder.

CONCLUSION OF THE FIRST YEAR.

With the present number is terminated the first year of the existence of the "*Merchants' Magazine and Commercial Review*." The occasion suggests a few remarks, in which, we trust, we may indulge, without trespassing upon the patience of our readers.

Although the plan of our Magazine was novel, we were aware, in the outset, that its success would depend wholly upon the manner in which it should be conducted. Our aim has been to make the Magazine entertaining and useful to merchants; and that we have not failed in measurably carrying out our intentions, the countenance and support of a large and rapidly increasing list of subscribers assure us. The novelty of the undertaking, and the want of that experience which is necessary to the complete and satisfactory management of such a work, have been our greatest stumbling blocks; but time, it is thought, will soon conquer every difficulty, and we are sanguine enough to believe, that the future volumes of this periodical will increase in value and interest.

The suggestions of friends and subscribers have already been of great service, and unquestionably will so continue. Superadded, the hints which arise from month to month in our own minds, are by no means few in number or unimportant; and as it is our determination to spare no pains or expense to improve the work, and to make it the merchant's *vade mecum*, these suggestions will be gradually acted upon with advantage. Encouraged as we have been, we feel more and more inclined to add to the interest of our pages, and we can assure our supporters that we have arrangements in train, which will materially contribute to our success, identified as it must be with the permanent usefulness of the periodical.

The various departments of maritime and commercial law, the political economy of nations, navigation, commerce, and manufactures, mercantile biography, currency, banking, and those miscellaneous subjects which possess an interest to the merchant and man of business, and are of standard value to society and the community at large, we pledge ourselves to have filled by sound and able writers.

Although we have been more handsomely treated by those whom it was our hope to please, than was anticipated in the beginning, yet the promotion of the work depends decidedly upon the extent of patronage which we may receive. To the merchants we look for aid, but only so far as our merits seem to entitle us. We are anxious that they should make the periodical known among themselves, and moreover are strenuous in our efforts to gain their confidence and respect. So far as we have gone, we have endeavored to identify our interests with theirs, and need we say, that our exertions will in no wise be relaxed to continue in the same course.

To those who have contributed to the pages of the work since its commencement, we beg to express our hearty and unfeigned thanks, at the same time that we bespeak their aid for the future. No slight encouragement has been their assistance and co-operation, and in bringing our work favorably before the public, we are certain that their efforts have been exceedingly instrumental—indeed, so much so, that our own unaided efforts must have proved unavailing.

Hereafter, we shall present the productions of several new contributors, whose names are intimately associated with the truths of commerce, literature, and science, and whose thoughts, we have no doubt, will be examined with delight by our readers.

Notwithstanding we published a large edition of the first volume, commencing with July, and ending December, 1839, it has become exhausted, so that we are unable to answer the orders we have received for complete sets of the work. It is, however, our intention to reprint the first volume, so that we can hereafter furnish our subscribers, at all times, with the Magazine from its commencement. The statistical department, to which we shall pay particular attention, will give to the past volumes a standard value, as books of reference to the statesman, the merchant, and the public generally. At present, we are only prepared to furnish subscribers with the volume commencing January, 1840.

MAR 6 1844
St. Louis, Mo.