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LIABILITY OF THE GOVERNMENT OF GREAT BRITAIN FOR THE DEPREDATIONS OF REBEL PRIVATEERS ON THE COMMERCE OF THE UNITED STATES, CONSIDERED.

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PECUNIARY interests, to the amount of millions of dollars, are dependent on this question; the subject itself concerns the relations of two of the great powers of the world; in it may possibly be involved the question of peace or war between those powers, and thereby, not improbably, the peace of every nation in Christendom, and, by consequence, the highest interests of humanity.

A matter which, by possibility, may result in consequences so momentous, should be approached with the utmost coolness and impartiality; and its discussion should be marked by a conscientious regard to truth—truth alike as to facts alleged and the principles of law applicable to those facts and furnishing the rule of decision.

No citizen of the United States, who loves his country or his race, can desire to see a rupture of the amicable relations which have existed between his country and Great Britain for upwards of half a century. On the contrary, his ardent desire should and would be, that these relations should be perpetual; he would regard it as his imperative duty to see to it that, if those relations are interrupted, the fault could not be attributed to his country, but should, in the judgment of enlightened men everywhere and by the Great Ruler of all, be charged upon Great Britain.

It is, undoubtedly, a task of difficulty for a right-minded American, by whatever party name he may be called, and whether he is among the supporters or the opponents of the present administration, and whatever his views may be of the origin and causes of the present rebellion, or of the mode in which the war for its suppression has been conducted—it is, I say, a difficult task for any American citizen, in view of all that has occurred in England since that war commenced, to enter on the investigation of the present question with the calmness so essential to the elucidation of truth at all times, and so indispensable on the present occasion. When he adverts to the undeniable fact that, without the recognition by the British Queen of the Rebel States as "belligerents," and the consequent proclama-

tion of "neutrality," and without the constant enormous supplies to them of munitions of war of every variety by the subjects of the British Crown, the war could by no physical possibility have continued one year after the firing of the first gun at Fort Sumter, on the 12th of April, 1861; and when he remembers that those acts of that Government and its subjects occurred in a time of profound peace and during the existence of a perfect treaty of amity and concord between them and us, and that they occurred, too, within a few months after the whole American people had exhibited to an admiring world the sublime and beautiful spectacle of an universal ovation to the future King of England*—it is, I repeat, a work of difficulty for him to free himself from the influence of all those facts in an endeavor, however sincere, to arrive at a correct conclusion in reference to the rights of his own country and the duties of Great Britain in the matter now under consideration. Still, that task can be performed, and it will be my earnest effort, in this investigation, to disregard all extraneous influences and to conduct it with that candor without which arguments and conclusions would be alike valueless.

Some grounds for the liability of the British Government on this occasion have been stated by high American authority, which, in my view, are untenable. These grounds will, preliminarily, be mentioned:

First, These privateers have been called "British pirates," and, as such, it is urged that the British Government is liable for their acts.

They cannot, on a just construction of the "Law of Nations," be, in any legal or "international" sense, denominated "pirates." It is conceded that they acted under commissions from the Rebel Confederacy: that Confederacy was in May, 1861, recognized as a "belligerent" by the British Government; it has practically been recognized by our own as a "belligerent" in the most emphatic and conclusive manner, by the *exchange of prisoners* and otherwise. But, mark! this recognition was *subsequent* to that of the British Government, and arose from the *absolute necessity* of the case—a necessity caused, in part or mainly, by *that very recognition* by Great Britain. If rebel soldiers, who have captured in battle the property of citizens of the United States, are not legally robbers, and if rebel soldiers, who have killed in battle citizens of the United States, are not legally murderers, then the crews of the rebel privateers are not "pirates," and the vessels themselves are not "piratical" vessels. I use the terms "pirates" and "piratical" in a *legal* sense, and solely in reference to the liability of the British Government for their acts; the character of these privateers in a practical and moral sense is a different matter, which will hereafter be alluded to. The definition of piracy, as found in text writers, is, "the offence of depre-
dation on the high seas without being authorized by any sovereign State." (Wheat. *Int. Law*, p. 246, Ed. 1863.) The definition is incomplete without this addition: "or by persons assuming to be a State and recognized by other States as belligerents."

So far as *this* question of technical, legal *piracy* is concerned, a commission from the Rebel Government is as available for all purposes as if that Government was a *recognized* Government. Had the Rebel States not been recognized as "belligerents," then, indeed, those privateers would have

* It is not to be forgotten that this magnificent tribute came, in fact, from the 24,000,000 of people of the States now engaged in the sacred work of preventing the destruction of the Republic. The only place visited by the Prince of Wales in the States now in rebellion, was Richmond, and there he met with the only insult he received on this side the Atlantic!

been in every sense "piratical vessels." But acting, as we have seen, under a commission issued by recognized "belligerents," that commission, from the very nature of the case, protects, so far as the question of "piracy" and "pirates" is concerned, all and each of the crew, whatever the nationality of any of them may be. Consequently, the mere fact that these privateers were manned, in whole or in part, by British subjects does not render them, in a legal sense, "British pirates," as they have been termed by an eminent American Senator. So far as the *question of "piracy"* is concerned, *in reference to the matter now under consideration*, those privateers are to be regarded, in all respects, as would be the privateers of any nation with whom we might be at war—Spain, France, Mexico.

It is to be observed, that the formal recognition by Great Britain and other nations, and the practical recognition by our own country, of the Rebel States as "belligerents," in no manner recognizes them as a nation, and has no effect whatever on that question.

Second: Nor are they "British pirates," or "pirates" in any sense, so far as the present question is concerned, because there is in *point of fact* no port to which their prizes can be taken for trial and adjudication. The independence of the Rebel States and their existence as a nation being nowhere recognized, they cannot take their prizes into any port of any other nation for any purpose; and yet an undoubted rule of National Law, as to vessels captured by privateers, is, that they must be taken into port for trial and adjudication. In this case, the difficulty arises from the fact, not that there are not nominally and theoretically ports, as, for instance, Wilmington and Mobile, to which the prizes might be taken, for in the recognition of the Rebel States as "belligerents" the existence of their ports for the purposes now mentioned is necessarily involved and implied, but the difficulty arises from the fact that those ports are *practically inaccessible*, in consequence of the blockade. Indeed, one case has occurred, in which a prize captured by a Rebel privateer was taken into the port of Charleston and condemned, though it is proper to add that that condemnation was held by an eminent Judge of one of the United States tribunals (SPRAGUE) to be wholly invalid. The Rebel privateers cannot, therefore, be deemed "pirates" or "piratical," because they do not in fact comply with the rule of the Law of Nations in the respect now mentioned, but, instead thereof, contemporaneously with the capture, burn and destroy the captured vessels and cargoes.

It will be kept in mind that in these observations I speak merely of the legal and technical character of these privateers, and in reference only to the question of the liability of great Britain for their acts. It is not relevant to advert now to the barbarism of those acts, nor to the inhumanity of any Government or of any individual subjects of any Government who should in any manner give aid or countenance to such revolting deeds of incendiarism and plunder, so repulsive to the spirit of the age and so repugnant to every feeling of Christian civilization. These considerations are appropriate, if at all, in another connection.

Third: As the Government of Great Britain is not liable for the acts of these privateers, on the ground of their alleged piratical character, so it is not liable to us by reason of any municipal law of its own.

It has often been said, very loosely, that in the fitting out and dispatch of these vessels the British Legislative Act, commonly called "The Foreign Enlistment Act," has been clearly violated, and that for this reason that

Government is liable. That act has been made the subject of much comment, and I subjoin a verbatim copy of its material provisions, thus enabling all to read and understand it.* Doubtless, this act shows very clearly what the British Parliament deemed the duty of that nation toward other nations; it gives a most decided and important construction on their part to the "Law of Nations," as applicable to such cases; but, surely, it cannot be urged, as a ground for their liability, that they have failed to execute their own statutes, their own *merely municipal* law, when it is not alleged or pretended that any *treaty* exists requiring its execution. It never can be a just ground of complaint, by one nation against another, that the latter has omitted or refused to carry into effect its own laws. No nation can thus intermeddle with another, or thus interfere in what may well be denominated their "private affairs." I deem it quite unnecessary to dwell farther on a proposition so self evident; and I have adverted to this point only because I have seen, in some publications of respectability, the violation of this statute of Great Britain asserted as a ground of her liability for the acts of these privateers.

Fourth: Nor is she liable on the ground of national "comity." Whatever we might justly have expected of her on this ground, and how much soever her own good and comfort and ours may have been promoted by her exercise on this occasion of that "comity," which, in view of the relations existing between us, might so reasonably have been anticipated, yet

* Extract from the "Foreign Enlistment Act," 59 Geo. III, chap. 69.—"Sec. 7. And be it further enacted, that if any person within any part of the United Kingdom, or in any part of His Majesty's dominions beyond the seas, shall, without the leave and license of His Majesty, for that purpose first had and obtained, as aforesaid, equip, furnish, fit out or arm, or procure to be equipped, furnished, fitted out or armed, or shall knowingly aid, assist or be concerned in the equipping, furnishing, fitting out or arming of any ship or vessel, with intent or in order that such ship or vessel shall be employed in the service of any foreign prince, state or potentate, or of any foreign colony, province, or part of any province, or people, as a transport or store-ship, or with intent to cruise or commit hostilities against any prince, state or potentate, or against the subjects or citizens of any prince, state or potentate, or against the persons exercising or assuming to exercise the powers of government in any colony, province, or part of any province or country, or against the inhabitants of any foreign colony, province, or part of any province or country with whom His Majesty shall not then be at war; or shall within the United Kingdom or any of His Majesty's dominions, or in any settlement, colony, territory, island or place belonging or subject to His Majesty, issue or deliver any commission for any ship or vessel to the intent that such ship or vessel shall be employed as aforesaid, every such person so offending shall be deemed guilty of a misdemeanor, and shall, upon conviction thereof, upon any information or indictment, be punished by fine and imprisonment, or either of them, at the discretion of the Court in which such offender shall be convicted, and every such ship or vessel, with the tackle, apparel and furniture, together with all the materials, arms, ammunition and stores which may belong to or be on board of any such ship or vessel, shall be forfeited; and it shall be lawful for any officer of His Majesty's customs or excise, or officer of His Majesty's navy, who is by law empowered to make seizures for any forfeiture incurred under any of the laws of customs or excise, or the laws of trade or navigation, to seize such ships and vessels as aforesaid, and in such places and such manner in which the officers of His Majesty's

a violation merely of "comity" can in no case furnish a legal and authorized ground for a demand of indemnity.

Fifth: Nor is there any ground of liability on the part of the British Government, or any right or power on our part to treat these privateers as pirates, or to require that Government so to treat and consider them, arising out of the Treaty of Paris of 1856, by which privateering, as between the parties to it, was rendered piratical. *We are not parties to that Treaty.*

The matters above stated have, at different times since the breaking out of the Rebellion, been put forth as grounds of liability on the part of Great Britain for the acts of these privateers. I have briefly mentioned them because, in my judgment, they cannot be sustained, and because this matter is fraught with consequences of too much solemnity to justify introducing into its discussion propositions of questionable accuracy.

This subject is, indeed, one of surpassing importance; it affects the pecuniary interests of our citizens to a vast amount (exceeding thirty millions of dollars as is supposed by some), for which, on legal principles, neither their own Government, nor the Rebel Government, nor the captors are liable. It involves, as before mentioned, to a greater or less extent, the amicable relations of the two countries; for if that Government is bound to make compensation and declines fulfilling its obligations, the question of peace or war *may* arise.

It is very clear that the Government of the United States could by no means be justified in demanding indemnity of that of Great Britain, except on grounds of fact and law *that could not be justly controverted.* In other words, our Government, before making demand on Great Britain, must be

customs or excise and the officers of His Majesty's navy are empowered respectively to make seizures under the laws of customs and excise or under the laws of trade and navigation, and that every such ship and vessel, with the tackle, apparel and furniture, together with all the materials, arms, ammunition and stores, which may belong to or be on board of such ship or vessel, may be prosecuted and condemned for any breach of the laws made for the protection of the revenues, customs and excise, or of the laws of trade and navigation.

"Sec. 8. And be it further enacted, that if any person in any part of the United Kingdom of Great Britain and Ireland, or of any part of His Majesty's dominions beyond the seas, without the leave and license of His Majesty first had and obtained, as aforesaid, shall, by adding to the number of guns of such vessel or by changing those on board for other guns, or by the addition of any equipment for war, increase or augment, or procure to be increased or augmented, or shall be knowingly concerned in increasing or augmenting the warlike force of any ship or vessel of war, or cruiser, or other armed vessel which, at the time of her arrival in any part of the United Kingdom or any of His Majesty's dominions, was ship of war, cruiser or armed vessel in the service of any foreign prince, state or potentate, or of any person or persons exercising or assuming to exercise any powers of government in or over any colony, province, or part of any province or people, belonging to the subjects of any such prince, state or potentate, or to the inhabitants of any colony, province, or part of any province or country, under the control of any person or persons so exercising or assuming to exercise the powers of government, every such person so offending shall be deemed guilty of a misdemeanor, and shall, upon being convicted thereof, upon any information or indictment, be punished by fine or imprisonment or either of them, at the discretion of the Court before which such offender shall be convicted."

"clearly right." However much our Government may sympathize with its citizens in their calamities, and however keenly it may feel the unkindness of the Government and of individual subjects of Great Britain, and however much the moral sense of mankind may be shocked by the savage practices of these privateers, none of these considerations can be taken into view in determining the present question. Its decision can depend on no statute law of England or of this country; on no treaty to which we are not a party; on no express treaty on the subject between us and Great Britain, as there is none; on no liability of the Rebel Government to comply with the Law of Nations, in reference to the disposition of prizes; on no supposed or real violation of the "comity" due to us from Great Britain; on no considerations of sympathy or humanity; its determination must rest solely on the *Law of Nations*—on that law must the case stand or fall. That law prescribes the duties and the liabilities of neutral nations; as between us and the Rebel Government England has declared herself, and is to be taken to be a neutral, and as such she is bound by that law to the duties it prescribes.

I. The first step is to ascertain and state the *facts*; and as to these there seems to be no room for dispute. For all the purposes of settling the great principle here involved, it is sufficient to present the facts in a single case, and then determine the principles applicable to, and the rule governing, that case: all others similarly situated would be subject to the same rule.

The case I select for the discussion and determination of the question, is that of the *Alabama*. The facts in that are undeniable and un denied. They are in substance as follows:

(1.) This vessel, originally the gunboat "290" (and so called from the number of British merchants and other British subjects who contributed to her fitting out!), was being fitted out as a *vessel of war*, in Liverpool, in June, 1862.

(2.) Mr. ADAMS, the Minister of the United States, on the 22d of that month addressed a note to Earl RUSSELL, expressly calling the attention of the Government to the fact; and in the same note stated that the *Oreto*, which was fitted out at the same port, and to which Earl RUSSELL's attention had been called on the 15th of February, 1862, had sailed from Liverpool on the 22d of March, and had gone directly to Nassau and was there completing her armament, provisions and crew, *for the purpose of depredating on the commerce of the United States, notwithstanding it had been averred by the British officials at Liverpool that her destination was Palermo, and that Earl RUSSELL had so stated to Mr. ADAMS.*

To show how explicit, direct, and emphatic this note of Mr. ADAMS' was, I give an extract from it.*

* "This vessel has been built and launched from the dock-yard of persons, one of whom is now sitting as a member of the House of Commons, and is fitting out for the especial and manifest purpose of carrying on hostilities at sea. It is about to be commanded by one of the insurgent agents, *the same who sailed in the Oreto*. The parties engaged in the enterprise are persons well known at Liverpool to be agents and officers of the insurgents in the United States, the nature and extent of whose labors are well explained in the copy of an intercepted letter which I received from my Government, and had the honor to place in your Lordship's hands a few days ago."—(Diplom. Cor., 128.)

(3.) EARL RUSSELL, on the 4th day of July, 1862, informed MR. ADAMS that there was no attempt on the part of the builders to disguise the fact that the vessel (the "290") was *intended as a vessel of war*; that they did not deny that she had been built for a *foreign Government*; but that they *did not feel disposed to reply to any questions respecting her destination* after she left Liverpool.

(4.) On the 22d of July, depositions* were sent to EARL RUSSELL, accompanied by the opinion of MR. COLLIER, a reputable English lawyer, that it was the duty of the Government, on that evidence, to detain the vessel, and that the Government of the United States would have good grounds of complaint if she were allowed to escape.

(5.) On the 29th of July, the vessel sailed, *without register or clearance*.

(6.) On the 31st of July, EARL RUSSELL informed MR. ADAMS that a delay in determining on the case of the "290" had been caused by the sudden sickness of the Queen's Advocate, incapacitating him for business!!! that this had rendered it necessary to call in other parties, whose opinions had at last been given for the *detention* of the vessel; but before the order arrived at Liverpool the vessel was gone.

(7.) On the 16th of October, 1862, EARL RUSSELL received further evidence from MR. ADAMS of the character of this vessel and the business for which she was intended. In reply to that information, and the accompanying complaints of MR. ADAMS, EARL RUSSELL places his justification simply on the ground that "*the foreign enlistment act can be evaded by very subtle contrivances, but that Her Majesty cannot, on that account, go beyond the letter of the existing laws.*"

(8.) Having left Liverpool on the 29th of July, the vessel sailed to Terceira, in the Azores, and there anchored. She there received from the British barque Agrippina, which had sailed *from the Thames*, the greater portion of her guns and stores; she soon after took on board, from the British steamer, Bahama, which had cleared *from Liverpool* on the 12th of August, the Rebel Captain SEMMES, fifty more men, and additional stores. SEMMES hoisted the Rebel flag, named the vessel the Alabama, and with a crew, the greater part of which belonged to the English Naval Reserve, soon afterwards set out on his unhallowed mission.

(9.) All these facts were fully known to the British Government, almost contemporaneously with their occurrence.

(10.) Since her departure from Terceira, the Alabama has often cruised for a week at a time, in the aggregate for months, in the British West Indian waters; she has often been in British West Indian ports; she was for six days at one time in the port of Kingston, Jamaica. There has not elapsed any one period of forty-eight hours, since her departure from Ter-

* To show the character of the testimony furnished to EARL RUSSELL, I refer to one of the depositions, that of WILLIAM PASSMORE, who, in substance, swore that "he joined the vessel in LAIRD & Co.'s ship-yard at Birkenhead, and remained on her several days; that there came on board about thirty old men-of-war's men, among whom it was well known that she was going out as a privateer for the Confederate Government, to act against the United States under a commission from JEFFERSON DAVIS; that he had been shipped by Capt. BUTCHER to sail on the "290," with the express understanding that she was going to fight for the Government of the Confederate States."

ceira, when it was not in the power of the British Government to seize and take possession of her. No step for this purpose has ever been taken.

(11.) Within a few days after her departure from Terceira, she commenced her depredations on our commerce, and during the thirteen months of her career as a privateer, she has destroyed numerous and valuable vessels, with their cargoes, belonging to citizens of the United States, and she is still engaged in her infamous work; all which facts are and were well known to the Government of Great Britain and to all the world.

The facts above stated, except those of public notoriety, have been gathered from official documents.

II. It has already been stated, that the British Government, if liable at all for the losses caused by these depredations, is thus liable only under the *Law of Nations*, and under that head of that law which prescribes the duties and liabilities of neutrals.

The Law of Nations is defined by an eminent writer on that subject* to be, "the law which determines the rights and regulates the intercourse of independent States, in peace and in war; is founded on custom and implied contract; has sprung up from mutual consent, and is the written law which the consent of nations has established." By this all civilized nations are bound. This law is found in the works of various publicists of admitted authority, and in the decisions of high tribunals here and elsewhere. I shall refer to none that are not universally accredited. The duty of neutral nations, as between belligerents in time of war, is very clearly stated.

WHEATON,† in his "Elements of International Law," (page 697, Ed. of 1863), thus states the law:

"The neutral is not at liberty to favor one party, to the detriment of the other; it is his duty to be every way careful to do equal and exact justice to both parties.

PHILLIMORE (Commentaries on International Law, vol. 3, p. 181,) says, "The relation of neutrality consists in two principal things, (1.) entire abstinence from any participation in the war; (2.) impartiality of conduct toward both belligerents. It is for the neutral perpetually to recollect, and practically to carry out, the maxim 'that he is an enemy who does *that which pleases the enemy.*'"

KENT (Commentaries, vol. 1, p. 113, 5th Ed.), whose authority is equally respected in Europe and America, says: "A neutral is not to favor one belligerent at the expense of the other."

It would be a work of supererogation to accumulate authorities on this point. All writers on the Law of Nations concur in relation to the duties of neutrals. The rule, as stated above, is found in nearly the same words in GROTIUS, Book 3, ch. 27; BYRKENHOOK, Book 1, ch. 9; VATTEL, Book 3, ch. 7; AZUNI, Part II., ch. 1, art. 3. The rule, as thus laid down, will not be questioned; its spirit and substance being, that the neutral shall not do, nor permit any within his jurisdiction to do, any act in behalf of one belligerent that would manifestly and naturally tend to the detriment

* 1. WILDMAN, *Int. Law*, p. 1.

† The British-Solicitor General (Mr. LAYARD), in a speech in the House of Commons on the 22d of February, 1862, said that "WHEATON, as everybody knows, has written one of the most valuable treatises on the subject of international law that was ever composed."

of the other, or any act which would enable one to do an injury to the other which he could not do were it not for the act of the neutral; the conduct of the neutral must be, not only in form but in reality and effect, *absolutely impartial*. The rule is, not that the neutral may do acts favoring the one, and, by way of compensation, do similar acts in favor of the other, which he (the neutral) may allege are of equal benefit to the other, for of this he cannot judge and is not authorized to judge. (VATTEL, Book 3, ch. 7, 5, 10, 4.) He must not do any act of favor to either which may be the means of injuring the other; and certainly he cannot do an act of favor to the one and then, on the allegation of equalization, do a similar act to the other, *when* the relative circumstances and condition of the two belligerents are such that by no possibility can the act of intended equalization be of equal benefit to the latter, or put it in his power to do an equal detriment to the former.

Such being the rule, do the facts (as above set forth.) in the case of the Alabama, show its violation by Great Britain?

III. No one will deny that the fitting out of the Alabama, for the purposes for which she was intended and to which she was immediately applied, was a direct and palpable act of aid and benefit to the Rebel Government and of equally direct and palpable detriment to the Government and people of the United States. It was a manifest and clear departure from that "impartiality," as between the belligerents, which "neutral" Great Britain was "bound to adopt;" it was the doing that "which was well pleasing to the enemy;" it was "favoring one party to the detriment of the other." This proposition would seem to be self-evident. But it is pertinent to call to mind an undisputed fact, which gives an unwonted degree of aggravation to this "unneutral" act. Had the Rebel Government been "recognized" as one of the nations of the earth; had it possessed even a single accessible port; had they had a national marine, even if quite insignificant; had they possessed the means and appliances for building, equipping, supplying, and manning ships, the acts now complained of would have been comparatively innocuous, and, though legally a breach of neutrality, they would practically have been of little detriment. But what was the real state of things in the Rebel States? They were not "recognized" as a nation by a single government on earth; they had no port that was not so blockaded as to render it, to say the least, useless; they had no navy, not even a single vessel of war or even of commerce; they had no navy-yards for the construction of such vessels; they had no armaments for them, and no place for their manufacture; they had no sailors; they had no national credit, for they had no national name or standing: in fine, they were in a mere "embryo condition," and wholly and absolutely powerless for any offensive, or even defensive, purposes on the ocean—they were utterly destitute of all means or ability for ocean warfare. This is an unexaggerated statement of the real state of things at the time in question; indeed, the total feebleness and helplessness of the Rebels, in the respects just mentioned, cannot be too strongly stated. It was in this state of things and under these circumstances, that they were supplied *in England and from English ports* with all the means and appliances, ships, armaments, men, stores, for commencing and carrying on a *war on the ocean* against the United States and her citizens, and for performing deeds of practical piracy theretofore unknown in Christendom and paralleled only by the acts of the Barbary States in their day of lawless license. This was not *adding* to means already existing—it was *creating*

the means *ab origine*; it was literally bringing into existence a power that before did not exist.

It is not pretended that any vessel of war was ever fitted out in, and dispatched from, England for the benefit of the United States; but had such been the fact, it is already seen that by the Law of Nations no such act could take from the acts above stated, in relation to the Alabama, their unneutral character. Had such assistance been offered to the United States, and did international law allow a "neutral" to aid one belligerent and then compensate for it by equivalent aid to the other, no such equivalent could by possibility exist in this case; any such aid would, at the most, have been but an inappreciable addition to our existing means: thus, even then, there would have been a most palpable and injurious violation of neutral duty. The only possible argument which Great Britain, in that event, could have urged would have been, that by *the acceptance* of such aid, unimportant as it may have been, the United States must be deemed to have *waved* their right to insist on indemnity for such violation by Great Britain. The circumstances (had such an event occurred) may or may not have been such as to render that argument available.

I have thus briefly adverted to this particular matter, simply because it has been repeatedly asserted in England that as much aid has been afforded to the United States as to the Rebels. The fallacy of such an assertion, as an excuse or justification for England, is manifest.

IV. If, for the moment, it should be conceded that Great Britain could not be liable for the fitting out and dispatch of this privateer, unless her Government had, preliminarily to her departure, knowledge or reasonable notice of her objects and intentions, what unprejudiced mind can resist the conclusion, that the facts above stated show full and adequate notice, if not actual knowledge? It is to be observed, that on this great national question, to be judged of as it is, by the rules and principles of that overshadowing Law, which governs not one nation but all, and which is above all *municipal* law, the technical and narrow rules applicable to local, territorial law, have no place. As was truly and emphatically said by the Supreme Court of the United States, in its judgment in a case involving great national questions, (*The Hiawatha*, March, 1863,) "the objections taken here might have had weight on the trial of an indictment in a criminal case; but precedents from such sources cannot be received as authoritative in a tribunal administering *public and national law*."

Without repeating the evidence presented to Earl RUSSELL in the case of the Alabama, as stated above, it is with entire confidence submitted, that it was superabundant to justify and require her arrest and detention, on the ground of full notice and knowledge on his part. Had the case been in a criminal court in England or America, any impartial Grand Jury in either country could not, on that evidence, have hesitated to find an indictment, so far as the point just mentioned is concerned.

V. It is not a little surprising that Earl RUSSELL, in a letter to Mr. ADAMS, of October 16th, 1862, assumes, and the Solicitor-General, in the House of Commons, on the 22d day of February, 1862, asserts, that the only law which enables the British Government to interfere in such cases is "The Foreign Enlistment Act." If, indeed, the acts, or the evidently intended acts, in the case of the Alabama, were a violation of the *Law of Nations*, and were to be judged of by that law, then it may truly be said that there is and can be no nation in Christendom in whose Government

does not *inhere* the power and the duty, irrespective of its municipal law, of preventing and punishing such violation. Such power exists *ex necessitate rei* and springs from, and is involved in, the great law of nations, as of individuals the law of *self-preservation*. The distinguished statesman and the eminent lawyer, who uttered the sentiment just mentioned, must have done so without deliberation; for it is impossible to believe that the peace of Great Britain and the highest interests of humanity can be made to depend on the question, whether means to provide against or prevent a violation by her of the *Law of Nations* depends on the existence or non-existence of a statute of the realm applicable to the case! As on the one hand, we have no right to complain of the non-execution of a municipal law of that country, so, on the other, she cannot excuse herself for a violation of her duties, as a member of the family of nations, on the ground that she has no law on her statute-book affording the appropriate remedy. The only practical benefit of the statute referred to, in regard to the present question, is, as already stated, that it is an emphatic assertion by her legislature of the duties devolved on her by the *Law of Nations*. But even if our rights or her liabilities depended on that statute, it would be an easy task to show that the case of the Alabama came within its spirit and intent, if not within its very letter; but a discussion of that proposition would be idle, for the reasons just given. BERLAMAQUI, in his Treatise on Natural Law, states the rule truly when he says, "It is *presumed* that a Sovereign knows what his subjects openly commit, and his *power of hindering* the evil is likewise *always presumed*."

VI. Hypothetical cases do not always subserve a useful purpose in argument, but in this instance a case may be supposed which must, it would seem, carry conviction to every British mind.

The present rebellion against the Government of the United States is an effort to dismember the Republic of the United States; a similar rebellion in Ireland against the Government of Great Britain would be an effort to dismember the Empire of Great Britain: thus, the object (and the end if successful) of the two rebellions would be identical. The relative position of the Rebel States to the United States and of Ireland to Great Britain are the same, each is part and parcel of the nation to which it belongs; the position of those States and of Ireland is, in every "material" respect, the same; each of them, compared with the nation of which it is a part, is equally inferior in population, naval and military power, armaments, and pecuniary resources; in the incipient period of her supposed rebellion, Ireland would, at the most, be "recognized" only as a "belligerent," and thus they would each be alike in having no "national character." Ireland would have no navy, and no available ports (as doubtless they would be blockaded as are the rebel ports), and so, in these respects, again there would be a precise similarity; in the case of the Irish rebellion, we should have the same right to acknowledge her as a "belligerent," and to proclaim our "neutrality," as Great Britain had in reference to the Rebel States. Suppose, then, this Irish rebellion, under circumstances relatively to Great Britain so precisely similar to those of the Rebel States relatively to the United States, and then suppose that privateers were fitted out and despatched from the port of New York under commission from the Irish Rebel Government, manned, provisioned, and armed in New York—suppose that those Irish rebel privateers should burn and destroy hundreds of British vessels and their cargoes to the value of millions of pounds sterling, what

would all England, from the queen on the throne to the pauper in the work-house, with one voice exclaim? We need not say. We know that our language can hardly furnish words in which the indignation (and just it would be,) of that people would, in such case be expressed. Yet the *existing* case and the *supposed* case admit not of the slightest essential distinction. Who can doubt that, in the supposed case, Great Britain would months ago have resorted to reprisals, if not to war?

VII. In a matter of this momentous import we can have no better guide than the repeated and deliberate precedents of the two Governments. To begin with that of the United States.

That there should have been, as there was, in this country in the latter part of the last century, immediately after the close of the War of Independence, an almost universal feeling of grateful affection for France, was perfectly natural. Notwithstanding the state of the public mind, our duties as neutrals, (as between France and Great Britain,) *springing entirely from the Law of Nations and without any statute* on our part, were performed (it may well be said, under the circumstances,) in a spirit of lofty devotion to law and duty. In 1793, President WASHINGTON instructed the proper officers to prosecute all persons who should violate the Law of Nations in respect to France and England.* Immediately after this the British minister expressed his *belief* that a vessel—the “Little Sarah”—was fitting out as a French privateer. Proceedings were immediately taken for her seizure, and her armament being found to be such as *might* be used for a privateer, *she was prevented from sailing*. Similar proceedings, *on similar grounds*, were taken against the “Republican.” She was seized and detained, and, with the persons engaged in fitting her out, was delivered over to the proper tribunals.†

Numerous other cases of a similar kind occurred about that period. Mr. CANNING, in a speech in Parliament in 1819, commended in the highest terms the conduct of our country at a time when universal popular sentiment rendered it so difficult to observe the obligations of neutrality.‡

At the time of the war between Spain and her revolted colonies in South America, great as naturally was our sympathy with the latter, numerous vessels which were fitted out in New Orleans and its vicinity, with the *suspected* object of acting as privateers against Spain, were *seized and detained*, and the parties prosecuted and punished, as will be seen by reference to the history of that period, in that valuable work “*Niles' Register*.”

During the war between the German Confederation and Denmark (1848), a war steamer was purchased in New York by the former; her sailing was objected to by the latter on account of that war; *she was detained* for some time, and was *not permitted to sail* till a satisfactory bond was given that she should not be used against Denmark. This case is fully stated in the Congressional Documents of the 1st session of thirty-first Congress.

In the Canadian rebellion of 1838, it is a matter of public history that *preventive* measures of the most efficient kind were adopted by our Government to maintain, in spirit and practical effect, our relations of amity with Great Britain. A reference to particular instances would unnecessarily extend this paper; the official records of both countries abound in proofs on the subject. That rebellion was regarded by Great Britain very much as *this* is by the United States.

* American State Papers. Vol. 1, p. 140.

† Works JEFFERSON. Vol. 3, p. 286.

‡ 4 CANNING'S Speeches, p. 152.

During the Crimean war in 1855, the "Maury," a vessel belonging to a citizen of the United States, was loading in the port of New York; on an affidavit of a very *imperfect character*, furnished by the British consul on his allegation of *suspicion*, that she was to be used as a Russian privateer, she was *seized and detained*, and her cargo carefully examined. She was released, the consul being fully satisfied of the groundlessness of his suspicions, and he publicly apologised for his conduct. This vessel was being fitted out by a merchant (Mr. Low,) of unquestioned standing and integrity, and whose antecedents were without reproach, whereas, the Alabama was being prepared for sea by parties who had *just before* been guilty of gross falsehood and fraud on the British Government in dispatching the *Oreto*.

In every one of the above instances this Government did precisely what was requested of the British Government by our minister in the case of the Alabama—namely, it applied the requisite *preventive* means; in no case was the testimony more persuasive than that presented in the case of the Alabama.

Great Britain furnishes her share of precedents.

It is a well known historical fact, that the aid furnished by the subjects of France (not by its Government) to the United States during the war of the Revolution, in the way of fitting out and dispatching vessels and the like, was the ground of a declaration of war by Great Britain against France. The cases are in all respects precisely parallel, in view of the light in which *the colonies were regarded by Great Britain*. That was aid furnished to "revolted colonies"—this is aid furnished to "revolted States;" those "colonies" were weak and powerless on the ocean—these "States" are equally so; *that aid was vital to the "colonies"*—*this is so to the "rebel States."* It was the violation of her duties as a "neutral" of which Great Britain complained (and justly) of France; it is the violation of her duties as a neutral of which we now (and equally justly) complain of Great Britain. There is indeed a difference between the ends sought to be attained in the two cases. The "colonies" were struggling to *erect a beautiful temple of civil liberty*—the "rebel States" are striving to *destroy that very temple*.

In 1828, Donna MARIA was the reconized sovereign of Portugal. Don MIGUEL, her uncle, headed a rebellion against the Government and caused himself to be declared king, and succeeded in getting possession of a considerable part of the kingdom. Application was made to the British Government to aid the queen—her uncle being a usurper, as was alleged. That Government refused to interfere, as it was a *domestic quarrel* in Portugal. Terceira, one of the Azores and part of the dominions of Portugal, was then in possession of the queen. Some Portuguese subjects came to England; it was suspected that they came to fit out an expedition against Don MIGUEL. The Government, deeming that this would be a breach of neutrality, forbade it, and the representative of the queen was notified that no such enterprise could be carried on in England. He stated that the vessels, which were fitting out, were going to Brazil. Four vessels, with several hundred unarmed men on board, sailed from the port of Plymouth. The Government suspected that the vessels were going to Terceira and sent a fleet to watch them and prevent a landing. The four vessels arrived off Terceira; they were fired at by the English commodore and *stopped*. This matter came up in Parliament, and the Government *was sustained* on the

ground that the armament was fitted out in a British port; that having been equipped under the pretence of going to Brazil it was not stopped before sailing; and that the Government was therefore bound by the duty of neutrality to prevent by force an armament so equipped from disembarking even in the dominions of the Portuguese queen. This case is fully stated in the third volume of PHILLIMORE.

Similar instances on the part of the United States and of Great Britain might be adduced, but the above are sufficient for the present purpose.

VIII. It has already been shown, satisfactorily, I trust, that the British Government, prior to the sailing of the *Alabama*, had adequate information of her character and of the object to which she was destined—information on which any prudent man would have acted in the ordinary affairs of life. But, even if the British Government had not such nor any notice, still, according to the well established rules of national law, that Government is liable to answer for the unlawful and anti-neutral acts of her subjects and of all within her jurisdiction.

From the very necessity of the case, every nation must be presumed to have the power to regulate and control the conduct of all within its territorial jurisdiction, and to prevent a violation of its obligations as a neutral and of any of its obligations as a member of the family of nations. Without such rule there would be no safety in international intercourse. Accordingly the Law of Nations declares that a nation is *responsible* for acts of hostility on the part of its subjects towards another nation whose relations with the former are those of peace and amity; and this, necessarily irrespective of the question, whether the nation of which the offending parties are subjects had or had not knowledge of the subjects' acts at the time of their occurrence. All accredited writers on international law, English, American, and Continental, declare this rule, as will be seen by reference to PHILLIMORE, KENT, GROTIUS, PUFFENDORF, WHEATON, and VATEL, in their chapters on the duties of neutrals. It follows that, if in truth the fitting out of the *Alabama* and her departure from an English port were a violation of British neutrality, that Government is *liable* for the consequences of the unneutral act, whether done with or without her knowledge.

IX. If that Government had not notice and knowledge of the facts prior to the departure of the *Alabama* from the English port on her hostile mission, and if that ignorance was *then* an excuse, a brief period only elapsed before Great Britain and all the world had conclusive evidence of her character, of the *intention* in fitting her out, of the object to which she was destined, and of the cruel and barbarous manner in which that object was being carried out. In a very short space of time after her departure from Liverpool, the capture and contemporaneous burning and destruction by her of numerous American vessels and their cargoes was a fact of world-wide notoriety. The horrors of those scenes of vandalism need not be described. In the investigation of so grave a matter as the present, no appeal should be made to imagination or to passion.

Assuming, then, even the absence of all knowledge on the part of the British Government, and of all notice prior to the departure of the vessel from an English port, and assuming—what is not denied—her notorious acts so soon afterwards, it was the clear duty of Great Britain to dispatch a vessel or vessels of war to seize the *Alabama* and arrest her career. The possession of adequate means for that purpose by that Government will not be disputed, and the abundant opportunity to render those means available

is equally undeniable. In a very few days that Government could have terminated the inhuman work of that vessel, and saved millions of the property of citizens of the United States from the torch.

That her *opportunities* were manifold, *even in her own ports*, will not be disputed, for to those very ports this privateer resorted, and, instead of being seized and detained, was received with favor and aided in many ways. The very fact just mentioned of her friendly reception in the colonial ports of Great Britain, after her repeated and universally known acts of destruction of the property of our citizens, was in itself a flagrant violation of British neutrality. Her resort to and reception in those ports were in every legal and practical sense identical with a resort to and similar reception at the port of Plymouth or of Liverpool; and, under the circumstances mentioned, it would require but a superficial acquaintance with national law to determine that such a reception would be a grossly anti-neutral act.

But to return to the question of the course which Great Britain was bound by the Law of Nations to have adopted, after full knowledge of the course pursued by the Alabama, immediately subsequently to her departure for Liverpool.

The law on this subject was fully discussed, and the duty of Great Britain clearly shown, in the argument in Parliament (as reported in the British Annual Register for 1829.) in the Portuguese (Terceira) case above mentioned. It was then deliberately held to be the duty of that Government, under the law of nations to take the steps it then took. Such was then, as it was in the present case, the manifest duty of Great Britain, as a member of the family of nations. The two cases differ in no essential particular. Such indeed must from the necessity and nature of the case be the rule of the Law of Nations, for otherwise the duty of the neutral might be wholly unperformed. Her duty in this case, was to *prevent* the departure of the vessel from her ports. She omitted to perform that duty, and thus flagrantly violated neutrality. It was then, on every principle of justice, of reason and common sense as well as of national law, her duty to make all amends in her power for that violation. The effective and easy mode of performing that duty and of exercising a real and an honest neutrality, was "fresh pursuit" and capture of the offender. The "Foreign Enlistment Act," indeed, did not apply to this aspect of the case; but her duties and responsibilities arise from the "higher law." So she insisted, and so we admitted, in the well known case of McLEOD, during the Canadian rebellion. The difficulty arose in that case from the complex character of our Government—the conflicting jurisdictional claims of a "State" and of the "United States," and the inability, under our constitution, of the "United States" judicial tribunals to interfere *in limine* and provisionally with those of a "State." This condition of things led to a long and exciting correspondence between the two Governments; but in the course of it, it was on both sides conceded, that inasmuch as the "United States"—not a single "State"—was alone known among nations, on them rested all the responsibility of conducting foreign affairs, and that their want of power, arising from the cause just stated, in no manner justified or excused an act done in or by a "State" or its citizens in violation of the Law of Nations; that any nation recognized by others as a nation must be held to possess power requisite to punish infringements on the rights of other nations. The whole history of this case will be found in the 5th volume of HILL'S Reports of Cases in the Supreme Court of New York, and also in the 2d,

5th, 6th, and 7th volumes of Mr. WEBSTER'S Works. It is scarcely necessary to accumulate authorities in support of this proposition. The common reason of mankind declares, as do all writers on the subject, that such is and must be the rule of international law. This brief repetition of this principle, which I have already once stated, may be excused on the ground of the extraordinary position taken, as above mentioned, by Earl RUSSEL and Solicitor-General LAYARD.

X. We must be careful not to confound the present case with that of the subjects or citizens of a neutral state holding ordinary commercial intercourse with one of the belligerents and dealing commercially with that belligerent. It is on all hands admitted, that the subject of a neutral may have transactions, *on their face and in intent commercial*, with a belligerent; he may buy and sell without a national violation of neutrality, but at the *risk* of the capture and consequent loss of his property, as many British subjects have learned at the expense of their financial ruin; but never, in the history of Great Britain or of the United States, or of any other civilized people for the last one hundred years, has it been doubted that the fitting out and dispatch, from the ports of a neutral nation, of vessels of war *intended* to commit acts of hostility on one of the belligerents, was a palpable violation of the duty of the neutral and a clear infraction of the Law of Nations. The doctrine above stated is fully sustained by the judgment of the Supreme Court of the United States, in the case of *The United States v. Quincy*, 6 Peters' Reports, 445, and in the case of the *Gran Para*, 7 Wheaton Reports, 471. The decisions of that court on questions of national law, especially in the time of MARSHALL, are of high authority every where. Indeed, these cases only re-affirm the law as stated by all writers on the subject. It could, of course, make no difference in principle whether the vessel was dispatched, after being partly or *wholly fitted out*, from a port of a neutral, or whether it was dispatched from one port and fitted out in whole or in part in another port of the same neutral. The latter has been the actual fact in reference to some, if not all, the rebel privateers sent from England. Nor would the rule be different if the vessel intended for hostile purposes was dispatched from the neutral port and then fitted out partly or wholly even in the port of *another* nation. Most emphatically would the rule apply in the present case, where the party aided was utterly weak and helpless as a naval power, and could have committed no act of hostility whatever on the ocean, except through the aid thus furnished by the neutral.

The case of the *Alexandria* was tried a few weeks since in an English court. The judge who presided on the trial instructed the jury "that a neutral had a right to supply ships to one of the belligerents," and after that instruction, added, by way of *salvo*, "that if the jury thought the object was to furnish, fit out, equip, and arm the vessel at Liverpool, that was a different matter; but if they thought the object was to build a ship in obedience to an order in compliance with a contract, leaving those who bought it to use it as *they saw fit*, it was not, in his judgment, a breach of the Foreign Enlistment Act, or of international law." In other words, if the jury were satisfied that it was built for a rebel owner and with the intent to use it as a rebel privateer, it was no violation of any law—that is, it was not such a violation if he (the rebel or his agent) had made a contract for the building and it was built pursuant to his order; that then

it could be lawfully delivered to him, though the whole world knew that "the use he saw fit to put it to" was that of a privateer to depredate on the commerce of a friendly nation. It is no wonder that under such an instruction, a Liverpool jury found "in favor of the ship and her builders."

That case, on the evidence, presented a clear violation of the Law of Nations, as shown by the authorities and precedents above mentioned, and it is referred to chiefly for the purpose of stating another rule of the Law of Nations, namely, that it is no protection or justification to any nation, when its violation of neutral duties is complained of, that its own tribunals have decided in its favor. No proposition can be clearer than that the Law of Nations is superior to and overrides all municipal law, whether in the form of statutes or of the judgments of courts.

XI. Many more references to elementary writers and to adjudged cases on the Law of Nations might be made; but sufficient authority, it is believed, has already been adduced and its applicability sufficiently shown, to satisfy intelligent and impartial minds that Great Britain, in the case of the Alabama, has violated her obligations of neutrality to the United States. This point being established, it will not be disputed that the Law of Nations imposes on her the consequent duty of reparation. That reparation can be made only by the payment of the pecuniary losses sustained by our citizens in consequence of that violation of neutrality.

It is the duty of the Government of the United States to its injured citizens to present to the Government of Great Britain their claims duly authenticated. Much, if not most, of the evidence to establish the circumstances under which the Alabama was dispatched from England (and thus to show in that act the alleged violation of neutrality,) has already been presented to the British Government. The subsequent conduct of that vessel on the ocean is a matter known to all; her frequent visits to British ports and the succor she has there received are facts equally well known; the entire omission of that Government to prevent her original departure, or to arrest her at her colonial ports, or to pursue her at all, is admitted. If to all this is added satisfactory evidence, in each individual instance, of the loss sustained, the case is fully prepared for presentation to the British Government and for a contemporaneous application for indemnity. The people of England will then have the opportunity of demonstrating to the world that they are, as they have with honorable pride always claimed to be, a law-loving and a law-abiding people; they will be able practically to illustrate the great precept of that Christian faith, which they and we profess: "As ye would that men should do unto you, do ye also to them likewise."

It is not to be presumed that, on a proper and respectful presentation of the case, that Government will falter in the performance of its duty. Should such unfortunately be the result, and should indemnity be refused, an amicable (and not an unusual) mode of adjusting the controversy would be its submission to the arbitrament of an impartial and mutually friendly nation. The United States may decline making such a proposal on the ground (often taken in private life), that the case is too clear for submission. If made, Great Britain may decline it. In that event, and in the event of continued refusal to make compensation, the Law of Nations points out very clearly the remedy, which our Government would have the *right* to adopt, namely, the issuing of letters of marque and reprisal, or a declaration of war. The question of the *actual* adoption of

any remedy would be considered by our Government with all the deliberation and conscientiousness which its magnitude requires,

XII. It cannot be doubted that the acts of the British Government and of many British subjects, since the inauguration of the rebellion, have been universally regarded here as, to say the least, exceedingly unfriendly. It was very naturally supposed that the ties of a common origin, a common language, and a common religion bound England and the United States together in the bonds of an indissoluble friendship, and when our *nationality* was attacked and our Republic sought to be dismembered and overthrown, as it was by this rebellion, it was a pervading belief in this country that we should have at least the sympathy and kind feeling of England. Her "material" aid we never required, and it will never be solicited. But greatly have we been disappointed that we have not had that sympathy and kindness. On the contrary, no man whether friend or foe of the States in rebellion can for a moment doubt that without the countenance given to those States by the Government of Great Britain, and the aid furnished to them by her subjects, the rebellion would long since have tottered to its fall—a shocking waste of valuable life and an enormous expenditure of material means would have been prevented. Indeed, Great Britain's recognition of those States as "belligerents," and her concomitant proclamation of neutrality, to say nothing of any subsequent acts of that Government or her people, may with exact truth be said to have been an *indispensable ingredient in the vitality* of those States, without which they would have had an inglorious existence of but a few brief months, and then have sunk forever into a dishonored grave.

Whatever may be thought of the merits or demerits of slavery, it cannot be denied that this country has been greatly astonished at the inconsistency and insincerity of the British Government and many of the people of England,* in giving their sympathy, countenance, and (as shown

* The nobility of England, as a class, have decidedly sympathized with and favored the rebellion. It may be well for those gentlemen to consider whether there is any truth in the sentiment expressed in a late number of the *London Review*, that any one who knew what lies beneath the surface of European society must be aware that the spirit of republican liberty is a snake that has been scotched—not killed. Indeed, no man can doubt that the "leaven" of the American and the French Revolutions is continually and powerfully, though silently, "working." It would be well for them also to consider how long, in the present day of intelligent and independent thought, a system wholly artificial and unnatural, by the fundamental rules of which the mere *accident* of birth, irrespective wholly of mental or of moral merit, places *forever* the *few* in an exalted social and (so far as an important legislative power is concerned) political position, and equally places *forever* the *many* in a position of inferiority and comparative degradation—they may well, I say, consider how long such a system is likely to endure. Especially should they so consider, when a large and influential part of the "Home" Empire of Great Britain is ready for revolt at any moment, and when multitudes of the people, even of England herself, are restive under the oppressive burden of taxation and those iron rules of social and political exclusiveness. The voice of friendship might well warn those gentlemen to beware how they lend their aid and countenance and sympathy to an unspeakably wicked attempt to destroy the only Government on earth (with one or two trifling exceptions,) where the "people" are in form and in fact sovereign—a Government which has had

above) their efficient aid to a combination of persons associated for the purpose of establishing a government whose "corner-stone" is "slavery," as they uniformly declare, and as was distinctly stated on a grave public occasion by their favorite chief, ALEXANDER H. STEPHENS.

When it is remembered that, ever since the final triumph of WILBERFORCE in 1833,* that Government and the people of England, individually and collectively, have been in every possible manner the advocates of "slavery abolition," and have in fact effected that abolition in nearly the whole world, excepting in the American States now in revolt against their country and their Government, it is not unnatural that this astonishment (if no stronger feeling) should universally prevail. We entertain it in common with all Continental Europe,† and (happily it can be said,) with thousands of England's worthiest subjects. I speak not now of slavery or anti-slavery—that matter is wholly foreign to this discussion—but merely of the surprising and melancholy exhibition England has made in this regard to the world. The whole American people have been accustomed to look on the Queen of England with a feeling bordering on affection; they fully believe in her humane and Christian character, and, so believing, they doubt not that she will hereafter regret in earnest bitter-

and still has the enthusiastic admiration of multitudes of poets, orators, statesmen, and heroes in every country in the civilized world, and which has at this moment millions of friends, nay, "lovers," in England, Scotland, Ireland, and on the Continent. The American people are not propagandists—they desire not that any other people should adopt their form of Government—but they themselves adhere to it with a death-like tenacity. In the event of a war with England, arising from or necessitated by an inimical and unjust interference on her part in any manner in our domestic affairs, the whole people of the United States would rush as one man, and with an universal, intense, and, it may with truth be said, a furious enthusiasm to defend the hallowed flag of their country against foreign insult or attack. No "conscription" laws would then be necessary—every citizen would be of his own accord a soldier. In that event, though great would be the calamity to us, we believe, nay, we know, that our Republic would come out of the contest (as it will out of this rebellion,) "purified as it were by fire," and fixed "on foundations that cannot be shaken." Whereas, it would not be the strangest of historical events that such a contest, in connection with her domestic condition, should result in anything but an addition of strength and power to the British monarchy.

* Thirty years ago, WILBERFORCE said, "Thank God that I should have lived to witness a day in which England is willing to give twenty millions sterling for the abolition of slavery." Such was then and such has ever since been (until this rebellion) the professed sentiment of England and her people.

† In view of all this, the distinguished Frenchman EMILLE DE GIRARDIN has recently said, with equal wit and truth, that "England is a mistake."

Another equally eminent Frenchman, DE GASPARI, in his "Uprising of a Great People," and his "America before Europe," has administered to England some of the most telling rebukes to be found in any language. The Government of that country could not make a more beneficent expenditure of money than to gratuitously circulate tens of thousands of copies of these works among her people.

ness that she yielded to the counsels of her ministers in the issuing the proclamation of "recognition" and of "neutrality," whose direct and undoubted effect has been to prolong this revolting civil war and to add ten, nay, an hundred, fold to its horrors.

But these matters do not affect the question under consideration, and they are alluded to only for the purpose of showing that we have much cause of complaint, which, though not a violation of the Law of Nations and not entitling us to reclamation, would naturally render us more tenacious in requiring of Great Britain the performance of her neutral duties, and, in the event of their violation, in asking the indemnity provided by that Law.

It is perhaps needless to add that the principles and reasonings applicable to the case of the Alabama apply alike to all the cases of rebel privateers fitted out at and dispatched from any British port, or *dispatched* from one British port and fitted out partially or wholly at another or elsewhere.*

I have endeavored to discuss this question simply on its legal merits, and without appeals to passion or prejudice. My object was merely to demonstrate that the law of nations entitles us to indemnity. The earnest hope is cherished by every American citizen that a satisfactory adjustment of our claims on this occasion will be made; that thereby much of the acerbity of feeling now existing would disappear, and that the peace of these two nations would, not only in form but in reality, be continued and perpetuated.

NEW YORK, *October 16, 1863.*

* I subjoin, by way of appendix to this paper, a list of our vessels captured by rebel privateers, prepared by Capt. J. H. Urron, Secretary of the "American Shipmasters' Association," for which he deserves the thanks of his countrymen. The sight of such a list must cause a thrill of horror in every American heart, indeed, in every heart, not lost to all sentiments of honor, humanity, and civilization. I say this, because of the enormity, in a moral and practical point of view, of the acts of these privateers; they are in every *practical* sense worse than *piratical*. To say nothing of the infamous means so often adopted to lure their victims to destruction, they war solely on individuals, without even a pretence that their acts in any degree injure the "United States" as a people, or benefit the "Rebel Confederacy" as such; and, what is more, *the privateersmen themselves individually are in no manner benefitted*, for the vessels and cargoes taken are, contemporaneously with their capture, *consigned to the flames*. Thus they have not even the apology of professed "pirates." Their work, consequently, is a work of purely wanton destruction, unmitigated in its barbarism, and must of necessity shock every one whose moral sense has not ceased to be a living power.

(APPENDIX.)

ALPHABETICAL LIST OF VESSELS CAPTURED BY REBEL PRIVATEERS.

Reported up to October 1st, 1863, with Name of Master, Port of Clearance, Destination, Date, Place of Capture and Tonnage.

[PREPARED BY CAPT. I. H. UPTON, SECRETARY AMER. SHIPMASTERS' ASSOCIATION, FOR HUNT'S MERCHANTS' MAGAZINE.]

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Admiral Blake, schr				1862	Steamer Alabama, off the Flores	200
Albert Adams, brig	Cousins	Cuba	New York	July 3, 1861	Steamer Sumter	192
A. B. Thompson, ship	J. M. Small	Savannah	New York	1861	Off Port Royal, S. C.	800
Alert, bark	Church	New London	Hurd's Island	1862	Steamer Alabama, off the Flores	391
Altamaba, brig		Sippican	Atlantic Ocean	1862	" " " "	300
Aldebaran, schr	Hand	New York	Maranham	March, 1863	Steamer Florida	187
Alleghanian, ship	Barstow	Baltimore	London	1862	Destroyed by Rebels off the Rappahannock	1,142
Arcade, schr	Smith	Portland	Guadaloupe	January, 1861	Steamer Sumter	200
Ariel, steamer	Jones	New York	Aspinwall	Dec., 1862	Steamer Alabama	1,295
Alvarado, bark		Capetown	Boston	June, 1861	Steamer Sumter	299
Alfred H. Partridge, schr		Gloucester	Fishing on Banks	June 7, 1863	Privateer Tacony	200
Ada, schr		Gloucester	Fishing on Banks	June 23, 1863	" "	200
Arabella, brig	Conover	Gloucester	Fishing on Banks	June 7, 1863	" "	300
Archer, schr		Gloucester	Fishing on Banks	June 12, 1863	" "	200
Amazonian, bark	Lorland	New York	Montevideo	June 2, 1863	Alabama, lat. 11.15, lon. 34.30	481
Anglo Saxon, ship	Caverly	Liverpool	New York			868
Alliance, schr		Philadelphia	Port Royal		Off Rio, (bonded)	190
Anna F. Schmidt, ship		St. Thomas	San Francisco		Alabama, off Rio, (bonded)	784
Atlanta, ship	Merrill	Montevideo	Chincha Islands		" "	699
Benj. Dunning, brig	Farney			July 3, 1861	Steamer Sumter	284
B. F. Martin, brig	French	Philadelphia	Havana	June 16, 1861	" "	293
Benj. Tucker, ship	Childs	New Bedford	Whaling	1862	Steamer Alabama, off the Flores	800
Brilliant, ship	George Hagar	New York	Liverpool	October 3, 1862	" " lat. 40, lon. 50.30	839
Betsy Ames, brig				1863	" "	265
Bethial Thayer, ship	Pendleton	Callao	Nantes	1862	" "	896

Vessels.	Master.	Where from.	Where to.	Date.	Captured by	Tons.
Baron de Castine, brig.	C. W. Haskell.			1862.	Steamer Alabama, lat. 39 N., lon. 69 W., (bond)	267
Boston, tug	Tibbetts.		New Orleans	June 9, 1863.	Rebels, at mouth of Mississippi.	100
Byzantium, ship	Robinson.	London	New York	June 16, 1863.	Privateer Tacony, lat. 41, lon. 69.10.	800
B. F. Hoxie, ship	Magattan.	Falmouth.	Falmouth	June 16, 1863.	Florida, lat. 12 N., lon. 80 W.	1,387
California, bark	S. Hawthorne.	St. Thomas.	Cork	1861.	Steamer Sumter.	299
Cuba, brig.	J. G. Foster	New York.	Vera Cruz.	July 1, 1861.	" "	199
Chastelain, brig.	Handy.	Guadaloupe.	Cienfuegos	Jan. 27, 1863.	Steamer Sumter, off Altwela Rock.	293
Courser, schr.		Provingetown.	Whaling	1863.	Steamer Alabama	200
Crenshaw, schr.	Nelson	New York.	Glasgow	Oct. 26, 1862.	" " lat. 40 N., lon. 65 W.	278
Corris, Ann, brig.	Small.	Philadelphia.	Cardnas	Jan. 22, 1863.	Steamer Florida.	235
Castine, ship.	Smith.	Callao	England	Jan. 25, 1863.	" "	962
Commonwealth, ship	McLellan.	New York.	San Francisco	1863.	Steamer Alabama, lat. 30 S., lon. 80.25 W.	1,245
Charles Hill, ship.	Percival.	Liverpool	Montevideo	April, 1863.	" " lat. 7.30 N., lon. 26.20.	699
Clarence, brig.	Phinney	Bahia	Baltimore	1863.	Steamer Florida	253
Crown Point, ship.	Sohn N. Geit.	New York.	San Francisco	1863.	Georgia, lat. 7 S., long. 74.	1,098
City of Bath, ship.	Cooper.	Callao	Antwerp	June 28, 1863.	" lat. 21 S., lon. 29.10 (bonded).	736
Constitution, ship.	Webster.	Philadelphia.	Valparaiso	June 25, 1863.	" "	997
Commonwealth, bark.	Salsbue	New York	San Francisco	April 17, 1863.	Florida, lat. 20 S., lon. 31 E.	300
Conrad, bark.	Moloney.	Montivedo.	New York		Alabama	847
D. C. Pierce, bark.	Quisls.	Remedios	England	June, 1861.	Privateer Jeff. Davis.	396
Daniel Trowbridge, schr.	W. H. Morrow.	New York.	Demerara.	1861.	Steamer Sumter.	200
Dunkirk, brig.	Johnson.	New York.	Lisbon	October, 1862.	Steamer Alabama, lat. 40.30, lon. 54.20.	298
Dorcas Prince, ship	Melcher	New York.	Shanghai	1863.	" " lat. 7.35 S., lon. 31.35 W.	699
Dictator, ship	Phillips	Liverpool	Hong Kong.	1863.	Georgia, lat. 25 N., lon. 21.40 W.	1,293
Elizabeth Ann, schr.	Thomas	Cloucester.	Fishing	June 22, 1863.	Privateer Tacony	200
Ella, schr.	Warren	Tampico	New York	1861.	Privateer Jeff. Davis.	92
Emily Fisher, brig.	Staples	St. Jago	Guantanamo.	March, 1863.	Retribution	230
Eben Dodge, bark.	Hoxie	New Bedford.	Whaling	1861.	Steamer Sumter.	300
Enchantress, schr.	Deveraux	Boston.	St. Jago de Cuba.	July 13, 1861.	Privateer Jeff. Davis.	200
Elisha Dunbar, bark.	David R. Gifford.	New Bedford	Whaling	1862	Steamer Alabama, lat. 39.50, lon. 35.20.	300
Estella, brig	Brown	Manzanilla	Boston.	Jan. 17, 1863.	Steamer Florida, lat. 23.50, lon. 34.17.	300
Express, ship.			Antwerp.		Alabama, off Rio	1,072
Florence, schr.	Gardner.	Gloucester.		1863.	Tacony, (bonded).	200

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Francis B. Cutting, ship		Liverpool	New York	Aug. 6, 1863.	Florida, lat. 41.10, lon. 44.20, (bonded)	796
F. W. Seaver, bark	Snow	Boston	Hong Kong	June 22, 1863.	Georgia, (bonded)	340
Glen, bark	Holmes	Philadelphia	Tortugas	July, 1861.	Steamer Sumter	287
Golden Rocket, ship	Pendleton	Havana	Cienfuegos	July 16, 1861.	"	608
Golden Eagle, ship	Swift	Howland's Island	Queenstown	1863.	Steamer Alabama, lat. 29 N., lon. 45 W.	1,273
Golden Rule, bark	P. H. Whiteberry	New York	Aspinwall	Jan. 26, 1863.	" " lat. 17.45	250
Goodspeed, bark	J. L. Dunton	Londonderry	New York	June 21, 1863.	Privateer Tacony	300
Golden Rod, schr	Bishop	Holmes' Hole	Chesapeake Bay			130
Geo. Griswold, ship	Pettengill	Caidiff	Callao	June 18, 1863.	Georgia (bonded)	1,280
Good Hope, bark	Gordon	Boston	Algoa Bay	June 22, 1863.	" lat. 22.29 S., lon. 42.39 W.	436
Hanover, schr	Case	Boston	Aux Cayes	Jan. 31, 1863.	Privateer Retribution	200
Harriet Spaulding, bark	Peabody	New York	Havre	Nov. 18, 1863.	Steamer Alabama	299
Herbert, schr	Martin			July 18, 1861.	Privateer Winslow	200
Henry Nutt, schr	Burnett	Key West	Philadelphia	August, 1861	Steamer Sumter	235
Hannah Balch, brig	Matthews	Cardenas	Boston	July 6, 1862		149
Hatteras, gunboat	Blake	Galveston	Blockade	Jan. 13, 1863.	Steamer Alabama, off Galveston, Texas.	800
Harvey Birch, ship	Nelson	Havre	New York	Nov. 19, 1862.	Steamer Nashville	800
Henrietta bark	Brown	Baltimore	Rio Janeiro	1863.	Steamer Alabama	437
Itasca, brig	Conley	Nuevitas	New York	Aug. 4, 1861.	Steamer Winslow	300
Isac Webb, ship	Hutchison	Liverpool	New York	June 20, 1863.	Tacony, lat. 40.35, lon. 68.46, (bonded)	1,300
Ibez Snow, ship	Ginn	New York	Montevideo	May 25, 1863.	Alabama, lat. 12 S., lon. 34 W.	1,070
Joseph Parks, brig		Pernambuco	New York	Dec. 1861	Steamer Sumter	300
Joseph Maxwell, bark		Philadelphia	Laguayra	June 16, 1861.	" "	295
John Adams, schr	C. B. Areral	Provincetown	Whaling	May, 1861	Calhoun	100
J. R. Watson, schr	Eldridge	New York		July 13, 1861		200
John Welsh, brig	Fifield	Trinidad	Falmouth, Eng.	July 13, 1861.	Privateer Jeff. Davis	275
John A. Park, ship	Cooper	New York	Buenos Ayres	March 2, 1863.	Steamer Alabama	1,050
J. P. Ellicott, brig	Deveraux	Boston	Cienfuegos	Jan. 10, 1863.	Retribution	237
Jacob Bell, ship	Frisbee	Foochow	New York	Feb. 12, 1863.	Steamer Florida, lat. 24, lon. 65	1,382
J. S. Harris, ship	G. W. Collier	Cuba	New York	1861	Steamer Sumter	800
Joseph, brig	Myers	Cardenas	Philadelphia	June 15, 1861.	Privateer Savannah	171
Justina, bark	Miller	Rio Janeiro	New York	May 25, 1863.	Steamer Alabama, lat. 12 S., lon. 35.30, (bonded)	400
Kate Stewart, schr	W. B. Wood	Philadelphia		1863.	Steamer Florida, lat. 37.10, lon. 75.04, (bonded)	387

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Kate Dyer, ship	A. Dyer	Callao	Antwerp	June 17, 1863.	Lapwing (bonded)	1,278
Kate Cory, brig	Flanders	Westport.	Whaling	1863.	Steamer Alabama	125
Kingfisher, schr	Lambert	Fairhaven.	Whaling	1863.	" "	125
Lafayette, bark	Lewis	New Bedford	Whaling	1863.	" "	300
Louisa Hatch, ship	Grant	Cardiff	Singapore	1863.	" "	835
Louisa Kilham, bark	White	Cienfuegos	Falmouth, Eng.	July 20, 1861	Steamer Sumter	463
Levi Starbuck, ship	McMellen	New Bedford	Whaling	Nov. 2, 1862	Steamer Alabama, lat. 35.30, lon. 66.	376
Lafayette, ship	Small	New York	Belfast, Ireland	Oct. 23, 1862.	" " lat. 40 N., lon. 64 W.	945
Lamplighter, bark	Harding	New York	Gibraltar	Oct. 15, 1862.	" " lat. 41.30 S., lon. 59.17 W.	279
Lauretta, bark	Wells	New York	Messina	Oct. 28, 1862.	" " lat 39.45 N., lon. 68 W.	284
Lydia Frances, brig	Campbell			June 15, 1862.	Off Hatteras	262
Lapwing, bark	Bolger	Boston	Batavia	March 27, 1863	Steamer Florida, lat. 31, lon. 62.	590
Lenox, bark	Seth Cole	New York	New Orleans	June 12, 1863.	Boston, at mouth of Mississippi.	370
L. A. Macomber, schr	Potter	Noank	Fishing	June 20, 1863.	Privateer Tacony	200
Marengo, schr	Freeman	Gloucester	Fishing	June 22, 1863.	" "	200
Manchester, ship	Landerkin	New York	Liverpool	Oct. 11, 1862.	Steamer Alabama, lat. 41.25, lon. 55.50	1,075
Machias, brig	Shoppey			July 20, 1862.	Steamer Sumter	250
Monticello, brig	Hopkins	Rio Janeiro	Baltimore	July 1, 1862.	Privateer St. Nicholas	300
Mary E. Thompson, brig	Havener			July 9, 1862.	Privateer Echo	210
Mermaid, schr	Soper	Provincetown	Whaling	May, 1862.	Privateer Calhoun	200
Mary Pierce, schr	Dodge	Boston	Washington	July 1, 1862.	Privateer St. Nicholas	192
Margaret, schr	Hansen			June, 1862.	" "	206
Mary Goodell, schr	McGilvery			July 9, 1862.	Privateer Echo	200
M. J. Colcord, bark	Rufus Harriman	New York	Cape Town, CGH	March 30, 1863	Steamer Florida, lat. 28, lon. 33.	374
Moraing Star, ship	Burgess	Calcutta	London	April 8, 1863.	Steamer Alabama, lat. 2 N.	1,105
Mary Alice, schr	Walsh	Porto Rico	New York	July, 1861.	Steamer Winslow	181
Mary Alvina, brig	Crobich	Boston	New Orleans	1863.	Steamer Florida, lat. 34.25 N., lon. 74 23.	266
M. A. Shindler, schr	Wm. Ireland	Port Royal	Philadelphia	June 12, 1863.	" " lat. 37.18, lon. 75.4.	299
Martha Weazell, bark		Akyab	Falmouth		Alabama, False Bay, (Released)	578
Naiad, brig	Chase			July, 1861	Steamer Sumter	300
Neapoliton, bark	Burdett	Messina	Boston	Feb, 1861	" "	322
N. Chase, schr	Joane	New York	Antigua	Sept, 1861	" "	150
Nora, snip	Adams	Liverpool	Calcutta	1863.	Steamer Alabama	800

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Nye, bark	Barker	New Bedford.	Whaling	1863.	Steamer Alabama	300
Ocmulgee, ship	Osborne.	Edgartown.	Whaling	Feb. 21, 1863.	" " off the Flores.	300
Ocean Rover, ship	Clark	Mattapoisset.	Whaling	81863.	" " " "	766
Olive Jane, bark	Kallock.	Bordeaux.	New York	Feb. 21, 1863.	" " "	300
Ocean Eagle	Luce	Rockland.	New Orleans	1861.	Steamer Sumter.	290
Oneida, ship	Potter	Shanghai	New York	1863.	Steamer Alabama, lat. 1.40 S., lon. 29 W.	420
Osceola, bark				1862.	" " off the Flores.	300
Ocean Cruiser, schr				1862.	" " " "	200
Punjaub, ship.	Miller	Calcutta	Liverpool	March 14, 1863	" " "	760
Parker Cook, bark	Fulton.	Boston.	Aux Cayes.	Nov. 30, 1862.	" " lat. 18.30.	135
Protector, schr	J. Clark.	Cuba	Philadelphia	June, 1861		200
Panama, brig.	Cook	Provincetown	Whaling	May 29, 1861.	Privateer Calhoun	153
Priscilla, schr	Crowther	Curacao	Baltimore.	July, 1862	Steamer Winslow.	144
Palmetto, schr	O. H. Leland.	New York.	Porto Rico	Feb. 27, 1863	Steamer Alabama	172
Prince of Wales, ship	Morse.	Callao	Antwerp		Georgia, (bonded)	960
Rufus Choate, schr	Smith.	Gloucester.	Fishing	June 22, 1863.	Privateer Tacony	200
Rowena, bark.	Wilson.	Laguayra	Philadelphia	June, 1861	Privateer Jeff Davis.	340
Robert Gilfillan, schr.	Smith.	Philadelphia	St. Domingo	Feb. 26, 1862	Steamer Nashville	240
Ripple, schr	Gearing.	Gloucester.	Fishing	June 22, 1863.	Privateer Tacony	200
Reiwig, schr	Avery	Provincetown.	Fishing	July 7, 1863	Florida.	95
Red Gauntlet, ship	Howes.	Buena Vista	New York	May 26, 1863.	" lat 29 23, lon. 36 W	1,038
S. J. Waring, schr	Smith.	New York.	Buenos Ayres.	July 15, 1863	Privateer Jeff Davis	372
Starlight, schr.	Whittemore.			1862.	Steamer Alabama, off the Flores.	205
Star of Peace, ship.	Huckley	Calcutta	Boston.	1863.	Steamer Florida.	941
Sebasticock, ship	Chase	Liverpool	Charleston	1861.	Steamer Sumter.	549
Santa Clara, brig	C. J. Jordonson	Porto Rico.	Boston.	1861.	" "	189
S. Gildersleeve, ship	McCullum.	Sunderland.	Calcutta	1863.	Steamer Alabama	100
Sea Bird, schr	Scott	Philadelphia	Newbern.	1863.	By rebels, at the mouth of Neuse R.iver	200
Sea Witch, schr	W. Egbert.	Buracoa.	New York	1861	" " " "	95
Shattemuc, ship	J. H. Oxford.	Liverpool	Boston.	June 24, 1863	Privateer Tacony, lat. 43.10, lon. 68.4.	200
Sea Lark, ship	Peck	Boston	San Francisco.	May 3, 1863	Steamer Alabama, lat. 9.35 S., lon. 31.20 W	974
Sunrise, ship	R. Luce.	New York.	Liverpool		Florida, lat. 40 N., lon. 68 W., (bonded)	1,174
Southern Cross, ship	Lucas.	Boston.	Hay Kay.	June 3, 1863.	" lat. 34 S., lon. 36 W.	938

Vessels.	Master.	Where from.	Where to.	Date.	Captured by.	Tons.
Santee, ship.	Parker.	Akyab.	Falmouth.		Conrad, (bonded).	898
Sea Bride, bark.						447
Transit, schr.	A. Knowles	New London.		July 15, 1861.	Steamer Winslow.	195
T. B. Wales, ship.	Lincoln	Calcutta	Boston	1863.	Steamer Alabama, lat. 28°30, lon. 58	599
Tonawanda, ship.	T. Julius	Philadelphia.	Liverpool	Oct. 9, 1863.	" " lat. 40.30, lon. 54.30, (bond.)	1,300
Tacony, bark.	William G. Mundy.	Port Royal	Philadelphia	June 12, 1863.	Steamer Florida, lat. 37.18, lon. 75.04	296
Texana, bark.	Thomas E. Wolfe.	New York.	New Orleans	June 12, 1863.	Privateer Boston, at mouth of Mississippi.	588
Talisman, ship.	Howard	New York.	Shanghai	June 5, 1863.	Alabama, lat. 14 S., lon. 34 W.	1,237
Umpire, brig.	Perry.	Lagana	Boston.	June 16, 1863.	Privateer Tacony, lat. 37, lon. 69.57½	196
Union Jack, bark.	C. P. Weaver	New York.	Shanghai	May 3, 1863	Steamer Alabama, lat. 9.40 S., lon. 32.30	300
Virginia, bark.	S. B. Tilton.	New Bedford	Whaling	1863.	" " lat. 39.10, lon. 34.20	300
Vigilant ship.	Hathaway.	New Bedford	Whaling	1863.	" "	650
Varnum, H. Hill, schr.		Provincetown.	Cruising	June 27, 1862.	Florida, lat. 30 N., lon. 48.50, (bonded).	90
West Wind, bark	Saunders	New York.	New Orleans	July 1861	Steamer Sumter.	429
Wave Crest, bark.	Harman.	New York.	Cardiff.	Oct. 7, 1862.	Steamer Alabama, lat. 40.25, lon. 54.25	409
Weather Gauge, schr.	G. Clark, Jr.			1862	" " of the Flores.	200
Washington, ship	White	New York.	Liverpool	Jan. 26, 1863.	Steamer Florida.	1,655
Windward, brig	Roberts	Matanzas.	Boston.	Jan. 23, 1863.	" "	199
W. McGilvery, brig	Harriman	Cardenas.	Philadelphia	July, 1861.	Privateer Jeff Davis.	198
W. S. Robbins, bark.	Arroya	New York		June, 1861.	Steamer Sumter.	200
Whistling Wind, bark.	Butler	Philadelphia.	New Orleans	June 6, 1863.	Privateer Coquette, lat. 33.38, lon. 71.29	349
Wanderer, schr.		Gloucester.	Fishing	June 22, 1863.	Privateer Tacony.	200
William B. Nash, brig.	Coffin.	New York.	Marseilles	July 8, 1863.	Florida, lat. 40, lon. 70	299

SUMMARY.—178 vessels, comprising 1 U. S. gunboat; 1 steamer; 1 steam-tug; 54 ships; 42 barks; 32 brigs; 47 schooners—80,899 tons.

TEXTILE FABRICS:

FLAX, HEMP, WOOL, SILK, AND COTTON.

THE cultivation and manufacture of the four great materials, Flax, Wool, Silk, and Cotton have ever been the chief means of industrial employment, and their products the principal articles of traffic among nations. It is only very recently, however, that the manufacture of the three last mentioned have made much progress in Western Europe. In the present century, the supply of these three materials has been greatly increased and the qualities have been greatly improved, while machinery has been largely employed in their manufacture. Linen, on the other hand, has been of very remote and general use, yet has comparatively defied the powers of machinery and the attempts made to improve its manufacture. It has therefore been and continues to be more dependent upon the slow and costly process of hand labor than the other three articles. It is, however, one of the most general productions of the European peasant, and is afforded at comparatively low cost. Belgium and Holland have been the most remarkable for linen industry; the culture and manufacture of flax were well developed among the Belgi when the Roman power first dominated the Rhine country. At that remote period the *blouse* was already the national costume, and Italy derived a new commerce in the importation of the linen fabrics of Flanders. The pre-eminence in this trade then possessed by the Low Countries was held for many centuries. As to its origin, many writers trace it back three centuries before CHRIST. It is certain that in the 13th century Belgium had a monopoly of the linen manufacture in Europe. Nivelles was then the seat of the manufacture, which, however, soon spread to Brabant, Hainau, and Journal. In the latter part of the 15th century, ALBERT and ISABEL, on visiting Courtrai, were presented with damask cloths of great delicacy, and in the 16th century the growing India trade had introduced cottons, and silks had grown into more general use. The cultivation of cocoons in Italy had begun at this time to be quite extensive, and when HENRY IV. of France displayed the first pair of silk stockings, which were imported, an impulse was given to the manufacture which laid the foundation of the prosperity of Rouen, Lyons, etc. The linen manufacture also spread through Germany, England, and Spain. These circumstances caused a decline in the Belgium trade, and a government commission was ordered to investigate the matter. As a result of this commission the exportation of flax was prohibited and also the importation of cottons. These enactments did not help the matter much. The general growth of wealth and population, however, kept up a certain demand for Belgium linen, notwithstanding the growth of manufacture elsewhere. In the beginning of the 18th century there were sold annually in the Flemish markets 100,000 pieces of linen of 80 yards each, and this did not comprise the large quantity made in the cottages of the peasantry for their household use. The steady progress of the trade during the 18th century will be gathered from the statistics contained in public documents of the quantities sold in the market of Ghent alone. In 1735, there were 65,849 pieces; in 1775, 79,040;

in 1760, 83,305; and in 1764, 86,315. The other chief markets were Courtrai, Audenarde, Alost, Renaix, Lokeren, and Bruges.

When Belgium fell under the rule of France, in the year IX. of the French republic, Flanders alone was estimated to produce 282,793 pieces of linen—say 22,623,440 yards, valued at \$3,675,282. The manufacture continued to extend in Belgium up to 1838, at which period the competition of Great Britain and Ireland in the European and foreign markets checked its progress. In 1840, the entire quantity manufactured in Belgium was estimated at 400,000 pieces, or 32,000,000 yards, valued at \$12,000,000.

The manufacture of flax had, at this time, progressed in England greatly, and the growth of flax in Ireland, under the auspices of the Royal Society, increased in ten years ending 1851, 100,000 acres, and has been annually as follows:

1863.....acres	214,092	1858.....acres	91,641
1862.....	150,070	1857.....	07,721
1861.....	147,957	1856.....	106,311
1860.....	128,595	1855.....	97,075
1859.....	136,282	1854.....	151,403

The increase of sowing in 1863 is nearly 45 per cent as compared with 1862; and, as compared with any of the years 1855, 1856, 1857, and 1858, the increase is more than 100 per cent. The quality of the flax and its price are all that could be desired. Of the whole number of acres in 1863, 207,345 were in Ulster. The import of flax into Great Britain in forty years to 1860, increased 115,000,000 lbs. In France the trade had also become well developed. In all this time, however, linen had to contend against not only the growth of the other materials, but their adaptedness to the same purposes.

The use of wool throughout Europe, particularly in France and Great Britain, had been confined to coarse textures, as well from the nature of the wool itself as from the want of proper machinery for its manufacture. The Spanish breed of sheep alone furnished the proper material for cloths, and it was not until the First Consul, at the close of the 18th century, caused the transfer of some 7,000 Spanish rams to France that the breed began to improve. When Spain was occupied, the great conqueror, ever mindful of material interests, caused a great importation of merinos into France, from which the greatest results were derived; for when France, in 1815, was overrun by the allies, the fine rams were carried off to Germany. Fine wools have since been of more general growth, and have greatly aided in the spinning of fine woollen yarns. In England the improved breed of sheep produced the long, brilliant combing wools for which that country is famous. The export of these wools was prohibited until 1828, and since that time, by the aid of machinery, wools have grown to rival cotton and linen in the fineness and brightness of the fabrics that may be wrought from them.

The manufacture of silk, at the same time, has spread wonderfully in France and England, and the silk industry of Italy has become one of the most important for the supply of the raw material, which has not only contributed the costly fabrics worn by the wealthy, but in its mixture with the other materials has diversified and extended the use of all.

All these articles, however, (silk, flax, and wool,) have found in cotton

their most powerful competitor; for, since 1800, cotton has been so developed as to form two-thirds of the whole material used for modern clothing. The immense and rapid increase in the culture of cotton, and its successful application to purposes of wearing apparel, come so obtrusively upon the public, that all are aware of the progress so made; but it is not generally borne in mind that the aggregates of the four other prime raw materials, including hemp, increase nearly as fast in supply as does cotton, and that the price of each is materially influenced by the supply of each of the others. During the first half of the present century, England has been the work-shop of the world, and although in other countries the development of manufactures has, in the last forty years, very rapidly increased, the production in England has maintained its supremacy. Hence, if we take a total of the quantities of each of the five great raw materials imported into England, for the use of her manufactories, we shall have results as follow :

IMPORTS OF RAW MATERIAL INTO ENGLAND.

	Cotton, lbs.	Wool, lbs.	Silk, lbs.	Flax, cwt.	Hemp, cwt.
1790	30,574,374	3,245,352	1,253,445	257,222	592,306
1810	126,018,487	10,936,224	1,796,106	511,970	955,890
1830	255,426,476	32,313,059	4,318,181	944,096	506,771
1840	437,099,631	52,862,020	4,756,121	1,338,217	612,515
1844	558,015,248	69,493,355	6,207,678	1,595,339	911,747
1850	666,223,760	72,674,483	4,942,417	1,821,573	1,048,635
1851	760,762,250	83,063,679	4,608,336	1,194,184	1,293,410
1860	1,225,989,072	148,396,597	9,178,610	1,461,010	1,609,175

It will be observed that England was a large wool-producing country, and gradually her trade so increased as to use up all her own produce, and require annually increasing supplies; but her trade did not increase rapidly until in 1827, when the prohibition of the export of wool was removed. The supplies since then have been large. In 1825 the silk trade was thrown open, and the quantity of raw silk required by the manufacturers tripled in twenty years.

If now we regard England as the great work-shop of the world, and make a table of the imports of the five great materials, we shall have an indication of the relative supply of each of the five materials to the whole :

IMPORTS OF RAW MATERIALS FOR TEXTILE FABRICS INTO GREAT BRITAIN.

	Hemp, lbs.	Flax, lbs.	Silk, lbs.	Wool, lbs.	Total four articles, lbs.	Price Up-land in Liv Cotton, lbs. exp'ol.
1835	72,352,200	81,916,100	4,027,649	41,718,514	160,014,463	326,407,692 10½d
1840	82,971,700	139,301,600	3,860,980	50,002,976	276,137,256	531,197,817 6
1845	103,416,400	159,562,300	4,866,523	76,813,855	344,258,785	721,979,953 4½
1850	119,462,100	204,928,900	5,411,934	74,326,778	404,137,912	714,502,600 4½
1855	136,270,912	145,511,437	7,548,639	99,300,446	388,631,454	891,751,963 5½
1856	142,613,525	189,792,112	8,236,685	116,211,392	456,663,714	1,023,886,304 6
1857	169,004,562	209,953,125	12,718,867	129,749,898	521,426,452	969,318,896 7½
1858	184,316,000	144,439,332	6,635,845	127,216,973	462,608,150	1,076,519,800 7½
1859	241,917,760	160,388,144	12,578,849	133,284,634	548,169,387	1,325,989,072 6½
1860	140,910,600	128,176,000	10,811,204	148,396,597	428,293,301	1,086,670,900 7½
1861	150,802,800	116,696,200	10,671,208	164,200,637	442,371,445	982,098,670 13½
1862	170,720,700	157,354,500	13,095,268	192,058,241	533,228,709	526,313,700 25½

Thus, each of all the great raw materials has increased in the quantity consumed; and the weight of the four first, wrought up in England, has doubled in quantity in the fifteen years up to 1850, or increased in the same ratio as cotton. The influence of gold discovery was now apparent

upon the supplies of the articles named, and in 1857, the year of the panic, the imports of flax and silk were very large, carrying the aggregate of the four materials to nearly 60 per cent of cotton. Since that year there seems to have been no material increase in their receipts in the United States. From 1840 to 1850 the cotton culture did not materially increase, that is, in ten years it only increased 3 per cent per annum. The culture of linen, and its employment throughout Europe, has been very large, quite as large, in proportion, as in England. Taking Europe and England together, therefore, it may well be questioned whether the actual weight of the four minor raw materials had not increased faster than that of cotton up to 1850. The events of the last quarter of a century have tended to promote supply, more particularly in the last fifteen years, in which time the Chinese trade has become more regular in the supply of silk for European use, and Australia has become the great wool country, while the United States cotton power has been immensely developed. In the same period, also, the industry of Russia has received a more intelligent development, causing a greater supply of hemp and flax at cheaper rates. All these sources enhanced the supply of raw material for textile fabrics fifty per cent in ten years to 1850, and perhaps somewhat faster than the demand for the goods produced would take them up. The influence of one material upon the other has been continually made more effective by the ingenious combinations of the cheapest among them into the new fabrics. Thus, fabrics of silk and wool, wool and cotton, silk and cotton, silk, cotton and wool, have all assumed different textures, and different proportions of each material, according to the relative cheapness of each. Consequently, the price of any one has always been checked by that of the others, and the value of all has been influenced by collateral circumstances.

The above table gives in pounds' weight the quantities of raw material imported into Great Britain from all countries in each year. It does not include the wool used of home growth, or the increasing supply of Irish flax, but it indicates the demand that England has annually made upon the countries that produce raw materials for the means of supplying the large demands made upon her factories for goods. The stimulus everywhere given to the production of exchangeable values, and the diminished cost of transportation, as well as the more liberal policy of governments, have left to the producer a larger share of the products of his own industry, and this has shown itself in a demand for clothing. It is to be observed in the table that up to 1850 the proportion of the four other articles increased faster than cotton. Those articles, worked more and more into fabrics, that before had been exclusively of cotton, the result was cheaper fabrics that gradually glutted the markets, and the price of cotton fell from $10\frac{1}{4}$ cents in 1835, almost year by year, to $4\frac{1}{4}$ cents in 1848, the extreme low price being the effect of the famine. In that period of time, however, the purchases of cotton had doubled in England, and of the other four articles they had tripled. These are the receipts of raw materials into the work-shops of England only. Those of the continent have received similarly increased quantities. Since 1850—that is to say, since the discovery of gold—a change has, as we before stated, taken place. The supply of raw materials has increase in magnitude, but the demand for clothing has apparently increased in a greater degree, since an aggregate quantity of raw materials in 1857, 50 per cent greater

than the large supply of 1850, sold at a rise of 75 per cent in price, or at a rate of $7\frac{1}{4}$ d. per pound for cotton, against $4\frac{1}{4}$ d.

Such was the progress of events up to 1861, when political events in the United States cut off the supply of American cotton, and reduced by one entire third the quantity of materials required by England alone for clothing. It may be observed that the progress of spinning had been very rapid, and probably far exceeded the regular demand for goods, causing most markets to be glutted. When, therefore, the cotton growth of the United States was withheld from the markets, and diminished consumption was forced upon all manufactures alike, the direct tendency was to appreciate the value of all goods, as well linen, woolen, and silk, in all markets. All those who held stocks of goods were benefitted—the operatives alone suffering for want of work. The effect of this rise in prices was, also, to reduce the rate of consumption, causing the existing stocks to last longer than they otherwise would have done. That process has a limit, however, since the quantity of cotton used by all nations being reduced, they have been compelled to use more of other materials, and as a consequence have been able to spare less of those materials for the general markets. Hence the aggregate importation of the four articles have not much increased since cotton has been withheld. The export of cotton from the United States has been as follows:

	Pounds.	Value.	Per lb.
1857.....	1,048,282,475	\$131,575,859	$12\frac{1}{2}$
1858.....	1,118,624,012	131,386,661	$11\frac{3}{4}$
1859.....	1,386,468,556	161,434,923	$12\frac{3}{4}$
1860.....	1,767,686,338	191,806,555	$10\frac{7}{8}$
1861.....	307,516,099	34,050,483	$11\frac{1}{8}$
1862.....	5,064,564	1,180,113	23
1863.....	850,280	660,224	80

Had the United States supplied in 1861 and 1862 the same quantity that they supplied in 1859 and 1860, Europe would have had 3,154,154,894 pounds more material—equal to 15,000,000,000 yards of cloth. Inasmuch as none was derived from the United States, England exported as follows:

August, 1860, to December, 1861, 17 months....yards	4,239,903,766
January, 1862, to July, 1863, 17 months.....	2,227,170,173
Decrease.....	2,012,733,593
Decrease of manufacture in Europe.....	3,101,000,000
“ “ “ “ United States.....	2,750,000,000
Reduced supply of cotton cloth.....	7,863,733,593

This immense reduction in the supply of clothing is, to some extent, counteracted by economy in consumption, but also in the larger use of articles from other materials. The effect of the reduced supply upon prices has been to double the prices of cotton goods in England, and proportionately to raise the value of other commodities, and, consequently, by a well known law of trade, to diminish the use of all.

The production of goods in the Northern States, according to the census, was, in 1860, as follows:

	Pounds used	Yards.	Value.
Cotton	336,327,120	1,285,408,480	\$107,873,646
Wool.....	64,565,010	35,000,000	67,208,001
Total.....	400,892,130	1,320,408,480	\$175,081,647

Thus, of the raw material, 80 per cent was cotton, which was used alone and in mixtures with wool in New England in the proportion of one-seventh and in the Middle States of 40 per cent. There were also imported 80,000,000 yards of linen, and, when the supply of cotton ceased, many of the manufacturers had large stocks and all had considerable supplies of cotton goods, the manufacture of which has now comparatively ceased for two years. The withdrawal of so large a quantity of goods from the markets was necessarily a cause of a great rise in prices, which, in New York, reached nearly four times the usual price. The rise was doubtless caused not altogether by the short supply of cotton, but in some degree, also, by the state of the currency. Exactly where the one cause ceased to act and the other commenced it is difficult to say. The combined effect was greatly to retard consumption, or to make the same stock of goods last for a much longer period. The stocks of goods gradually declined, but importations have not been much enhanced, for the reason that all nations have suffered similar difficulties. Each nation being deprived of its usual supply of cotton, has been thrown back upon its other materials, and the surplus to be retained that could be afforded for the general markets has been small.

It is no doubt the case that the cotton countries have exerted themselves to spare as much cotton as possible at the ruling high prices. The receipts into England have been as follows :

	United States.	Brazil.	Egypt.	East Indies.	Other places.	Total.
1860..	1,008,382,220	17,364,700	44,148,700	205,068,900	22,144,080	1,397,109,600
1861..	823,159,000	17,682,101	41,084,600	370,562,700	10,021,160	1,262,508,670
1862..	13,584,600	23,443,290	59,275,900	394,407,410	35,602,750	526,313,700
1863..	5 mos. 391,450	9,951,100	52,881,700	108,283,950	27,097,425	138,605,625

The high prices of cotton has drawn larger quantities from the other cotton growing countries, but not in so great a degree as might have been expected. Those countries are, however, deriving large profits from the trade. Brazil receive last year over \$7,000,000 for cotton, when in ordinary years she gets but \$1,500,000. Egypt sold cotton for \$15,000,000, and the East Indies drew from England \$95,000,000 for cotton, instead of \$12,009,000 for ordinary sales. Those countries which profit so largely by the present condition of things are not anxious for its discontinuance. They cannot, however, furnish the requisite material for the goods wanted.

The cotton required by the trade of the world is of three divisions—the long staple, the medium staple, and the short staple. The long staple is that long fiber used for making warp, and is indispensable to make a thread finer than No. 50. The best of this description is grown only on the coast of Georgia and South Carolina. An inferior quality is also grown, in small quantities, in Australia, and another species is that grown in Egypt. That of Brazil is long staple, but harsh and coarse. The quantities of long staple cotton required are not large.

The medium staple is that used for low numbers of warp, and for the weft. The difference between warp and weft is, that the former requires strength and length of fibre; the latter, softness and fulness. A piece of

cloth contains five times as much weft as warp, and the quantity required is in that proportion. This description of cotton is obtained in the Southern States only.

The short staple cotton is used for wick yarns, and in some cases for weft. It is dry, harsh, fuzzy, like rough wool. If used for cloth alone, after washing, it has a thin, meagre look. This is the East India or Surat cotton. It is incurably bad. An experience of fifty years, of great expense, have established the fact that no other kind of cotton can be grown in the East Indies. American planters and American "saw-gins" have been sent over, and American seed has been planted; and the result has been a sensible amelioration in cleanliness and color, and some slight increase in length of fiber, but scarcely any change in specific character. The dry, fuzzy, woolly characteristics remain. Sometimes the first year's samples nearly resemble the American article, but the resemblance never becomes permanent. This description of cotton is that on which England and the world is now dependent, and the distress in the districts of France and England is very great. It is not unlike the potato famine of Ireland in 1846-47. Up to that time, an immense population had become solely dependent upon the one article of potatoes for life. They planted their little patches, and the produce afforded food for the year. Suddenly the rot set in, and swept away that sole dependence. The consequence was the death of hundreds of thousands by famine, and the next census showed a loss of 1,700,000 population in Ireland. In Lancashire, the cotton trade employs:

28,000,000 spindles.....	\$126,000,000
300,000 looms.....	36,000,000
Working capital.....	100,000,000
	<hr/>
Total.....	\$262,000,000
Persons dependent.....	800,000

The sole support of this business was United States cotton, of which the crop has failed, and famine has overtaken the crowds of workers, and the most fearful distress is apparent in all quarters. The utmost efforts have been made to remedy this distress, and among those efforts has been the attempt to work India cotton; to which, however, the operatives have an unconquerable aversion. A writer states:

"This feeling appears to be general in all the mills, and arises from the constant liability of the India fiber to break during the process of manufacture; in consequence of which, it is difficult to work it so evenly as the American cotton."

BOOK-KEEPING.

WHAT A CLERK SHOULD BE.

[Continued from page 291.]

IN our last we mentioned and commented on the three books required for keeping accounts in the simplest form compatible with correctness. Under various circumstances more books will be found necessary, such as the Stock Book, Bill Book, etc., but they are all subsidiary to the Cash Book, Journal, and Ledger, which form the ruling powers in mercantile domains.

Still, the Stock Book is especially worthy of serious consideration. If this book be properly kept, and the entries duly and correctly made, it will be found to prove one of the readiest tests of the honesty of the parties entrusted with their employer's goods; whilst it will, also, be a ready and safe reference for its owner, as to the nature and results of his transactions in the shop and warehouse. Should his suspicions be aroused as to the conduct of those to whom the control of his property is intrusted, he will not be necessitated to go through the ordeal of taking his entire stock, or striking a profit or loss account, before his jealousies are justified or set at rest; but by confining his attention to those articles which he may consider the more readily adapted to the plunderer's habits or taste, he may examine them at any time with the entries in the Stock Book, and judge at once, as to the reasonableness of proceeding to a more searching examination.

In answer to inquiries after goods by customers, he will here find an almost instantaneous knowledge as to his capability to supply their demands, and see the necessity for increasing his purchases or sales in every department of his business. By continuous reference to its details, he will be more likely to avoid that "scylla of the tradesman," the overstocking himself with goods, and be induced to keep the supplies within the bounds of probable and early demands; and, at the close of his mercantile year (or other stated period for balancing his affairs), he will not require to make out an inventory of his property, but only to carry out its details; and, bringing the balances together, will be in a position to check his trading account, by comparing the profit and loss therein with the actual results of his goods then on hand, as proved by the book, known and designated as the Stock Book.

In what we have said we have addressed ourselves particularly to those who are just beginning business for themselves, and we have seen the necessity all such are under for accuracy and neatness in keeping up the records of private monetary engagements. Surely, then, their absence will most materially disqualify the candidate for position in any established mercantile house or public company. It may be possible for a young man to conceal his deficiencies in the retirement of private life; but when brought into daily contact with the scrutinizing eye of his em-

ployer, he will surely suffer from any want, either of method or of manner. Errors will not be allowed to pass unnoticed when they affect the concerns of others, and any tampering with books or papers, to conceal original mistakes, will speedily be found out. However well versed one may be in classics or historical lore—however prepossessing may be one's personal appearance—these will avail but little in the competition for confidence, which must be the great aim of all clerks if they would seek success in life. To such, then, we would say generally, that in all entries which it may be their duty to make in the records committed to their charge, they should think deeply on the whole subject matter, before they commit the same to the safe custody of *black* and *white*. Let them remember that every fact which may be necessary to elucidate the subject should appear ; but that all useless repetition and unnecessary language must be omitted. Let them take particular notice that all essentials are on the record ; but that all useless waste of time and space are to be deprecated. They must remember, too, that their duty is to enter realities—not speculations—and that their own private opinions and theories should be kept to their own desks and in their own bosoms. We have known many young men who, with the desire to be esteemed cleverer than their fellows, have commented on what they really have not understood, and mystified those things that were clear to all but themselves ; whilst in their proper position, and in the routine of every-day official life, they have been far behind the requirements of their position, and have eventually realized the fable of the hare and the tortoise in the race with their companions in the same office.

Let, then, every young clerk recollect that the eyes of his employers are ever upon him, and that his conduct and his habits are undergoing a severe, although, perhaps, silent scrutiny.

As in the army, the soldier who unhesitatingly obeys the orders of his officer, is in the surest road to promotion—so the young clerk will find his best chance of rising in life to consist in undeviating attention to neatness and dispatch in Book-keeping, and the retention in his own breast of all ideas that may arise from the nature of the business committed to his charge.

We would not have him a mere unthinking tool or drudge, working like a slave at his daily task ; but a thinking, honest, intelligent man—faithful to the charge he is entrusted with, and devoting his energies to the proper fulfilment of the duties of his position. We would have him to act when action is requisite, and to reason within himself as to the causes and modes of procedure he may have to record or to witness. We would have him remember that his own opinions of fitness or method may not accord with those of his employers or superiors, and therefore to wait the time when he shall have inspired that confidence which must eventually result from devotion to their interests, and from the industry displayed in their service.

This may not eventuate till after years of application and of toil ; or it may come speedily. Some take a longer time than others before they bestow their confidence ; and we do not know but that the tardier the same may be in its coming, the more permanent it will be in its endurance ; but when it shall come to you as the result of intelligent, persevering, sustained application to the interests of your employers, sweet indeed will be your reward, and sweeter still will be the continuance of

your labors, from the consciousness that you have begun reaping your harvest in the fields of industry. To the beginner, then, we would say again, creep before you walk—walk before you run; but when you have begun the race, remember the hare! Slumber not on your path of rectitude and duty, and remember that “the crown is reserved for those who endure even unto the end.”

The clerk, then, being thus indoctrinated with the first duties of his office, and continually remembering that Punctuality, Correctness, and Neatness must be his motto, must now turn his attention undeviatingly to those matters which may come under his control in the daily routine of his position. And, first, we would say, especially to those who are in banks or public companies, that civility to all with whom you may come in contact, *can never lose you a friend*. You are not bound to waste your own or your employer's time in *continued* discussion; but you may save even much of that, as well as eventually of temper on both sides, by condescending to enlighten the ignorant, and being clear and explicit in those replies you may be called on to give to demands or inquiries for information. An author has said, “Words were given to us to conceal our ideas.” This we deem but a bad specimen of Macchiavelli-ism, and the advice contained therein to be both untrue and impolitic. We would say, a civil question demands a civil answer, and if you feel yourself not at liberty to state facts, say so at once, and refer your querist to those from whom he may require them; tell him that the answer does not belong to your department, and let him repeat his inquiries in the proper direction.

If you are at any time ordered to give an unpalatable answer to an applicant, do not needlessly add to the irritation by appearing to have a personal part in the proceeding. Let the disappointed one not have cause to turn his enmity on you, and think that he has the right to number you amongst his “unfriends;” but let him rather suppose that, but for your official position, he might reckon on your sympathy.

You must also remember that no private correspondence should intrude on your official and business time. You are employed then by others, and your hours and minutes are not your own. Rare, indeed, must be the exception to this rule, and great the cause which shall tempt you to break it. No petty reason should induce you to call your mind away from the duties of your office, and the necessary attention to the business confided to your care. No call should be then allowed that possibly could be attended to at another time; and nothing but sickness or death should be allowed to cause your absence from the appointed post of duty. And whilst we are on this point of advice, allow us to add, that the unshaven, untidy clerk of *to-day*, cannot expect to meet the benevolent and sympathizing eye of the employer *on the morrow*. No man of sense can expect that a night of dissipation can properly fit him for the day of labor and of thought; that the hand which was lifting the bowl of intemperance to his lips on the previous evening, will be steady to rule off the balance on the coming morning; that the haunts of vice and of licentiousness will tend to sober his intellect and to brace up his nervous system for the battle of life and duty; for truth cannot come out of falsehood, or life out of death. If, then, the young clerk should be asked by any of his fellows to stray out of the paths of sense and sobriety, let him look on the tempter with distrust; let him remember that the first false step has occasioned the temporal and eternal ruin of thousands, and that the paths

of vice can be better avoided than they can be retraced. Circe destroyed not Ulysses, because he would not listen to her wiles; and destruction and disgrace are the sure attendants of those who once deviate from the ways of virtue and rectitude.

Let not extravagance in diet or in dress creep on you; reflect on your ways and means at all times, and that an eagle is made up of quarters and dimes. When you have a holiday assigned to you, remember that it is not to be wasted; and therefore devote it alike to the benefit of your bodily and mental health. Make the most of your time, and devote the interval assigned to their proper recreation, that when the period has expired you may return with fresh energies and renewed zest to those duties which Providence has surrounded you with, so that you may enjoy at once the esteem of your employers and the respect and applause of your circle of friends and acquaintances.

I think the summary of these remarks may thus be noted :

1. Remember that nights of intemperance and dissipation must unfit you for the daily duties of your position.
2. Do your own duty, and not leave others to do it for you.
3. Take lessons from the experience of the past, and improve thereon to the best of your ability.
4. Never be above asking for proper advice when needed.
5. Keep your own counsel.
6. Endeavor to preserve the true equilibrium of your bodily and mental health.
7. Never unnecessarily cause irritation in those with whom you may officially be brought into contact.
8. And, in all things act consistently, conscientiously, and circumspectly.

If you act up to these suggestions, I think that you will find the profit to be derived therefrom eventually come up to every fair expectation you may have made. But, should you not prove it so, at any event you will have the satisfaction of an easy conscience, and the knowledge that you have done your best to deserve success. On the contrary, should you be reckless, inattentive, wilful, and debauched, when the end shall come, you can only reflect on yourself, and allow that the public is quite correct when it says, "Served him right."

RUSSIA—POPULATION OF MOSCOW, FINANCES, ETC.

WE gave a great amount of interesting information respecting Russia, in our issue of last month. Since then, we have received the statistical return recently published by the official police journal of Moscow, according to which, the population of that city on the 1st of January last was composed of 210,757 males and 134,799 females, divided as follows:—Nobility, 20,991; clergy, 4,929; burgess class, 92,403; peasants, 189,927; military, 22,342; foreigners, 4,658; individuals not classified, 10,306. At the same period, the city of Moscow contained 878 manufactories, occupying 42,456 work-people, and the produce of which were estimated at 30,000,000

of silver roubles (4f. each). There were in the city 34 ordinary and 78 lithographic printing offices, and 128 charitable establishments, giving an asylum to 4,197 men and 5,097 women. The receipts of the city for 1862 amounted to 1,522,116 roubles, and the expenses to 1,811,410 roubles. The deficit was made up from a reserve fund. During the year the police received declarations of 946 robberies committed in the streets and in private houses, and 20,079 persons were arrested. The number of fires during the year was 113, causing damages to the amount of 705,779 roubles, of which 445,300 were covered by insurance.

The state of the Russian finances has lately given serious cause for anxiety.

According to the monthly report of the Imperial Bank for August last, six hundred and thirty-six and a half millions of billets de credit had been issued, against twenty-four and a half millions of roubles in hand; that is, there is a security of one rouble cash against twelve roubles of paper money issued. The colossal extent of country open to the circulation of the notes keeps up a better demand than would otherwise be the case, yet the proceedings of the Imperial Bank have not escaped the usual consequences of over issue. Within the twenty months between the 1st January, 1859, and 1st December, 1860, 197,000,000 were withdrawn above the amount of fresh deposits; and a Berlin correspondent of the London *Telegraph* says that the sum would have been greater if one half of the remainder, consisting of 328,000,000 of roubles, had not been the property of corporations and charities, who had no help for it but to invest their funds according to government orders. It has been also proved by the events of the last few months that the amount of billets exchanged necessitated a suspension of cash payment, the end of which it is impossible to foresee. Under these circumstances, it will be of considerable interest to compare the different items of the following table:

	Billets de Credit. Roubles.	Cash. Roubles.	Stock. Roubles.
January 1, 1858.....	735,297,006	119,140,921	22,319,859
January 1, 1859.....	644,648,719	99,338,743	11,473,740
January 1, 1860.....	779,877,853	86,870,014	9,371,604
January 1, 1861.....	714,580,226	84,335,007	8,549,424
January 1, 1862.....	713,596,178	84,405,612	16,390,000
January 1, 1863.....	691,104,562	80,899,159	12,000,000
February 1, 1863.....	687,168,350	70,029,171	12,000,000
March 1, 1863.....	681,973,614	75,596,787	12,000,000
April 1, 1863.....	637,357,137	72,447,175	12,000,000
May 1, 1863.....	661,686,004	62,081,289	12,000,000
June 1, 1863.....	650,895,368	57,067,910	12,000,000
July 1, 1863.....	648,580,005	61,034,974	12,000,000
August 1, 1863.....	641,625,397	57,908,467	12,000,000
August 12, 1863.....	636,607,279	54,709,302	14,400,000

As is to be gathered from these figures, the proportion between cash in hand and billets issued was hardly ever so unfavorable as it is now. On the 1st of January, 1858, when the circulation of billets had reached the figure of 735,250,000 roubles, six roubles were covered by one, the proportion now being eleven and seven-tenths to one.

THE SUEZ CANAL.

WHAT HAS BEEN DONE AND WHAT REMAINS TO BE DONE.

ESPECIAL interest is felt at the present time in the Suez Canal project. This undertaking was projected by NAPOLEON. In 1852, M. DE LESSEPS attempted to form a joint-stock company, and two years afterwards obtained a firman from the Pasha of Egypt conferring upon him the exclusive privilege of carrying out the enterprise. In 1855, a commission of engineers from various countries examined the proposed route, and stated in their report that there were no extraordinary difficulties in the way. The company was formed in January, 1859, with a capital of \$40,000,000, and the work was shortly afterwards commenced, and over \$6,000,000 have already been expended.

In speaking of this work, the London *Times* says that the undertaking of the company is two-fold. The first and principal scheme is, of course, the Ship Canal itself, to be cut directly across the Dessert, northward from Suez to Port Said, on the Mediterranean. Port Said is nearly at the eastern point of the great Delta of the Nile, that includes the whole of the fertile region of Egypt, the better known part of Alexandria being at the extreme western extremity. The seacoast of the Mediterranean is the base of the great triangle, of which Cairo may be taken as the apex.

Port Said itself is situated on the long narrow spit of land that shuts in Lake Menzaleh from the Mediterranean. Through the shallow water of this lake the canal has been formed by dredging. This process has been so far completed that, for nearly one-third of the whole line proposed, a channel has been deepened through water "covering the earth." It is only at the southern point of Lake Ballah that the work of cutting through the dry and sandy soil of the Desert commenced. From this southern point of Lake Ballah an excavation, ten miles in length, has, Mr. HAWK-ENSHAW states, opened a channel navigable "for flat-bottomed boats of small draught of water" from the Mediterranean into Lake Timsah. On summing up, therefore, what has actually been accomplished, we find that such boats, adapted for very shallow water, can penetrate the isthmus from north to south for a distance of 50 miles from the sea, and of this distance 30 miles have been obtained by the process of dredging.

The second scheme undertaken by the company is independent of the first, and though called a "fresh water canal," is, more strictly speaking, only an aqueduct. It is not intended to be navigable as the term generally implies. It is better described as a large trench or cutting, for the purpose of conveying the water of the Nile from Cairo northward, curving to the east, through a tract of land purchased by the company, to Lake Timsah, before mentioned, and then southward to Suez. At present all the fresh water to be obtained at Suez is brought from Cairo by the railway. Large trains, conveying iron tanks filled from the river, are constantly passing along the line that conveys the passengers by the overland route, from sea to sea. The whole line of the proposed Ship Canal, from Suez to Port Said, runs either through the two salt water lakes on the Isthmus, the wide expanse of Menzaleh on the seacoast, or the soil of

the Desert, "a barren land, where no water is." Labor is impossible without a certain and abundant supply of this element, for the want of which travelers in similar arid regions have often perished. This aqueduct is, therefore, a work of necessity, if the larger undertaking is to be carried on. It will also be employed to irrigate such portions of the soil through which it passes as may be worth cultivating; and of this secondary purpose a beginning seems to have been made.

The portion of the Ship Canal still to be excavated is the whole of the line from Timsah, southward, through another large sheet of salt water called the "Bitter Lakes," and the Desert that lies between them and the northern point of the Red Sea. This last section of the line will run parallel with the ancient canal, and a little to the eastward of it. The course of the old work can be traced, but no part of it has been taken into the modern scheme. The works of the new harbor will carry the canal through the water of the Red sea, past Suez and terminate near a point on the eastern or Arabian shore marked as the "Fountain of Moses."

It is scarcely necessary to say that the portion of the line described as completed and "navigable" is very far from the accomplishment of the object in view. What has to be done exceeds what has been finished in about the proportion a large heavily-freighted merchant ship bears to a "small flat-bottomed boat of small draught of water." In fact, the Suez Canal at present is a narrow and shallow cutting, marking out what is to be the course of an artificial channel that must be navigable for large ships of heavy burden, or be useless.

The seas on both sides of the Isthmus have nearly the same level, and as the soil along the whole line across it is strewed with shells common to the Red Sea and the Mediterranean, it is evident that at no distant period, geographically speaking, those seas spread over the desert track through which it is proposed to unite their waters again. But by far the greatest portion of the work has yet to be done. Without reference to the plans and sections by which the report is illustrated it is difficult to convey a clear idea of the proportions of what has to be excavated to what has been marked out by the cutting on land and the dredging through shallow water; but if the reader will suppose that the furrow drawn by a subsoil plow marks the course of what is to be enlarged into a ditch he will have a rough notion of the approximation of what exists compared with what is proposed. Nothing has yet been done between Suez and the northern end of Lake Timsah; and from that point northwards to the Mediterranean nearly five times the amount of work completed has yet to be executed. The earthwork done is estimated at 7,848,000 cubic yards; the amount still to be performed is 34,000,000 yards.

The sudden favor and renewed interest with which this undertaking is now being received arise from the fact that two obstacles which stood in the way of its accomplishment have just been removed. That is to say, the Viceroy of Egypt has ratified all the engagements entered into by his predecessor with the company, and regulated his account current with it; and, also, in consideration of the company abandoning to him its concession of lands on each side of the fresh water canal from Cairo to Abbasich, he has undertaken the execution of the said canal, and thereby saved the company 10,000,000*f*.

A few weeks ago it was announced that the works had come to a stand-

A dispatch from the Turkish Minister, published in the *Moniteur*, stated that the Sultan, as Suzerain, had refused his sanction to the concessions granted by the Pasha, unless forced labor were discontinued, the canal declared neutral, and the sovereign rights of the Company over certain lands—a mile broad on each side of the fresh water canal from Cairo to Said—were surrendered. As no great work in Egypt has ever been accomplished without forced labor—wages not tempting the Egyptian peasant to endure the risks which in such a country must be encountered by a household without its head—this dispatch seemed fatal to the undertaking. But M. DE LESSEPS appealed at once to the French Government, and, as the Suez Canal is a Napoleonic idea, a pressure was applied at Constantinople, to which the Porte felt himself obliged to succumb. A compromise was effected, and the Canal Company, on condition of surrendering its land—with compensation—was permitted to secure its usual quantity of labor. As the ruling Egyptian family is deeply interested in the undertaking, as Egyptian laborers are quite powerless to resist a system which has lasted from the time of the Pharaohs, and as the British Government will hardly expose itself to the risk of another defeat, the needful supply of labor may be considered as secured. Naturally the transaction was looked upon as a great triumph, and one great difficulty was thus removed; but the old questions—whether the canal could be made, whether it would cost more or less than the specified sum, whether if made it could be kept open, and whether, if made and kept open, it would fulfil its purpose—remained still unanswered.

These questions, however, seem now to have been finally settled in favor of the work. Said Pasha, the late ruler of Egypt, and in early life M. DE LESSEPS' pupil, began latterly to feel a degree of uneasiness about his very considerable stake in the undertaking. He, therefore, while in England, requested Mr. HAWKSHAW, the very eminent English engineer, to visit and report on the works. He did so, and his conclusion is favorable to the enterprise. He states that he sees no unusual difficulty in the execution of the plan, nor does he conceive that any contingencies can arise which engineering skill could not surmount; and, if completed, he thinks the canal could be maintained without any extraordinary yearly expenditure. But, considering the possibility of meeting with rock at the Red Sea entrance, and that the deep sea dredging at the Mediterranean end may cost more than the first estimate—considering also "the money already expended compared with the work done"—he thinks it would be prudent for the promoters of the scheme to calculate on having to expend 10,000,000*l.* sterling, and five years of labor, before they can expect the work to be finished.

Thus we see that not only has the difficulty of obtaining labor and fresh water been overcome, but also that one of the most eminent of English engineers has pronounced in favor of the feasibility of the work. Of course, success like this would naturally make the stockholders jubilant. The annual meeting was held in Paris, the latter part of July. It possessed all the importance of a political event, or at least of a political demonstration. M. FERDINAND DE LESSEPS, the Chairman of the Company, and, so to speak, its life and soul, was, on presenting himself, greeted with enthusiasm—the accounts presented were sanctioned with enthusiasm—the reports on the state of the works were enthusiastically applauded—and much "abuse of perfidious Albion for opposing the canal, and in

particular of the most perfidious of all Albioners, Lord PALMERSTON," which the said reports contained, was cheered until the roof shook. Rarely, perhaps never before, was a meeting of shareholders so very joyful and impassioned, especially when, as was the case with the Suez people, no dividend had to be announced. The meeting was informed that the capital disposable, including what is due on calls not yet paid, is not less than 140,000,000f. (\$28,000,000), and that no new call will have to be made this year. As regards the works, it was stated that they were progressing in the most satisfactory manner, and with all possible rapidity, and that the execution of the canal, and the opening of it for navigation at a comparatively early period; admit of not the slightest doubt.

Here, then, is a field for NAPOLEON to expand. Let him spend his time and money on this canal and complete it, and he will add more glory to his administration than he can in meddling with one or a dozen Mexicos; for his canal may succeed, but his military despotic government on this side the water, never.

COMMERCIAL LAW. No. 7.

NEGOTIABLE PAPER; OR, NOTES OF HAND AND BILLS OF EXCHANGE.

THE CONSIDERATION OF NEGOTIABLE PAPER.

1. *Exception to the Common Law Rule, in the Case of Negotiable Paper.*—By the common law of England and of this country, as we have seen, no promise can be enforced, unless made for a consideration, or unless it be sealed. But bills and notes payable to order, that is, negotiable, are, to a certain extent, an exception to this rule. Thus, an indorsee cannot be defeated by the promisor showing that he received no consideration for his promise; because he made an instrument for circulation as money; and it would be fraudulent to give to paper the credit of his name, and then refuse to honor it. But as between the maker and the payee, or between indorser and indorsee, and, in general, between any two *immediate* parties, the defendant may rely on the want of consideration; that is, if an indorsee sues the maker, and the maker says he had no consideration for the note, this is no defence; but if the indorsee sues his indorser, and the indorser shows that the indorsee paid him nothing, this would be a good defence; and so it would be if the payee sued the maker. So, if a distant indorsee has notice or knowledge, when he buys a note, that it was made without consideration, he cannot recover on it against the maker, unless it was an accommodation note, or was intended as a gift. Thus, if A, supposing a balance due from him to B, gives B his negotiable note for the amount, and afterwards discovers that the balance is the other way, B cannot recover of A; nor can any third or more distant indorsee, who knows these facts before buying the note. But if A gives B his note wholly without consideration, for the purpose of lending him his credit, or for the purpose of making him a gift to the amount of the note, and C buys the note with a full knowledge of the facts, he will nevertheless hold A, although B could not. If the note was bought honestly for a fair price, we believe the buyer should

recover its whole amount, although some have said that he could recover only what he paid. Every promissory note imports a consideration, and none need be proved unless to rebut evidence of want of consideration.

If an indorser, sued by an indorsee, shows that the note was originally made in fraud, he may require the holder to prove consideration; but if this be proved, he must pay the whole of the note, unless he was himself defrauded by the plaintiff. And if an accommodation note be discounted in violation of the agreement of the party accommodated, the holder can still recover, provided he received the note in good faith, and for valuable consideration.

2. Of "*Value received.*"—"Value received" is usually written, and therefore should be; but is not absolutely necessary. If not, it will be presumed by the law, or may be supplied by the plaintiff's proof. If expressed, it may be denied by the defendant, and disproved. And if a special consideration be stated in the note, the defendant may prove that there was no consideration, or that the consideration was different. If "value received" be written in a note, it means received by the maker from the payee; if the note be payable to the bearer, it means received by the maker from the holder. In a bill, this phrase means that the value was received from the payee by the drawer. But if the bill be payable to the drawer's own order, then it means received by the acceptor from the drawer.

3. *What the Consideration may be.*—A valuable consideration may be either any gain or advantage to the promisor, or any loss or injury sustained by the promisee at the promisor's request. A previous debt, or a fluctuating balance, or a debt due from a third person, might be a valuable consideration. So is a *moral* consideration, if founded upon a previous legal consideration; as, where one promises to pay a debt barred by the statute of limitations, or by infancy. But a merely moral consideration, as one founded upon natural love and affection, or the relation of parent and child, is no legal consideration.

No consideration is sufficient in law if it be *illegal* in its nature; and it may be illegal because, first, it violates some positive law, as, for example, the Sunday law, or the law against usury. Secondly, because it violates religion or morality, as an agreement for future illicit cohabitation, or to let lodgings for purposes of prostitution, or an indecent wager; for any bill or note founded upon either of these would be void. Thirdly, if distinctly opposed to public policy; as an agreement in restraint of trade, or injurious to the revenue, or in restraint of marriage, or for procurement of marriage, or suppressing evidence, or withdrawing a prosecution for felony or public misdemeanor. But one who sells goods, only *knowing* that an illegal use is to be made, without any personal aid in the illegal purpose, may, it seems, recover the price of them, on a note given for that price.

THE RIGHTS AND DUTIES OF THE MAKER.

The maker of a note or the acceptor of a bill is bound to pay the same at its maturity, and at any time thereafter, unless the action be barred by the statute of limitations, or he has some other defence under the general law of contracts. As between himself and the payee of the note or bill, he may make any defences which he could make on any debt arising from simple contract; as want or failure of consideration; payment, in whole or in part;

set-off; accord and satisfaction; or the like. The peculiar characteristics of negotiable paper do not begin to operate, so to speak, until the paper has passed into the hands of third parties. Then, the party liable on the note or bill can make none of these defences, unless the time or manner in which it came into the possession of the holder lays him open to these defences. But the law on this subject may better be presented in our next section.

THE RIGHTS AND DUTIES OF THE HOLDER OF NEGOTIABLE PAPER.

1. *What a Holder may do with a Bill or Note.*—An indorsee has a right of action against all whose names are on the bill when he received it. And if one delivers a bill or note which he ought to indorse and does not, the holder has an action against him for not indorsing, or may proceed in a court of equity to compel him to indorse. If a bill comes back to a previous indorser, he may strike out the intermediate indorsements and sue in his own name, as indorsee; but he has, in general, no remedy against the intermediate parties, because, if he made them pay as indorsers to him, they would make him pay as indorser to them. If, however, the circumstances are such that *they*, if compelled to pay, would have no right against him as an indorser to them, as, for example, if he indorsed it "without recourse," then he may have a claim against them. And it seems now to be settled that an indorser who comes again into possession of the note or bill is to be taken, merely on the evidence of his possession, as the holder and proprietor of the bill, unless the contrary is made to appear.

The holder of a bill indorsed and deposited with him for collection, or only as a trustee, can use it only in conformity with the trust. And if the indorsement express that it is to be collected for the indorser's use, or use any equivalent language, this is notice to any one who discounts it; and the party discounting the paper against this notice will be obliged to deliver the note, or pay its contents, if collected, to the indorser. Thus, Mr. SIGOURNEY, a merchant in Boston, remitted to WILLIAMS, a London banker, for collection, a bill of exchange indorsed by him, and over his name was written, "Pay to WILLIAMS or order for my use." WILLIAMS had the bill discounted for his benefit by his bankers, and failed; and the English court held that the indorsement showed that the bill did not belong to WILLIAMS, and that the discounters had no right to discount it for him; and they were obliged to repay all the proceeds of it to SIGOURNEY.

2. *A Transfer after Dishonor of Negotiable Paper.*—So long as a note remains due, everybody has a right to believe that it has not been paid, and will be paid at maturity, and may purchase it in that belief. But as soon as it is overdue, every person must know that it is either paid, and so extinguished, or that it has not been paid, and therefore dishonored, and that there may be good reasons why it was not paid, or good defences against it. He therefore now takes it at his own peril; and therefore a holder who took the note after it became due is open to many of the defences which the promisor could have made against the party from whom the holder took it; because, having notice that the bill or note is dishonored, he ought to have ascertained whether any, and, if so, what defence could be set up.

So, too, if he takes the note or bill *before* it is due, but with notice or

knowledge of fraud or other good defence, that defence may be made against him. Otherwise, no defence can be made against one who becomes an indorsee for consideration, which does not spring out of the relations between himself and the defendant. That is, if an indorsee sues his indorser, the indorser may make any defence which he could make if the suit were not on a negotiable note. But if an indorsee sues a maker, the maker may have a good defence against the indorser which he cannot make against the indorsee, because the defence may not grow out of anything passing between the maker and the indorsee. Thus, if A makes a note to B or order, which B somehow defrauds A out of, B cannot of course sue A upon it. But if B indorses the note for value to C, and C to D, and D to E, and so on, any one of these indorsees who does not know the fraud can recover the amount of it from A. But no one of them, who had notice or knowledge of the fraud before he bought the note, can sue A upon it any more than B could.

Nor is an indorsee liable to such defences as arise out of collateral matters; but only to those which attach to the note or bill itself. Thus, if A makes a note to B or order, for one thousand dollars, payable in six months, and three months after it is due, and unpaid, C buys the note from B, and sues A upon it, if A proves that B owes him a thousand dollars for goods sold, or for any other transaction distinct from the note, A cannot make this defence against C, because it does not grow out of the note itself; although he could have made this defence if B had sued him. But if A could prove that he had paid B *on this note* five hundred or a thousand dollars, he could make this defence as well against C as against B, if B bought the note after it was dishonored. Hence, it is said the indorsee of a dishonored note is not liable to a set-off between the original payee and the maker.

In some of our States it is held that, if a maker of a note pays money on it after it is due, he cannot have the benefit of this payment against one who purchases the note after it is due without knowledge of the payment, unless he caused the payment to be indorsed upon the note; because it is his duty to see that this indorsement is made, in order to put purchasers of the note on their guard. Nor is the mere want of consideration between payee and maker one of those defences to which a purchaser for value after dishonor, even with notice, is liable, provided the bill or note was originally intended to be without consideration, as in the case of an accommodation bill or note, or one intended as a gift. But it seems that, if a bill or note be delivered as security for a balance on a running account, and, when it becomes due, the balance is in favor of the depositor, who does not withdraw the bill, but leaves it where it was, and afterwards the balance becomes against the depositor, the holder may still hold it to secure the balance, and will not be regarded as the transferee of an overdue bill. In the absence of any evidence on the point, the presumption of law is, that the bill was transferred to any present holder before maturity. And a promissory note payable on demand is considered as intended to be a continuing security, and therefore as not overdue, unless very old indeed, without some evidence of demand of payment and refusal. But it is not so with a check; for this should be presented without unreasonable delay, and, although a taker after one day's delay may not be affected, nor a taker after six days be held as conclusive evidence of negligence or fraud, yet the jury may infer this, so that the drawer will not be held if the bank have failed.

It is most important to the holder of negotiable paper to know distinctly what his duties are in relation to presentment for acceptance or payment, and notice to others interested in case of non-acceptance or non-payment.

3. *Presentment for Acceptance.*—It is always prudent for the holder of a bill to present it for acceptance without delay; for if it be accepted, he has new security; if not, the former parties are immediately liable; and it is but just to the drawer to give him as early an opportunity as may be to withdraw his funds or obtain indemnity from a debtor who will not honor his bills. And if a bill is payable at sight, or at a certain period after sight, there is not only no right of action against anybody until presentment, but, if this be delayed beyond a reasonable time, the holder loses his remedy against all previous parties. And although the question of reasonable time is generally one only of law, yet, in this connection, it seems to be treated as so far a question of fact, that it is submitted to the jury; there is no certain rule determining what is reasonable time in this respect. If a bill of exchange be payable on demand, it is not like a promissory note, but must be presented within a reasonable time, or the drawer will be discharged. A holder may put a bill payable after sight into circulation, without presenting it himself; and in that case, if a subsequent holder presents it, a much longer delay in presentment would be allowed than if the first holder had kept it in his own possession.

The presentment should be made during business hours; but it is said that in this country they extend through the day and until evening, excepting in the case of banks. But a distinct usage would probably be received in evidence, and permitted to affect the question.

Ill health, or actual impediment without fault, may excuse delay on the part of the holder; but not the request of the drawer to the drawee not to accept.

Presentment for acceptance should be made to the drawee himself, or to his agent authorized to accept. And when it is presented, the drawee may have a reasonable time to consider whether he will accept, during which time the holder is justified in leaving the bill with him. And it seems that this time would be as much as twenty-four hours, unless, perhaps, the mail goes out before. And if the holder gives more than twenty-four hours for this purpose, he should inform the previous parties of it. If the drawee has changed his residence, the holder should use due diligence to find him; and what constitutes due or reasonable diligence is a question of fact for a jury. And if he be dead, the holder should ascertain who is his personal representative, if he has one, and present the bill to him. If the bill be drawn upon the drawee at a particular place, it is regarded as dishonored if the drawee has absconded, so that the bill cannot be presented for acceptance at that place.

4. *Presentment for Demand of Payment.*—The next question relates to the duty of demanding payment; and here the law is much the same in respect to notes and bills.

The universal rule of the law-merchant is, that the indorsers of negotiable paper are supposed to agree to pay it *only* if the maker or previous indorsers do not, and *provided* due measures are taken to get it paid by those who ought, in the first place, to pay it. Therefore every holder of negotiable paper can hold it as long as he likes, and not lose his claim against the *maker* of a note, or the *acceptor* of a bill, unless he holds it more than six

years, and the Statute of Limitations bars his claim. The reason is, that the maker or acceptor promises *directly*, and not merely to pay if another does not. But every indorser of a note or bill, and every drawer of a bill, only promises to pay if a maker or acceptor or some previous indorser does not. If there is a bill of exchange with six indorsers, the last promises in law to pay it only if the acceptor, the drawer, and the five previous indorsers do not pay. He has therefore a right that a demand according to law should be made against every one of these persons, and that their refusal to pay should be notified to him, forthwith, so that he may secure himself if he can. And the law-merchant is very rigorous and precise in defining what demand should be made by the holder, and when and how demand should be made on every *prior* party, in order to hold any *subsequent* party; and also as to what notice of the demand and refusal of the *prior* party should be given to any *subsequent* party to whom the holder looks for payment.

A demand is sufficient, if made at the usual residence or place of business of the payer, either of himself, or of an agent authorized to pay; and this authority may be inferred from the habit of paying, especially in the case of a child, a wife, or a servant. The demand should not be made in the street. When made, the bill or note should be exhibited; and if lost, a copy should be exhibited, although this does not seem absolutely necessary. And when the payer calls on the holder, and declares to him that he shall not pay, and desires him to give notice to the indorsers, this constitutes demand and refusal, provided this declaration be made at the maturity of the paper; but not if it was made before maturity, because the payer may change his intention.

Bankruptcy or insolvency of the payer is no excuse for non-demand; although the shutting up of a bank, perhaps, may be regarded as a refusal to all their creditors to pay their notes. Absconding of the payer is a sufficient excuse; but if the payer has shut up his house, the holder must nevertheless inquire after him, and find him, if he can by proper efforts. If the payer be dead, demand should be made at his house, unless he have personal representatives, and in that case, of them. And if the holder die, presentment should be made by his personal representatives; that is, by his executor or administrator. It is said that both the death and insolvency of the payer do not relieve the holder from the duty of demanding payment. But it seems to be held in one case that, where the maker of a negotiable note was dead at the time the indorsement was made, the indorser was chargeable without demand on the maker.

If the drawer has no effects in the hands of the drawee, and has made no arrangement equivalent to having effects there, non-presentation for payment is not a defence which he can make if sued on the bill.

Impossibility of presenting a bill for payment, without the fault of the holder, as the actual loss of a bill, or the like, will excuse some delay in making a demand for payment; but not more than the circumstances require. And the mere mistake of the holder is no excuse, because he has no right to make mistakes at the expense of other people. Thus, where a bill of exchange payable in London was sent by the mistake of the holder in Birmingham to Liverpool, for payment, and there the mistake was discovered and the bill was sent to London, and would have arrived in season, but the negligence of the clerks in the post-office at Liverpool delayed it two days; it was held by the court, that neither the mistake of the holder nor

the negligence of the clerks was excuse enough, and the acceptor having failed, the indorsers were discharged.

In this country, all negotiable paper payable at a time certain is entitled to grace, which here means three days' delay of payment, unless it be expressly stated and agreed that there shall be no grace; and a presentment for payment before the last day of grace is premature, the note not being due until then. If the last day of grace falls on a Sunday, or on a legal holiday, the note is due on the Saturday, or other day before the holiday. But if there be no grace, and the note falls due on a Sunday, or other holiday, it is not payable until the next day.

Generally, if a bill or note be payable in or after a certain number of days from date, sight, or demand, in counting these days, the day of date, sight, or demand is excluded, and the day on which it falls due included. And we think the law would supply the word "*from,*" &c., if the word were not used. Thus, a note dated January 1, and payable in "twenty days," would be held payable in twenty days (and three days' grace) *after* the day of the date; that is, on the 24th. If a note is made payable in one or more months, this means calendar months, whether shorter or longer. If made on the 13th of December, and payable in two months, it is payable on the 13th of February and grace, that is, on the 16th. But if so many days are named, they must be counted, whether they are more or less than a month. Thus, if the above note were payable in sixty days, it would be due on the 11th and grace, or on the 14th of February. If dated 13th January, and payable in sixty days, it would be due on the 14th of March, with grace, or on the 17th.

Although payment must be demanded promptly, that is, on the day on which it is due, it need not be done instantly; a holder has all the business part of the day in which the bill or note falls due to make his demand in.

Bills and notes payable on demand should be presented for payment within a reasonable time. If said to be "on interest," this strengthens the indication that they were intended to remain for a time unpaid and undemanded. But to hold indorsers, they should still be presented within whatever time circumstances may make a reasonable time; and this is such a time as the interests and safety of all concerned may require; and it may be a few days, or even one or two weeks. A bill or note in which no time of payment is expressed, is held to be payable on demand. And evidence to prove it otherwise is inadmissible.

The holder of a check should present it at once; for the drawer has a right to expect that he will; it should, therefore, be presented, or forwarded for presentment, in the course of the day following that in which it was received, or, upon failure of the bank, the holder will lose the remedy he would otherwise have had against the person from whom he receives it. If the drawer of the check had no funds, he is liable always.

Every demand of payment should be made at the proper place, which is either at the place of residence or of business of the payer, and within the proper hours of business. If made at a bank after hours of business, if the officers are there, and refuse payment for want of funds, the demand is sufficient.

A note payable at a particular place should be demanded at that place; and a bill drawn payable at a certain place should be demanded there, in order to charge antecedent parties; an action, however, may be maintained against the maker or acceptor without such demand; but the defendant

may discharge himself of damages and costs beyond the amount of the paper, by showing that he was ready at that place with funds. If a bill drawn payable generally be accepted payable at a particular place, we think the holder may and should so far regard this as non-acceptance, that he should protest and give notice. But if this limited acceptance is assented to and received, it must be complied with by the holder, and the bill must be presented for payment at that place, or the antecedent parties are discharged.

If payable at a banker's or at the house or counting-room of any person, and such banker or person becomes the owner at maturity, this is demand enough; and if there are no funds deposited with him for the payment, this is refusal enough. If any house be designated, a presentment to any person there, or at the door if the house be shut up, is enough.

If this direction be not in the body of the note, but added at the close, or elsewhere, as a memorandum, it is not part of the contract, and should not be attended to.

If the payer has changed his residence, he should be sought for with due diligence; but if he has absconded, this is an entire excuse for non-demand.

Where a bill or note is not presented for payment, or not presented at the time, or to the person, or in the place, or in the way, required by law, all parties but the acceptor or maker are discharged, for the reasons before stated.

5. *Protest and Notice.*—If a bill of exchange be not accepted when properly presented for that purpose, or if a bill or note, when properly presented for payment, be not paid, the holder has a further duty to perform to all who are responsible for payment. But this duty differs somewhat in the case of a bill or note. In case of non-payment of a *foreign* bill, there should be a regular protest by a public notary; but this, though frequently practiced, is not necessary in the case of an inland bill, or a promissory note, whether foreign or inland. But notice of non-payment should be given to all antecedent parties, equally, and in the same way, in the case of both bills and notes.

The demand and protest must be made according to the laws of the place where the bill is payable. It should be made by a notary-public, who should present the bill himself; but if there be no notary-public in that place, or within reasonable reach, it may be made by any respectable inhabitant in the presence of witnesses.

The protest should be noted on the day of demand and refusal; and may be filled up afterwards, even, perhaps, so late as at the trial.

The loss of a bill is not a sufficient excuse for not protesting it. But a subsequent promise to pay is held to imply, or be equal to, a previous protest and notice.

The notarial seal is evidence of the dishonor of a foreign bill; but not, it would seem, of an inland bill. And no collateral statement in the certificate is evidence of the fact therein stated; thus, the statement by a notary that the drawee refused to accept or pay because he had no funds of the drawer, is no evidence of the absence of such funds.

We repeat, that the general, and, indeed, universal duty of the holder of negotiable paper is, to give notice of any refusal to accept a bill or pay a bill or note to all antecedent parties. The reasons of this have been stated. These previous parties have engaged that the party who should accept or pay will do so; and they have further engaged that, if he refuses to do his

duty, they will be liable in his stead to the persons injured by his refusal. They have a right to indemnity or compensation from the party for whom they are liable, and to such immediate notice of his failure as shall secure to them an immediate opportunity of procuring this indemnity or compensation if they can. Nor is the question what notice this should be, left to be judged of by the circumstances of each case; for the law-merchant has certain fixed rules applicable to all negotiable paper.

Notice must given even to one who has knowledge. No particular form is necessary; it may be in writing, or oral; all that is absolutely essential is, that it should designate the note or bill with sufficient distinctness, and state that it has been dishonored; and also that the party notified is looked to for payment; but it has been held that the notice to the party, when given by the immediate holder of the bill, sufficiently implies that he is looked to. And notice of protest for non-payment is sufficient notice of demand and refusal. How distinctly the note or bill should be described, cannot be precisely defined. It is enough if there be no such looseness, ambiguity, or misdescription as might mislead a man of ordinary intelligence; and if the intention was to describe the true note, and the party notified was not actually misled, this would always be enough. The notice need not state for whom payment is demanded, nor where the note is lying; and even a misstatement in this respect may not be material, if it do not actually mislead.

No copy of the protest need be sent; but information of the protest should be given.

If the letter be properly put into the post-office, any miscarriage of the mail does not affect the party giving notice. The address should be sufficiently specific. Only the surname—as “Mr. AMES”—especially if sent to a large city, might not, in general, be enough; thus, in an English case, where a letter, directed “Mr. HAYNES, Bristol,” containing notice of the dishonor of a bill, was proved to have been put into the post-office, it was held that this was not sufficient proof of notice; the direction being too general to raise a presumption that the letter reached the particular individual intended. But where a party drew a bill, dating it generally “London,” it was held that proof that a letter containing notice of the dishonor of the bill was put into the post-office addressed to the drawer at “London,” was evidence to go to the jury that he had due notice of dishonor; because, if the party chooses to draw a bill, and date it so generally, it implies that a letter sent to the post-office, and directed in the same way, will find him. And if a letter, however generally directed, can be shown to have reached the right person at the right time, it is sufficient. The postmarks are strong evidence that the letter was mailed at the very time these marks indicate; but this evidence may be rebutted, that is, contradicted.

A notice not only may, but should, be sent by the public post. It may, however, be sent by a private messenger; but is not sufficient if it do not arrive until after the time at which it would have arrived by mail. It may be sent to the town where the party resides, or to another town, or to a more distant post-office, if it is clear that he may thereby receive the notice earlier. And if the notice is sent to what the sender deems, after due diligence, the nearest post-office, this is enough. If the parties live in the same town, notice should not be sent by mail. In a case in Massachusetts, the court said, the general rule certainly is, that, when the indorser resides in the same place with the party who is to give the notice, the notice must

be given to the party personally, or at his domicile or place of business. Perhaps a different rule may prevail in London, where a penny post is established and regulated by law, by which letters are to be delivered to the party addressed, or at his domicile or place of business, on the same day they are deposited. And perhaps the same rule might not apply where the party to whom notice is to be given lives in the same town, if it be at a distant village or settlement where a town is large, and there are several post-offices in different parts of it. But in that case, the defendant had his residence and place of business in the city of Bangor, and the only notice given him was by a letter addressed to him at Bangor, and deposited in the post-office at that place. And this was insufficient to charge him as indorser.

The notice should be sent either to the place of business, or to the residence, of the party notified. But if one directs a notice to be sent to him elsewhere than at home, it seems that it may be so sent, and bind not only him, but prior parties, although time is lost by so sending it.

The notice should be sent within reasonable time; and in respect to negotiable paper, the law-merchant defines this within very narrow limits. If the parties live in the same town, notice must be given or sent so that the party to whom it is sent may receive the notice in the course of the day next after that in which the party sending has knowledge of the fact. If the parties live in different places, the notice must be sent as soon as by the first practicable mail of the next day.

Each party receiving notice has a day, or until the next post after the day in which he receives it, before he is obliged to send the notice forward. Thus, if there be six indorsers, and the note is due on the 10th of May, in New York, and is then demanded and unpaid, the holder may send it by any mail which leaves New York on the 11th of May, to the last indorser, wherever he lives; and that indorser may send it to the indorser immediately before him, by any mail on the day after he receives it; and so may each of the parties receiving notice; and all the parties receiving notice in this way will be held. So, too, a banker, with whom the paper is deposited for collection, is considered a holder, and entitled to a day to give notice to the depositor, who then has a day for his notice to antecedent parties. The different branches of one establishment have been held distinct holders for this purpose, and each to be entitled to a day.

If notice be sent by ship, it is said that it may be delayed until the next regular ship; but this is not quite certain; or, rather, the rule can hardly as yet be considered fixed and definite. It should be sent by the first safe opportunity.

Neither Sunday nor any legal holiday is to be computed in reckoning the time within which notice must be given.

There is no presumption of notice; and the plaintiff must prove that it was given, and was sufficient. Thus, proving that it was given in "two or three days," is insufficient, if *two* would have been right, but *three* not.

Notice should be given only by a party to the instrument, who is liable upon it, and not by a stranger; and it has been held that notice could not be given by a first indorser, who, not having been notified, was not himself liable. A notice by any party liable will operate to the benefit of all antecedent or subsequent parties; that is, will hold them all to the original holder of the note, if the original holder gave notice properly to the party near-

est to him. The notice may be given by any authorized agent of a party who could himself give notice.

Notice must be given to every antecedent party who is to be held. And we have seen that this may be given by a holder to the first party liable, and by him to the next, &c. But the holder may always give notice to all antecedent parties; and it is always prudent, and in this country, we believe, quite usual, to do so. For the holder loses all remedy against all those who are discharged by the failure of any one receiving notice to transmit it properly. But if a holder undertakes to notify *all* the antecedent parties, he must notify all as soon as he was obliged to notify the party nearest to him; that is, the day after the dishonor of the note. We mean by this, that every party has a *day*; so that, if there be six indorsers, if the first indorser is notified on the seventh day from the dishonor, it is enough, *if* the holder took his day to notify the sixth indorser, and that indorser his day to notify the fifth, and so on. But the holder has nobody's day but his own; and if he undertakes to notify all the parties, he must notify them all on the first day after the non-payment.

Notice may be given personally to a party, or to his agent authorized to receive notice, or left in writing at his home or place of business. If the party to be notified is dead, notice should be given to his personal representatives. A notice addressed to the "legal representative of," &c., and sent to the town in which the deceased party resided at his death, has been held sufficient. But a notice addressed to the party himself, when known to be dead, or to "the estate of," &c., would not be of itself sufficient, but might become so with evidence that the administrator or executor actually received the notice.

If two or more parties are jointly liable on a bill as partners, notice to one is enough.

One transferring by delivery without indorsement a note or bill payable to bearer, is not generally entitled to notice of non-payment, because, generally, he is not liable to pay such paper; but if the circumstances of the case are such as to make him liable, then he must have notice, but is entitled not to the exact notice of an indorser, but only to such reasonable notice as is due to a guarantor. If, for instance, the paper was transferred as security, or even in payment of a pre-existing debt, this debt revives if the bill or note be dishonored; and therefore there must be notice given of the dishonor. In general, a guarantor of a bill or note, or debt, is not entitled to such strict and exact notice as an indorser is entitled to, but only to such notice as shall save him from actual injury; and he cannot make the want of notice his defence, unless he can show that the notice was unreasonably withheld or delayed, and that he has actually sustained injury from such delay or want of notice. If an indorser give also a bond, or his own note, to pay the debt, he is not discharged from his bond or note by want of notice.

In general, all parties to negotiable paper, who are entitled to notice, are discharged by want of notice. The law presumes them to be injured, and does not put them to proof. It has been held, however, that the drawer of a check not notified of non-payment is thereby discharged only to the extent of the loss which he actually sustains.

If one who is discharged by want of notice nevertheless pays the bill or note, he may call upon the antecedent parties, if due notice has been given to *them*, and if, by taking up the paper, *he* acquires the rights of the hold-

er; or if he, having been indorsee, indorsed the paper over; for he is then remitted (or restored) to his rights and position as indorsee.

The right to notice may be waived by any agreement to that effect prior to the maturity of the paper. It is quite common for an indorser to write, "I waive notice," or, "I waive demand," or some words to this effect. It should, however, be remembered, that these rights are independent, and one does not imply the other. A waiver of demand may imply a waiver of notice of non-payment; but a waiver of notice of non-payment certainly does not imply a waiver of demand; therefore, if an indorser writes on the note, "I waive notice," still he will be discharged if there be not a due *demand* on the maker. So if a drawer countermands his order, the bill should still be presented, but notice of dishonor need not be given to the drawer. Or, if a drawer has no funds, and nothing equivalent to funds, in the drawee's hands, and would have no remedy against the drawee or any one else, as the drawer cannot be prejudiced by want of notice, it is not necessary to give him notice. But the indorser must still be notified; and a drawer for the accommodation of the acceptor is entitled to notice, because he might have a claim upon the acceptor.

If a drawer make a bill payable at his own house, or counting-room, this has been said to be evidence to a jury that the bill was drawn for his accommodation, and that he expects to provide for the payment, and is not entitled to notice of dishonor; but it would be safer to give notice.

Actual ignorance of a party's residence justifies the delay necessary to find it out, and no more; and after it is discovered, the notifier has the usual time.

Death, or severe illness, of the notifier or his agent, is an excuse for delay; but the death, bankruptcy, or insolvency of the drawee is no excuse.

As the right to notice may be waived before maturity, so the want of notice may be cured afterwards by an express promise to pay; and an acknowledgment of liability, or a payment in part, is evidence, but not conclusive evidence, of notice; the jury *may* draw this conclusion from part payment, but are not *bound* to, even if the evidence be not rebutted. If the promise be conditional, and the condition be not complied with, the promise has been held to be still evidence. Nor is it sufficient to avoid such promise, that it was made in ignorance of the law; it must be made, however, with a full knowledge of the facts. The following distinction seems to be drawn; if the fact of neglect to notify appears, the party entitled to notice is not bound by his subsequent promise, unless it was made with a knowledge of the neglect; but if the fact of neglect does not appear, the subsequent promise will be taken as evidence that there was no neglect, but sufficient notice. And a promise to pay, made in expectation of the dishonor of a bill or note, will be construed as a promise on condition of usual demand and notice, and, of course, does not waive them. And, as we have remarked, no waiver of any right growing out of any other previous negligence or omission to perform some duty, can affect any party but him who makes the waiver.

COMMERCIAL CHRONICLE AND REVIEW.

GENERAL BUSINESS—RISE IN STOCKS—PRICES OF ARTICLES—RESTRICTIONS ON GOLD—STOCKS IN LONDON—COMPARATIVE VALUES—IMPORTS GOODS—INCREASED COST—GENERAL CAUSE—NEW ISSUES—NEW BANKS—FIVE PER CENT LEGAL TENDER—RISE IN CERTAIN PRICES—COAL—EXPORTS—LOSSES ON PRODUCE—GENERAL STATE OF TRADE—MOVEMENT OF SPECIE—DECLINE IN BANK RESERVE—RATES OF EXCHANGE—MONEY—UNITED STATES STOCKS.

The general activity of business that we noted as apparent last month has continued with considerable animation during the one which has now elapsed, and at the same time speculative tendencies, in many branches of merchandise, have been developed. The stock speculations, which had reached so high a point in August, have to some extent subsided, apparently through the impression that their values were exaggerated above those of most commodities. It was certainly the case that the high point which prices touched in August, at a time specie was at a very low point, caused a considerable importation of stocks from London, where they ruled much lower than could be realized for them in New York in specie. The same tendency caused an accumulation of securities in New York, while at the same time an active demand for merchandise sprang up, the prices for which rose very considerably.

By referring to our number of February last, our readers will find a table of fifty-five articles, of which the comparative prices are given from the *Prices Current*, January 1st, 1862, and January, 1863, as compared with the price of gold. Bringing the table down to the present time, at different dates, and adding the quantity of Government paper outstanding, the results will be as follows:

	Gold.	Total prices of 55 articles.	Rise per cent.	U. S. paper outstanding.
January, 1862.....	Par.	804		26,780,110
April, 1862.....	1½	844	5	145,880,000
January, 1863.....	32	1,312	62	238,021,315
March, 1863.....	54	1,524	90	345,553,500
July, 1863.....	25	1,323	65	396,681,956
October, 1863.....	50	1,455	81	446,000,000

The prices of these articles have been governed by the values in paper, and those which form the exports of the country have been sold at specie prices abroad, but the bills drawn against them are sold for the Government paper. This business has been perfectly unrestrained, while that in gold has been subjected to restrictions imposed by Congress as well as by the State government. Those restrictions were designed to prevent a speculative holding of gold, and not to check its free exportation. Inasmuch, however, as the money under the law could not be borrowed on the gold, it was difficult to hold it. The prices may be supposed, therefore (as was the design of the law), to be less than it would have been without those restrictions. It is obvious that where the paper declines in value, it operates alternately upon commodities and gold. When the latter is in active demand the price rises. This rise causes exchange bills to sell higher, acting as a premium upon the export of produce, which^s,

being shipped, of itself checks the export of gold, and therefore lessens the demand for it. On the other hand, when gold falls in value it operates as a check upon exports and as a premium upon imports. In illustration, we give a table of the prices of stocks in London and New York, at different dates:

	London.				New York.				
	U. S. 6's.	5's.	Erie.	Central.	U. S. 6's.	Erie.	Central.	Exchange.	Gold.
March 28	70	58	42	65	104	80	119	170	55
June	79	61	60	72	108	95	122	160	46
July 4.	67	58	69	72	105	99	120	147	25
August 22.....	77	69	76	86	107	120	132	135	22½
September 12..	77	69	85	93	107	101	130	143	30
“ 26..	75	68	73	88	106	106	133	154	40
October 8	75	65	69	87	108½	109	134	172	56

Thus, in March New York Central was 65 in London, at which date advices there from New York gave gold 72 and exchange 89; consequently the price in New York should have been 121 to be equal to the London price of 65, at the then rate of exchange; but gold fell to 122½ in August, giving exchange 135, which was equal to 100 for Central in London, or a rise of 35 per cent, through the improvement in the value of the paper which constitutes the currency. As a consequence, the London and other markets were stripped of stocks to sell in New York.

The following table will show the relative prices of stocks in New York and London at different rates of exchange:

London.	New York, with exchange at											
	125	130	135	140	145	150	155	160	165	170	175	180
60.....	75	78	81	84	87	90	93	96	99	102	105	108
65.....	81½	84½	87½	91	94½	97½	100½	104	107½	110½	113½	117
70.....	87½	91	94½	98	101½	105	108½	112	115½	119	122½	126
75.....	93½	97½	101½	105	108½	112½	116½	120	123½	127½	131½	135
80.....	100	104	108	112	116	120	124	128	132	136	140	144
85.....	106½	110½	114½	119	123½	127½	131½	136	140½	144½	152½	157
90.....	112½	117	131½	126	130½	135	139½	144	148½	153	157½	162
95.....	118½	123½	128½	133	137½	142½	147½	152	156½	161½	166½	171
100.....	125	130	135	140	145	150	155	160	165	170	175	180

Thus, if Erie is selling at 85 in London, the relative price of the same in New York, with sterling exchange at 150, would be 127½; or, if United States 7-30's, payable in gold, are in New York 107½, with exchange at 165, the equivalent in London is 65 cents per dollar, which gives an interest in gold of over 11 per cent per annum. The rate of exchange always follows that of gold, and is found by adding the premium on gold to the premium of the bills in gold. Thus, a shipment of gold produces 110½ as the price of exchange. If gold is 50 per cent premium, 50 per cent must be added to the premium, which, being 55.12, makes the exchange 165.37½.

This operation of the fluctuation of the paper values applies to all commodities, and, as a consequence, a rapid fall in gold is followed by large importations and a corresponding export of gold to pay for them. The fall in gold in August was, therefore, followed by increased importations of stocks and goods and increased sales from warehouses, while shipments of produce were involved in loss. The importations at the port of New York for the month of September, were as follows:

IMPORTS, PORT OF NEW YORK.

	Specie.	Free goods.	Entered for		Total.
			Consumption.	Warehouse.	
January.....	\$101,906	\$2,418,649	\$8,741,227	\$4,482,794	\$15,739,676
February.....	213,971	783,561	7,372,539	3,657,775	12,037,846
March.....	123,616	1,328,806	11,461,572	3,454,530	16,370,524
April.....	107,061	1,328,216	9,493,830	6,456,208	17,385,315
May.....	197,217	710,021	7,980,281	5,437,404	14,324,923
June.....	109,997	780,963	6,328,581	5,377,885	12,597,426
July.....	182,245	683,880	9,080,210	4,227,265	14,173,600
August.....	113,877	509,781	10,004,580	4,409,891	15,038,129
September.....	78,281	786,864	11,203,535	3,431,310	15,499,940
Total 9 months	\$1,288,121	\$9,325,831	\$81,666,355	\$45,327,510	\$137,547,817
" 1862....	945,577	18,809,755	82,625,172	35,475,891	137,856,395

The quantities taken out of warehouse in the last sixty days have greatly exceeded the entries. The quantities put upon the markets have been, therefore, much greater than the figures for the arrivals. The absorption of these goods by the retailers and consumers has been very active, as well in consequence of the previous great economy in consumption, which left the public bare of goods, as by reason of the increasing cost of labor and materials, which make the cost of manufactures higher and the rise in exchange and gold, which so rapidly swell the cost of importation. The great general cause which underlies this rise, is the increasing abundance of paper. As seen in the above table, there is on the part of the Government now outstanding \$446,000,000. Besides this, there will be emitted in November \$50,000,000 of five per cent legal tender small notes, which were sold to the banks last month. The question has been raised whether these notes will increase the currency or be taken for investment. It is very probable that they will have both effects. The associated and other banks hold some \$50,000,000 of "greenbacks" in reserve. These will be supplanted by the new notes, because the latter bear interest. The \$50,000,000 reserves thus released will come more actively into circulation. During the month the New York Court of Appeals has decided in substance that the banks are not held to payments in specie under the New York constitution. The consequence of this is seen in the bank tables on another page, where the circulation, after a long period of contraction, has begun to expand. The new banks, under the national banking law, now amount to 105 in number, and are about to receive their circulating notes from the controller. These will be about \$12,000,000, and will rapidly increase. The old country banks are also expanding their circulation to meet that demand for currency, which, by a sort of paradox, always attends rising prices, caused by redundant circulation. From these three sources, therefore—new legal tenders, new banks, and old banks—the circulation is in process of expansion, and consequently all prices are advancing. We may quote several here :

	Coal.	Sugar, 100 lbs.	Coffee, 100 lbs.	Iron, pig.	Copper.	Pork.	Corn.	Wheat.
January, 1862...	\$4 25	\$6 87	\$17 25	\$21 00	\$22 50	\$12 00	63	\$1 26
April, 1862.....	4 50	6 87	20 50	21 00	23 00	13 25	60	1 30
January, 1863...	7 00	8 25	28 00	31 00	32 50	14 25	81	1 50
March, 1863....	7 50	9 25	29 00	35 00	33 00	14 00	90	1 62
July, 1863.....	8 00	10 25	29 00	35 50	32 00	14 25	68	1 25
October 20, 1863.	10 00	10 87	32 00	36 00	34 00	16 33	1 00	1 28

Many other articles are now held for an advance. All are affected by different circumstances, but primarily by the same cause. Coal, as an instance :

The quantity mined this year to date, is . . . tons	7,657,526
Last year	6,212,865
Increase	<u>1,444,661</u>

Notwithstanding the scarcity of labor that has caused the cost of mining to be largely increased, the quantity mined has been swollen, but not enough to meet the demand, which is mainly from the Government, and paid for in "greenbacks." One million tons of coal for iron clads, that cost the Government last winter \$4,500,000, now costs it nearly \$10,000,000. The duties and exchange rise in proportion to the advance here, as is the case with sugar and other articles of import. The general prospect of a further increase of paper induces holding, to avail of the advance. The exports of produce in the month of September were, to some extent, larger than in August as follows :

EXPORTS, PORT OF NEW YORK.

	Specie.	Foreign.		Domestic.	Total.
		Free.	Dutiable.		
January	\$4,624,574	\$73,111	\$668,275	\$14,829,398	\$19,695,351
February	3,965,664	43,889	610,009	17,780,586	22,400,148
March	6,385,442	213,685	758,266	16,137,689	23,695,082
April	1,972,834	74,949	375,224	11,581,933	14,004,940
May	2,115,679	101,337	602,254	13,183,510	16,002,780
June	1,367,774	49,380	298,067	14,780,072	16,495,293
July	5,268,881	77,232	448,601	15,298,073	21,092,787
August	2,465,361	90,813	231,774	10,666,959	14,454,809
September	3,480,385	55,400	238,972	11,717,761	15,492,518
Total 9 months	\$32,846,494	\$779,798	\$4,231,442	\$125,475,981	\$163,333,175
" 1862	42,843,139	2,520,616	3,829,403	100,837,192	130,487,221

The price of exchange in September was about ten per cent higher than in August, which is about the extent to which the value of the domestic exports increased. On the other hand, there was a decline of prices in England that involved shippers in loss. The general result of business for the nine months has been as follows :

Imports from January 1 to October 1	\$137,547,817
Exports of goods	\$130,486,681
Corrected by exchange	<u>33,495,560</u>
Net exports	<u>96,991,121</u>
Excess of imports	\$40,556,696
Specie exported	<u>32,846,494</u>
Adverse balance	<u>\$7,710,202</u>

With the increased imports that followed the fall in gold in August, the outward movement was resumed as follows :

SPECIE AND PRICE OF GOLD.

	1862.		1863.		Gold in bank.	Prem. on gold.
	Received.	Exported.	Received.	Exported.		
January 3.	.....	442,147	.....	681,448	35,954,550	34½ a 34¾
" 10.	885,928	1,035,025	1,277,788	726,746	36,770,746	34 a 39
" 17.	.....	547,703	.....	1,380,247	37,581,465	40 a 49
" 24.	627,767	322,918	678,841	780,816	38,549,794	47 a 50¾
" 31.	.....	310,484	.....	1,381,027	38,894,840	48½ a 60½
February 7.	854,000	976,235	301,860	1,277,000	38,243,839	57½ a 57¾
" 14.	614,146	1,156,154	359,978	1,152,846	38,426,460	53½ a 53¾
" 21.	759,247	934,512	.....	520,017	37,981,310	54 a 64
" 28.	741,109	510,774	285,394	1,377,016	39,512,256	71 a 72
March 7.	679,074	585,236	1,243,551	733,643	39,705,089	52½ a 53
" 14.	677,058	477,335	.....	3,540,550	36,110,085	54½ a 54¾
" 21.	.....	540,968	249,514	1,201,907	33,955,122	53 a 54½
" 28.	490,368	779,564	159,105	1,050,156	34,317,691	41 a 42
April 4.	581,293	873,826	250,778	473,385	34,257,121	53 a 54
" 11.	.....	1,505,728	250,728	607,059	35,406,145	46 a 52½
" 18.	617,279	693,436	217,602	158,487	36,761,696	52 a 53½
" 25.	635,546	1,151,300	256,604	629,855	37,175,067	47 a 51½
May 2.	410,804	712,275	.....	294,998	36,846,528	48 a 50½
" 9.	484,019	1,574,166	205,057	451,827	38,102,633	58½ a 47
" 16.	604,632	1,093,031	.....	661,996	38,556,552	49 a 49½
" 23.	501,204	938,032	258,570	438,745	38,544,865	48½ a 49
" 30.	224,911	881,452	.....	279,934	37,632,634	44½ a 44¾
June 6.	553,035	1,647,299	318,066	411,483	37,241,670	46 a 46½
" 13.	352,391	1,990,327	.....	235,364	37,884,128	48 a 48½
" 20.	612,461	3,156,988	.....	522,147	38,314,206	42 a 43½
" 27.	393,212	3,094,101	187,082	134,432	38,271,702	46 a 46½
July 4.	.....	2,647,060	.....	347,807	38,302,826	44 a 44½
" 11.	641,451	2,424,916	254,947	401,936	38,712,397	32½ a 32½
" 18.	441,179	1,846,023	.....	2,190,781	38,254,427	23 a 23½
" 25.	.....	734,537	.....	1,725,748	35,910,227	26 a 26½
August 1.	G. Gate lost	748,523	270,182	480,374	33,746,681	28½ a 29
" 8.	964,422	890,552	.....	580,044	33,156,548	26½ a 27
" 15.	.....	700,431	313,612	1,210,230	32,874,913	25 a 25½
" 22.	1,089,111	919,825	.....	238,398	31,520,499	24½ a 25
" 29.	.....	1,137,644	231,854	1,379,710	32,030,055	24½ a 24½
Sept. 5.	807,063	551,097	.....	309,799	31,989,331	32½ a 33
" 12.	.....	1,042,835	279,043	852,752	32,018,107	28 a 29
" 19.	934,415	490,865	193,584	535,796	31,014,411	32½ a 33
" 26.	758,286	996,892	277,380	1,411,611	30,008,566	39 a 39½
October 3.	.....	713,075	.....	803,583	30,064,614	42½ a 42½
" 10.	807,616	2,255,513	268,282	2,555,656	29,927,281	46½ a 47
" 17.	.....	1,714,551	.....	1,206,950	28,832,473	51½ a 52
" 24.	763,121	2,024,380	267,911	1,243,273	28,804,281	.....
Total....	18,063,938	43,230,075	8,541,978	38,307,427	.....	.....

It will be remembered in this table that, notwithstanding the rise in gold, the quantity in bank has steadily declined. The Treasury paid out some \$3,000,000 in the first week in October for interest, notwithstanding which the banks had lost \$10,329,924 since July 11—little more than three months. This continued drain, no longer replenished from the interior, diminishes the available quantities at the command of shippers and renders the exchange market very firm. It was the case, however, that when exchange was low in August many speculators bought and importers took options of exchange for 60 days. These were realized toward the close of October, making the market weak. The rates have been as follows:

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 3,	146 a 147½	3.85 a 3.80	56 a 56¼	56 a 56½	49¼ a 49½	98 a 98½
" 10,	149 a 152	3.72½ a 3.67½	56 a 58	57½ a 58½	50¼ a 51½	99 a 100
" 17,	160 a 162	3.52½ a 3.45	60½ a 61½	61 a 62½	54 a 55½	108 a 110
" 24,	162½ a 163	3.50 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108½
" 31,	171 a 177	3.32 a 3.15	65½ a 66½	65 a 67	57 a 58½	114 a 117
Feb. 7,	169 a 173	3.30 a 3.25	65 a 65½	65 a 65½	57 a 57½	114 a 116
" 14,	170 a 171	3.32 a 3.27	65 a 65½	65 a 65½	56¾ a 57½	113½ a 114½
" 21,	171 a 179½	2.20 a 3.12	67 a 68½	68 a 68½	59 a 60½	118½ a 119½
" 28,	185 a 188	3.10 a 3.00	67½ a 71	70 a 71	61¾ a 62½	123 a 124
Mar. 7,	167 a 169	3.37½ a 3.30	64 a 64	65 a 66	55 a 55½	111 a 113
" 14,	168 a 171	3.35 a 3.30	64 a 64	64½ a 65½	55¾ a 56¾	112 a 114
" 21,	169½ a 171½	3.37½ a 3.27½	63½ a 63½	63½ a 64	56 a 57	113 a 114
" 28,	157 a 161	3.57 a 3.47	61 a 62	61 a 62	53 a 54	107 a 108
April 4,	168 a 172	3.40 a 3.25	62½ a 63½	62½ a 64	55½ a 57	111 a 111
" 11,	158 a 162	3.55 a 3.45	61 a 62	61 a 62	53½ a 54½	106 a 108
" 18,	165 a 167½	3.37½ a 3.45	62½ a 62½	62½ a 63	54½ a 55½	108 a 110
" 25,	163 a 165	3.47½ a 3.50	61 a 61½	61½ a 62	53¾ a 54¾	107 a 108
May 2,	163 a 165	3.47½ a 3.42	61½ a 62½	61½ a 62½	53½ a 54½	107 a 108
" 9,	168 a 170	3.42½ a 3.32	62½ a 63	62½ a 63½	55½ a 56½	110 a 112
" 16,	162½ a 164	3.50 a 3.45	61½ a 62	61½ a 62½	54 a 55	107 a 109
" 23,	161 a 163	3.52 a 3.45	61 a 61½	61½ a 62	54 a 54½	107 a 108
" 30,	156½ a 158	3.62½ a 3.55	59¾ a 60½	60 a 60½	52½ a 53	104½ a 106
June 6,	158½ a 160	3.57½ a 3.52½	59¾ a 61½	60 a 60½	52½ a 53½	105 a 106
" 13,	156 a 161	3.55 a 3.47½	59½ a 61	60 a 61½	52½ a 54	104 a 107
" 20,	155 a 157	3.62 a 3.57½	58¾ a 59	58½ a 59½	51 a 52	103 a 104
June 27,	159 a 160½	3.55 a 3.50	59¾ a 60½	60 a 60½	52½ a 52¾	106½ a 107
July 11,	143 a 146	3.95 a 3.85	54 a 54½	54 a 55½	47½ a 48½	94 a 96
" 18,	138 a 139	4.07 a 4.02	51½ a 52	50 a 52½	46½ a 46¾	92 a 93
" 25,	138 a 139	4.10 a 4.05	51¾ a 52½	51¾ a 52½	45½ a 46½	91 a 92
Aug. 1,	140 a 141½	4.06½ a 4.00	52½ a 53	52½ a 53½	46½ a 47½	92½ a 93½
" 8,	139½ a 140½	4.06 a 4.00	52¾ a 52½	52½ a 52¾	46½ a 47	92 a 92½
" 16,	137½ a 138½	4.12½ a 4.08¾	51½ a 52	52 a 52½	45½ a 46	91½ a 92
" 22,	137½ a 138½	4.12½ a 4.08¾	51¾ a 52½	52 a 52½	45½ a 45¾	90½ a 91½
" 29,	135½ a 136¾	4.10 a 4.15	51 a 51½	21½ a 51¾	45 a 45½	90 a 91
Sept. 5,	141 a 147	4.00 a 3.90	52½ a 56½	52½ a 52½	46½ a 48	95½ a 96½
" 12,	142 a 144½	3.92½ a 4.00	53 a 53½	53½ a 54	47 a 48	93½ a 94½
" 19,	146 a 147½	3.87½ a 3.83	54½ a 55	54½ a 55½	48 a 48½	95½ a 97
" 26,	151 a 152½	3.77½ a 3.71½	56½ a 56¾	56½ a 57	49½ a 50	99 a 100
Oct. 3,	154½ a 157½	3.65 a 3.57	58 a 59	58½ a 59½	51½ a 52½	103 a 104
" 10,	160½ a 162	3.55 a 3.48½	60½ a 61	60½ a 61½	53 a 53½	106½ a 107½
" 17,	163½ a 172	3.33½ a 3.27½	63½ a 64	64 a 64½	56 a 56½	111½ a 113

The rapid change in the value of bills operates disastrously upon all business. Many importers, indeed, cover their sales early in the season by taking options of the bankers, who, in their turn, covered themselves with gold or produce bills. There were also many who were sanguine of a further fall, and who suffered in the rise. These interests were all opposed to a rise in gold, which has become the point on which values turn, since, being no longer a currency, it is only a commodity.

The activity of business on a cash basis has been accompanied with a continued abundance of money; the most important demand having been from stock dealings, and the rate has been 6 @ 7 per cent. The accumulation of money seeking investment has been large, and the investments in the Government five-twenties have been greatly increased, since the fall of gold made those stocks, as compared with specie, much cheaper. This sudden increase of sales is attributed by many to orders on foreign account, which would compensate in some degree for a deficiency in exports in providing exchange. The prices have been as follows:

PRICES UNITED STATES PAPER.

		6's, 1881-		5's, 1874.	7 3-10, 3 years.	1 year certif. Old.	New.	Gold.	August demand notes.
		Reg.	Coup.						
January	3...	96 $\frac{1}{2}$	98	88 $\frac{1}{2}$	102 $\frac{1}{2}$	96 $\frac{1}{2}$	...	34 $\frac{1}{2}$ a	34 $\frac{1}{2}$ 29
"	10...	97 $\frac{1}{2}$	98	90	103	97	...	37 $\frac{1}{2}$ a	38 35
"	17...	91 $\frac{1}{2}$	91 $\frac{1}{2}$	88 $\frac{1}{2}$	101	95	...	49 a	46 $\frac{1}{2}$ 48
"	24...	95	96	90	102	96	...	47 a	48 $\frac{1}{2}$ 44 $\frac{1}{2}$
"	31...	92 $\frac{1}{2}$	94	86	101 $\frac{1}{2}$	94	...	55 a	60 $\frac{1}{2}$ 53
February	7...	92	93 $\frac{1}{2}$	85 $\frac{1}{2}$	102	94	...	57 $\frac{1}{2}$ a	57 $\frac{1}{2}$ 55
"	14...	94	96	87 $\frac{1}{2}$	102 $\frac{1}{2}$	96	...	53 $\frac{1}{2}$ a	53 $\frac{1}{2}$ 51
"	21...	96 $\frac{1}{2}$	97 $\frac{1}{2}$	91 $\frac{1}{2}$	103 $\frac{1}{2}$	95	...	53 $\frac{1}{2}$ a	64 62
"	28...	100 $\frac{1}{2}$	102 $\frac{1}{2}$	97	105 $\frac{1}{2}$	98 $\frac{1}{2}$	...	71 a	71 $\frac{1}{2}$ 71
March	7...	99 $\frac{1}{2}$	100 $\frac{1}{2}$	94 $\frac{1}{2}$	105	98 $\frac{1}{2}$	...	52 $\frac{1}{2}$ a	53 53
"	14...	104 $\frac{1}{2}$	104 $\frac{1}{2}$	98	106 $\frac{1}{2}$	100	...	54 $\frac{1}{2}$ a	54 $\frac{1}{2}$ 53
"	21...	103 $\frac{1}{2}$	104 $\frac{1}{2}$	96	107	100	...	54 $\frac{1}{2}$ a	54 $\frac{1}{2}$..
"	28...	104 $\frac{1}{2}$	105	96 $\frac{1}{2}$	106 $\frac{1}{2}$	100	...	41 a	41 $\frac{1}{2}$..
April	4...	104 $\frac{1}{2}$	105	97 $\frac{1}{2}$	104 $\frac{1}{2}$	99	...	53 a	53 $\frac{1}{2}$..
"	11...	104 $\frac{1}{2}$	105	97 $\frac{1}{2}$	105	100 $\frac{1}{2}$	...	46 a	52 $\frac{1}{2}$..
"	18...	104	105	96	105	101	...	53 a	53 $\frac{1}{2}$..
"	25...	105	105	96	106	102	99 $\frac{1}{2}$	151 $\frac{1}{2}$ a	151 $\frac{1}{2}$..
May	2...	105 $\frac{1}{2}$	106 $\frac{1}{2}$	97 $\frac{1}{2}$	106 $\frac{1}{2}$	102	99 $\frac{1}{2}$	150 a	150 $\frac{1}{2}$..
"	9...	106	107	97	106	101 $\frac{1}{2}$	99 $\frac{1}{2}$	152 $\frac{1}{2}$ a	152 $\frac{1}{2}$..
"	16...	108	108	97 $\frac{1}{2}$	107	101 $\frac{1}{2}$	99 $\frac{1}{2}$	149 a	149 $\frac{1}{2}$..
"	23...	108 $\frac{1}{2}$	108 $\frac{1}{2}$	97 $\frac{1}{2}$	107 $\frac{1}{2}$	101 $\frac{1}{2}$	99 $\frac{1}{2}$	148 $\frac{1}{2}$ a	149 ..
"	30...	108	108	97 $\frac{1}{2}$	107	101 $\frac{1}{2}$	99 $\frac{1}{2}$	144 $\frac{1}{2}$ a	144 $\frac{1}{2}$..
June	6...	104	108 $\frac{1}{2}$	99	107	101 $\frac{1}{2}$	97 $\frac{1}{2}$	146 a	146 $\frac{1}{2}$..
"	13...	104 $\frac{1}{2}$	108 $\frac{1}{2}$	99	106	101 $\frac{1}{2}$	98	148 a	148 $\frac{1}{2}$..
"	20...	103 $\frac{1}{2}$	108 $\frac{1}{2}$	98 $\frac{1}{2}$	106	101	98 $\frac{1}{2}$	142 $\frac{1}{2}$ a	143 $\frac{1}{2}$..
"	27...	102	107 $\frac{1}{2}$	98	104	100 $\frac{1}{2}$	97	146 $\frac{1}{2}$ a	146 $\frac{1}{2}$..
July	11...	104 $\frac{1}{2}$	105	97 $\frac{1}{2}$	106	100 $\frac{1}{2}$	98 $\frac{1}{2}$	132 $\frac{1}{2}$ a	132 $\frac{1}{2}$..
"	18...	104 $\frac{1}{2}$	106	98	106 $\frac{1}{2}$	101	99	125 a	125 $\frac{1}{2}$..
"	25...	105 $\frac{1}{2}$	106 $\frac{1}{2}$	97	106 $\frac{1}{2}$	100 $\frac{1}{2}$	98 $\frac{1}{2}$	126 a	126 $\frac{1}{2}$..
August	1...	104 $\frac{1}{2}$	105 $\frac{1}{2}$	96 $\frac{1}{2}$	106 $\frac{1}{2}$	101	99 $\frac{1}{2}$	128 $\frac{1}{2}$ a	127 ..
"	8...	105 $\frac{1}{2}$	106 $\frac{1}{2}$	96 $\frac{1}{2}$	106 $\frac{1}{2}$	101	99 $\frac{1}{2}$	126 $\frac{1}{2}$ a	127 ..
"	15...	105 $\frac{1}{2}$	105 $\frac{1}{2}$	97	106 $\frac{1}{2}$	101	99 $\frac{1}{2}$	125 a	125 $\frac{1}{2}$..
"	22...	106	107 $\frac{1}{2}$	97	107	101 $\frac{1}{2}$	99 $\frac{1}{2}$	124 $\frac{1}{2}$ a	125 ..
"	29...	106	107	95	107	101 $\frac{1}{2}$	99 $\frac{1}{2}$	124 $\frac{1}{2}$ a	124 ..
Sept.	5...	106	106	95	106	100 $\frac{1}{2}$	99 $\frac{1}{2}$	132 $\frac{1}{2}$ a	133 ..
"	12...	105	106 $\frac{1}{2}$	95	106	101	99 $\frac{1}{2}$	128 a	129 ..
"	19...	106	106 $\frac{1}{2}$	96	106 $\frac{1}{2}$	101 $\frac{1}{2}$	99 $\frac{1}{2}$	133 $\frac{1}{2}$ a	133 $\frac{1}{2}$..
"	26...	106 $\frac{1}{2}$	106 $\frac{1}{2}$	96	106 $\frac{1}{2}$	101 $\frac{1}{2}$	99 $\frac{1}{2}$	139 $\frac{1}{2}$ a	139 $\frac{1}{2}$..
October	3...	107	106 $\frac{1}{2}$	95	106 $\frac{1}{2}$	101 $\frac{1}{2}$	99 $\frac{1}{2}$	142 $\frac{1}{2}$ a	142 $\frac{1}{2}$..
"	10...	107 $\frac{1}{2}$	108	97	106 $\frac{1}{2}$	101 $\frac{1}{2}$	99 $\frac{1}{2}$	146 $\frac{1}{2}$ a	147 ..
"	17...	107 $\frac{1}{2}$	109	97	106 $\frac{1}{2}$	102 $\frac{1}{2}$	99 $\frac{1}{2}$	151 $\frac{1}{2}$ a	152 ..

The amount actually sold abroad is, however, very small. As explained above, the United States stocks can be bought cheaper in London than in New York. The continued large subscriptions by brokers, new banks, and others, towards the close of October, caused money to become dear and affected the price of stocks. The situation was nearly the same as in June last, when the conversions to 5-20's caused the rate of money to rise to full 7 per cent, and induced a withdrawal of the five per cent deposits with the Treasury. On the 25th of June notice was given that deposits would be removed, the amount on hand having fallen below the legal limit of \$100,000,000. The same dearness of money now shows itself from the same cause, but the banks hold \$25,000,000 of 5 per cent certificates, heretofore paid in gold, but which ceased on the 1st November. Those certificates may now be paid in "greenbacks," and thus ease the market.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

BANK ITEMS AND BANK RETURNS.

UNITED STATES BANKS *vs.* STATE BANKS.—We gave last month an article by one of our bank presidents, on the question whether the banks organized under the National Currency Act should be admitted to the Clearing-house, the publication of which has elicited much discussion, and one political paper, we see, has impeached its loyalty! The article in question was handed us for publication, before it was issued in any other form, with the writer's name, and it struck us as a very fair, unimpassioned discussion of an important financial measure. We shall gladly publish any article of equal ability on either side of the same subject.

This United States Currency Act is, however, to us a strange piece of legislation. We can say, with the writer in last month's Magazine, that if the success of this scheme of banking were necessary to the suppression of the rebellion, we could submit to it. But in what respect does it benefit Government? The only suggestion in its favor we have heard is, that it furnishes a demand for United States bonds as a basis for the banks. But even granting it does, what advantage is that, since these same bonds are deposited with Government and circulation is issued on them, so that the sale of the bonds amounts simply to the issue of ninety per cent in currency? Why, then, could not Government have issued that currency directly, without the previous sale of the bonds? Certainly, the inflation caused is just as great, whether the Government issued the notes directly, or indirectly through the banks. Where is the use, then, of Government selling the bonds, and paying these banks five per cent interest for the privilege of issuing through them ninety per cent in currency, when it could have issued the same currency without the banks and without paying any interest? If any of our readers can see how the country is benefited by this operation, we should be glad to hear from them, for we are sadly in need of light. According to our view of the matter, the success of this banking scheme, as it now stands, not only will fail to advance, but must be directly opposed to, the best interests of the Government.

We publish this month the Circular of the Controller of the Currency, which has excited so much remark. It will be found valuable, as embracing the views of Government at the present time and for future reference.

NATIONAL BANKS UP TO OCTOBER 14, 1863.—The following is the official statement of the number, location, and capital of national banks formed up to October 14, 1863. It will be seen that the total capital amounts to less than \$13,000,000:

CONNECTICUT—New Haven, Stamford, Norwich.....	\$600,000
DISTRICT OF COLUMBIA—Washington City.....	500,000
ILLINOIS—Chicago, Aurora, Cairo, Monmouth.....	250,000
INDIANA—Indianapolis, Anderson, Blufftown, Cambridge City, Centerville, Evansville, Fort Wayne, Franklin (2), Kendallville, Lafayette, Lawrenceburg, Richmond, Rockville, Terre Haute, Warsaw, Valparaiso.....	1,621,500
IOWA—Davenport, Iowa City, Keokuk, Lyons.....	250,000
KENTUCKY—None.	

MAINE—Bath	\$100,000
MASSACHUSETTES—Springfield, Worcester, Barre.....	300,000
MICHIGAN—Ann Arbor, Detroit, Fenton.....	250,000
MISSOURI—Columbia, St. Louis.....	200,000
MARYLAND—None.	
NEW HAMPSHIRE—Portsmouth, Nashua.....	200,000
NEW YORK—New York City (3), Adams, Ellenville, Delhi, Danville, Fishkill Landing, Moravia, Rondout, Seneca Falls, S. Worcester, Syracuse, Watertown.....	1,840,000
NEW JERSEY—Newark.....	125,000
OHIO—Cincinnati (4), Cleveland (2), Akron (2), Dayton (2), Cadiz, Can- ton, Findlay, Fremont, Germantown, Greenfield, Hamilton, Ironton, Lodi, Logan, Portsmouth, Salem, Sandusky, Upper Sandusky, To- ledo, Troy, Warren, Youngtown.....	4,458,000
PENNSYLVANIA—Philadelphia, Carlisle, Erie, Girard, Kittanning, Hollidays- burg, Huntingdon, Johnstown, Newville, Pittsburg, Scranton (2), Strasburg, Towanda, Wilkesbarre (2), Marietta.....	1,721,500
RHODE ISLAND—None.	
TENNESSEE—None.	
VERMONT—None.	
WISCONSIN—Milwaukee, Hudson, Janesville.....	375,000

Total, to October 14, 105 banks. Capital..... \$12,776,000

On the evening of the 22d of October, Mr. McCULLOUGH, Controller of Currency, addressed a meeting of gentlemen at the Fifth Avenue Hotel. The object of the meeting was to take measures for organizing a large national bank in this city—probably the same one that was contemplated as the Third. The following was the call issued:

NEW YORK, October 19, 1863.

SIR—You are respectfully invited to meet the Hon. HUGH McCULLOUGH, the Controller of the Currency, at eight o'clock on Wednesday evening, October 21, at the Fifth Avenue Hotel, for the purpose of a conference in relation to the establishment of a large national bank in this city. (Signed.)

Peter Cooper, John J. Astor, Jr., Freeman Clark, John J. Phelps, Morris Ketchum, David Dews, Paul S. Forbes, Joseph Stuart, E. D. Morgan, Jonathan Sturges, George Opydyke, Isaac N. Phelps, O. De Forest Grant, Isaac Sherman, A. Arnold, Elisha Riggs, B. H. Hutton.

Besides the gentlemen above named, there were present Hon. Samuel Hooper, of Massachusetts, Chairman of the Committee of Ways and Means in Congress; Mr. H. B. Hurlbut, President of the First National Bank at Cleveland, Ohio; Samuel T. Dana, of Boston; Mr. Leonard Jerome, General Wm. K. Strong, Colonel Vermilyea, Mr. Jaques, Vice-President of the Metropolitan Bank, Mr. Cisco, Mr. David Hoadley and others. After listening to the remarks which Mr. McCULLOUGH had to make, the chairman of the meeting presented the following resolutions, which were adopted:

Resolved, As the sense of this meeting, and after listening to the able exposition of the necessity which exists for such an institution from Hon. HUGH McCULLOUGH, that it is expedient to organize a national bank in this city, with sufficient capital to meet the wants of the country, under the system recently inaugurated by Congress.

Resolved, That the capital of said bank be \$5,000,000, with privilege to increase the same to \$50,000,000, from time to time, as may be found expedient.

Resolved, That a committee of three be appointed by this meeting to select seven suitable persons as commissioners to receive subscriptions to the capital stock of said bank.

Messrs. Hutton, Grant, and Vermilyea were appointed a committee under the last resolution, and after a vote of thanks to Mr. McCULLOUGH for his interesting and able address, the meeting adjourned.

THE \$50,000,000 LOAN TO GOVERNMENT.—We gave last month the history of the late bank loan to Government. The following have been the payments on it:

	New York banks.	Other banks.
5 per cent when loan was taken.....	\$1,750,000	\$750,000
10 " September 20.....	3,500,000	1,500,000
10 " " 27.....	3,500,000	1,500,000
10 " October 3.....	3,500,000	1,500,000
10 " " 19.....	3,500,000	1,050,000
Total.....	<u>\$15,750,000</u>	<u>\$6,750,000</u>
Making the total paid.....		\$22,500,000
And leaving still to be paid.....		<u>27,500,000</u>
Amount of loan.....		\$50,000,000

But two calls have been made on this loan this month, on account of the unusually large receipts at the United States Treasurer's office from increased sales of bonds and custom duties. The balance with the Assistant Treasurer, October 23d, was \$35,745,688 77. The banks receive interest on the whole amount of the loan from the time it was taken, irrespective of the dates on which they actually pay the money. As yet the banks have not been troubled in the least to make their payments to the Treasury on account of the loan. It may not be known to all of readers that the loan committee was revived to equalize the holding of the legal tenders among the banks, as the specie was managed during a late financial crisis. Then the specie was put into a pool and the banks which ran below a certain per centage were allowed to draw from the banks which accumulated, by depositing securities with the committee. In this way, however, there was an inducement for each bank to keep up its line, because when it ran down, and the bank had to borrow, interest must be paid, and this interest of course inured to the benefit of the stronger bank. In the recent arrangement, the legal tender notes were all to be held as common stock, with this exception, that no provision was made for compelling each bank to maintain a certain per centage. Thus, a bank which foregoes interest to hold a million in legal tenders really maintains this surplus at its own expense, but for an equal benefit to the institution that allows its surplus to run out. If the latter were obliged to borrow of the former when its balance run down, and pay interest for such accommodation, the arrangement would conform to that made concerning the coin when the loan committee was constituted.

SEMI-ANNUAL BANK DIVIDENDS OF BOSTON.—The following table from the Boston *Shipping List*, presents the capital of each of the Boston banks paying dividends at this time, together with the last two semi-annual dividends, and amount paid on Thursday, October 1st. Of the forty-three banks in the table, the dividends average 8.64 per cent. Three banks divide 5 per cent, two $4\frac{1}{2}$, fourteen 4, fourteen $3\frac{1}{2}$, eight 3; the Massachusetts Bank pays $3\frac{1}{2}$ per cent, or \$8 per share, and the Traders' passes its dividend. The Metropolis is closing up its affairs. Sixteen of the banks increase their dividends:

	Capital.	---Dividends---		Amount, Oct., '63.	Stock, dividend on.	
		April, '63.	Oct., '63.		April, '63.	Sep., '63.
Boston banks.						
Atlantic	\$500,000	2	3	15,000	84	88
Atlas	1,000,000	3	3½	35,000	103	103½
Blackstone	750,000	3½	4	30,000	103	107
Boston, (par \$50)	900,000	4	4	36,000	70	64
Boylston	400,000	4½	4½	18,000	116	116
Broadway.....	150,000	3½	4	6,000	102	104
City	1,000,000	3½	3½	35,000	105	103½
Columbian	1,000,000	3	3	30,000	111	111
Commerce	2,000,000	3	3½	70,000	105	104½
Continental.....	300,000	3	3	9,000	99	100
Eagle.....	1,000,000	3½	4	40,000	110	112
Eliot.....	600,000	3	3	18,000	102	103½
Exchange.....	1,000,000	4	4	40,000	118	120
Faneuil Hall	500,000	4	5	25,000	116	118
Freeman.....	400,000	3	†3	12,000	99	100
Globe.....	1,000,000	4	4	40,000	125	125
Granite.....	900,000	3½	4	36,000	112	114
Hamilton.....	500,000	4½	5	25,000	135	140
Hide and Leather.....	1,000,000	3½	3½	35,000	101½	105
Howard.....	500,000	3½	3½	17,500	102	103
Market, (par \$70).....	560,000	3½	4	22,400	74	75
Massachusetts, (par \$250).	800,000	\$8*	\$8	25,600	260	270
Maverick.....	400,000	3	3½	14,000	100	100
Mechanics'	250,000	4	4	10,000	114	114
Merchants'	4,000,000	3	3	120,000	99	100
Mount Vernon.....	200,000	3½	3½	7,000	99	101
Mutual Redemption.....	561,700	0	4	22,468	..	...
National.....	750,000	3	3	22,500	95	95
New England	1,000,000	4	4	40,000	115	115
North.....	860,000	3	3	25,800	96	99
North America	750,000	3	3½	26,250	105	105
Republic.....	1,000,000	3	3½	35,000	99	99
Revere.....	1,000,000	3½	3½	35,000	108	108
Safety Fund.....	1,000,000	3	3½	35,000	102	105
Shawmut.....	750,000	3	3½	26,250	95	98
Shoe and Leather.....	1,000,000	4½	4½	45,000	130	130
State, (par \$60).....	1,800,000	3½	3½	63,000	72	69
Suffolk	1,000,000	5	5	50,000	147	147
Traders'	600,000	0	0	.....	86	88
Tremont.....	1,500,000	4	4	60,000	115	115
Union.....	1,000,000	4	4	40,000	116	116
Washington.....	750,000	3½	3½	26,250	104	105
Webster.....	1,500,000	4	4	60,000	105	107
Total, October, 1863..	\$38,431,700			\$1,384,018		
Total, April, 1863....	38,631,700			1,297,750		
Total, October, 1862..	38,631,700			1,204,000		
Total, April, 1862....	38,631,700			1,190,500		

BANK OF FRANCE vs. BANK OF SAVOY—POWER TO ISSUE NOTES.—A great commotion has been excited in commercial circles at Paris, by a singular affair. At the time Savoy formed part of the dominions of King Victor Emanuel, there existed a Bank of Savoy with a capital of only 4,000,000f. (\$800,000), but possessed of the of issuing notes privileges of establishing branches, of increasing its capital at will, and of being of in-

* The dividend of the Massachusetts Bank is 3 1-5 per cent (par \$250), equal to \$3 per share.

† Freeman's not official.

definite duration. In the treaty annexing the province to France, no special stipulation was made with regard to this bank, and accordingly it came within the clause by which France guaranteed to all companies and establishments in that province the maintenance of the rights and privileges they had enjoyed. After a while the directors of the Bank of Savoy fancied that they had no chance of maintaining their ground against the Bank of France, and they accordingly proposed to sell purely and simply their business and their privileges to that establishment. Negotiations took place and extended over an unreasonably long time. But at last they were broken off, because the Bank of France would not consent to give the price demanded by the Bank of Savoy. On the rupture of these negotiations, the directors of the Bank went to MESSRS. PÉREIRE, and these great financiers saw at once that the Bank of France had committed a gross blunder as regarded its own interests, and that the Bank of Savoy might be turned to account in a manner which it had not the sagacity to foresee. They entered into a provisional agreement for purchasing the privileges of the Bank, and about the first of October that agreement became definitive. The Bank of Savoy, therefore, is theirs. When their purchase had become a *fait accompli*, the great fact that the Bank of Savoy *can issue notes* presented itself, with appalling sternness, to the directors of the Bank of France. This latter Bank, as our readers are aware, has hitherto had the *exclusive* privilege of issuing notes; and it has certainly good reason to be troubled at seeing that great privilege invaded by financiers of such high authority and vast resources as MESSRS. PÉREIRE. Yet, although the Bank of France is determined now to make a vigorous opposition to the Bank of Savoy, it appears that it not only peremptorily refused to allow the Bank of Savoy to amalgamate with it, as the latter wished, and as the Emperor himself, it is alleged, desired, but that it would not even consent to buy up its privilege of issuing notes, except for a sum absurdly small (\$120,000), and except on the condition that the bank should undergo a complete transformation, which would have rendered its other privileges useless, and have made it an abject dependence of the French establishment. What is still stranger is, that the Bank of France strongly recommended the Bank of Savoy, for its own sake and for the sake of the people of the province, to continue its operations—that is, to exercise its privileges of issuing notes, increasing its capital at will, forming branches, &c. “The maintenance of this bank is useful and necessary,” said the Bank of France directors, in a “memoir” (as such things are called there) which they drew up against the projected amalgamation; “it is desired by the Bank of France itself.” “The Bank of Savoy,” they added, “has been useful; it is still indispensable; its suppression would be evidently injurious, and even a political error.” These facts, as to the action of the Bank of France, came out at the meeting of the directors of the Bank of Savoy, held Sunday the fourth of October.

After thus refusing to buy up the Savoy Bank, and after making such admissions as these, the Bank of France has clearly no moral right to raise clamors against that establishment, because, following the advice given, it has resolved to continue to exist, and in order to do so effectively has obtained the co-operation of two distinguished financiers. It must be evident to everybody that if the Bank of France thought the maintenance of the Savoy establishment “useful and necessary” before Messrs.

PEREIRE had anything to do with it, the contrary opinion cannot with any decency be expressed now that those gentlemen have taken it in hand. The Bank of France has clearly put itself out of court.

Nevertheless, we are told that this bank and its friends—in which term is included most of the principal bankers of Paris—will, on what they call public grounds, make a vigorous opposition to the Bank of Savoy. On this point, we take the following from the Paris correspondent of the London *Economist*, October 10th :

“The Bank of France and principal bankers in Paris have already succeeded in inducing the Government Commissioner who attended the meeting of shareholders of the Bank of Savoy at Annecy the other day to declare that a vote which was passed for increasing the capital from 4,000,000f. to 40,000,000f. (£160,000 to £1,600,000) must be considered as given “under reserve”—a mere matter of form, it is true, but still indicative of a wish to thwart, if possible, the arrangements between Messrs. PEREIRE and the Bank. Judging, however, from the reasons the adversaries of that arrangement have already presented, the opposition is not likely to succeed. The first objection they raise is that as the Bank of France has the exclusive privilege of issuing notes in France, no other establishment can be allowed to create notes. This objection would have prevailed if France had retained the limits she possessed when that privilege was granted; but it is of no weight when applied to a new territory annexed to France, and the commercial establishments in which were, by the treaty of annexation, guaranteed the maintenance of all the rights and privileges they had possessed under the Government to which the territory had previously belonged. M. DUBAURE, one of the most learned advocates in this country, having been consulted on the matter, has expressed the opinion that the Bank of Savoy, by French law, undoubtedly retains under annexation all the powers it held before. Another objection is that two sorts of bank notes in a country will present inconvenience and even danger. But when you ask—why? no answer is forthcoming. Great Britain and America know something of banking matters; and in both there is more than one species of note in circulation. Moreover, the Bank of France has itself demolished this objection: in the ‘Memoir’ referred to, it proclaims that, though the Government “is favorable to the unity of banks and the uniformity of circulating paper,” it has ‘not interdicted itself from coming to a compromise with that principle, and from admitting exceptions.’

“While these, and other objections equally unfounded, are urged against the great act which Messrs. PEREIRE and the Bank of Savoy have accomplished, loud praises of it are uttered by a large portion of the financial and commercial circles, and—no small thing—it is almost unanimously approved of by economists. In the first place, a strong conviction is entertained by these classes that banking—including in that term the power of issuing notes—ought to be free; and they consider that the setting up of a bank of issue in the presence of the Bank of France is the first step toward obtaining freedom—the introduction of the wedge which is destined to shatter monopoly to pieces. In the next place, they think that as the Bank of Savoy can issue notes of 50f. and even 20f., whereas the Bank of France refuses to go lower than 100f., it can give a great impetus to credit. In the third place, the Bank of Savoy will discount bills with two signatures, whereas the Bank of France cannot by its charter accept less than three; and the former will thus relieve the higher class of commerce from a heavy charge—for the third signature is almost always that of a banker, and he of course does not give it for nothing—whilst at the same time it can accept the paper of a vast number of petty traders, who hitherto have had difficulty in obtaining discount accommodation. Lastly, the Bank of Savoy can discount at four or six months, or even longer dates, whereas the Bank of France never accepts bills of more than three months, though in certain important branches of commerce such a short period is not adopted.

“The report presented to the shareholders of the Bank of Savoy, in their meeting on Sunday, may be considered one of the most remarkable documents in financial history. It shows, on the one hand, the almost inconceivable blindness of a great financial establishment; on the other, the acuteness of two eminent men. The Bank of France had the greatest interest in preventing another bank of issue from being tolerated in France; and yet it obstinately refused to come to an arrangement with the only establishment which could compete with it in that capacity. Messrs. PE

REIRE, on this point, saw at once that what the bank so disdainfully rejected was nothing less than the most powerful instrument that existed in the financial world, apart from the Bank of France—inasmuch as it would not only enable a powerful opposition to be raised to that establishment, but would be a sort of revolution in the financial system of the country.”

CITY BANK RETURNS.—The returns of the Boston and Philadelphia banks exhibit no marked changes during the month; but in New York city there has been a loss of nearly fourteen millions in the deposits, while the loans have not changed materially, as will be seen by the following statement:

	Loans.	Net deposits.	December..	Net deposits.
October 3.....	\$206,442,874	\$182,653,494		\$3,427,279
“ 10.....	206,906,902	180,037,283	“ ..	2,616,211
“ 17.....	206,633,749	172,050,317	“ ..	1,986,966
“ 24.....	204,013,870	172,487,596	“ ..	5,562,721

Decrease in net deposits since September 26..... \$13,593,176

It is said that the New York city banks now hold about fifteen million in legal tenders. Below will be found our usual returns for the three cities brought down to the latest dates:

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1863, \$69,494,577; Jan., 1862, \$69,493,577.*)

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
January 3.....	\$173,810,009	\$35,954,550	\$9,754,355	\$159,163,246	\$186,861,762
“ 10.....	175,816,010	36,770,746	9,551,563	162,878,249	249,796,489
“ 17.....	176,606,558	37,581,465	9,241,670	164,666,003	314,471,457
“ 24.....	179,288,266	38,549,794	9,083,419	168,269,228	298,861,366
February 7.....	179,892,161	38,243,839	8,780,154	166,342,777	302,352,571
“ 14.....	173,103,592	38,426,460	8,756,217	167,720,880	265,139,104
“ 21.....	178,335,880	37,981,310	8,752,536	170,103,758	291,242,929
“ 28.....	179,958,842	39,512,256	8,739,969	173,912,695	340,574,444
March 7.....	181,098,322	39,705,089	8,693,175	174,689,212	344,484,442
“ 14.....	177,875,949	36,110,085	8,657,016	172,944,034	307,370,817
“ 21.....	173,829,479	33,955,122	8,609,723	167,004,466	277,831,351
“ 28.....	172,448,526	34,317,691	8,560,602	163,363,846	281,326,258
April 4.....	173,038,019	34,257,121	8,348,094	160,216,418	287,347,704
“ 11.....	170,845,233	35,406,145	8,178,091	159,894,731	264,468,080
“ 18.....	169,132,822	36,761,696	8,039,558	166,221,146	259,417,565
“ 25.....	171,079,322	37,175,067	7,555,549	167,863,999	258,654,781
May 2.....	177,364,956	36,846,528	7,201,169	167,696,916	355,557,732
“ 9.....	180,114,983	38,002,633	7,080,565	163,656,513	367,560,731
“ 16.....	180,711,072	38,556,642	6,901,700	168,879,130	353,346,664
“ 23.....	181,319,851	38,544,865	6,780,678	167,655,658	330,304,748
“ 30.....	181,825,856	37,692,634	6,494,375	166,261,121	307,680,918
June 6.....	182,745,080	37,241,670	6,341,091	162,767,154	289,757,539
“ 13.....	180,808,823	37,884,123	6,210,404	159,551,150	302,377,276
“ 20.....	177,083,295	38,314,206	6,120,252	157,123,301	259,483,221
“ 27.....	175,682,421	38,271,202	6,004,177	158,539,308	264,819,356
July 4.....	174,337,334	38,302,826	5,998,914	158,642,825	267,785,773
“ 11.....	175,087,485	38,712,397	5,927,071	160,733,496	319,945,652
“ 18.....	173,126,387	38,254,427	5,880,623	163,319,544	251,168,769
“ 25.....	173,036,336	35,910,227	5,775,188	164,133,549	284,684,421
August 1.....	176,208,597	33,746,681	5,700,452	161,173,146	292,211,321
“ 8.....	176,569,840	32,156,548	5,706,024	155,368,116	297,384,006
“ 15.....	175,305,471	32,874,913	5,613,177	155,950,043	298,936,160
“ 22.....	175,713,139	31,520,499	5,545,970	156,588,095	373,755,630
“ 29.....	176,748,618	32,030,055	5,475,964	156,671,695	392,404,680
Sept. 5.....	178,477,037	31,989,381	5,456,016	158,110,687	394,814,312

Date.	Loans.	Specie.	Circulation.	Net Deposits.	Clearings.
Sept. 12,.....	200,028,980	32,018,107	5,457,366	178,538,622	371,510,559
" 19,.....	207,679,456	31,014,411	5,414,643	185,576,199	343,263,949
" 26,.....	204,501,984	30,008,566	5,377,886	186,080,773	354,208,025
October 3,.....	206,442,874	30,064,614	5,375,586	182,653,494	375,032,633
" 10,.....	206,906,903	29,927,281	5,522,178	180,037,283	399,288,092
" 17,.....	206,638,749	28,382,473	5,618,176	178,050,317	427,981,203
" 24,.....	204,013,870	28,804,915	5,799,097	172,487,596	469,175,465

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$77,339,046	\$7,672,028	\$8,190,496	\$33,372,648	.....	.....
" 12,...	77,427,173	7,751,000	8,373,000	33,063,800	17,006,000	13,520,000
" 19,...	76,624,700	7,710,600	8,199,600	33,382,000	16,547,800	13,727,700
" 26,...	76,354,000	7,710,700	8,008,500	33,847,000	16,811,700	13,958,000
Feb. 2,...	76,496,800	7,685,000	8,865,000	34,076,800	16,889,000	14,490,000
" 9,...	78,421,000	7,707,000	8,074,000	35,178,600	16,932,000	14,183,000
" 16,...	78,431,000	7,794,000	8,001,000	34,903,000	17,070,700	14,095,500
" 23,...	78,782,600	7,624,000	8,002,000	34,965,500	17,331,000	14,583,800
Mar. 2,...	79,127,500	7,553,000	8,001,980	35,245,500	17,523,500	15,004,000
" 9,...	79,274,700	7,582,000	8,225,000	35,215,000	17,340,400	14,446,500
" 16,...	79,636,134	7,609,238	7,780,062	32,955,149	17,230,300	13,434,500
" 30,...	77,935,000	7,572,600	7,593,800	31,604,500	17,074,400	11,601,300
April 6,...	76,933,600	7,703,800	7,963,500	32,687,000	15,444,000	12,280,600
" 13,...	74,551,013	7,812,895	7,762,915	32,494,822	15,257,000	12,947,800
" 20,...	73,459,160	7,799,315	7,278,506	33,209,742	14,132,000	12,653,000
" 27,...	73,558,000	7,838,800	7,040,000	32,781,500	13,303,000	11,966,700
May 4,...	73,218,155	7,854,731	7,433,496	31,949,762	13,237,700	11,622,600
" 11,...	73,062,789	7,847,849	7,688,233	31,309,985	13,147,000	11,800,000
" 18,...	73,068,598	7,794,046	7,167,327	32,192,770	12,863,500	11,732,000
" 25,...	72,874,000	7,777,000	7,011,700	33,000,000	12,787,000	11,748,000
June 1,...	73,424,000	7,751,000	6,913,000	32,575,000	12,735,000	10,704,500
" 8,...	73,592,000	7,738,557	7,030,286	31,728,285	12,626,700	10,874,700
" 15,...	73,237,000	7,730,000	7,109,000	31,477,600	12,355,500	10,541,000
" 22,...	73,351,000	7,697,000	7,344,500	31,355,800	12,504,600	10,914,700
" 29,...	73,421,084	7,683,987	7,040,624	31,477,596	12,388,000	10,900,000
July 6,...	73,548,918	7,744,827	7,473,800	31,509,263	12,233,000	10,891,000
" 13,...	73,485,675	7,774,991	7,508,442	30,277,502	12,193,000	10,712,000
" 20,...	73,421,000	7,684,000	7,401,500	29,237,000	13,802,000	10,154,600
" 27,...	72,850,716	7,811,513	7,246,797	28,011,571	12,950,000	9,864,300
Aug. 3,...	72,390,364	7,793,916	7,317,402	28,384,096	12,655,000	9,646,000
" 10,...	71,997,503	7,798,276	7,440,212	28,247,266	12,822,673	10,135,180
" 17,...	71,860,078	7,813,497	7,193,917	27,898,073	12,765,527	9,603,257
" 24,...	71,447,520	7,780,905	7,303,757	27,510,154	12,662,321	9,573,673
" 31,...	71,478,116	7,752,516	7,227,704	27,762,955	12,614,000	9,820,500
Sept. 7,...	71,717,995	7,637,402	7,527,036	28,778,498	12,379,000	10,874,700
" 14,...	75,599,232	7,591,589	7,600,556	31,143,588	13,424,000	11,097,000
" 21,...	79,595,740	7,595,358	7,604,161	34,509,214	13,565,000	11,487,500
" 28,...	78,358,387	7,707,106	7,620,371	34,495,540	13,315,000	12,138,000
Oct. 5,...	77,798,427	8,042,062	8,107,720	35,435,811	13,498,000	13,765,500
" 12,...	78,160,899	7,991,999	8,399,769	35,734,939	13,909,500	14,123,700
" 19,...	78,216,435	7,880,832	8,323,451	36,127,597	13,506,500	13,967,000

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 5,...	\$37,679,675	\$4,510,750	\$4,504,115	\$28,429,189	\$6,948,785	\$1,994,923
" 12,...	37,533,757	4,544,786	4,450,676	28,018,792	6,890,963	1,843,932
" 19,...	37,416,694	4,549,369	4,382,520	27,877,069	7,050,847	2,275,905
" 26,...	37,479,712	4,572,419	4,284,947	28,773,517	6,755,980	2,638,985

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Feb 2,...	37,268,894	4,562,580	4,181,503	29,231,753	6,698,210	2,909,857
" 9,...	37,336,367	4,319,706	4,039,918	28,062,164	6,953,215	2,518,036
" 16,...	37,710,851	4,272,347	3,888,185	28,759,049	7,452,563	2,432,073
" 23,...	37,720,460	4,276,761	3,772,781	29,342,596	7,413,249	2,703,196
Mar. 2,...	37,901,080	4,267,626	3,696,097	30,178,518	7,185,670	2,758,852
" 9,...	38,603,871	4,249,035	3,608,870	30,679,259	7,100,258	2,499,139
" 16,...	39,260,028	4,247,817	3,534,880	30,549,587	7,476,603	1,939,449
" 23,...	39,458,384	4,247,688	3,295,862	30,106,135	7,418,482	1,935,014
" 30,...	38,937,612	4,311,704	3,369,194	29,171,283	6,504,758	2,155,007
Apr. 6,...	37,516,520	4,339,252	3,374,417	29,531,559	5,768,558	2,770,129
" 13,...	36,250,402	4,343,242	3,296,685	30,117,527	5,953,809	3,014,229
" 20,...	36,295,644	4,343,988	3,185,042	31,059,644	5,306,809	3,018,727
" 27,...	36,482,058	4,346,377	3,078,921	31,021,799	5,448,124	2,559,868
May 4,...	36,587,294	4,355,324	2,989,428	30,869,231	5,328,898	2,891,087
" 11,...	36,593,179	4,359,365	2,901,600	30,949,781	4,975,939	2,542,792
" 18,...	36,887,301	4,357,119	2,866,121	31,892,308	4,640,623	2,536,279
" 25,...	37,116,093	4,357,169	2,808,109	32,455,953	4,623,392	2,480,714
June 1,...	37,143,937	4,357,021	2,706,953	31,888,763	4,707,278	2,363,548
" 8,...	37,157,769	4,357,076	2,649,283	31,549,339	4,645,712	2,313,744
June 15,...	37,228,627	4,357,025	2,621,098	31,648,959	4,914,425	2,892,278
" 22,...	37,219,216	4,356,744	2,596,115	31,293,830	4,868,695	2,065,918
" 29,...	37,250,665	4,359,543	2,556,855	31,466,204	5,116,692	1,820,600
July 6,...	35,936,811	4,360,745	2,564,558	28,504,544	5,060,096	1,961,814
" 13,...	34,866,842	4,360,003	2,507,253	28,701,813	4,784,343	2,530,552
" 20,...	34,662,966	4,361,999	2,482,986	29,931,608	4,580,322	2,981,867
" 27,...	34,517,347	4,227,448	2,418,463	30,448,430	4,805,045	3,034,009
Aug. 3,...	34,390,179	4,187,056	2,417,739	30,799,448	4,963,290	2,772,717
" 10,...	34,645,243	4,112,013	2,330,720	30,513,961	4,740,391	2,538,096
" 17,...	35,890,179	4,112,542	2,353,396	29,959,127	5,161,573	2,158,440
" 31,...	35,296,376	4,113,309	2,292,607	30,195,167	4,551,031	2,219,071
Sept 7,...	35,773,596	4,113,162	2,258,306	30,654,672	4,574,037	1,997,534
" 14,...	39,575,410	4,103,115	2,223,533	33,626,702	4,997,015	1,801,678
" 21,...	40,175,698	4,102,701	2,224,632	33,039,035	5,079,742	1,802,889
" 28,...	39,485,313	4,116,683	2,224,374	32,402,783	4,616,754	1,822,223
Oct. 5,...	38,798,830	4,227,265	2,193,000	32,258,554	4,427,097	1,976,561
" 12,...	39,046,434	4,239,551	2,169,314	32,536,502	4,446,684	2,035,819
" 19,...	38,833,337	4,238,677	2,159,638	32,684,915	4,361,072	1,926,707

The following is a statement of the amount of United States legal tender notes held by the Philadelphia banks at the dates mentioned :

June: 22.....	\$6,082,729	" 31.....	\$6,853,540
" 29.....	6,952,150	Sept. 7.....	7,382,810
July 6.....	5,953,622	" 14.....	7,081,480
" 13.....	6,916,751	" 21.....	6,573,404
" 20.....	7,066,593	" 28.....	6,375,334
July 27.....	7,903,732	Oct. 5.....	6,273,091
Aug. 3.....	8,430,782	" 12.....	6,342,746
" 10.....	7,780,640	" 19.....	6,525,827
Aug. 17.....	7,530,339		

EUROPEAN FINANCES—BANK OF ENGLAND RETURNS.—The past month, (October 8.) the Bank of France raised its rate of discount to five per cent, a considerable amount of specie having been taken from the bank. We take the following from the London, *Economist*, as it represents pretty fully the alarming condition of the London and Paris money markets, together with the cause and future prospects. It will be remembered that the Bank of France makes its returns not weekly, but monthly :

The condition of the Bank of France is not, indeed, very alarming ; there is not enough to excite a panic ; but it is impossible not to see that there must have been

much in it to cause apprehension for some time past. It is only at the moment before publication that the rate of discount has been raised. It is impossible to imagine a greater censure on the present managers. They are willing to suffer in silence and inaction a progressive drain till the moment at which it is known; and just before it becomes known, they take in haste the steps which ought to have been taken long since, and which *would* have been measures of precaution, if they had been so taken.

The account is this, in comparison with that of last year:

	1862.	1863.
Notes in circulation of the Bank and branches.....	£31,688,870	£32,824,076
Drafts drawn on the Bank by the branches, or by the Bank on the branches, and payable in Paris or the provinces.....	226,869	184,430
Acknowledgments for money deposited.....	259,406	179,438
Public deposits.....	3,468,368	2,135,136
Private deposits.....	7,785,349	7,686,082
Total liabilities.....	43,428,862	43,009,162
Against a reserve of bullion of.....	13,674,772	10,899,184

—which should have caused caution lately, but which should not cause panic now.

If we turn to the account of the Bank of England, we find that it has been affected by several circumstances, but that, even after allowing for those circumstances, it is not in a satisfactory state.

The figures relating to the banking department are:

Public deposits.....	£9,510,057
Private deposits.....	12,893,642
Seven days' bills.....	777,032

Total liabilities..... 23,180,731
against a reserve of £7,737,662.

It is true that the reserve is always low at this season of the year; that the close of the quarter always augments the active circulation of notes and the circulation of coin; that, on the whole, this period is not favorable to the position of the Bank; still the mere figures, after every explanation and mitigation, are far worse than any to which we have long been accustomed. The reserve is much less than one-third of its liabilities, and one-third is the very minimum with which the Bank ought ever to be content, and of late it has usually been nearer to one-half.

As to the absorption of sovereigns, of which so much has been said, we have heard that there is nothing unusual in it. We believe that the issue of sovereigns at the Bank between the beginning of April and the end of October was nearly six millions in 1861, nearly seven millions and a-half in 1862, and that it has been only about six millions since the beginning of April to the present time. There is, therefore, no absorption of sovereigns to be accounted for, and the various recondite speculations on that head are so much waste paper.

Much more serious matter remains. We now have:

The stock of bullion in the Bank of England.....	£14,836,037
The stock of bullion in the Bank of France.....	10,899,184
Total.....	25,735,221
Against last year:	
Stock of bullion in the Bank of England.....	16,548,156
Stock of bullion in the Bank of France.....	13,674,772
Total.....	30,222,928

Although the rate of discount, as will be seen by the comparative table in our city article, is considerably higher now than it was last year, still such a reduction of bullion in the two banks together (which, now that the two money markets are so closely connected together, and practically so very near, should for many purposes be added together) must necessarily make the money market of both countries sensitive and delicate.

The liabilities of Europe, and of England perhaps especially, are large. The demand for bullion for India must be considerable:

In 1862 we imported up to 31st July, (the last date to which we have the figures) of cotton from India	£4,883,899
In 1863	11,950,999
And from "other countries," which are really barbarous countries, and therefore absorb bullion more or less, we imported—	
Of raw cotton in 1862	£991,858
Of raw cotton in 1863	3,673,347

and all this must be paid for.

The number of continental schemes and engagements (for solvent individuals have subscribed to them) is very large, and they will undoubtedly pull heavily on our store of actual cash. Many of them are banks or loan societies in rude countries, and whenever cash is lent in or taken to such communities, it is long before more civilized nations see it again. The greater part of the companies which have been started have not absorbed much capital, and have taken abroad little money, and we have good reason to believe that the public have shown lately a discretion in their investments far surpassing that of any previous period. But, nevertheless, we have been gradually engaging ourselves in many foreign undertakings which will cause a very important demand on our bullion.

On the other hand, the effect of our good harvest—at least, of the expectation of it—is already written in the Board of Trade tables. We imported up to July 31st:

	1862.	1863.
Wheat	£11,380,516	£6,364,080
Wheatmeal and flour	3,198,310	1,944,517
Total	£14,578,826	£8,308,597

showing a reduction of about £6,000,000.

Too much credit however must not be taken for this circumstance in face of the general liabilities we have enumerated. It will especially be for the Bank of England not to delay too long to raise the value of money in the face of large immediate demands, and of a higher rate offered for money by its principal competitor.

BANK OF ENGLAND.

The following comparative table will be of interest, affording as it does a view of the bank returns, the bank rate of discount, and the price of wheat in London during a period of three years corresponding with the date of our last returns, October 7th:

At corresponding dates with the week ending October 7, 1863.	1861.	1862.	1863.
Circulation, including bank post bills...	£21,674,563	£22,137,670	£22,545,407
Public deposits	4,893,914	8,333,779	9,510,057
Other deposits	12,028,835	13,530,122	12,893,642
Government securities	10,733,123	11,252,556	11,141,227
Other securities	17,440,363	19,751,704	22,591,537
Reserve of notes and coin	7,859,634	9,823,331	7,737,662
Coin and bullion	14,141,519	16,548,156	14,856,037
Bank rate of discount	3½ per cent.	2 p. cent.	4 per cent.
Average price of wheat	57s. 0d.	51s. 1d.	42s. 2d.

Subjoined is our usual table with the returns brought down to October 7th, 1863:

WEEKLY STATEMENT.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 17...	£19,932,360	£8,507,144	£14,033,994	£30,539,363	£15,031,658	3 pr. ct.
" 24...	20,150,398	8,654,499	14,306,497	31,346,731	14,870,795	3 "
" 31...	20,516,435	8,333,717	15,469,254	32,488,020	14,956,421	3 "
Jan. 7...	20,927,993	8,782,808	14,393,808	32,620,233	14,635,555	3 "
" 14...	21,018,849	4,280,730	16,772,732	31,165,075	14,102,129	4 "
" 21...	20,893,931	4,965,798	14,993,225	30,227,086	13,855,849	4 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discout.
" 28...	20,771,236	5,416,863	14,414,763	30,238,865	13,611,823	5 "
Feb. 4...	20,709,154	6,351,617	13,352,287	29,997,233	13,692,136	5 "
" 11...	20,444,454	6,952,808	13,596,356	30,288,406	14,070,651	5 "
" 18...	19,916,496	7,413,275	13,769,276	29,890,503	14,589,222	4 "
" 25...	19,715,828	7,901,658	13,367,153	29,709,079	14,614,096	4 "
Mar. 4...	20,322,055	8,636,003	13,368,086	30,880,805	14,504,517	4 "
" 11...	19,801,665	8,673,899	13,282,605	31,096,327	14,328,178	4 "
" 17...	20,012,331	9,343,499	13,008,088	31,482,170	14,547,812	4 "
" 24...	20,136,276	10,364,471	12,742,282	31,896,338	15,025,274	4 "
Apr. 1...	20,965,228	10,107,041	13,172,090	32,775,752	15,141,755	4 "
" 8...	21,279,339	6,714,109	14,829,832	30,946,784	14,963,835	4 "
" 15...	21,326,520	5,769,276	15,013,391	29,974,677	15,229,237	4 "
" 22...	21,413,226	6,316,413	14,739,897	30,182,533	15,387,151	3 "
" 29...	21,452,800	7,178,312	13,606,939	29,994,349	15,348,492	3 1/2 "
May 6...	21,376,999	7,241,739	13,122,087	29,718,602	15,141,760	3 "
" 13...	21,252,916	6,735,137	13,727,556	30,201,120	14,653,141	3 "
" 20...	21,268,315	7,610,278	13,983,654	31,484,815	14,529,451	4 "
" 27...	20,909,819	8,002,346	13,842,718	31,412,190	14,500,019	4 "
June 3...	21,009,392	8,779,387	13,896,450	32,389,044	14,425,553	4 "
" 10...	21,080,460	9,782,830	13,733,263	33,240,192	14,556,121	4 "
" 17...	20,655,473	9,882,135	13,904,506	32,750,953	14,850,156	4 "
" 24...	20,525,655	10,279,053	13,809,996	32,756,459	15,026,118	4 "
July 1...	21,788,756	10,356,373	16,274,739	36,490,515	15,080,271	4 "
" 8...	22,038,478	5,593,834	18,595,718	34,647,336	14,824,969	4 "
" 15...	22,194,996	4,948,458	16,381,914	32,052,521	14,749,876	4 "
" 22...	22,230,612	5,386,948	14,675,625	30,975,774	14,620,872	4 "
Aug. 5...	22,340,809	5,577,268	13,790,855	30,289,227	14,343,185	4 "
" 12...	21,937,198	5,754,863	13,578,358	29,657,333	15,040,819	4 "
" 19...	22,003,176	6,126,668	13,005,322	29,503,127	15,081,152	4 "
" 26...	21,699,696	6,713,801	12,806,568	29,322,757	15,309,334	4 "
Sept. 2...	21,920,722	6,813,182	13,261,512	30,180,384	15,494,219	4 "
" 9...	21,646,811	6,997,402	12,909,484	29,919,543	15,345,488	4 "
" 16...	21,487,105	7,371,510	13,484,939	30,601,940	15,461,566	4 "
" 23...	21,515,731	8,291,491	12,859,580	30,960,809	15,532,338	4 "
" 30...	22,312,747	9,270,486	13,717,460	33,761,403	15,277,885	4 "
Oct. 7...	22,545,407	9,510,057	12,893,642	33,823,764	14,856,037	4 "

RETURNS OF THE CANADA BANKS.—We give below the Auditor's statement of the banks of Canada for January, May, August, and September, 1863:

	January.	May.	August.	September.
Capital authorized	\$35,266,666	\$35,266,666	\$35,266,666	\$35,266,666
Capital paid up.....	26,455,298	26,739,878	26,781,194	26,807,642
LIABILITIES.				
Notes in circulation.....	\$9,940,423	\$9,024,240	\$9,097,116	\$10,121,221
Balance due to other banks...	1,249,308	1,836,314	1,218,069	648,306
Deposits not bearing interest...	9,580,143	10,119,578	10,499,900	11,216,590
Deposits bearing interest.....	9,662,483	9,940,333	10,827,585	10,904,879
Total liabilities.....	\$30,382,357	\$30,920,465	\$31,642,670	\$32,890,996
ASSETS.				
Coin and bullion.....	\$5,615,519	\$5,394,927	\$6,913,042	\$7,247,381
Landed or other property	1,974,786	2,017,810	2,053,953	2,068,676
Government securities.....	5,027,739	4,990,334	4,802,248	4,808,250
Notes or bills of other banks..	1,132,788	1,087,414	1,424,161	1,405,385
Balances due from other banks.	2,143,238	1,050,523	1,683,338	1,856,699
Notes and bills discounted....	42,458,413	44,605,111	42,043,243	42,818,444
Other debts not before includ'd	2,629,681	2,758,772	2,908,427	2,921,563
Total.....	\$60,982,218	\$61,904,891	\$61,838,932	\$63,126,398

OFFICIAL LETTER OF CONTROLLER McCULLOUGH.

ANSWERS OF THE CONTROLLER OF THE CURRENCY TO QUESTIONS IN RELATION TO THE NATIONAL CURRENCY ACT.

We publish the following important Government document, as it forms a prominent feature in the financial history of the times, and should be preserved.

TREASURY DEPARTMENT,
OFFICE OF CONTROLLER OF THE CURRENCY, }
WASHINGTON, July 14, 1863. }

Most of the questions presented to the Controller, in regard to the National Currency Act, have been answered in the forms and instructions which have been sent from this office, and by letters to the interrogators. There are a few, however, that can be more conveniently and satisfactorily answered in this form than in any other.

1st Question. Is there any "reasonable doubt" of the constitutionality of this Act?

Answer. The constitutionality of the Act of Congress establishing, in time of peace, a United States Bank, with power to locate in the States branches thereof, having been affirmatively decided by the Supreme Court of the United States, the constitutionality of the National Currency Act is not considered to be an open question.

In *ordinary* times the constitutionality of this Act would hardly be questioned; but in the existing emergency of the Government, engaged, as it is, in a war of gigantic proportions—with specie no longer a circulating medium—with a large internal revenue to be collected in the States and Territories, such a currency as is provided for in this Act is an absolute necessity. To deny to the Government, through such agencies as Congress might create, the power to provide a currency based upon its own resources, would be not only to deny its sovereignty, but its authority to perform properly and safely its acknowledged functions.

2d Question. What are stockholders of State Banks to gain by discontinuing their present organizations, and organizing under the national law?

Answer. The chief gain will be in a circulation of notes, which cannot long be secured through the agency of State institutions. Legal tender notes have created a taste and prepared the way for a national bank note circulation. These notes, in all sections of the country, have a better credit and are in greater demand than the notes of the strongest banks. Country bankers, notwithstanding the largeness of the issue, find it difficult to supply the call for them, and are frequently under the necessity of ordering them, at considerable expense, from commercial points, to meet the demand that will not be satisfied with anything else. The preference for these notes is not *chiefly* to be attributed to the fact that they are a "legal tender," but to the fact that they are *Government money*, and must be good, if the Government is good. I do not say that their general credit is not, *in a measure*, owing to the fact that they are declared to be "lawful money," or that it was not necessary to make them so, to place them beyond the influences that might, at the time, have been combined to depreciate them; but I *do* say, that the people, who control the currency, as they do the legislation of the country, prefer legal tenders to bank notes, because they

are Government issues, are receivable for Government dues, and must, every dollar of them, be redeemed, if the Government is maintained.

The National Bank Note circulation is intended gradually to take the place of the direct issues of the Government. It is not expected that it will, at once, have the *crédit* that has been attained by the "legal tenders," nor that the notes of the National Associations, scattered from Maine to California, will be of absolutely uniform value throughout the Union; but it is expected that these notes, sustained by the credit and secured by the resources of the nation, receivable for all public dues, except duties upon imports, and in payment of all claims against the Government, and, in case of the failure of the banks, to be redeemed at the Treasury of the United States, will challenge, to a greater degree, the public confidence, and possess more uniformity of value than can be attained by the issues of the best managed State institutions. I will go further than this: through the instrumentality of Clearing-Houses, or Redeeming Agencies, which, in due time, may become a necessary feature of the system, the notes of the National Banks, wherever situated, will be as nearly of uniform value throughout the Union as the commercial interests of the country will require.

There will not be, in my judgment, for any considerable time, two systems of corporate banking (one State and the other National) in the United States; not that there is a necessary antagonism between the two systems, but because both will not be equally acceptable to the people and equally profitable to the banker. One or the other will fully occupy the field; and, aside from the manner in which the National system is being regarded by the people, and the rapidity with which National Associations are being formed, it requires no spirit of prophecy to predict which of the two is destined to give way. The losses which the people have sustained by bank failures; the inadequate protection which State legislation, with rare exceptions, has given to the bill-holders; the fact that the good credit of the issues of the strongest and best conducted State Banks, outside of the States or the section where they exist, is not the result of public confidence in their solvency, but of the influence of bankers and money dealers, who can as easily depress that credit as they can sustain it, and who do not unfrequently depress or sustain it, as suits their own interests or convenience alone; that all the credit that State Banks have at a distance from home is artificial and unreliable: all these things have given rise to a wide-spread dissatisfaction with the existing bank note circulation, and created a popular desire for a circulation, of whose solvency there can be no question, and whose credit will not be at the mercy of bank note brokers.

The Government of the United States is not to be overthrown by the attempted secession of the Southern States, and the war in which it is engaged. On the contrary, it will be vastly strengthened by the severe ordeal to which it is being subjected—strengthened by the evidence, which is every day being exhibited, of its inherent power, and the conviction that is constantly spreading and deepening in the minds of the people, that their personal destinies are identified with it—strengthened by the very debt it is contracting, and the evidences of value that are to be based upon this debt.

Banks whose issues are secured by the Government, and which are to become the financial agents of the Government, will, in my opinion, ere long, be the only ones that will be tolerated by the people; and if the banks of the older and richer States continue, as they have done, and are now to a large extent doing, to furnish the newer and less wealthy States

with a bank note circulation, they will have to do it through the agency of National Banks. In availing themselves of the National Currency Act, for loaning their capital and credit to the people of the new States, they will have the satisfaction of knowing that while adding to their own wealth, they are strengthening the Government, and creating a powerful influence against repudiation, by aiding in furnishing to the people a circulation secured by the stocks, and representing the unity of the nation.

Aside from the matter of circulation, the National Currency Act is as favorable to bankers as the banking laws of most of the States. Should it prove to be too stringent, it is safe to expect that such amendments will be made to it as will accommodate it to the reasonable requirements of capitalists, and the want of a great and growing nation.

Question. Will State Banks be furnished with the national circulation, according to the provisions of the 63d section of the Act?

Answer. This section is a part of the law, and must be obeyed. I have hoped, however, that very few banks would claim the advantages of it. The engrafting upon a national system of banking of a provision that, to some extent, *denationalizes* it, was, in my opinion, a great mistake. Nor can I understand how State Banks, without the aid of State legislation, can avail themselves of the provisions of this section without violating their charters, or the laws under which they are incorporated. But if enabling acts, authorizing State Banks to circulate the National Currency, have been or should be passed by the Legislatures of the proper States, I should still regret being compelled to furnish this currency to institutions over which the Government can exercise no supervision or control. I trust that few banks will deposit bonds and claim circulation, under the 62d section, but that the stockholders of solvent banks, who desire to connect themselves with the system, will do so, by availing themselves of the privileges of the 61st section, or, what would be better still, by winding up their present State institutions, and organizing new associations, independent of the old ones. The intention of the law was to provide a national circulation through the agency of National Banks, which should be subject to Government supervision and control. Nothing would be more sure to destroy the symmetry of the system, or be more likely to bring it into disrepute, than a distribution among the banking institutions of the States, ("good, bad and indifferent,") of the national currency. I must, however, obey the law, and unless prevented from doing so, by a judicial decision or an authoritative opinion, I shall furnish circulation under the section referred to as soon as it can be provided. As notes will be first supplied to Associations, organized under the Act, it is not likely that State Banks can be supplied, to any considerable extent, before the early part of the next year.

Question. Is it expected that State Banks that may become National Associations under the 61st section of the Act will give up their present corporate names?

Answer. Before I entered upon the discharge of my duties as Controller of the Currency, the Secretary of the Treasury, after much consideration, had come to the conclusion, as a National Currency was to be provided through the instrumentality of National Banking Associations, that all such associations should have a common name. Persons forming associations under the act have, therefore, been advised to take the names of First, Second, Third, &c., National Banks of the places in which they are established, according to the order of organization. This rule is expected to be ob-

served by State Banks that may be converted into National Banks, under the 61st section of the Act, as well as by original associations.

If, in their new organizations, they desire to retain, in some way, their former corporate names, it must be done in such manner as will not interfere with the symmetry of the circulation which is to be furnished to them, nor render illegal their acts as National Associations. All who connect themselves with this system have a common interest in making it symmetrical and harmonious, as well as national. The retention by State Banks of their present corporate names, some of them long, and differing from others only in locality, would prevent this, and interfere with the uniformity which it is desirable to maintain in the national circulation.

I know with what tenacity and pride the managers of old and well conducted banks cling to the names which their ability and integrity have done so much to make honorable; but I would suggest to them that it will be an easy matter for them to transfer to National Institutions the credit which they and their predecessors have given to State Institutions; that it is not the name of a Bank, but the character of the men who conduct its affairs, and the character of its securities, that give to it the confidence of the public.

The Merchants' Bank of Boston will not lose a particle of credit by becoming the First National Bank of Boston; on the contrary, its credit will be improved by it. Nor would the stock of the Chemical Bank of New York be a whit the less valuable, nor would its reputation be in the slightest degree lessened, by its becoming the tenth or the fiftieth National Bank of New York.

H. McCULLOCH, *Controller.*

STATISTICS OF TRADE AND COMMERCE.

BREADSTUFFS—EXPORTS TO GREAT BRITAIN AND IRELAND—CROPS FOR 1863.

It will be seen by the tables which we give below, that there has been a great falling off in the export of breadstuffs the past year compared with the two previous years. Prices, too, have been lower, so that there is a much greater decrease in the value exported. For instance, the price of wheat at London, August 19, 1863, was 45s. 11d. per quarter, or \$1 38 per bushel; but at the same time in 1862 it was 57s. 4d., or \$1 82 per bushel. The whole amount exported to Europe for the year from September 1, 1862 to September 1, 1863, is as follows:

Flour, bbls.	Wheat, bush.	Corn, bush.	Estimated value in U. S. currency.
1,692,992	25,510,504	10,403,313	\$58,819,110

The coming year still less will be needed in Europe from the United States. The excellent harvests in England and France will supply their wants in a great measure. The latest accounts from Great Britain, however, are not as favorable as those previously received—recent rains having done much injury. Yet our advices are, that the surplus yield of wheat, contrasted with ordinary years, will be 1,500,000 quarters, and that the weight will exceed the standard weight (usually 61½ lbs.) by about 3 or 4 lbs. In view of these facts, and the reports from the Continent, we must of course expect a great falling off in the demand for our breadstuffs

in the coming year, unless some unexpected event should hapen, like, for instance, a war between England, France, and Russia. In that case, the ordinary supply from Russia would be cut off, and we should be called upon to furnish her quota.

EXPORT OF BREADSTUFFS TO GREAT BRITAIN AND IRELAND, FROM SEPT. 1ST, 1862, TO SEPT. 1ST, 1863.

From	Flour, bbls.	Corn meal, bbls.	Wheat, bush.	Corn, bush.
New York.....	1,164,119	1,064	20,471,480	9,836,826
Philadelphia....	121,927	33	1,134,318	201,368
Baltimore.....	46,553	..	306,105	270,074
Boston.....	46,123	50	.....	16,088
Other ports....	100,691	..	1,255,307	10,000
	Flour, bbls.	Corn meal, bbls.	Wheat, bush.	Corn, bush.
1862-63.....	1,479,413	1,147	23,167,190	10,334,356
1861-62.....	2,672,515	1,124	25,754,709	14,084,168
1860-61.....	2,561,661	4,416	25,553,370	11,705,034
1859-60.....	717,156	944	4,938,714	2,221,857
1858-59.....	106,457	58	439,010	342,013
1857-58.....	1,295,430	143	6,555,643	3,317,802
1856-57.....	849,600	685	7,479,401	4,746,278
1855-56.....	1,641,265	6,816	7,956,406	6,731,161
1854-55.....	175,209	4,768	324,427	6,679,138
1853-54.....	1,846,920	41,726	6,038,003	6,049,371
1852-53.....	1,600,449	100	4,823,519	1,425,278
1851-52.....	1,427,442	1,780	2,728,442	1,487,398
1850-51.....	1,559,584	5,620	1,496,355	2,205,601
1849-50.....	574,757	6,411	461,276	4,753,358
1848-49.....	1,137,556	82,900	1,140,194	12,685,260
1847-48.....	182,583	108,534	241,300	4,390,226
1846-47.....	3,155,845	844,188	4,000,359	17,157,659
Total for 17 years.	22,983,842	1,111,260	123,098,318	110,315,958

TO THE CONTINENT, FROM NEW YORK AND OTHER PORTS.

	Flour, bbls.	Wheat, bush.	Corn, bush.	Eye, bush.
1862-63.....	213,579	2,343,314	68,957	435,205
1861-62.....	626,672	7,617,472	322,074	1,612,926
1860-61.....	142,129	3,452,496	101,145	347,258
1859-60.....	49,243	178,031	19,358	.....
1858-59.....	51,388	57,845	25,519	.....
1857-58.....	303,100	390,428	16,848	13,100
1856-57.....	483,344	2,875,653	543,590	216,162
1855-56.....	748,408	2,610,079	282,083	1,975,178
1854-55.....	7,763	4,972	308,428	35,569
Total for 9 years..	2,625,626	19,530,290	1,688,002	4,635,398

In connection with the above, the following statement of the crops for 1862 and 1863, as returned to and estimated by the agricultural department at Washington, will be found of interest:

The answers returned to the circulars for September, of the Agricultural Department, asking information of the condition of the crops, are given in tenths, above or below the crop of 1862. During the summer the department made an estimate of

the amount of the crops of 1862. This estimate was based on the census returns of 1860. As the crop of 1859, which was taken by the census, was below the average, and that of 1862 much above, allowance was made for this difference, varying in its amount according as the agriculture of each State required. The general per cent increase of each State was added. One fourth of the amount given in the census was struck off from the returns for Missouri and Kentucky on account of the war. Thus calculated, the crops of 1862 were made the basis for estimating those of 1863, according to the tenths, increase or decrease, of each State, as reported by the correspondents of the department.

The summer crops, wheat, rye, barley, and oats, for 1862 and 1863, were as follows:

	Wheat.	Rye.	Barley.	Oats.
Total 1863...bush.	191,068,239	20,798,287	16,760,597	174,858,167
Total 1862.....	189,993,500	21,254,956	17,781,464	172,520,997
	*1,074,739	†456,669	†1,020,867	*2,327,170

The fall crops of corn, buckwheat, and potatoes, for 1862 and 1863, were as follows:

	Corn.	Buckwheat.	Potatoes.
Total 1862.....bush.	586,704,474	17,822,995	113,533,118
Total 1863.....	449,163,894	17,193,233	97,870,035
Decrease.....	137,540,580	1,529,762	15,663,083

The monthly report of the department for September shows that the amount of wheat and flour exported to all countries for the year ending September 1, 1863, is 40,686,308 bushels, and of corn 11,680,343 bushels. The domestic consumption, then, is as follows:

Wheat crop for 1862.bush.	189,993,500	Corn crop for 1862...bush.	586,704,474
Exported	40,686,308	Exported	11,680,342
Domestic consumption..	149,307,192	Domestic consumption..	575,024,132

These exports and domestic consumption exhibit the relative magnitude of the foreign and domestic markets.

The report examines the probable foreign demand for breadstuffs during 1864, and shows that the principal portion of our exports of breadstuffs are purchased in the English markets; that the average annual importations of all grains with Great Britain and Ireland are 94,278,949 American bushels; but in 1860 the importation was 135,386,434 bushels, and in 1861, 142,529,106 bushels; that it was as great in 1862, but not so large in 1863; that from the present condition of the crops in England, the demand for 1864 would return to the general average, rather than to the great amount since 1860; that the home demand for 1864 would be at least equal to that for 1863, and that the condition of the currency would remain as favorable as it now is; that hence the amounts of wheat and corn for 1864 would be as follows:

Wheat crop for 1863.bush.	191,068,239	Corn crop for 1863...bush.	449,163,894
Domestic consumption....	149,307,192	Domestic consumption....	575,024,132
Leaving for export.....	41,761,047	Leaving a deficiency of..	125,860,238

—which must be provided for by greater economy in feeding, and a greater proportional consumption of wheat.

The number of stock hogs is about the same as in 1862, and about five per cent below a general average in condition. These were early turned on the frosted corn.

The buckwheat crop is not as much injured as was generally supposed, because most of it is produced in the States of New York, New Jersey, and Pennsylvania, where the frosts of August 30, and September 18, did not injure the crops materially.

The tobacco crop of 1863 is larger than that of last year by nearly 50,000,000 lbs., although the frosts in the Western States were very injurious to it. But about one-half of the crop there had been gathered before the frost of September 18, and seventy-five per cent more ground had been planted than in 1862.

The hay crop of 1862 is estimated at 21,603,645 tons, that of 1863 at 19,980,482 tons—a decrease of 1,623,163 tons. Its quality is good.

* Increase. † Decrease.

VALUATION OF REAL AND PERSONAL PROPERTY OF THE STATE OF NEW YORK.

At a meeting of the Board of Equalization, held at the office of the Secretary of State, on the 23d September, a majority being present, the following resolution, on motion of Controller ROBINSON, was adopted:

Resolved, That the valuation, as now fixed by the Board of Equalization, and hereto annexed, and amounting in the aggregate to the sum of \$1,454,454,817, be and the same are hereby adopted, approved, and certified, as the equalized aggregate valuation of the real and personal property of each of the several counties of this State, and that the same duly certified by the chairman and secretary of this board, be deposited in the office of the Controller as the assessed amount upon which the said Controller is to compute the State tax for the year 1863, and that the said equalization, as made upon each separate county, be entered in the book of minutes of the proceedings of this board.

Albany	\$39,640,693	Onondaga.....	\$26,676,600
Alleghany.....	9,148,321	Ontario.....	19,181,263
Broome.....	9,021,100	Orange.....	26,350,113
Cattaraugus.....	8,548,366	Orleans.....	10,893,252
Cayuga.....	22,292,079	Oswego.....	13,032,095
Chautauqua.....	14,316,820	Otsego.....	12,322,037
Chemung.....	7,210,263	Putnam.....	5,457,976
Chenango.....	9,812,797	Queens.....	21,345,318
Clinton.....	5,662,707	Rensselaer.....	30,153,490
Columbia.....	21,915,177	Richmond.....	5,694,715
Cortland.....	6,237,819	Rockland.....	5,966,243
Delaware.....	8,194,252	Saratoga.....	12,345,237
Dutchess.....	33,871,584	Schenectady.....	7,305,794
Erie.....	47,086,595	Schoharie.....	7,146,713
Essex.....	3,355,377	Schuyler.....	5,507,289
Franklin.....	4,227,845	Seneca.....	10,523,440
Fulton.....	4,154,490	St. Lawrence.....	15,771,727
Genesee.....	15,931,530	Steuben.....	12,919,912
Greene.....	7,759,662	Suffolk.....	8,452,188
Hamilton.....	605,010	Sullivan.....	4,760,548
Herkimer.....	10,404,468	Tioga.....	6,942,397
Jefferson.....	16,458,826	Tompkins.....	8,715,849
Kings.....	98,147,604	Ulster.....	14,883,049
Lewis.....	5,391,577	Warren.....	2,143,469
Livingston.....	17,041,338	Washington.....	16,503,401
Madison.....	13,380,495	Wayne.....	16,036,115
Monroe.....	30,174,825	Westchester.....	41,685,997
Montgomery.....	9,659,631	Wyoming.....	9,729,568
New York.....	547,416,030	Yates.....	8,503,276
Niagara.....	15,285,475		
Oneida.....	24,709,962		
			\$1,454,454,817

State of New York, ss: We do hereby certify the foregoing to be a correct transcript of the original resolution this day adopted by the Board of Equalization.

D. R. FLOYD JONES, *Lt. Gov. and Pres. of Board.*

EBENEZER BLAKELY, *Secretary.*

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