

tices, or *vice versa*. Each of these Courts, in contemplation of law, being considered identical with the others, and hence it has recently been determined that one Lord Justice may hear appeals, and this is now becoming quite common. The English bar seem to have much less confidence in the number of judges than is common with us.

Appeals are taken too, as is well known, in a very different manner, and with very different effect, in the English Courts of Chancery, from what is allowed in most of the American States. All interlocutory decisions are appealable, and the proceedings in the case are not necessarily thereby interrupted. In theory, in a chancery cause pending before one of the Vice Chancellors, or the Master of the Rolls, an interlocutory decision may be appealed to the Lord Chancellor, or the Court of Chancery Appeal, and may be thus progressing, while the cause itself is at the same time making progress in the original court. And at the same time another interlocutory decision may be appealed direct to the House of Lords, and may be there on trial, while other portions of the cause may be on trial in two or more different courts. But this is not the usual course perhaps. This is accounted for partly by the fact that different members of the Chancery bar practise in different courts, and it is not unusual to have a cause argued in different courts by entirely different counsel; but this is by no means always the case. Senior counsel of eminence, like Sir Roundell Palmer, more commonly follow an important cause through all its stages—and by consequence the proceedings in the court below are more commonly stayed by consent, during the pendency of the appeal.

II.—Some very important questions have, within the last few weeks, come before the superior courts in Westminster Hall and Lincoln's Inn. The astonishing discoveries, in regard to railway management, or, perhaps more properly, mismanagement, within the last few months, have brought out the question of the right of the directors to declare and pay dividends, out of anything but the net earnings of the company.

In countries where joint stock companies

are owned to a considerable extent by mere speculators and adventurers, it would be not unnatural to expect, that the shareholders would more readily acquiesce in having dividends paid out of capital—and even out of capital borrowed for the express purpose—than in countries where such stocks are held, to a large extent, by those who desire to retain them, as a means of investment, and for permanent income. In the latter case, and this seems the only view with which any such stock could fairly be created—it would at once destroy the credit of the stocks and defeat the just object of their creation, if dividends, to even the slightest extent, were permitted to be paid out of capital, whether borrowed for the occasion or not. There cannot be a practice more disingenuous, or fraudulent in its character, than this. If permitted in any case, or to the slightest extent, it would at once subvert the entire system of fair dealing, in the shares of joint stock companies. So far has this cardinal principle of finance been carried, that any State, or government, which allows the interest upon its capital, or funded debt, to be paid by new loans—which is but another name for new capital—will at once lose credit; and cannot expect the confidence of capitalists to be continued under such a practice.

But this practice in the case of a government, or State, might be justified under some special crisis or emergency. For the payment of interest, in such cases, is not so exactly the measure of the resources of the debtor, as in the case of a joint stock company. The State, or government, in one sense possesses unlimited resources—or such as are measured only by the productive industry of all its inhabitants. In this case the fact of paying interest by new loans, is only a symptom of bad management and thoughtlessness; or of unwillingness to impose the just weight of the due and exact responsibility and current cost of the government upon the resources of the State. And the opposite course, of raising current interest annually, is indispensable as an undoubted expression of willingness, on the part of the State, in its aggregate capacity,