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CANADIAN  
MERCHANTS' MAGAZINE  
AND  
COMMERCIAL REVIEW.

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VOL. V.

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THE BRITISH SHILLING.

The citizens of Montreal are just now suffering from a most extraordinary complaint. They have actually become embarrassed with a superabundance of "specie," an article which is generally regarded as the very life's-blood of commercial activity. So serious indeed has the matter become, that the Board of Trade, after refusing to co-operate with the Toronto Board, with a view to remove the evil, has again had the subject under consideration, and we find that at a recent meeting, "A deputation of the Council reported having waited upon the Cashiers of several banks in reference to the question of English Silver, with the view of ascertaining whether any means can be adopted to remedy the present unsatisfactory state of matters, and to remove from circulation this depreciated currency. The unanimous opinion was expressed by the Cashiers, that, only the interference of the Government to reduce the legal value of the coins would effectually meet the case. It was stated that the banks would undertake to receive English shillings at 24 cents in any quantity, and agree to export all so received, thus preventing re-issue. It was understood that the Banks would join in seeking the requisite proclamation as soon as practicable, and it is therefore recommended that the Council take the necessary steps at once. The deputation stated that the quantity of new coin in hand, in the Banks, was in excess of the demand, and that no necessity existed, as had previously been supposed, for an increased issue. In regard to the present difficulties of the case, the Council has, of course, no power to change the legal value of English silver, but it must

be obvious that a common agreement to receive the English shilling at 24 cents would produce the desired result."

The law as it at present stands, provides that English shillings shall be a legal tender to the amount of two pounds sterling at the rate of 24s. 4d. currency to the pound sterling. The Governor in Council, however is empowered, on the issue of a Canadian silver currency, to annul the law making the English silver a legal tender, but we doubt very much whether any Government proclamation would accomplish the object in view. The simple and effectual method of reducing the current value of the English coin would be for a majority of the trade to sign a document agreeing after a certain day, to receive and pay this description of coin at the rate of 24 cents to the shilling sterling. It only requires one or two energetic men to take up the subject, and the loss and inconvenience to which the business community are now subjected will be at once at an end. Who will move in the matter?

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## THE CAUGHNAWAGA CANAL—ITS IMPORTANCE TO THE OTTAWA LUMBER TRADE.

The propriety of building a canal from Lake St. Louis to Lake Champlain, has recently been very warmly discussed by two well-known citizens of Montreal. Its influence on the trade of the St. Lawrence Canal on the one hand, and its effects on that of the City of Montreal on the other, have been fully set forth. To the views expressed by both the writers in question, we shall again advert, but our present object is to point out the necessity that exists for some more commodious, more expeditious and cheaper means of enabling the manufacturers of sawed lumber on the Ottawa to place their stock on the Albany, Whitehall, and other American markets. The trade in this article has now assumed large dimensions, and both at Ottawa City and at other points, immense establishments are in operation, and turning out annually many millions of feet of boards, planks, staves, &c., for which they are now compelled to seek a market through the tedious, inconvenient and expensive route of the Chambly Canal. What Montreal can gain by compelling this trade to pass her door we are at a loss to conceive. Her interest clearly lies in giving every encouragement to build up a trade that will bring customers into her market, requiring large supplies of provisions and manufactured goods. It is surely a short-sighted policy that would embarrass the manufacturer who would spend the greater part of the cash received for his cargo in our markets, in order to make a dollar out of the few loaves of bread that

his boatmen might require in passing our Port. We throw out these suggestions and give them a prominent place in our magazine, in the hope that some of our friends who are thoroughly acquainted with the lumber trade of the Ottawa, and realize its great importance to Montreal as well as to Canada, will take up the subject in a future number, for the discussion which we shall gladly afford them the necessary space.

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## DEBTOR AND CREDITOR.

The unsatisfactory state of the law of Debtor and Creditor in this Province has frequently been alluded to in our columns, and we are glad to notice that a feeling is gaining ground among commercial men that something must be done to remedy if possible the evils of the present law, or rather the absence of law, which enables one creditor to secure himself at the expense of his fellow creditors. On this subject, and referring to a late meeting of creditors in Toronto, the September number of the *Mercantile Test* remarks:—

“The interest of the commercial circles has been excited by a meeting of creditors in this (Toronto) city, called by a party who for the last few years has filled a considerable space in the public eye. A meeting of creditors in this Province, for deliberative purposes, is in itself a somewhat rare event; and if it has not resulted in much satisfaction to those interested parties who have been forced to view the proceedings from “an unsecured position,” we hope and believe that it has at least afforded a striking illustration of the baneful consequences of unskilful legislation, and demonstrated that nothing but the institution of a proper Law of Bankruptcy, similar to that which obtains in other civilized trading communities, will preserve either commercial confidence at home or save provincial credit abroad. A law which shall step in at some given point in a trader's career, and adjust on some principles of equity all interests in an estate, be the same large or small, putting back those which through superior or collusive information have become too forward, and bringing forward to equality those which either through indulgence or supineness are unjustly sacrificed. Into the particular case which has called forth these remarks we cannot with any degree of minuteness enter. The statements submitted being vague and general, the real financial position of the estate cannot be ascertained from any reliable data. It may be sufficient to state that on the face of the paper a considerable surplus of estimated assets was exhibited, over a liability of somewhere in the neighbourhood of two hundred and sixty thousand dollars. Such being the

apparent satisfactory position, (and we may hope through not over sanguine estimate, a reversion, albeit a distant one, in view,) the *fact* that nearly three-fifths of the liabilities were represented by accorded preferential and judgment creditors may in some eyes appear comparatively unimportant, but of essential concern to those whose hopes rest on a reversion from sources thus narrowed down. The complication of interests developed is instructive. The old law, as it is now termed, is still there with its "confession of judgment," operating a large preference in favor of a relative, which instrument had been for years quietly laying dormant, and now asserts its vitality. The new law, which was for ever to abolish preferences to favoured creditors, has shewn its futility in this respect through the medium of a judgment "by default" in favor of a man's nearest friend; and if "suing at law" be any evidence of hostility, we have arrived at that predicted stage when a "man's foes are to be those of his own household." In the mean time, however, it renders him master of the situation, and the negotiations are carried on with a dictation almost regal. We understand that the unfortunate "outsiders," who were at first disposed to be combative on a proper consideration of the alternatives presented, involving the expenditure and delays of a Chancery suit, are now likely to recognize the exigencies of their position and surrender at discretion.

We would simply ask, ought such things to be? or would they be tolerated in any country where the distinction betwixt *meum* and *tuum* is properly appreciated. Our laws relating to debtor and creditor are a mockery, a delusion and a snare; and we trust that every intelligent mercantile man, in his individual capacity, and Boards of Trade and other corporations, will throughout the Province so bestir themselves that this all important question shall be efficiently agitated before the re-assembling of Parliament, so that remedial measures at the earliest possible moment may be forced on the notice of the Executive. We are happy in being enabled to state that the necessity of a Bankruptcy law is now being admitted by the most intelligent legal practitioners in the country, who have hitherto been understood to be opposed to it, and there is hope that by concerted action so great a commercial boon will be achieved."

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### PECCANT RESPECTABILITIES.

A recent writer in *Chambers' Journal* thus alludes to the "commercial morality" of England as shown in some of the recent exposures of fraudulent transactions in that country.

A certain good Catholic, Boccaccio tells us, and one very desirous of making converts, could not persuade a young French infidel of his ac-

quaintance, with whom he had long argued, but that the youth would go to Rome, and see for himself how Christianity was carried on at the fountain-head. The good man naturally concluded if the lad did go there and saw how the priests in reality conducted themselves, all chance of his salvation would be gone. He met him, therefore, on his return from the Eternal City, with a dismal countenance. 'I fear, my son, you come back as great a heretic as you went; is it not so, alas?'

'Nay, father,' replied the young man; 'I am now a firm believer in your faith. For, since I have seen its own ministers and especial advocates are, notwithstanding their abominable acts against it, unable to shake it, it must needs indeed have truth for its foundation.'

We must confess that it is only by an argument of this kind that we can quite account for the national belief in our 'commercial purity;' though the consciousness that England owes her chief greatness to commerce, may incline her to accord a somewhat blind admiration to her 'practical men of business,' and to exaggerate the talents necessary for the support of that particular rôle. We use that word advisedly, for there is scarcely any other profession which has more of the Artificial about it, or which derives more aid from costume, decoration, lacker. The very silence which reigns supreme in its temples, the solemnity which belongs to the priests and ministers of the Ledger, are themselves as 'stagey' as any of the 'slow music, lights half down,' of the melodrama and quite as unnecessary to the real performance of the work in hand.

A business-man may be a 'villain,' but there is, it seems, one comfort (which Hamlet lacked), that he may not 'smile and smile' like an honest man. As for laughter in any business establishment—such a sacrilege would be considered tantamount to an outbreak of bankruptcy! And yet, we suppose, humorous things do incidentally occur in the course of business transactions, as they do in that of the law, physic, and even divinity itself. The idea may be fanciful, but we cannot help imagining that this endeavour to set up Gravity in the place of Wisdom, has something sympathetic with the recent wholesale substitutions of Honest Seeming for Honesty.

Surely, if any other Profession had broken down so utterly—and where it was thought to be strongest—as the mercantile has done within the last ten years, it would have become by this time a laughing-stock to the British public.

In the book before us,\* which professes to chronicle the principal trading frauds and failures between 1848 and 1858—and not including the Commercial Crisis at both ends of that interval—the most memorable phenomenon is not the perpetration of the crimes, but the general complicity of the Commercial World with the perpetrators; the low standard of morals avowed by the cheatees as well as the cheaters; and the selfishness, deepening sometimes into actual fraud, which appears to animate the best of 'houses.'

The slavish worship which seems to have been paid by the fortunate members of the railway world, for instance to their ex-monarch, is almost

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\* *Facts, Failures, and Frauds.* By D. Morier Evans. London: Groombr and Sons. 1859.

incredible; while the reliance placed upon his Facts, and especially his Figures, would, had it occurred among a less astute community, be considered childish credulity. Before the great crash took place, 'the financial power of this potentate had been regarded with a kind of enthusiasm, and the whole of the directors sought refuge under his shadow.' His colleagues were absolutely afraid to speak with him; he appeared to them like another Moses come down from a mountain more sacred than Sinai, since it was of gold, with the light (to them) Divine upon his face. of Unimaginable Riches. The snobs who cringe to Titles and Social Position, seem ultimately upright and estimable, in comparison with these worshippers of the Golden Calf. But when the long delusion at last came to an end, and these selfish speculators found their pockets empty, or full of nothingness, they became, at once, as sardonic upon their idol as they had before been supple to him.

We all remember how his Railway Majesty was fêted in the days of his splendour by Society. It was very bad of 'Society;' and yet there was something worse from the City circles. 'They who had profited by his advice, and not content with the first profits, had continued their operations throughout the career of the crisis, until, like the common gamester, they had staked their last farthing and lost, were now prepared to hound down to the death the individual whom they had before lauded to the skies as the veritable man of the age, the resuscitator of industrial prosperity, and the most successful financier of the century.

And yet, after all, what was the head and front of the monarch's offending? According to our author, it was nothing more than what has been very commonly practised by large joint-stock concerns, adjusting accounts so as to give them the best appearance, and thereby keep up the value of shares in the market.

One of the great beauties of our perfected business system, is averred, is its plan for detection of fraud—nay, for making fraud *impossible*—the practical checks which the commercial mind has with such wonderful sagacity adapted for every possible contingency. Notwithstanding which, one Mr. Walter Watts, the humble *employé* of one of our first insurance companies, managed to ease it of some L70,000, in the course of less than half-a-dozen years, without the breath of suspicion touching him, and in the following not very recondite manner:

'A cheque, say for L.554, 10s., represented as for annuity No. 6, was drawn and paid by the bankers, and entered by them in the pass-book. When this book came into Watt's hands, he erased the 55, thus making the payment appear L.4, 10s.; and in order to mystify the matter further, he altered the number of the annuity to 64, by adding this figure 4. But, in point of fact, no such claim existed against the company at the time as annuity No. 6; and the payments on annuity No. 64 having been previously made, a fictitious claim of L.4 10s. appeared in the pass-book as paid, in order to provide facilities for covering the abstraction. But the difference of L.550 being still left between the payment as it appeared by the falsified entry in the pass-book and the actual account paid, Watts had to find some means of covering the discrepancy, in order to avoid detection. For this purpose, he selected a trifling fire-loss, say of L7 10s., which had been paid some time before, but which had not yet been

passed, and falsified that entry in the pass-book also, by adding to it the L.550, making it appear that L.557 10s. was the sum which had been paid; and thus, by making the total addition in the book correct, perfecting the cover for the fraud.'

Besides this accurate knowledge of their own affairs, above exemplified, another triumph of our 'Practical Men,' we understand, is their thorough insight into the pecuniary position of their rivals. And yet, it would doubtless have astonished commercial circles to learn that the ancient house of Snow, Sandby, and Paul was, so early as the year 1851, 'in a state of hopeless insolvency;' and that the present 'Sir John Dean Paul's inheritance was, in fact, the chief partnership in a concern, the accounts of which, to the close of the preceding month, exhibited a *deficiency* of L.71,990;' which, as has since been proved, was the true state of the case.

'The reprehensible practice,' remarks our somewhat delicately speaking author, 'of borrowing from the bank-till for the supply of their own personal wants, seems to have been recognised and followed by all the partners in this bank from a *very* early period'—a system which afterwards seems to have been brought to great perfection by the directors of the *British, London and Eastern*, and other banks. We have, however, no space for entering upon any analysis of these Speculations (without the primal *S*), or for deciding whether or no Colonel Waugh is 'the most impudent man in the world,' as the *Times* avers. We can only afford to refer particularly to the late Dock-warrant case, which was really a curiosity in its way. The business transactions of Mr. Joseph Windle Cole were absolutely fairy-like in regard to the gossamer character of their texture, and yet you could see the 'water mark'—the stamp of authenticity—on them too. His dock-warrants were quite unexceptionable dock-warrants, faultless, genuine, and as good as the 'promise to pay, of the Bank of England, in one sense, while in another they were worthless as the thistle-down. They represented goods which could be seen, and touched, and weighed, and, in fact, which performed every function of property except that of having the power of being moved away by the purchaser. There was a 'stop' on them in the books of the Dock-Company, in favour of 'another party.' That was all. They did not belong to the last buyer, simply because they did not belong to Mr. Windle—in this case *with* the primal *S*—to Mr. Swindle Cole, of whom he had bought them.

This gentleman made himself proprietor of a small wharf, situate on the Thames, and suitable in several respects to his purposes. 'The frontage was narrow, and there abutted on it enormous warehouses, which would strike any casual observer as being in the possession of the lessee of the wharf, and so enforce the authority of the acting wharfinger of the latter. This effect was the more striking, that these warehouses not only adjoined but opened on the wharf, which allowed free ingress and egress to the occupants.' Mr. Cole, who had created himself into a firm, got his wharfinger, one Maltby, to create *himself* into a firm likewise, and to call on the lessees of the adjoining warehouses, representing, as the agent of Cole, Brothers, that the wharf which they had taken was insufficient for the accommodation of the goods lightered there, and stating their willingness to enter into an arrangement by which, after he had weighed the



goods, they should store the same away, he receiving the landing-charges, and they the charges for rent. Nothing could seem more equitable than this proposal; it was quite in the usual course of business, and the lessees had accordingly no hesitation in giving their compliance. Maltby was delighted for the sake of his employers; but he had a parting request to make, a slight one, to which the lessees, after the spirit of accommodation they had shewn, would doubtless accede to. This was, that they would allow the goods thus stored to be seen and examined from time to time, as might be required, by the customers of Cole, Brothers. "Oh, surely, nothing could be more reasonable."

Conceive, then, these two sham-firms, in company with a third, which, unhappily, was real enough to be subsequently transported, become city capitalists, and undertaking 'transactions' at the rate of two million *per annum*; and only imagine how highly they must have been respected. That they should have imposed upon our poor literary selves and un-business-like readers, but on Merchant Princes, Commercial Intelligences, nay, upon one of *the Business Houses par excellence* of the city of London, as though it had had a mere *littérateur*, or even a poet, at the head of it, and controlling its gigantic finances—how unaccountable! Imposed upon too, to the extent of L.370,000! The subsequent proceedings were even more remarkable. One would have expected the house which was thus victimised to have been eager, on having its eyes opened, to expose the delusion. But no; the house had parted with a large proportion of these fictitious warrants to others, and remained silent. 'Why not expose them at once?' asked Mr. Commissioner of the Court of Bankruptcy; 'in order that you might get out of it—in order that you might reduce the damage? You did reduce the damage, indeed, but at what (moral) cost?' A question not to be answered; or to be answered, as it was in these remarkable words: 'The magnitude of the sum, and regard for our position, compelled us to thus act.' There has been no small amount of comment on this feature of the transaction; but to all non-commercial men comment must appear quite unnecessary.

But after all, we may not have been really taking a sufficiently 'practical' view of these things. A person unacquainted with extensive business transactions must needs be unaware, we are told, of the cruel necessities—quite apart from anything like temptations—which underlie them in all directions, and render individual honourable action almost impossible. 'Custom'—in the shape of rather sharp practice—does, in truth, 'lie on them with a weight, heavy as frost and deep almost as life.' Commenced by the Vicious, and assented to by the Weak, it has long become difficult indeed for the Honourable to stand against a system, whose principle is but selfish expediency.

One of the most honourable and generous persons in social life, whom we have ever known, a member of the House of Commons, too independent to be caught by any ministerial wile, was once guilty of the following (to us) most extraordinary conduct. He was a racing-man, and kept a 'Tout' to furnish him with early intelligence concerning 'great events' of the Turf. This emissary arrived one evening, while we were in our friend's company, and after a hint that we were 'safe parties' to be let in the secret—which, by the by, turns out we were not—proceeded to open

his important budget. The sister to Take-the-blue-pig-by-the-ear, and first favourite for the approaching *Oaks*, had broken down in her gallop that afternoon, and would only have three legs to stand upon for weeks to come. Judge then our surprise, the next morning, when we heard the M.P. negotiating a bet for a very large amount against this very mare, with one of his chosen companions and familiar friends.

'Good Heavens!' cried we, the next time we were alone in his company, 'was that an example of your morality and plain-dealing?'

'My dear sir,' replied he, 'you don't understand turf practices. My friend would have done just the same to me if he had had the chance. It is merely a question of early intelligence, and goes on precisely the same principle as that of speculating in the funds. Any honourable man—in your sense of the term—would be ruined upon the turf in half a year.'

It is something of this kind, no doubt which makes Commercial Morality rather a different thing from the genuine article. And besides, there are, doubtless, honourable men in business, who yet do not get ruined in half a year. It will not be imagined, indeed, from these remarks of ours, that we have any intention of reflecting upon a vast class of our fellow-countrymen, who have probably done more by their sagacity and probity to raise this nation in the opinion of the world, than any other. But 'occurrences' such as we have been reverting to, are scarcely things that can occur in a commercial community which is really sound at heart; nay, the revelations consequent upon them have indeed abundantly proved that the said heart is somewhat rotten. We would only recommend a slightly less arrogant posture, to our practical business-men, for the present, and a more careful and honourable supervision for the future.

A minor but observable phenomenon in almost all these commercial frauds is this, that notwithstanding the gigantic gain of the spoilers, the vast treasure cast up by the great sea of speculation to these greedy wreckers, it seems to return again into the fathomless depths. More surprising still, what little does not return is spent upon whitewashing these whitened sepulchres themselves, making them fairer and sleeker to the outward eye. Paul and Redpath—robbers of first-rate magnitude—seem to have spent the greatest part of their ill-gotten wealth in religious and commercial polish, in broadening their phylacteries, in seeming unto men to be above all things Respectable.

John Sadleir, again, never purchased one hour's pleasure with the proceeds of all his villainies: he clothed himself with business as with a garment, and never took it off except when he went to bed, if, indeed, he did then manage to get rid of it. Watts and Robson, on the other hand, recommend themselves to human nature at least in being jovial rogues, and generous enough, it must be confessed, with the money they had stolen. They made to themselves friends of the mammon of unrighteousness, and seem to have been sincerely liked by those who had only seen the sunny side of them. These two, however—who, by the by, were also the most hardly dealt with—had attached themselves to the theatrical profession, and had scarcely any right to be called respectable swindlers, or nefarious business-men, at all.

## CHANCES FOR MAKING MONEY.

AN American writer, Mr. E. T. Freedley, has composed a work for the special edification of his countrymen on the art of making money—a subject on which one can imagine they stand in no need of advice. The title of his book, however, which we quote below,\* points to a variety of branches of industry, abroad as well as at home, which seem to offer scope for the safe investment of capital; this important term, *safe*, being of course in all cases qualified by a reasonable amount of cautious inquiry; so, at the very threshold, as it were, we come back to the old homely maxim that common sense, in which we include a fair share of skill, is, after all, the true guide to fortune.

Resorting to a large display of statistical explanations, our author, is very ingenious and novel, at least spares no trouble in showing us how in certain kinds of mining, manufacturing, agricultural, and other operations a man has good opportunities of realizing wealth; the whole, according to his summing up, amounting to as many as a thousand-and-ten chances of making money, provided people have the tact to know how to take advantage of them. Some of his 'chances,' it will be confessed, are sufficiently odd. One consists in discovering a new drink, pleasant, wholesome, and exhilarating, without being intoxicating, in order to supersede the use of all alcoholic liquors. We join in thinking that this is not a bad idea. Will any one with some chemical knowledge, be so good as make a fortune by inventing some delightful drink—none of your sirupy or ginger-beery fluids—which while satisfying temperance folks, will to the bulk of mankind, take the place of wine, spirits, and malt liquors of all sorts? What a fortune that would be! Meanwhile, Mr. Freedley, with all his cleverness, fails to give the faintest hint how this grand discovery is to be made; but offers some consolation by telling us how Dr. Schrieber, a Russian physician, has found out a means of curing habitual drunkenness. His process is very simple, and also somewhat droll. It consists in confining the drunkard in a room, and there supplying him with meat and drink, tinctured in all cases with his favourite spirit. If, for example, it be gin, you put gin in his tea, coffee, broth, water, every liquid he requires; you also saturate his bread vegetables, and other varieties of food, with gin, till the poor wretch is driven half frantic with disgust, and he acquires such an utter detestation of spirits that ever afterwards he is a miracle of temperance. All we can say is, that we have no faith in this Russian doctor's panacea. Talking of stimulants, Mr. Freedley, whom our reader begins to suspect is a little credulous, bursts out with another famous chance of making a fortune. This is the discovery of some innocuous herb to be a substitute for tobacco. Hear him. 'It is no exaggeration to say that there are thousands of persons whose trembling nerves are anxiously awaiting the announcement of the discovery of a substitute for tobacco, which shall possess its agreeable properties, with none of its injurious effects. Again, in this dearth of invention, he falls back on a useful piece of advice to

\**Opportunities for Industry, and the safe investment of Capital.* By Edwin T. Freedley. London: Sampson Low & Co. 1859.

money-seekers, as regards the preparation and sale of tobacco. 'Until a real substitute is discovered, there are a hundred chances to make money in putting up the genuine article in new shapes, with new colours, in new packages, with new names.' A chemist, it is added, recommends the use of glycerine in the manufacture; the chewing kind, in particular being greatly improved by this admixture. We make our American friends welcome to this valuable discovery; likewise to the author's hint that a good thing could be made by growing poppies from which to extract opium for the Chinese market.

To those who have a fancy for agricultural enterprise, Mr. Freedley points out the eligibility of an investment in land in the western states, vineyards in Ohio, cotton planting in Texas, bamboo growing in Florida, and finally sugar and coffee plantations in the West Indies. Referring to the deplorably deserted condition of estates in Jamaica, consequent on slave emancipation, he shews how thousands of acres of fine land could be bought for two or three shillings an acre; and, 'what is more extraordinary, a cultivated sugar estate of two thousand acres was sold quite recently for 3000 dollars.' Stagnation being seemingly at its lowest point, the period has now arrived for investment 'An improved estate of highly productive land, in an Italian climate, warm, but generally healthy, where harvesting and planting can go on throughout the year can be purchased for less than the cost of an equal quantity of wild land in states covered with snow five months in the year Coloured people are availing themselves of the opportunity, and becoming landowners in the West Indies—there being now in Jamaica alone, over *one hundred thousand Africans*, who own from three to five acres, and maintain themselves by cultivating them; but they have not the tools nor the requisite knowledge to render available the natural fertility of the soil. Looking thus solely at the chances for profit, and dismissing from the mind all considerations associated with a desirable residence, it is probable that a moderate fortune can be made as speedily in the West Indies as in the most favoured portion of the globe.' It is not without reason that the author subsequently qualifies his statement by admitting that the great embarrassment in the West Indies is the scarcity of labourers; and this of course is the foundation of the whole circumstance. What signifies a fine estate, if it cannot be cultivated with a profit? Nor can we blame the free negroes of Jamaica for seeking good wages. When a man can live comfortably by lazily scratching a few acres, which are his own property, it would be strange to find him disposed to work for a low stipulated hire on all occasions that his assistance was required. What, in this connection, as an American would say, calls for notice, is the lamentable want of some plan, under reasonable guarantees, for introducing an abundance of free negro labour into the West Indies. England, with all its tact, does not seem to possess the skill to manage this important point, and consequently has the mortification of seeing some of its possessions literally going to the dogs. There are plenty of refugee negroes in Canada for the climate of which they are not well suited; why not induce them if possible, to emigrate to the West Indies?

Respecting the riches which may be obtained by trading with China and other eastern countries, we must leave the curious in these matters

to look over Mr. Freedley's statements, which he seems to gather from all kinds of public reports and newspaper correspondence, without much regard to minute accuracy. We are reminded, however, of the useful piece of advice, that in dealing with the Chinese, there is no chance of becoming rich by trying to trick them into buying flimsy articles which will not wear; for they are just as clever at detecting frauds as certain American or English manufacturers are in perpetrating them. Quoting the observations of a correspondent of the *Times*, speculators are to remember 'that every morning, throughout the Chinese empire, there are three hundred millions of blue cotton breeches drawn over human legs; men women, and children alike wear them.' What a chance of making money by supplying the demand for these indispensable garments! The Chinese will as readily buy imported as home-made apparel; what they want is a good bargain, something pretty according to their notions, but also substantial, and which is well worth the price demanded for it. Conducted honestly, we can see an immense opening for a profitable commerce with China. As an American, Mr. Freedley looks to the prospect of a good trade in Yankee notions. China is to be a most important outlet for the manufactures of Connecticut. Any number of clocks and watches will be sold, provided they are adapted to Chinese horology. 'Cooke remarks that the highest ambition of a Chinaman, is to have an English watch. He relates that a pirate who had taken a missionary as a prisoner, but set him free, risked his life by calling on him next day at his house. He produced the reverend gentleman's watch, and the rightful owner thought that the repentant man had come to return it. Not so; the Cantonese pirate had come to beg the missionary to teach him how to wind up that watch.'

It is not an uncommon remark that money is now not so easily made as formerly; people it is said, have all grown so clever, and so many channels towards success are occupied that the chance of rising to fortune is becoming daily more slender. There is some plausibility in the remark. Steam-engines, locomotives, railways, and a hundred other magnificent things have been invented, and cannot be invented again; and so far there is a difficulty. But on the other hand, certain important qualifying circumstances need to be kept in mind. Within the last thirty years the population is doubled, and the wants of every one are proportionally increased. Comforts and luxuries are now in demand that were once never thought of. We cannot re-invent the railway, but look at what railways, and, we may add, steamboats, are doing to extend the tastes and habits of refined society. In a sense, the world is only beginning to open shop. Countries long dormant are shaking themselves up, and taking part in the general activity. The shrewd author before us is quite aware of these facts. What with one kind of improvement and another, mankind, he says, are now 'for the first time ready to do business.' In the knowledge of how to set about taking an active part in remunerative undertakings, perhaps lies the true pinch. But education if rightly conducted, should do something to relieve the difficulty. If you would be wise and wish to put yourself in the way of fortune, you must read newspapers and periodicals, look sharply about to learn what the world is doing, and looking for, what are great popular wants, what

openings in new regions are taking place, and in particular you must neither have any prejudice as to place, nor be afraid to lower your dignity by taking a hand in any enterprise, if it be honest, and of sufficient importance to warrant an expenditure of time and trouble. We would offer another hint, and that is the necessity of thinking for yourself. Do not go about worrying people for their advice on this or that line of life, or cackling as to what you propose to do, but ponder deeply, silently; and what your hand finds to do, do it with right good will.

Notwithstanding all apparent obstacles, we hold that the greatest obstacle of all is one never thought of, we refer to the want of earnest purpose. A vast proportion of people in business and professions, are not in earnest, either as regards enterprise or the economising of means. Taking things easily, they are dainty when they ought to be energetic, hesitating when they should be prompt; the consequence being, that the energetic few walk into prosperity while the dainty many are only dreaming of success. The contrast is often amusing. A man is seen carrying on a business languidly, and under the unpleasant impression that it is overdone, and that nothing can be made of it. You mention something to him by which he would make a good hit; but you have the old answer: 'There is a lion in the path.' Another person, less fastidious, however, has the shrewdness to see the matter in its true light, and he realises a great success—those who stand stupidly by saying it is all luck. Should we not also in as delicate a way as possible, hint the too common failing of a want of integrity and candour in ordinary transactions. The recent insolvency of certain banks discloses a prevalence of dishonesty in high commercial quarters that is perfectly horrifying. Nor can we think without pain on the almost universal practice among tradesmen of making false promises as to the execution of orders; truth in such matters being seemingly the exception, and not the rule. If people who habitually resort to these manœuvres, lose customers or stop short of brilliant success, who, we should ask are to blame? Mr. Freedley refers to the want of honesty as a serious drawback: 'In every settled county throughout the Union, there should be at least one person acting as middleman between the inhabitants of that county and the publishers, merchants, and manufacturers of the cities, for the purpose of introducing new things that seem calculated to benefit his neighbours. The drawback to the successful prosecution of these kinds of agency-business hitherto, has been that so many of those who have undertaken it have been wanting in moral character and mercantile honesty—cheating by false representations those who buy from them, and defrauding those who intrust them with goods by not paying for them. A reliable, honest, persevering agent is always in demand; and if located in a populous district, he can accumulate his first thousand dollars with ease

Scrupulous honesty is thus an article in universal demand. With that to start with, the young and enterprising can scarcely fail in being successful, wherever civilized men are concentrated; though let it be kept in view, that the making of money does not infer the keeping of it; and that, after all, he who would secure a fortune must necessarily resort to Franklin's well-known aphorism—'Spend less than thy clear gains.' No doubt, fortunes are sometimes made by a sudden dash; but dashing is as

little to be recommended in general circumstances as a lazy and shaming indifference. Ordinarily there is no need to be in a hurry. The world is not going to run away. Endure privations with serenity, in order to assure future comfort. Take time, at least, to do things well, and by that means obtain a reputation that will, humanly speaking, lead to fortune. On this point Freedley observes that 'the foundation of a fortune can be laid, probably, in all the established pursuits, especially by expending more than the usual care and labour in having the stock in trade of superior quality. Even in bread, pie, or cake baking, numerous as the bakers are, I doubt not many more could do well by producing these articles of a quality better than the average. A lady, the widow of a Boston merchant, who, though once opulent, had failed a few years ago, made an independence by baking what is called domestic bread, in contradistinction to what is known as baker's bread. Her fresh-looking, sweet-tasted loaves, of full weight, were so much choicer than the ordinary bread, that customers flocked to her little store; and in a very few years she had accumulated enough to purchase five hundred acres of land in Michigan, three hundred of which, we were told, five years ago, were in a high state of cultivation; and from these three hundred acres she raised in one year 6000 dollars-worth of wheat.' Every one could present instances within his own knowledge of similar if not greater success in ordinary pursuits, by persons simply doing well what others perform only with average excellence. Our own recollection affords the example of Carr, the famous baker of Carlisle, who began in a very humble way, and now conducts an immense manufactory of biscuits, which find a demand in all parts of the world. Here our limited space obliges us to stop: we close by quoting our author's appropriately terminating remark: 'Work, discouragement, anxiety, are inevitable incidents in all pursuits and conditions of life; and so designed, doubtless, to teach us, that even though we make this earth a new Eden, it is not our permanent habitation; that money is not the one thing needful; and that pecuniary success is not the best nor the final success.'

—*Chambers' Journal.*

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## INSTITUTIONS OF AGRICULTURAL CREDIT, OR CREDIT FONCIER.

The *Société du Crédit Foncier*, as its name imports, was designed to come specially in aid of the agriculturists of France, to afford them greater facilities for negotiating loans, and also to furnish a better and more ample security to the lender on that class of securities. It must not be supposed that this institution was the spontaneous production of the government of 1852, without any preliminary agitation. The backward condition of agriculture; the indisposition of capitalists to loan money on agricultural security; and the pressure of the *dette Hypothécaire* had, for a long time previously, been a subject of animadversion in France, and was, as has already been set forth, "an old and fruitful source of lamentation in that country."

From certain official reports published by the Ministry of Agriculture

and Commerce during late years, we have been provided with details relative to the nature and operations of the institutions of *Crédit Foncier*, as they absolutely existed in Germany and other parts of Europe. These reports appear to have been the forerunners of a scheme for introducing those institutions into France. In the last report that we have seen, that of M. Dumas, Minister of Agriculture and Commerce under the Presidency of 1851, occurs the following language:—"You have seen, Monsieur le President, the institutions of *Crédit Foncier* in operation in Germany; you have studied their mechanism; you have ascertained their good effects, and with your conviction powerfully arrested, you have directed all your care towards introducing them in France." Following the report of the Minister, is that of a commission appointed to inquire into those institutions, and which embraces all the details and matters of importance connected with them.

The operations of agriculture are so different from those of commerce, that the economical arrangements entered into for the purpose of facilitating and developing those operations, which answer a good purpose for the latter, are not available, to so great an extent, for the former. Banking, the instrument in the hands of the merchant and trader, by means of which individual credits became so generalized as to facilitate, notwithstanding the credit allowed, the continuance of commercial operations, is altogether inapplicable to the agricultural class. The distinction between the two classes of loans is the whole distinction between circulation or currency and absolute capital. Banks in discounting promissory notes, that is, in issuing their own promissory notes in exchange for the promissory notes of individuals, do nothing more than exchange one branch of what goes to make up the whole of the currency against another. That part of the currency, or the circulation, which existed in the promissory notes of individuals, becomes then a bank-note currency, but the reality and the volume of the aggregate remain precisely the same. The operation is one with which capital may have nothing to do. The available capital of an individual, or of a community, is the net proceeds, or the difference between debit and credit, that is, between what an individual, a company, or the whole of society owe, and what is owing to them respectively. The advances which a bank makes upon the promissory notes of individuals may not be made from the capital of the bank nor to the capital of the individual. The actual capital, neither of one nor the other, is at all increased or diminished. The operation as has been already shown, is one only of the substitution of credit by changing the form of a part of the circulation.

The operations of discounting, therefore, in ordinary cases, have nothing to do with capital. The continual circulation of the assets and liabilities of the merchant is the basis or the security upon which these discount loans are made, having in view, of course, the generally understood provision that they shall be upon short term—say three months.

The *prêts hypothécaires* or loans on mortgage are, of necessity, of a very different nature. These are made from actual capital, and when once they are invested they are deliberately fixed for a length of time, and the only immediate requirement is, not the repayment of the capital of the investment, but the interest or the revenue from the employment



of that capital at stated intervals. They are, therefore, the investments of that portion of the funds of society which makes no part of the circulation, and which is seeking a fixed realization for the purpose merely of the revenue.

It appears that the lenders of this class of capital were subject, in France, to various excessive notarial charges, and other difficulties, which rendered them unwilling to effect such investments merely upon the strength of individual security, even though fortified by the hypothecation of real property. It was said in favor of the establishment of institutions of *Crédit Foncier*, not only in France, but in all those countries where they were put in operation, that the irregularities and delays of the procedure, the excessive valuation sometimes put upon the real estate, its depreciation in consequence of unforeseen events, the nature of the *revenu foncier* which responds but slowly to the sacrifices made for the amelioration of the soil, were so many causes of uncertainty for the lenders, and in contributing to make them more reserved, forced the borrowers to pay extravagant interests for the advances. If to these circumstances is added the competition of commerce and manufactures for this superabundant capital, it is easily understood that the mortgage loan of agricultural proprietors, surrounded by inconvenient and illusory formalities, far from attracting capital, would act in a contrary direction.

The object of the establishment of the *Institution de Crédit Foncier* was, therefore, not only to afford ample security to the lender against the contingencies above enumerated, but also to afford to the agriculturists equal facilities for borrowing with the merchant and manufacturer. They are, in fact, *agricultural banks*, (*banques agricoles.*) The *modus operandi* of the institutions, in plain terms is, that neither the borrower nor the lender deals with each other, but with the institution. The institution is the medium through which the funds for investment flow from the capitalist to the farmer. The institution gives its united corporate guaranty to the capitalist, and pays him the interest on the investment when it falls due; while the borrower (*propriétaire emprunteur*) pays to the institution a sufficient amount, by way of interest or annuity, to pay the interest to the lender, to defray the expenses of the administration of the society, and to provide a sinking fund, which, at long term, say fifty years, will serve to extinguish the original debt.

The first of these institutions was put in operation in Silesia after the peace of 1763, which put an end to the seven years' war. After that event, Frederick the Great, wishing to alleviate the situation of the Silesian proprietors, of whom the debts were so extensive as to threaten them with the entire dispossession of their property, did not hesitate to sacrifice the interest of the creditors by extending, for three years, by an edict of indulgence, (*moratorium,*) the payment of the interests due at that time.

The effect of this measure was the ruin of the credit of all those who were obliged to resort to it. Capital was turned completely from the soil, leaving, for its only recourse, loans at usurious and ruinous interest. It was, in these circumstances, and to arrest further disasters, that the idea of a collected credit, by means of an intermediate agent, was adopted by Frederick, on the proposition of a merchant of Berlin, named Kauffman Buring. It is represented that the good effects of the measure were

immediate, and institutions of a similar nature speedily followed in other parts of Germany.

The institutions are divided, according to the report of M. Dumas, into two groups.

One resting upon the base of the association itself, and administered by its own members.

The other founded and regulated by the State, or by provincial authorities.

Without entering into any detailed account of the minor distinctions between the different groups or classes of institutions, and as the most of the German societies are ranged under the first group, we may be permitted to translate the words of the report, to a sufficient extent to show their form and manner of operation:—

*Admittance into the Association.* Admittance into the association is optional so long as the proprietor of land has not borrowed; but it becomes obligatory by the simple fact of borrowing.

Prussia is an exception to this rule. Every proprietor is a member of the association. Thus he can demand, as a *right*, his part of credit.

*Demand for Credit.* Whoever would borrow must present to the directors of the association a memorandum of the registry of mortgages made on his real property, (*immeubles*.) Then follows the process of the valuation.

*Valuation.* In order to arrive at a valuation, as impartial as possible, there is established for every district or circle, distinct principles of appraisal conformably to the particular character of the locality.

(Less is loaned on the buildings than on strictly agricultural property, (*biens ruraux*.)

*Opening of Credit.* The mean value of the property once found, the association gives to the borrower a credit which ordinarily does not reach beyond the half of the value thus found.

In general, loans are only made on first mortgage. Where there exists on the property an anterior mortgage, it must either be previously cleared, or converted into *lettres de gage*, if the creditor consents to it.

*Lettres de Gage.* To this effect, there is delivered to the borrower an obligation hypothecaire, called a *lettre de gage*, signed with the name of the institution.

In some countries, every *lettre de gage* bearing these words—"withdrawn from circulation," (*mise hors de cours*,) is inalienable. By this simple addition, the holder can guaranty himself from the consequences of a fraudulent abstraction.

The *lettres de gage* are free from execution. They are generally to bearer. Their nominal value varies from 20 to 2,000 thalers, (25 to 2,500 dollars.) They suffer less than other negotiable securities the influence of political events. One of the most admirable of the effects of the institution is, that while facilitating the purchase and sale of the securities it has created, it furnishes small scope for stock-jobbing.

The mode of emission of the *lettres de gage* varies in different provinces. In some states the association delivers them to the borrowers, leaving to them the negotiation of them. In others the inverse mode is preferred, that is, the association interposes directly between capitalist and proprie-

tor. The association constitutes itself the immediate creditor of the borrower. It delivers to the lender the *lettres de gage* representing his deposit or investment, and pays to him the accruing interest. It is the association, finally, which reimburses the capital.

Almost all the modern associations have deemed it advisable to adopt this last system. It is certain, that an association, constituted with all possible guarantees, would find more easily than simple individuals capitalists disposed to exchange money against *lettres de gage*.

*Liberation.* The borrower may liberate himself, by an annual payment, in which are comprised the interest, the expenses of administration, and the sum ( $\frac{1}{2}$  to 2 per cent) appropriated to the sinking fund.

He can also liberate by instalments paid either in money or in *lettres de gage*.

When about a fourth part of the debt is extinguished, the partial liberation of the mortgages may be demanded.

*Reimbursement of the Lettres de Gage.* The reimbursement cannot be demanded by the lenders. The experience of the dangers through which the establishments have passed from simultaneous demands of reimbursement, has caused the addition of this clause to their statutes.

The securities are reimbursable generally by lottery drawings, in proportion to the funds arising from the sinking fund.

*Guaranty.* The lenders may have for guaranty, independently of the real property hypothecated, and other property of the debtor, the mutual responsibility of all the members of the society, and in certain countries, the guaranty of the State or the provincial authorities. But such are the rules of prudence prescribed by the statutes, and observed by the directors, that this recourse is never exercised. The right of the holder, in this respect, is a dead letter, of which the only effect is the increase of confidence inspired in the *lettres* issued by the societies.

*Rights of the holder of the Lettres de Gage.* To obtain the payment of the interest the bearer does not address the borrower individually; he addresses the association, which is charged with that service, by means of the receipts of annuities due by the proprietors.

*Rights of the Association.* The associations cannot force any of their members to reimburse the sums borrowed, as long as annuities are promptly paid; but, as upon the regular payment of the annuities depend both the exactitude of the operations, and the maintenance of the credit, legislation allows them to use vigorous and summary proceedings against debtors in arrears. When the term is expired, and when a reiterated summons to pay produces no effect, the association can take possession of the property hypothecated and name a guardian for it. The sequestration continues until the entire discharge of the debt, including the capital, interest, and expenses.

The society is, besides, authorized to contract a loan on the property, in the name of the proprietor, and to devote the proceeds to the liquidation of the debt due to it.

*Administration.* The *personnel* of the institutions of *Crédit Foncier* is ordinarily composed of a government commissioner, a board of directors charged with the management of current affairs, a number of subordinate employees, a committee which meets at certain intervals, and special commissions in the various districts of the provinces.

The salaries and expenses of administration comprise about  $\frac{1}{4}$  per cent of the loans.

The surveillance of the State is exercised very scrupulously on all acts of administration. The commissioner has the right to assist in all deliberations; his compliance, verified by his signature on the obligations of the society, is a condition necessary to the existence of those acts.

Such are the general principles which are the base of the establishment of institutions of *Crédit Foncier*, in Germany, and some parts of Russia.

### THE SOCIÉTÉ DU CRÉDIT FONCIER.

The *Société du Crédit Foncier*, in France, was founded for ninety-nine years from 30th July, 1852, with a capital of 60,000,000, in 120,000 shares of 500 francs each.

Until the complete payment of the shares, provisional certificates only are delivered, negotiable by transfer. The first subscribers and their assigns remain engaged until the complete payment of the share. The shareholders are only responsible for the amount of their subscription. The general assembly is composed of two hundred of the largest share-holders, of whom the list is appointed twenty days before the convocation.

The net profit is distributed; (1.) 5 per cent to the shareholders; (2.) 20 per cent to the reserved fund until it attains the half of the subscribed capital. The reserve fund is destined to provide for unforeseen events, and in case of the insufficiency of the gains of any one year, to make a dividend of 5 per cent, to furnish the difference; (3.) There is formed a provisional fund destined to compensate the original expenses of establishment during several years; (4.) The surplus is distributed as further dividend.

A subvention of the State of 10,000,000 francs was accorded to the society, by decree, 10th December, 1852.

The society has been subjected to various modifications since its foundation. It was originally but a *Banque Foncière de Paris*, but was transformed, by decree of 18th November, 1852, into a *Société du Crédit Foncier de France*. In the provisions of the organic decree of 28th February, 1852, the annuity, payable by the borrower, was fixed at 5 per cent, comprising interest, expenses, and sinking fund, (*amortissement*.) This rate was soon advanced to 5.45, but this augmentation proving to be insufficient, it was advanced successively to 5.65 and 5.95 per cent.

Decree of 6th July, 1854, ordered the union of the *Crédit Foncier* with the State. Of this measure, M. Proudhon quaintly remarks:—"The difficulty which has attended the course of the new institution and the disorder of its affairs, appear to have caused that reunion. That which cannot live on the free air of liberty, will, without doubt, thrive in the hot-house of the government." The director, E. Wolowski, was also replaced by M. de Germany.

The last modifications of the society were made in June, 1856, and the following are the principal operations, as then fixed, which we translate from M. Proudhon's work—

The society makes two sorts of loans.

One class of loans is reimbursable at a long term, by accumulative an-

nuities, so as to sink the debt in a period of not less than ten nor more than sixty years.

The others are reimbursable at short term, without a sinking fund.

The loans may be made in money, in *obligations foncières* or in *lettres de gage*.

The society loans only on first mortgage.

The loans cannot exceed the half of the value of the property. On wood-lands, vines, and all crops in the ground, they loan but a third. The buildings, the machines, etc., are valued without regard to their special industrial relations.

The rate of interest is fixed by the council; it cannot surpass the legal rate.

The annuity is payable in specie, semi-annually, at dates determined by the administration. It comprises:—1. the interest: 2. the sinking fund; 3. A commission for administration which cannot exceed 60 centimes *per cent*.

Every half-yearly annuity not paid bears interest at 5 per cent. and gives the right to demand the whole of the debt a month after notification.

The debtors have a right to liberate themselves by anticipation, in whole or in part, either in money or in the obligations of the form which may have been indicated by the contract of loan.

The following is the manner in which the society makes its loans. These may be extended to the sum of 1,200,000,000 of francs. And in order to accomplish this, upon a capital of 60,000,000 francs, the society must, of course, be a borrower itself:—

The loans of the society are made by means of an emission of obligations, which cannot surpass the amount of the hypothecated engagements of the proprietors of real estate in favor of the company.

The obligations are to bearer; they are in amounts of 1,000 francs, but may be divided into sums of which the least is 100 francs. They bear an annual interest, of which the rate is fixed by the council of administration, at the time of their creation.

They are divided into classes, of which each comprises all the obligations created at the same rate of interest.

They are reimbursable by way of lottery drawings; the prices and premiums may be attached to the obligations reimbursed.

The proceeds are applied, in the first place, to the payment of the interest of the *obligations foncières*, the capital of those that the drawings have designated for reimbursements, and the prizes and premiums.

The obligations of the *Crédit Foncier* are of three kinds; 1st, 3 per cents, reimbursable with a premium, and imparting a right of a draw in the lottery; 2d, 4 per cents, reimbursable without premiums, but which have the benefit of the prizes; 3d, 5 per cents, reimbursable without premiums and without the right to the lottery drawings. That is to say, that the company, instead of allowing 5 per cent on the whole of its obligations, which would seem to be the most straightforward and honest way of proceeding, distributes, with regard to the 3 and 4 per cents, the difference between their respective rates and that of the 5 per cents, in prizes and premiums arising from the lottery drawings. "They are," says Proudhon, "but a bait thrown out to that speculative spirit which

characterizes the financial world." The society has distributed, in one year, as high as 1,200,000 francs in such prizes.

According to Mr. Tooke, the following is the *modus operandi* of issuing and repaying the *obligations foncières* :—

The society has issued its obligations, or bonds or debenture, for 1,000, 500, and 100 francs, bearing interest, say at 3 per cent, and repayable, according to the lottery drawings, at the rate of 1,200, 600, and 120 francs; that is, they are repayable at uncertain times, but at a premium of 20 per cent.

The lottery drawings take place four times a year, March, July, September, and December. A very ingenious system of numbers is employed, and the 1,000 franc bond, first drawn, carries away a prize of 100,000 francs, over and above the 1,200 francs at which it is repayable. The second bond drawn 50,000 francs; the third 40,000 francs, and so on to the fourteenth number. The prizes attached to Nos. 9 to 14 are 500 francs each; and contrivances are employed for allowing the bonds of 500 and 100 francs to obtain rateable prizes.

So far as the *Crédit Foncier* is merely an institution, designed to benefit the agricultural classes, and to effect loans on agricultural property, with more facility and on greater security, the idea is one calculated to produce considerable benefit. But the society is marred and disfigured by the exceptional measures taken to draw deposits towards it, to emit its obligations, and to provide for their reimbursement by lottery drawings. It is marked by that extraordinary desire now perceptible in such a powerful degree in France, to reduce into active circulation, various kinds of values, and it is subject to the speculative operations of the players on the stock exchange. As long as the operations of the *Crédit Foncier* are confined strictly to the issuing of its obligations in exchange for hypothecations of real property, barring the evil features of the lotteries, the objects it may accomplish are, without doubt, of a beneficial character, and are attended, without any danger to the community, as long as they are not invested with a compulsory circulation. But between the system of their issue and that of the Assignats, says M. Proudhon, there is but a step. The national domain was pledged for the security of the Assignats, they had a forced circulation, and soon hopelessly depreciated. It is not at all probable, however, that there should be any turn of events in France, at the present day, which would induce the taking of that step. Considered from an elevated and impartial point of view, therefore, we do not see why an institution, like the *Crédit Foncier*, always looked upon in its most simple aspects, and removed, as far as possible, from the atmosphere of the Bourse, may not accomplish a good purpose. We cannot agree, therefore, with all the strictures of M. Proudhon with regard to this society. He says, that in his view, a bank of circulation and discount, appropriated to agriculture, would be much more efficacious than the *Crédit Foncier*. From what has been already said in the early part of this description, it is clear that such a bank is totally inapplicable for the use of agriculture, and it is needless to point out the distinctive qualities again. Nevertheless, we must confess that the system of lotteries, which enters so largely in the operations of the *Crédit Foncier*, must have a tendency to destroy the efficacy of the system, and cannot be defended on any reasonably stable grounds.

CONDITION OF THE SOCIETE DU "CREDIT FONCIER,"  
ON THE 1st JANUARY, 1859.

## ASSETS.

Due from shareholders .....	frances	15,145,500
Cash and discounts.....		19,887,686
Treasury.....		31,978,268
Beareres of obligations—securities partially cancelled.....		8,592,200
Advances on deposits of obligations.....		2,053,816
Loans at long term.....	103,330,886	
Loans at short term.....	360,000	
		<hr/>
		103,690,886
Hotel of the company.....		2,454,058
Sundry assets.....		6,895,513
		<hr/>
		190,697,927

## LIABILITIES.

Capital realized.....	frances	14,854,500
Capital to realize.....		15,145,500
		<hr/>
		30,000,000
Obligations in circulation.....		103,037,300
Securities partially cancelled.....		10,855,000
Deposits on account current.....		38,937,454
Sundry liabilities.....		5,572,648
		<hr/>
		188,402,402
Excess of assets over liabilities.....		2,295,525
		<hr/>
		190,697,927

*Hunt's New Magazine.*

## BIOGRAPHY.

## INCIDENTS IN THE LIFE OF THE LATE AMOS LAWRENCE OF BOSTON.

Few names of distinguished merchants will fill a brighter page in American Biography than those of Amos and Abbott Lawrence of Boston. Of the life of the former who died in 1852, the *American Merchant* of a recent date contains an excellent review from which we obtain some interesting particulars.—Referring to his methodical habits and the influence for good which at an early period of his life he exercised over his fellow men, we find the following letter addressed to his son in 1832:—

“When I first came to this city, I took lodgings in the family of a widow who had commenced keeping boarders for a living. I was one of her first, and perhaps had been in the city two months when I went to this place; and she, of course, while I remained, was inclined to adopt any rules for the boarders that I prescribed. The only one I ever made was, that after supper, all the boarders that remained in the public room should remain quiet, at least for one hour, to give those who chose to study or read an opportunity of doing so without disturbance. The consequence was,

that we had the most quiet and improving set of young men in the town. The few who did not wish to comply with the regulations went abroad after tea, sometimes to the theatre, sometimes to other places, but, to a man, became bankrupt in after life, not only in fortune but in reputation; while a majority of the other class sustained good characters, and some are now living who are ornaments to society and fill important stations. The influence of this small measure will, perhaps, be felt throughout generations. It was not less favourable on myself than on others."

Here, says the *Merchant*, we have an insight into the self-training by which he prepared himself for those social and moral relationships and duties which he sustained and discharged with so much fidelity and effect.

Let us now turn to an aspect of his business character as a merchant, and see the first workings of those principles which he had adopted to guide his course in this direction. "A few days after his arrival in Boston," we learn from his biographer, "he received an offer of a clerkship in a respectable house; and, wishing to familiarize himself with the modes of conducting mercantile affairs in the metropolis, and with the desire of extending his acquaintance with business men, he accepted the offer. His employers were so well satisfied with the capacity of their new clerk, that, in the course of a few months they made a proposition to admit him into partnership. Without any very definite knowledge of their affairs, he, much to their surprise, declined the offer. He did not consider the principles on which the business was conducted as the true ones. The result showed his sagacity; for, in the course of a few months, the firm became insolvent, and he was appointed by the creditors to settle their affairs."

Here we have, in a young man not yet twenty-two, the merchant with a code of fixed principles by which to measure the rectitude and safety of commercial transactions. Look at the features of his business character developed in this incident. The house was respectable—the partners were greatly his seniors, and stood high on 'change—he himself probably had not one hundred dollars of his own earnings in the world—it is doubtful whether he had ever looked over their books, or seen their balance sheet. No wonder they opened their eyes with astonishment when he declined the proffered copartnership. The boy who, in face of his seniors, saw and arrested the tendency of the eleven o'clock dram, now, in young manhood, acts with the same decision of character in reference to his business connections. If the whole truth could be known, we should doubtless find that it was not the faulty administration of the day-book and ledger which led him to decline the copartnership; but a lack of truthfulness, honesty, and probity in the reckless risks to which they exposed the property of others, and in other characteristics of their dealings. A mind trained like his, could see, with the clearest moral perception, the dishonesty of dashing speculations in credit, and the speedy and disastrous end of that way. And no one was better fitted to rescue from the ruins of such a concern something for its creditors. They readily perceived this, and employed him to settle the affairs of the bankrupt firm, which he did to their complete satisfaction. It was not with a speculating eye for the pecuniary gains of godliness, that he discharged this duty with sagacious tact and success. It was not for making a capital of credit for



an outfit in mercantile life. It was because the eye of God was upon him in the matter; because he had chosen the high, moral principles of Christian rectitude to guide him in all his business transactions. If a gulf of poverty could have yawned at the end of the course, he would have followed the lead and light of those principles all the same. The credit he acquired from his successful administration of the defunct house, was the incidental end, not the inspiring aim of his faithfulness and application. It encouraged and enabled him to commence business on his own account, in a small store, which he hired in Cornhill, in December, 1807.

A passage from one of his letters will give us an insight into these habits of promptitude and precision with which he commenced and carried on business. He writes: "I practised upon the maxim 'business before friends,' from the commencement of my course. During the first seven years of my business in this city, I never allowed a bill against me to stand unsettled over the Sabbath. If the purchase of goods was made at auction on Saturday, and delivered to me, I always examined and settled the bill by note or by crediting it, and having it clear, so that in case I was not on duty on Monday, there would be no trouble for my boys, thus keeping the business *before* me, instead of allowing it to *drive* me."

As we are especially desirous of presenting, in this brief notice of Mr. Lawrence's life, teachings and illustrations of high moral probity most applicable to young men commencing in business, we would earnestly commend to them his testimony on one important point. We doubt if there be a dozen country towns in New-England, or perhaps in the Union, in which one honest hard-toiling farmer has not been brought to want in his old age by mortgaging his property for capital to set up his son in mercantile or manufacturing business. For fifty years, he has bent to labor on those hard-soiled acres, working in cold, heat, and rain, eating the coarse bread of carefulness, that he might have, at the end of his days something for his children. Dollar by dollar, his slow earnings have freed his farm from debt, and made his family a comfortable home. His eldest son aspires to an easier life and to larger income. The ambition to be a *merchant* in his own or a neighbouring town, or in a distant city, takes hold of his young imagination. He talks of it by day and dreams of it by night. He is so confident of success, of his own ability to carve out his fortune—to honor his father's family with the wealth and position he is sure to attain—that little by little they become willing to risk them all on his behalf. The old homestead is mortgaged for a few thousand dollars. With this capital, almost the price of blood, the young man throws himself into all the hazards of mercantile speculation. He thinks he must "keep up appearances"—have a large and attractive store—a good show of clerks, and a larger show of goods. Excited and exhilarated at the credit his father's bond and mortgage have procured for him, he trusts far and wide. The evil day draws near; his notes mature; he cannot *realize* from his sales sufficient to meet them. Then comes the fever-stage of protested paper. In that distant home among the hills, there are gloom and grief. There is a father bent with a heavier burden than age, who looks hopelessly into the fire in silence and reverie, and gets no glimpse of escape from the ruin of his life's work. There is a mother who watches and reads in his face no hope for the future. There are younger

brothers, with hands hard and horny, who have well earned a share in the patrimony designed for them; and their minds are full of painful thoughts and comparisons. But there is no help. The farm is sold, and goes into the assets of the young merchant, who has been "unfortunate in business," to use the genteel term usually given to such failures. These cases, we repeat, are lamentably frequent. Nearly every town and village in the country contains the ruins of a rural happy home, wrecked by these very hazards in behalf of a son whose ambition outran his ability for mercantile enterprise. To our mind, there is no incident in the commencement of Mr. Lawrence's business course more interesting and instructive than his acceptance of the liability which his good father insisted upon assuming in his behalf. Unsolicited and without the knowledge of his son, the dear old man mortgaged his farm and brought the proceeds to the young merchant. Forty years after the mortgage deed was given that father was sleeping in his grave, Mr. Lawrence wrote upon the back of it these words: "The review of this transaction calls up the deep feelings of the heart. My honored father brought to me the one thousand dollars, and asked me to give him my note for it. I told him he did wrong to place himself in a situation to be made unhappy, if I lost the money. He told me he *guessed I wouldn't lose it*, and I gave him my note." After stating how he invested the money, he writes: "I took care to pay off the mortgage as soon as it would be received. The whole transaction is deeply interesting, and calls forth humble and devout thanksgiving to that Merciful Father who has been to us better than our most sanguine hopes." He came well nigh losing the whole sum received from his father by exchanging it for bills of a bank which failed soon after he obtained specie for them. In alluding to this narrow escape, he says:

"This incident shows how dangerous it is to the independence and comfort of families, for parents to take pecuniary responsibilities for their sons in trade, beyond their power of meeting them without embarrassment. Had my Hillsborough bank notes not been paid as they were, nearly the whole amount would have been lost, and myself and family might probably have been ruined. This incident was so striking, that I have uniformly discouraged young men who have applied to me for credit, from offering their fathers as bondsmen; and, by so doing, I have, I believe, saved some respectable families from ruin. My advice, however, has been sometimes rejected with anger. A young man who cannot get along without such aid, will not be likely to get along with it."

About a year after commencing business in Boston, his brother Albert, then only fifteen, came to live with him as an apprentice. He refers to this in a passage which gives us an idea of the love and tenderness which he exercised towards all the members of his father's family. He says:

"In 1808, he came to me as my apprentice, bringing his bundle under his arm, with less than three dollars in his pocket—and this was his fortune. A first-rate business lad he was, but, like other bright lads, needed the careful eye of a senior to guard him from the pitfalls that he was exposed to."

Perhaps in no New England home, a more complete, sympathetic companionship ever existed than among the members of Mr. Lawrence's family. "Our father's advice to us," he remarks, "was, 'Do not fall out by

the way, for a threefold rod is not quickly broken.” This advice they followed through life—illustrating most remarkably, how good and pleasant a thing it is, for brethren to dwell together in unity. In all their intercourse and correspondence, a free and affectionate sympathy is manifested, truly beautiful, and worthy of all imitation.

In 1810, when Mr. Lawrence was about twenty-four years of age, and in the bloom and vigor of young manhood, its hopes, promises, and prospects, he was stricken down by a deadly distemper which prevailed at the time throughout New England. He seemed to draw near to death. The most eminent medical aid was called in; prayers were offered in the church for his life. His pious father hastened to his bed-side. To the physician in attendance he gave a convulsive grasp of the hand, and with eyes brimful of tears, and choked utterance, articulated, “Doctor, if Amos has not money enough, I have.” But that life was spared for an important work on earth. Slowly it gained on the fearful disease, and came forth with a new light and moral activity among men.

We do not propose to dwell at any length upon the course and success of Mr. Lawrence, as a merchant; or upon the manner in which he disposed of his property for the public good; but rather to give those passages in his experience most fraught with moral character and the life of religious faith. Here is an extract from a letter which shows his magnanimity towards a brother:

“On the first of January, 1814, I took my brother Abbott into partnership on equal shares, putting fifty thousand dollars, that I had then earned, into the concern. Three days afterwards, the ‘Bramble News’ came, by which the excessively high price of goods was knocked down. Our stock was then large, and had cost a high price. He was in great anguish, considering himself a bankrupt for at least five thousand dollars. I cheered him by offering to cancel our copartnership indentures, give him up his note, and, at the end of the year, pay him five thousand dollars. He declined the offer, saying I should lose that, and more beside, and, as he had enlisted, would do the best he could. This was in character, and was well for us both.”

His influence over this brother and partner, undoubtedly was the most powerful instrumentality, under the blessing of Providence, in shaping his character for the illustrious positions he afterwards filled, with so much credit to himself and the country. The letters he wrote to him in Europe are full of tender and touching admonition and advice, and would form, of themselves, a most interesting and useful volume for young men. Just as this young brother was about to sail for England, he wrote him a letter, full of excellent and tender counsels, both in reference to his moral character, and his business transactions and habits. In this communication he says, among other things of similar teaching: “As a first and leading principle, let every transaction be of that pure and honest character that you would not be ashamed to have appear before the whole world as clearly as to yourself.” \* \* \* “It is of the highest consequence that you should not only cultivate correct principles, but that you should place your standard of action so high as to require great vigilance in living up to it. In regard to your business transactions, let everything be so registered in your books, that any person, without difficulty, can understand the whole

of your concerns. You may be cut off in the midst of your pursuits, and it is no small consequence that your temporal affairs should always be so arranged that you may be in readiness. If it is important that you should be well prepared in this point of view, how much more important is it that you should be prepared in that which relates to eternity!"

His character as a munificent donor to literary and benevolent institutions, stood high in public estimation. The ample fortune he had acquired by his indefatigable application, safe and solid judgment, and his high Christian probity, enabled him to give largely and frequently to these worthy objects. But not in the catalogue of those donations should we look for the highest manifestations of his life of benevolence. It is in the chamber of the suffering invalid that we see the strong-hearted man living his great life of love to God and his kind. Here, in weakness of the flesh and great prostration, his benevolence shone like a halo of light around his chair and couch. For sixteen years he sat down to no meal with his family. While dispensing, with such liberal and untiring hand, comforts to others, he himself lived like a prisoner, condemned to the smallest quantities of food that would keep body and soul together. Says his biographer; "An item of bad news, some annoying incident, a little anxiety, or a slight cold, would, as it were, paralyze his digestive functions, and reduce his strength to the lowest point." Nothing but a grace and goodness inbreathed in the soul by the spirit from above, could have so transformed the drift and bent of human nature as in him, under these circumstances. There he was, with all the morbid sensibilities of his nervous system thrilled to acute pain and emotion at a breath, with his life hanging upon a thread, and the dangling sword of death swinging within an inch of it daily; banished for the last sixteen years from the table of his family; with a pair of scales on his writing desk, in which he weighed out, for each meal, about an ounce and a half of coarse bread to be soaked in three gills of coarse meal gruel. One might naturally think that even a good man, in such a situation, might yield to the weakness of the flesh and regard his day of work in the world as ended. But it was here that Amos Lawrence began, as it were, to work those works of love and charity which have left behind the sweetest perfume of his character. See, now, what a sick-room picture of the good man his biographer sketches in a few delineations:

"Two rooms in his house, and sometimes three, were used principally for the reception of useful articles for distribution. Then, when stormy weather or ill-health prevented him from taking his usual drive, he was in the habit of passing hours in selecting and packing up articles which he considered suitable to the wants of those whom he wished to aid. On such days his coachman's services were put in requisition to pack and tie up 'the small hay-cocks,' as he called them in a letter accompanying one to a poor country minister; and many an illness was the result of over-exertion and fatigue in supplying the wants of his poorer brethren. These packages were selected according to the wants of the recipients. In one case, he notifies Professor \_\_\_\_\_ of \_\_\_\_\_ College, that he has sent by railroad, 'a barrel and bundle of books, with broadcloth and pantaloons stuffs, with odds and ends for poor students when they go out to keep school in the winter.' \* \* To a professor in a college in a remote

region, he sends a package containing dressing-gown, vest, hat, slippers, jack-knife, scissors, pins, neck-handkerchiefs, pantaloons, cloth for coat, History of Groton, lot of pamphlets, &c. \* \* In his daily drives, his carriage was well stored with useful volumes, which he scattered among persons of all classes and ages, as he had opportunity. \* \* He purchased largely, the very useful as well as tasteful volumes of the American Tract Society and the Sunday-school Union. An agent of the latter Society writes: 'I had almost felt intimately acquainted with him, as nearly every pleasant day he visited the depository, to fill the front seat of his coach with books for distribution.'

On the first of January, 1852, he notes in his memorandum book: "My life seems now more likely to be spared for a longer season than for many years past, and I never enjoyed myself more highly. Praise the Lord, O my soul! P.S.—The outgoes for all objects since January 1, 1842 (ten years), have been six hundred and four thousand dollars, more than five sixths of which have been applied in making other people happy; and it is no trouble to find objects for all I have to spare." According to his memoranda, the sum expended for like appropriations in the last twenty-three years of his life, was six hundred and thirty-nine thousand dollars.

The last entries of his gifts—the last records of his life, were those:

"Dec. 28th.—I sent a large bundle of clothing materials, books, and other items, with sixty dollars, by steamer for Bangor, to Professor Pond, of Bangor Theological seminary, for the students. Also gave a parcel, costing twenty-five dollars, to Mrs. —, who is a Groton girl, and now, having twins, making twenty children, is very poor."

"Dec. 30th.—To professor —, by dear S., one hundred dollars. Books, and items, to-day, five dollars."

These items, recorded on Dec. 30, 1852, closed the account current of his stewardship on earth. On the afternoon of that day, his son and biographer called upon him, and found him in excellent health and spirits apparently. "He seemed," says the son, "more than usually communicative; and, although always kind and affectionate, there was, on this occasion, an unusual softness of manner and tenderness of expression, which cannot be forgotten. The last topic touched upon was the character of a prominent statesman, just deceased, and the evidence he had given of preparation for an exchange of worlds. He spoke somewhat fully upon the nature of such preparation, and expressed a strong hope that, in the present instance, the exchange had been a happy one."

In the latter part of the evening, Mr. Lawrence addressed a rather long communication to Professor Packard, of Bowdoin College, in reply to some questions in regard to Bunker Hill Monument. This letter, full of interesting facts, genial thoughts, and happy expressions, was folded, directed, and left upon his table, and contains the last words he ever wrote. His life's work was done. His son thus describes his departure.

"After the usual family devotions, he retired at about ten o'clock, and before his attendant left the room, asked a few questions relating to the situation of a poor family which he had relieved a day or two before. Mrs. Lawrence had been in an adjoining room, and on returning found him lying quietly, and apparently engaged in silent prayer. She did not, therefore, disturb him, but retired for the night without speaking. In

less than two hours she was awakened by one of his usual attacks. Remedies were applied; but, no rallying symptoms appearing, the physician and family were summoned. All that medical skill could do was in vain; and at quarter past twelve, on the last day of the year, he quietly breathed his last, without having awakened to consciousness after his first sleep."

Thus lived, thus died, Amos Lawrence.

## MERCANTILE LAW.

### ILLEGAL CONTRACTS.

We abridge from the *American Merchant* a valuable treatise on the subject of *illegal contracts* which, while having special reference to United States legal decisions is almost equally applicable to Canada, as the same principles of Common Law obtain in both countries.

The general rule with respect to illegal contracts is, that no Court will lend its aid to a man who founds his cause of action upon an immoral or illegal act. But the immoral or illegal character is never presumed. It is the subject of averment and proof, even where the contract is for the performance of an act which may be effected by means that are lawful or unlawful; the law will presume in favor of the former, and thus sustain the contract.

Contracts are void for immorality, as

1. Where the consideration embraces *future illicit cohabitation* between the parties. *Past cohabitation* is a good consideration, as the object there is to redress an injury inflicted, and no reference is had to the future.

No recovery can be had for the rent of tenements knowingly let for the purpose of prostitution, or even where they are employed for such purpose with the knowledge of the lessor.

2. Where the consideration is a *bet* or *wager*. At common law, all such bets and wagers are void, as

1. Contravene public policy or morality, or tend to the detriment of the public.

2. Affect the interest, feelings, or character of a third person.

Another great class of contracts rendered void at common law, are those *injuriously affecting public policy*. Such are all those that

1. Are *in general restraint of trade*. The public has an interest, both in the services of the citizen, and in guaranteeing to him the perfect liberty of carrying on the trade or business in which he has been educated, as a means of sustaining himself and family. Hence, the well settled principle of common law, that a contract by which a party stipulates, although for a consideration, either not to carry on a special trade or

branch of business *anywhere*, or not to carry on *any business*, is illegal and void. But a contract in *partial restraint* as where it is limited to specified places, or beyond a certain distance, or with particular persons, may be sustained. A difficulty, however, arises in the application of the rule. No precise *limits of restraint* can ever be laid down. The nature of the trade or profession, the populousness of the neighborhood, the mode in which the trade or profession is usually carried on, are, each and all, together with consideration, to be considered. The reasonableness of the limitation is a question of law, and must be shown affirmatively, as the legal presumption is, that all such restraints are void.

2. *Contracts contravening the policy of insolvent acts.* A. contracts with B. to pay him such a sum, in consideration that he will withdraw all opposition to his discharge under the insolvent law. This is a void contract. So also is an agreement in which the consideration is the omission of the debt of a creditor from the insolvent's schedule.

3. *Contracts in restraint of marriage.* The rule is, that a contract, the object or effect of which is to restrain or prevent a party from marrying *any person*, is illegal and void. So a *marriage brokerage contract*, by which one, for a consideration, undertakes to procure a marriage between two parties, is void. Even deeds of separation between husband and wife, are, under some circumstances, void, as contravening the policy of marriage.

4. *Contracts preventing or impeding the course of public justice.* Illustrations: Agreements which have for their consideration the suppression of evidence, the stifling or compounding a criminal prosecution, or proceedings for a felony, or a misdemeanor of a public nature, are void at common law. A corporation agrees to grant certain privileges to individuals in consideration that they withdraw their opposition to the passage of a legislative act, affecting the interests of the corporation—the contract is void. So also an attempt to contravene the policy of a public statute, or that of an act of Congress. A. agrees to give B. \$1,000, in consideration that he will not offer himself to the Postmaster-General to carry the mail on a certain mail route—held void. A contract to use personal influence to procure the passage of a legislative act, is void.

Another disturbing element that may avoid all contracts into which it enters, is *fraud*. This may be defined, the wilful adoption and use of any means or expedients with the intent to deceive another to his injury. The general rule is, that it avoids all contracts, both at law and in equity, whether the object be to deceive the public, or third persons, or the parties to them. The avoidance is from the beginning, producing the same effect as if they never existed.

This subtle element is not confined to the acts and representations of the principal in the transaction. It extends to those of his agent. An agency may even be presumed, as where a party has made a false representation to one person as an inducement to a contract, and he knows that that person has stated such representation to a third person, who, upon the faith of it, makes a contract with the first party. Here the intermediate person will be considered an agent of the first party by implication. In our jurisprudence, the principle has been carried still further; and it has been held sufficient that where a fraudulent act is done by a third person for the benefit of a party who is at the time entirely ignorant of the act, yet if he subsequently seeks to take advantage of it, he thereby affirms it, becomes in some sense, a party to it, and thus deprives himself of all benefit under it.

The contract into which fraud enters is only voidable at the election of the party against whom it is practiced. The party defrauding can never take advantage of his own wrong. And the party defrauded, if he elect to rescind, must exercise his right as soon as the fraud is discovered. If after knowledge that fraud has been practiced, he deals with the subject matter of the contract as his own, he cannot afterwards avoid it, even although he may subsequently discover further circumstances connected with the same fraud. Where the party defrauded rescinds an express contract, he cannot set up an implied one, and seek a remedy upon that. Where both parties have been guilty of a fraudulent intent, the law refuses to interfere, leaving both as it found them.

Although the rule has been somewhat fluctuating, yet it is now understood that a material misrepresentation, although not embodied in the contract, is considered a constructive or legal fraud, although made without any wilful intention to deceive, but merely through carelessness, mistake or ignorance.

The question has been much discussed, how far a person entirely disinterested may render himself liable for making a false and fraudulent representation to another, upon the strength of which that other in acting sustains damage. A. represents B. as entirely solvent, and worthy of credit. C., acting upon this representation, trusts B. with goods upon credit. B. turns out to have been at the time insolvent, to the knowledge of A., and the debt is worthless. The question is, whether C. can recover against A. Upon proving clearly the above facts, and bringing home to A., at the time, the knowledge of B.'s insolvency, C. is entitled to recover of A. the value of the goods sold.

It is a rule that the suppression of a material fact, which the party concealing is legally bound to disclose, and of which the other party has



a legal right to insist upon being informed, is fraudulent, and will invalidate a contract. This is confined to *facts*, not embracing *opinions* or *conclusions*. A distinction here is taken between *extrinsic* circumstances—such, for instance, as affect value, as the state of the market—and *intrinsic*, relating to the nature of the article, its character and condition. In respect to the former, the rule is: that neither party is bound to state them to the other, and mere concealment will not annul the contract. But the party practising concealment must neither say nor do anything indicating assent to any proposition involving any mistake by the other party. The part he performs must be entirely negative.

In relation to the *intrinsic*, the rule is: that mere silence, as to anything which the other might, by proper diligence, have discovered, and which is open to his examination, is not fraudulent, unless a special trust and confidence either exist between the parties, or may be implied from the circumstances of the case. But any concealment of latent defects, more especially within his own knowledge, and which could not have been readily discovered by the other, would avoid the contract. And whenever silence would be equivalent to a misrepresentation, or assent to a false statement, no party would be permitted to be silent; and if one party should retain facts in relation to the subject matter of a contract in presence of the other, and that other should be silent when he ought to answer, his silence would amount to assent, and he would be bound the same as if he had made the statement.

The commission of *fraud upon third persons*, occurs the most frequently in two cases, viz.:

1. In contracts between insolvent debtors and certain of their creditors. In a general compromise of debts, as the creditors all bargain for an equality of benefit, as to payment or security, any private agreement between the debtor and any creditor, who joins in the general arrangement, that he shall receive more money or better security than the others, is a fraud on them, and therefore void.

2. In the practice frequently resorted to, of employing *by-bidders* or *puffers* at auction sales, in order to take advantage of the eagerness of bidders, and extort high prices. Two things are necessary to lay a foundation for this species of fraud.

1. A secret understanding with the auctioneer, that they shall not be held to their bids; or

2. The object must be to excite competition, to inflate the price by running up the property to a higher price than it would otherwise attain. The rule is: that if all the bidders except the purchaser were fictitious, or, if the bid immediately preceding his was a fictitious one, in either

case, the buyer may avoid the purchase. But in case a *puffer* be employed, and there is a competition among real bidders, after he has ceased bidding the sale cannot be fraudulent. It is also entirely competent for the vendor, previous to the commencement of the sale, to give public notice that he will employ puffers and by-bidders, or he may order the goods to be set up at his own price, and not lower, or he may previously declare as a condition of the sale that he reserves a bid for himself.

A mutual agreement between two, not to bid against each other at a public auction, and that one shall buy articles and divide them with the other, is void, as against public policy. So at a public sale of property levied on by execution, the forbearing to bid is an unlawful consideration for a promise.

Contracts are also rendered void by *statute* as well as by *common law*. All contracts in violation of a statute, either as to the consideration, or the thing to be done or omitted, are utterly void. Although a party cannot set up his own fraud in avoidance of his contract, yet he can his own criminality, provided it consists in violating some positive statute of the government.

A distinction was formerly taken between instruments void *in part by statute*, and in part at *common law*; but the rule may be now stated to be—that if any part of the *entire consideration* for a promise, or any part of an *entire promise*, not in its nature capable of separation, be illegal either at common law, or by statute, the *whole agreement* is void. Where there are two considerations to a promise, if either of them be unlawful, the promise is void; but if one of them only be void, the other will support a promise. And so, also, where the contract is to do two or more acts for a legal consideration, and one of them is void, and capable of being separated from the others, the contract is binding in relation to the lawful acts, and void as to the remainder.

It is not necessary that the statute should directly *prohibit*, in order to render void a contract. It is sufficient if it *inflicts a penalty* upon the performance of what the contract stipulates to be done; the only question is, does the statute prohibit the contract? The particular form or manner of prohibition is not material. A statute requires printers to affix their names to any books they print, under a penalty of £20 forfeiture for each copy in which such names are omitted. Held, that in case of such omission the printer cannot recover for labor and materials used in the printing of it. But this principle has a limit, and cannot embrace acts which are collateral and distinct from, and wholly independent of, the contract itself. For instance, a statute requires the names and business of pawnbrokers to be painted over the door, under a penalty of £1

for the omission. The omission here, although it subjects to the penalty, yet has no effect upon contracts into which the pawnbroker, as such, may enter. The statutes of this State render void all contracts for the sale or transfer of government or bank stocks, unless the party contracting to sell, shall, at the time, be in actual possession of the stock, or be authorized by some person who is in possession. This renders illegal all the stock-gambling operations so extensively carried on in New York and other large cities. A failure to comply with all those immense sales of stock deliverable at a future day, not a share then being owned by the vendor, gives no legal remedy to the other party. An exclusion from the Board of Brokers is the only punishment that can be inflicted.

The effect of statute law upon contract receives the best and most varied illustration in the usury laws of the different States. But these are so various, and afford such pure instances of local law, as to preclude the consideration of them here.

Next to the elements of a contract naturally follow the principles that are to guide in constructing it. To secure uniformity, and a reasonable degree of certainty, the law prescribes certain rules or canons of construction, in subjection to which all contracts are explained, applied and enforced. The great and primary object of attainment is—to arrive at the real intention of the parties, by a fair and reasonable construction of the terms they have employed in the contract. Whenever that can be ascertained, it will prevail, not only in cases where it is not fully and clearly expressed, but even in those where it contradicts the actual terms of the agreement. Where descriptive words are used, which, taken in reference to existing facts, are repugnant to and inconsistent with each other, yet if the intent be clearly manifested, the misdescription will not vitiate. The condition of a bond was to “render a fair, just and perfect account in writing, of all sums received.” Question: Was the obligor bound under this condition to *pay over such sums*? Held by Lord Mansfield that this latter was clearly within the intention of the parties.

Where the terms of a promise admit of more senses than one, the question will naturally arise as to what is the rule or criterion to be adopted in the performance of it. The law here adopts the rule of ethics as laid down by Paley, viz: that “*the promise is to be performed in that sense in which the promisor apprehended, at the time that the promisee received it.*”

Of those rules of construction that are so well settled as to have passed into canons, we will enumerate the following:

1. Whatever sense may be adopted, *the construction must be reasonable.* To apply this rule properly, it will generally be necessary to consider the

*subject matter of agreement.* Expressions susceptible of two meanings, must be taken in that which best agrees with the matter of contract. A sale is made for "approved endorsed paper." This means legally for paper so endorsed that it ought to be approved. A tenant agrees to work a colliery so long as it is "fairly workable." Although there were still coals in the mine, but of such a description that it would not pay to work it, it was held that the tenant was not obliged to work the mine at a dead loss.

2. The construction *shall be liberal*; that is, the terms of the agreement shall be construed according to their most comprehensive popular sense, provided that there be nothing in it to show that they intended to be used in a more confined interpretation. Two persons having goods in jointure, agree to give *all their goods*. This passes not only all the goods they have in jointure, but also their several goods. An indemnity is given against all suits commenced and to be commenced. This includes an arbitration then pending.

3. The construction *shall be favorable*, that is, it shall be of such a character as that the agreement, if practicable, shall be supported. Every presumption shall be in favor of the validity of a contract, and courts will, if possible, so construe its terms as to give it some operation. Hence words which are susceptible of two senses, one agreeable to, the other against the law, shall have given them to the former sense.

A bond is conditioned to assign *all offices*. Held to apply only to such offices as are by law assignable. A stipulation, by a particular construction, would be frivolous and ineffectual, but by a contrary exposition, although in itself less appropriate, a different effect be produced: the latter interpretation shall be adopted.

4. *The popular meaning of words shall be adopted*; that is, the terms of a contract are to be understood and taken in their plain, ordinary, and popular sense, unless they have, in respect to the subject matter, acquired a *particular sense*, distinct from the popular one of the same words; or unless, by a reference to the context, it is manifest that in the particular instance, they were understood by the parties in some *other special sense*. Under a plea that an annuity should cease if defendant's wife should *associate, continue to keep company with*, or criminally correspond with one J.S., the question arose whether all intercourse, such as mere visiting, however innocent, was precluded, and it was held that it was.

Mercantile contracts are construed according to the usage and custom of merchants, and it is always admissible to show that words having an ordinary meaning are known and understood by them to have a special, technical meaning. Where the words "cotton in bales" were made use

of, evidence was admitted to show, and the jury found, that it was a compressed bale, and not a mere bag, that was intended.

5. *The whole of the agreement must be carefully considered.* The construction must be upon the entire instrument, and although the difficulty may lie in a simple clause, yet in giving a construction to that, the context should be carefully examined, and the whole agreement referred to. Every part of the instrument must, if possible, be made to take effect. A sweeping clause contained in it is made to take effect only as to estates and things of the same nature and description as those that have been previously mentioned. A person owned estates both in Limerick, and in Mayo and Roscommon. He made a voluntary settlement of the latter, describing them particularly in the deed, and then added "together with all his other estates in the kingdom of Ireland." Held, that only the estates in Mayo and Roscommon passed. A recital in a bond will limit the condition of it. So also may a recital be examined to ascertain the meaning of the parties, and the general words of a clause or stipulation may be explained, by the matter recited. A composition deed recited that defendant was indebted to his creditors in *the several sums set to their respective names*: held, that the release executed thereupon extended to nothing beyond the debts so recited. And in those instruments where there is no recital, a general covenant may often, in reference to the subject matter, be qualified or restricted by a subsequent special provision.

Matter put into a contract by way of recital, may amount to an agreement where such recital is to be called into action to discover and give effect to the obvious meaning of the parties, provided it is plain, from the whole tenor of the instrument, that the parties mutually contemplated and intended that the matter or act should be performed. Words by way of exception may, in some cases, constitute a covenant or agreement. An agreement may even arise from words put into a clause, which are introduced as a *proviso* or *condition*, if there is sufficient to show that the parties contemplated an agreement that the particular act mentioned in the clause should be done; as where a lessee covenants to repair—"provided always, *and it is agreed*, that the lessor shall find timber," &c.: held that the lessor is bound to furnish timber.

Where there are exceptions, the rule of construction is, to allow them to control the instrument so far as the words of them extend, and no farther; and whenever the case is taken out of the letter of the exception, the instrument is left to operate in full force.

## FOREIGN BILLS OF EXCHANGE—IMPORTANT DECISION.

A decision of the highest importance to merchants was given by the Judicial Committee of the House of Lords, on the 9th of August last, in reference to foreign bills of exchange.

The decision is to the effect that bills of exchange drawn by a foreign or colonial house on its British correspondents, and *vice versa*, are in case of bankruptcy before payment, no better than promissory notes, provided any members of the firm drawing the same are members also of that on which they are drawn; and the holders will only be allowed to prove upon one estate.

Hitherto the practice has been for the holder of such bills to claim upon both estates, and he could thus frequently recover in full; and the general belief that such was the law gave marketability to bills drawn by English houses at home and abroad upon their connexions, which they will not now possess.

Most of the private exchange offering here and in the United States is drawn by branches of English houses upon the parent firm, and comes therefore under this decision.

When no member of the firm drawing is a member also of that accepting, the holder can prove on both estates as heretofore.

Much surprise and dissatisfaction has been expressed in England at the decision, and an attempt will be made so soon as Parliament re-assembles to obtain special legislation on the subject.

A Liverpool merchant writing to the *London Times* shows one of the perplexities which would arise from carrying out the decision to its logical conclusions, by the following query:

A, B, and C carry on business together as co-partners between this and a foreign country; D, E and F are their *only* creditors both here and abroad when this firm became bankrupts, and who prefer claiming on the foreign estate. Since a double claim is not admissible, I want to know who is to receive the dividend in this country?—*Montreal Com. Advertiser.*

## BANKING, CURRENCY, AND FINANCE.

IS MONEY, AS EMPLOYED BY USURERS, A MERCHANT-  
ABLE COMMODITY?

THE notion that money, as employed in the way of usury, or lending on interest, is a merchantable commodity, has been so long taken for granted by every writer on the subject, and has been so universally believed, that it seems like a forlorn hope to attempt to show the fallacy of such a notion, or to urge a contrary view; but, as this idea is one of the great strongholds of usury, and that upon which, whether true or false, so much legislation has proceeded, it assumes an importance which requires us to devote some little time to its examination.

The simple definition of an article of commerce is, that it can be exchanged by barter. Not only must the article possess an intrinsic value,

but, as a preliminary to its purchase, we must ascertain its money value; to transfer the possession of such commodity, that value, or its equivalent, must change hands. Commercially speaking, this is the only way in which the possession or ownership of money can possibly be transferred from one to another. The very nature of a sale supposes the transfer of absolute dominion to the purchaser. In a gold watch or a silver snuff-box I perceive a merchantable commodity. Upon each of these articles a definite amount of skilled labor has been bestowed, for which value must be given. A man may exchange a bushel of wheat for two bushels of oats, or for one dollar. The miller who sells his barrel of flour for five or six dollars, sells what he has labored for, and receives, in the five or six dollars, a fair equivalent for its value. The flour is not now his; it belongs to the buyer—the money is not now the buyer's; it belongs to the seller. The flour is the merchant's, because it is paid for; the dollars are the miller's, because he has given value for them. But I fail to perceive in money anything else than a simple instrument of exchange. As such, and as such alone, is it taken and given in every commercial transaction. It never can become, in the hands of usurers or lenders, a merchantable commodity, because the medium of exchange would, in such a case, be used as a standard for estimating its own value; or, one thing would be exchanged for another thing one of the same nature and value, or precisely similar, which is altogether absurd.

The facts of the case, then, lead conclusively to this judgment—that money is not, when employed by banking institutions, a merchantable commodity. Yet it is upon this false idea that all legislation regarding these institutions has primarily proceeded. The same truth will be brought prominently out if we consider the effects of usury on money as a standard of exchange.

Gold and silver, it is admitted, are the best and only media of exchange, and so perfectly qualified are they, in every respect, for this important purpose, that mankind have, in all ages, put upon them the stamp of their approbation, and have employed them as standards to measure the price of every earthly possession. Not only must they be produced in a certain measure of abundance, but, to suit the delicate nature of exchange operations, they must possess certain delicate qualities, not the least important of which is their almost perfect invariability of value. The value is certainly not altogether invariable, but the process of change is so slow and sure that it will exercise no appreciable or injurious effect on trade. Any change which does in reality take place, is spread over such a long interval of time, that commerce gradually and imperceptibly accommodates itself to the change. The only sufferers, indeed, are those placed under the disadvantages of long contracts, or possessed of determinate and fixed incomes. It is true that any sudden alteration in the supply of gold would not, in the long run, be productive of much evil, as nature has immediate correctives at hand for such fluctuations. But it is not the less true that continued and serious fluctuations would speedily prejudice it as a standard of exchange. This leads us, in passing, clearly to distinguish the difference as to price caused by a steady and gradual increase in the supply of the precious metals, and those daily fluctuations caused by speculation—in the one case perfectly innocuous, in the other productive of nothing but mischief to all concerned.

Truthful or reliable comparisons cannot be instituted between two things of unknown value and a third whose value is found to be fluctuating or uncertain. It is obvious, then, that the more perfect, and permanent, and unchangeable the standard can be kept, the better will it be for commerce. It would, for instance, be a thing not to be tolerated, were proclamations issued from year to year, changing the relative values of the currency. In the very anticipation of such changes, every commercial transaction would be undertaken with a degree of doubt and apprehension. But the system of converting, what should be jealously kept as a medium of exchange, into so called merchantable commodity, does certainly exercise that very effect which I have now indicated. The first and most pernicious result which flows from such conversion, is the fluctuation in value introduced into the precious metals, with all the consequent confusion and disorganization; for the prime regulator of the value of money, is, and ever will be, the cost of its production. By this introduction of the currency into channels from which its very nature ought to exclude it, and by this attempt to make it perform "merchantable" functions foreign to its nature, and for which it was never intended, that uniform value, which is the surest safeguard against all sudden and injurious fluctuations, is immediately destroyed, and it no longer becomes that sure and safe standard which, apart from such external influences, it undoubtedly is. Consequently, not only is every debt, obligation, and contract affected one way or other by every fluctuation in the value of the precious metals, but serious detriment is done even to the operations of the cash dealer; and the pernicious results are identical with those experienced in the tyrannical and high-handed system of degrading the currency. The operations of moneyed institutions have caused suspicion to attach even to the precious metals, and financial writers, in their anxiety to trace the mysterious movements in the currency introduced by these institutions, seem to have struck upon every vein but the right one. The currency is a very simple thing—its present complexity is the result of an artificial system, superinduced by banking institutions, and I can compare the very learned dissertations of very learned authors on the subject to nothing more fitting than the pedantry of the schoolman, when discussing such matters as how many angels can stand upon the point of a needle.

The reader will perceive, from the above remarks, the nature of the connection which subsists between the lending and borrowing of money on interest and the buying and selling of goods on credit. In effect, there is no essential difference between the usury of money and the usury of goods. Possessed of a common origin, and partaking of a similar nature, the two things move in the same channel, and exercise precisely the same effects. It is immaterial, so far as risk is concerned, whether we lend money on interest or sell goods on credit. It is of little consequence, so far as our social comfort or well-being is concerned, whether we pay the banker three month's interest for his money, or the manufacturer three months' interest for his goods.

In truth, the element which enters so fatally into the economy of our paper currency, and that which at the same time makes it the very opposite of a merchantable commodity, is its want of value. The commercial value of an article depends, in large measure, upon the cost of its production.



I say in large measure, because cost alone cannot determine the value. The amount of the supply, and the amount of the demand, are the two things which ultimately regulate or adjust the price. But that price will be high or low in proportion to the amount of labor necessary to produce the article. Circumstances, over which we have no control, may alter the character both of the supply and the demand, but it is plain to all that cost of production is one of the main elements in determining the price or exchangeable value of a merchantable commodity. Mr. Carroll has, in a recent number of *Hunt's Magazine*, stated the nature of commercial value in a clear and forcible manner. He says—"Value is in its nature relative, involving a comparison between two or more things in respect to the labor, skill, and capital applied to put them in form or position to satisfy some want or desire, and also in respect to the supply of and demand for them; the value of each being in the compound ratio of its utility and its scarcity." If, then, this definition be correct, how is it possible that paper money can ever be elevated into the rank of an article of merchandise? The cost of production of this paper article is so very small indeed, and the facilities for its manufacture so great, that we are quite at a loss for ordinary data to determine its value. Let us even condescend upon it as the representative of a medium of exchange, or rather as the representative of a representative of an article of merchandise; what, we would ask, is the measure of value to be put upon it? Surely, if we take into consideration the vast amount of national, commercial, and banking debt represented by paper, one cent to the dollar would be a liberal computation. What will succeeding generations think of the commercial morality of an age in which a man was famous according as he had succeeded in uttering counterfeit money, and introducing his "promises to pay" among his neighbors as "articles of merchandise?" No wonder that such a perfidious system should regard with jealousy anything calculated to destroy its credit. I feel bound to declare my conviction that no more curious art or magic was ever imposed by the famous magicians of Ephesus upon the belief of its simple inhabitants than has been imposed upon the credulity of this boastful age in the issue of a paper currency. Instead of the present being the age of iron, we might with more justice characterize it as the age of paper.

If, to some minds, it appears a thing strange and altogether inexplicable that gold, owning really no intrinsic value, should nevertheless be in a position to exchange for the most favored possessions, how much more inexplicable does it seem that a scrap of paper should be able to exercise precisely the same power?

Money, then, as we notice it, is not an article of merchandise! and, if not an article of merchandise, then it does not fall under the ordinary laws which regulate the interchange of mercantile commodities. Commerce recognizes it as a medium of exchange, and as that alone.

When we arrive at the consideration of borrowing and lending money on usury for the purposes of trade, we are confronted with the credit system—that father of evils—in all its magnitude. I will for the present dismiss that subject with a single reflection. "Owe no man anything," stands forth upon the sacred page in clear and unambiguous language, as the inevitable condition of success in life, as the absolute limit to commercial

transactions, as the only sure safeguard of national and individual prosperity, and the only safe barrier against those social inequalities which at present disorganize trade and disgrace society. With shame let it be confessed, that Christian commentators and Christian journalists have not hesitated to wrest and gloss such plain words. If that simple sentence of Scripture denotes any other meaning than that expressed upon its face, then human language fails altogether to convey a meaning or record a thought.

The fundamental principles which I have now laid down are of great importance, and strike at the very roots of the usury system. It is plainly through a certain confusion of ideas regarding a medium of exchange, and a gross misapprehension of its real nature and purpose, that such a ready currency is accorded to the fallacious statements of those interested in the upholding and propagation of that system. It is important, in such matters, that things should be called by their right names, for every departure from the simple truth is calculated to mislead and deceive; and the notion that money, as employed in usury, is a merchantable commodity, has been so long authoritatively proclaimed, that I can plainly see people have just been led to place faith in the statement, without troubling themselves to inquire into its truth. Mr. A. Walker has already, in *Hunt's Magazine*, done good service in exposing the absurd ideas of Lord Overstone regarding the currency. Let us hope that many may be induced to give that serious reflection to the subject which its importance demands. I cannot but think that the matter must, at no distant date, loom up before the public mind to something like its real dimensions; for the question involved is nothing less than the validity of the tenure by which all our possessions are held.

W. B.

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## OUR BANKING SYSTEM.

### LARGE VERSUS SMALL BANKS.

*To the Editor of the CANADIAN MERCHANTS' MAGAZINE.*

SIR,—The Legislative Committee on Banking and Currency addressed, in March last, a series of questions relative to these subjects, to the Chartered Banks of the Province, and to various individuals, myself among the rest; and as time only permitted the publication of the replies made by the Banks or lending class, it appears to me that the borrowers should be heard. In reading the replies of the cashiers, one feels disposed to apply to many remarks the language of the facetious Burton, in one of his parts, to a dull character: "Think! you can't think. You only think you think"; while other suggestions are worthy of consideration.

The first Bank in Canada was the Bank of Montreal, which commenced operations in 1817 as a Joint Stock Company, with a copy of the common American charters of the time as articles of copartnership, and this copy which afterwards became "the" charter by legislative enact-

ment is the model on which our Canadian Bank charters have been granted. Thus our Banking system is completely American as first established in the States, without the safeguards that have been there attempted in the last forty years.

A Bank in Kingston, and the Bank of Canada in Montreal, commenced about the same time. The Kingston Bank failed before obtaining a charter, and the Bank of Canada avoided the catastrophe by selling out to the Bank of Montreal, which was our only Bank here till 1833. The Quebec Bank commenced operations in 1818; the Bank of Upper Canada in 1822; the Commercial Bank in 1832; the City Bank in 1833; the Banque du Peuple in 1835; the Gore Bank in 1836; and the Bank of British North America (with a Royal Charter) in 1836.

I labored with the late lamented Mr. DeWitt more than three years against more "artful dodges" than I care to enumerate, in procuring a charter for the City Bank, and getting cheated out of our share in the direction by one of those numerous frauds which may be practised with any of our Bank charters. We spurned the Legislature and joined some Canadian gentlemen in getting up the Banque du Peuple, upon the sound principle of *Commandite*, or limited partnership, taking like the Bank of Montreal the American charter, excepting that the Directors were not subject to re-election, the same as now, under the present charter obtained in 1843, which confirms the original private understanding.

These old fashioned American charters which have continued in form and substance the model of all our Canadian Banks, whether in operation or only on the Statute Book, comprehend nothing that ordinary men of business would not adopt as conditions of a Banking co-partnership without intervention of the Legislature; but so far as concerns safety to the public, their provisions have been scouted as moonshine for thirty years by the older States, which have introduced many things precautionary, while the new States and territories take the old form, as we do, raising annually a new crop of Banks that like the wheat crop is soon only seen by its stubble.

The healthy credit and recent speedy resumption of specie payments, after the shock of a general suspension, proved, by the most violent test, the soundness of the Banking system in the older States, comprehending, as it does, hundreds of little Banks scattered through villages in every direction; and sound systems will be introduced into the new ones as society settles down and capital augments.

Our Bank charters provide that when a certain amount of stock is subscribed Directors shall be chosen, who may commence business when a certain amount is paid up in specie. Stockholders are liable to twice

the amount of their subscribed capital; the Bank may have bills in circulation to an amount equal to its capital, together with the specie and Provincial debentures it may hold, and owe, in all forms three times the amount of its capital. It cannot deal or loan on real estate, ships or merchandise; the liability of Directors must not exceed one-twentieth of the whole amount of discounts; suspension of specie payments for over 60 days forfeits the charter, statements must be published periodically, or furnished whenever required by the Governor; but all this is rendered null and void and of no effect by a clause in every charter, which provides that nothing shall be construed to authorize the inspection of private accounts of individuals. The only exception, I believe, is the Banque du Peuple, where auditors appointed by the shareholders may investigate everything. Another distinction in the Banque du Peuple is, that the Directors are permanent, or fill themselves the vacancies that occur in their body, and stand towards the public in the position of a trading company, responsible for the Bank to the extent of their private fortunes, which are large.

Finding that rogues, who obtained Bank charters, did just what they pleased with them, and made returns as favorable as any body, the Americans, as a first remedy, many years ago appointed Bank Commissioners to make examination and investigate the truth of Bank statements, but this was soon found to be an idle ceremony. The capital might appear truly paid up, and yet be only paid by the notes of the stockholders, which, carried to the sanctum of "private accounts," could not be enquired into. Specie was borrowed for a day, to gladden the eyes of the Commissioners when on their tour of inspection, and after serving its purpose at one Bank was sent on the next, to be ready for counting when the gentlemen arrived. Few notes were found overdue and unpaid, because all the worthless were renewed to swell the Item of "Bills Discounted."

Thus the result proved that, even under inspectors, fraudulent or insolvent Banks could make just as good "statements" as sound ones, for as the amount of notes, or bills discounted "which as private accounts," are held sacred from examination, is usually double that of the Bank's capital, and may not be worth a straw, a knowledge of how other items may stand is of little consequence.

When Mr. Biddle retired from the presidency of the Pennsylvania Bank, fraudulently called the Bank of the United States, he made a speech declaring that he had long been desirous of retiring but hesitated till the Bank had surmounted all its difficulties and was prospering on a sound foundation. The Directors echoed the speech, and voted him a ton of silver plate; and yet, within a year, this Bank, with a capital of twenty-eight millions of dollars, made a wretched failure. It had, like all Banks,

a formidable column of "bills discounted," but a list of them was principally valuable as a catalogue of the names of stock-gamblers, speculators, and politicians, attached to paper called "promissory," and likely ever to remain so.

In addition to existing Banks, we have had on our statute book charters for more, (some of them recently put in operation) upon which any man of bold, enterprising spirit might start a Bank without one dollar of real capital, and maintain it in credit for some years in prosperous times; for though these charters contain a profusion of precautionary words, there is no certainty and no security that they will operate as restraint or guide to those who become managers of the institution. Their flash bills now in circulation should be everywhere refused. No new charters of this kind should be granted, and something should be done to transform the moonshine conditions of the existing into realities. We have confidence in our old established Banks from a knowledge of their business, and the high character of their directors, upon whose honor we can depend, but the charters, as such, are no security whatever.

Nor is there any necessity of endangering the province by granting any new Bank charters. If there be more capital seeking for investment in banking, or if more banking capital is required by agriculture, manufactures, or commerce, we have the free banking law, which with little to be amended, is all the country can ask; and unless we have already banking capital enough, or there be a deficiency of real capital seeking such investment, nothing but a want of intelligence has prevented the establishment of many free banks on capitals of \$100,000, or more, already. The only stumbling block is that without any of the old fashioned shams, for which charters so neatly provide, the proprietors of a free Bank must have a capital before starting, sufficient, to buy debentures, to be lodged with the Receiver General as security for every dollar that it puts into circulation as currency. To me, it appears that retired men of capital could find no more pleasant occupation than the management of such Banks. They may take things easy, not forcing business, or incurring risks, for though they did no business at all, their capital, invested in debentures, would still bring them six per cent interest, which is about as good as the chartered Banks have in the aggregate paid since their establishment; and expenses need be trifling. Their bills, whatever might be the amount, would be always safe as currency, for they cannot have in possession, to issue, one dollar for which the Receiver General does not hold the security of the province, that he may sell, should the Bank suspend payment. If on one side it may be said these debentures might sell at a discount, whereby the proceeds would not pay the whole amount of the bills, it

must be remembered on the other side that in event of stoppage, a portion of the bills will naturally be in the bank vaults, and not in circulation; and furthermore, they must be paid in full, out of the general assets of the Bank, before any other creditor can claim, so that their redemption is placed beyond a doubt. Besides, unless the paper discounted by the Bank is valueless, all the bills out would be absorbed in paying it, which would make them good, though the debentures were sold ever so low.

I do not (nor does any one) comprehend exactly what may be covered by the phrase "Bank of issue," but if it means a Government machine for the issue of paper money that shall carry with it the security of the province, it could only do in a costly, cumbersome manner, what may be done by the free banking system without cost or danger.

That banks should keep on hand a quantity of specie proportionate to the amount both of their circulation and deposits, is most true, and banks with a real capital, like our old ones or those under the Free Banking law, would undoubtedly do so; but the old fashioned timidity on the subject of specie or bullion, and the old fashioned calculations thereon, which have made famous the names of a Ricardo, or a Goldschmidt or a Jones Lloyd, are for our times only so much twaddle. There is no present danger of a scarcity of gold. The discoveries of California and Australia have made gold simply merchandise, as easily procurable as any other merchandise by those who have any other merchandise, or the representative of merchandise in good bills receivable (which include Exchange) to give for it, and in addition to this enormous increase in quantity, the rapidity of transition, now made practicable by steam, railroad, and telegraph, makes every dollar many time more effectively available, and completely upsets all arguments based on things as they stood twenty or even ten years ago.

Banks are no longer a mystery, but a necessity in men's affairs, as plain and simple as grocery or dry goods stores; and we shall soon ridicule the idea of legislative regulations, apart from the privilege of issuing paper as money, for one any more than for the other. We have to-day brokers performing, without let, hindrance or special legislation, the functions of banks, such as receiving deposits, discounting paper, and dealing in exchange; and where would be the evil if each of them had many partners, and was called a "bank" with ten times the amount of their present capital? The power of issuing bills as currency is a separate question, and this alone concerns the "public," or requires legislative interference, unless we are prepared to fall back on the long exploded principle, or subjecting every trade to special regulations.

The coining of money, and fixing the value thereof, is an attribute of

sovereignty, that the governing power virtually delegates when it authorises any institution to issue paper money as currency, which takes the place of or supersedes the use of gold and silver. Without repeating all the twaddle about what banks may do with this power, it is sufficient to say that Government, like all other principals, must be responsible for its agents. If it commissions others to issue paper that shall serve as money, it must provide and see that this money is good, for the responsibility resting upon the Government is the same as if it gave out gold or silver to be coined into sovereigns and shillings by contract. I see nothing else that offers the complete security provided by the Free Banking Law; and since coin to circulate in company with paper artificially made its equal, I would prohibit all bank bills of a less denomination than five dollars. Were all small payments made in coin, coin would be of necessity in the pockets of the people, where it would give greater security to paper circulation than if locked up in banks, and paraded in statements.

The general opinion of our bank managers, as gathered from their replies, is that the system is most safe with few banks of large capital, conducting business everywhere by agencies scattered through the country; but in reading their arguments we must remember that theirs is the universal language of monopoly, which always finds safety in confining business to few hands, and danger in free extensions. Every thing large or strong abhors a small competitor.

A woman with two well filled baskets, sees in another, who can only raise a dozen apples at a time, a very vile irresponsible person, damaging local trade in particular, and the public safety generally, with the same spirit and equal justice that the bank with six millions of dollars regards another with one hundred thousand. I know nothing of the profit and loss of the agency system; but when I see rival banks pushing out agencies side by side in the same villages, instead of each one confining them to its own separate or legitimate district, I question the economy, and am reminded of a story told by Lord Brougham in illustration of similar policy. He said that visiting the old Tower of London Menagerie at feeding time, he saw the monkeys, instead of eating their own food quietly, stretching out their paws to steal from the cages of their neighbors, by which more than half the food, falling to the ground, was lost. Possibly if all our banks would join together in computing the waste of all these branches in the aggregate, against the gain of what appears a war of greed against greed, the brilliant idea of their inception might be clouded by its similitude to Lord Brougham's story.

The question of large or small Banks is simply the question of centralization or decentralization, and in America we find the latter more favour-

ed in all things, because equal justice, and the welfare of the State, demand that the rights and convenience of people in remote parts shall be cared for equally with those in the centres. When we had no county courts, and people for fifty and more miles round had to come to town with witnesses more than once for the same small matter, they may have obtained a very superior sort of justice in the end, but they would have been much better pleased with something cheaper nearer home. In some of the American States we see the large Bank and branch system; but generally in New-York, and wholly in the New England States, where financial intelligence is greatest, and capital the most solid we see nothing but small independent Banks, every village of importance having one of its own; yet at home and abroad, particularly in the eastern part of Canada, the bills of these Banks, though their name is legion, pass current like gold and silver.

Nor is it small banks alone that fail. The Pennsylvania, so called "Bank of the United States," with a capital of twenty eight millions of dollars, the largest by many times over of any in the States, made a miserable failure. When I was employed in 1840 under a resolution of the Senate of the United States to examine all the Banks of Florida, then a territory, I found the Bank of Pensacola with a capital of two millions and a half of dollars, \$500,000 paid up. The Union Bank at Tallahassee with a capital of three millions of dollars, more than \$2,000,000 paid up, and bonds in the hands of McKiltup, Dent & Co., of London, to make up, when sold, the balance; the Life & Trust Co. of St. Augustine and Appalachicola with a capital *unlimited*, and a large amount paid up. In the report drawn up by me and published with the U. S. Senate documents of the year, I declared these large institutions to be utterly bankrupt, which aroused a great controversy, but my assertion proved true throughout. Besides these large charters, there were scores of small ones like our charters on which no bank started but to break. I joined the anti-bank party, and the war we carried on so set the people against banks that the State has been without any till lately, when one was established of which the richest planters are stockholders and all liable to the whole extent of their private fortunes.

That large Banks are necessary for the movement of our lumber and produce is most true; and were there none but large borrowers, we should require no others: but fortunately for the prosperity and advancement of the country, there are hosts of small borrowers who are not to be snubbed. A large institution, like a small one, must in the main be governed by one executive head, and the Manager and Cashier though he may like Cassio be a great "arithmetician," may also like Cassio know as little of



the "ordering" of men's affairs as a "spinster" (or old woman). "With men," says the Spanish proverb, "they make Bishops," and for want of better, we must even make a Cashier from the same material, with all its frailties, and find him subject to the ordinary weaknesses of humanity. He cannot know every body, and is much tied up with red tape. He looks complacently on "good names," forgetful that any name is made good by giving it all the money it asks, and hesitates over "weak names," forgetful that they may be weak only because kept by himself at starvation point; nor is he so dead to humanity as to withstand always the blandishments of personal friends and relatives. As a consequence, too many eggs get into one basket, and smashes come naturally, followed by curtailments. As the heaviest borrowers are fairly on the back of the Bank, and must literally be carried through, the screws are turned on small ones, who are sent by dozens squealing through the streets. Banks are vulnerable—a bad name does them no good. If the small lively accounts of those who work for a Bank are driven away, and none are left but the heavy accounts of those who live like leeches upon it—the horse-leech, crying for more, more,—dividends may diminish, stock go down, and stockholders grow impatient. Men are apt to consider themselves ill-used by a Bank, and when one raises a cry, the number of malcontents who join chorus is prodigious.

The best security against this, and the best remedy against the frequent positive misery of mechanics and small traders, would be the establishment of small Banks which would be complicated in no affairs so heavy as to prevent the Managers from listening to the story of a man wanting twenty-five or fifty pounds. There should now be too much intelligence in the world to accept a man as strong, merely because he owes a great deal, or call him weak merely because he owes nothing. A man with a small account may be as high in spirit as another with a large one, and as little relish being snubbed by a Bank official. Small people may to the extent of their loans be quite as safe as large ones; and it is not for the good of the State that even small people should be *shaved* to death in round-about ways of raising money.

It is a hard case that a man must go to be *shaved* to another poorer than himself, who has no means of advancing to the borrower except by discounting the paper taken, which he may do if he has a Bank account. Brokers follow a legitimate, honourable, and useful calling, but being unproductive labourers, like parsons and lawyers, it is not wise to multiply unnecessarily the tribe of "paper-swoppers" by the grandeur of our Banking institutions.

Benevolence may be exercised more intelligently than in giving coppers

at the street door. A Bank of \$100,000 capital, under the free banking law, managed by a person like the late Mr. DeWitt, confining itself to small accounts, would elevate hundreds in self-respect, and, relieving them from a continued gnawing anxiety in financial matters would make them strong and free in their daily avocations. Great, also, would be the blessing of such Banks in our country towns, as they are in the neighbouring States, where the trader having a note coming due, the manufacturer contemplating some enterprise, or the farmer having a payment to make, or a law-suit threatening, could go to the Directors, who are their own neighbours or acquaintances, and, sitting down friendly, explain in good faith, their necessities, the benefit of the loan, and their means of repayment. It may be said they have now the branches. The branch is not a responsible institution bound up in the prosperity of a particular district, always ready to aid the industrious, who in their turn are all working for the interest of their bank; but a stranger whose mission is to rival the shop of a rival Bank over the way, and whose manager must make it pay expenses and some profit on certain accounts, many of them merely auxiliaries to larger ones in town, without entering too much into the details of local wants. Then he is governed by instructions from the parent Bank, a letter from which decides the financial aspirations of a district, without appeal; and often so suddenly that most mischievous derangements ensue, too insignificant perhaps for our notice, but very important at home with the sufferers.

I have thrown these discursive remarks together, with no expectation that banking or "business" men will wade through them, but with a certainty that they will be read in the country and excite some "thinking" which may possibly be communicated to members of Parliament.

T. S. B.

## STATEMENT OF BANKS ACTING UNDER CHARTER

NAME OF BANK.	CAPITAL.		LIABILITIES.							
	Capital authorized by Act.	Capital paid up.	Promissory Notes in circulation not bearing interest.		Balance due to other Banks.		Cash deposits not bearing interest.		Cash deposits bearing interest.	
	\$	\$ c.	\$	c.	\$	c.	\$	c.	\$	c.
Quebec Bank .....	1,000,000	996,400.00	539,281.00	222,711.26	291,880.35		144,492.69			
City Bank of Montreal.	1,200,000	1,198,406.00	431,864.00	61,553.39	330,638.67		291,638.28			
Bank of Montreal .....	6,000,000	5,973,180.00	2,064,735.50	85,330.58	1,630,661.82		1,265,364.00			
Commercial Bank .....	4,000,000	4,000,000.00	1,200,163.00	300,601.24	936,484.17		451,463.66			
Bank of Upper Canada	4,000,000	3,127,215.00	2,119,052.00	403,382.01	2,148,419.03		2,713,135.76			
Banque du Peuple ....*	1,200,000	1,101,615.00	235,421.00	76,466.84	249,820.45		245,419.18			
Molsons Bank .....	1,000,000	937,773.69	253,514.00	16,246.34	365,955.03		269,550.86			
*Bank of B. N. America	1,866,675	4,866,666.00	942,685.00	65,420.00	875,065.00		699,323.00			
Niagara District Bank.	1,000,000	252,741.31	144,444.00	33,758.80	66,739.57		22,145.69			
Bank of Toronto .....	2,000,000	533,430.00	316,457.00	21,243.36	53,097.86		159,209.59			
Ontario Bank .....	1,000,000	461,742.00	191,753.20	20,536.66	69,073.96		45,597.40			
International Bank .....	1,000,000	132,500.00	78,093.00	2,144.76	13,276.02					
Colonial Bank .....	2,000,000	112,000.00	77,000.00	7,830.16	13,000.00					
Total .....	32,266,666	23,693,758.91	8,524,462.50	1,317,225.40	7,043,211.97		6,307,424.11			

\* This Statement of the Bank of British North America (acting under Royal Charter) refers to Canadian Branches only.

## Statement of Assets and Liabilities of Banks issuing Notes under the

NAME OF BANK.	ASSETS.					
	Debitures deposited with the Receiver General.	Real Estate.	Furniture and other Assets.	Debts due by other Banks and Notes of other Banks.	Bills Discounted.	
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	
(a) Bank of B. N. America .....	518,833.33					
(b) Niagara District Bank .....	11,670.00					
Provincial Bank .....	140,000.00	1,000.00	3,351.55			32,075.00
Bank of the County of Elgin .....	100,000.00		1,325.00	4,997.34		106,532.71
Total .....	770,503.33	1,000.00	4,679.55	4,997.34		138,607.71

(a) Bank of British North America issues \$1 and \$2 notes only under this Act.

(b) Niagara District Bank withdrawing its circulation under this Act.

CHAS. GAMBIE, Registrar.

Quebec, 14th September, 1859.

FOR THE MONTH OF AUGUST, 1859.

Total liabilities.	ASSETS.													
	Coin and Bullion.		Landed or other Property of the Bank.		Government Securities.		Promissory Notes or other Bills of other Banks.		Balance due from other Banks.		Notes and Bills discounted, and other debts due to the Bank not included under the foregoing heads.		Total Assets.	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
1,198,365.35	129,105.60	14,985.40	.....	44,210.86	16,254.90	2,130,633.55	2,344,190.37							
1,115,694.34	156,268.25	34,000.00	194,838.35	80,894.35	86,609.21	1,948,819.21	2,501,429.40							
5,046,691.90	650,621.27	367,925.75	602,264.00	204,755.69	541,320.40	9,607,957.77	11,974,844.94							
2,888,712.07	461,727.82	210,766.17	400,000.08	97,251.22	417,693.29	5,990,278.56	7,577,717.06							
7,383,988.80	517,420.24	240,908.01	937,835.13	160,970.00	671,928.40	8,540,722.45	11,069,784.23							
807,127.51	141,281.71	51,388.89	129,242.05	40,494.65	29,925.08	1,741,456.43	2,124,783.81							
904,366.23	107,450.35	20,549.95	200,000.00	30,048.71	69,817.25	1,504,344.97	1,932,211.13							
2,582,493.60	457,599.00	194,667.00	726,833.00	125,375.00	42,766.00	5,731,484.00	7,278,724.00							
267,088.06	18,595.70	8,647.55	44,402.98	4,829.36	16,311.09	456,148.21	548,934.89							
550,091.81	87,842.24	.....	102,400.00	20,282.83	72,187.41	862,658.99	1,145,071.47							
326,961.22	35,128.92	9,327.75	59,000.00	10,090.00	20,376.60	683,695.60	817,618.87							
93,513.88	18,367.58	2,193.63	10,000.00	10,636.60	18,425.17	168,121.91	227,144.29							
97,830.16	15,721.37	262.18	19,400.00	7,572.00	47,139.00	120,890.78	210,985.33							
23,262,324.28	2796830.14	1155617.28	3407215.51	826,775.03	2050753.86	39,496,202.33	53,763,439.79							

JOHN LANGTON, Auditor.

Free Banking Act, to 31st August, 1859, 13th & 14th Vic., (Chap. 21, &c.)

LIABILITIES.															
Debts due by Individuals.		Specie in Vaults.		Total Assets.		Notes in Circulation.		Deposits.		Debts due to other Banks.		Other Liabilities.		Total Liabilities.	
\$	c.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
.....	.....	.....	.....	518,833.33	.....	130,712.00	.....	.....	.....	.....	.....	.....	.....	.....	130,712.00
.....	.....	.....	.....	11,670.00	.....	11,667.00	.....	.....	.....	.....	.....	.....	.....	.....	11,667.00
97,470.61	.....	5,747.84	.....	279,645.00	.....	138,979.00	.....	660.00	.....	.....	.....	.....	.....	.....	139,645.00
5,283.69	.....	6,652.03	.....	224,793.77	.....	41,983.00	.....	21,356.31	.....	16,832.75	.....	38,857.07	.....	.....	119,029.13
102,754.30	.....	12,399.87	.....	1,034,942.10	.....	323,341.00	.....	22,022.31	.....	16,832.75	.....	38,857.07	.....	.....	401,053.13

JOHN LANGTON,  
Auditor.

## BRITISH SAVINGS BANKS.

A report of a Parliamentary committee gives the following amount of deposits in each year:—

Years.	Aggregate deposits.	Years.	Aggregate deposits.
1850.....	£29,129,000	1854.....	£33,909,000
1851.....	30,445,000	1855.....	34,410,000
1852.....	31,912,000	1856.....	35,119,000
1853.....	33,510,000	1857.....	35,255,000

Owing to the necessity of selling securities to a limited amount in times of stringency, and also in being often obliged to purchase when stocks are high, a loss or depreciation sometimes occurs; and as the above amounts represent the securities at buying prices, adding surplus on hand, some reduction should be made to get at the real assets of the savings banks.

The comparative progress made by the savings banks in different parts of the kingdom is shown by the following exhibit:—

	Population, 1851.	No. of banks, 1856.	No. of accounts 1856.	Deposits, November, 1856.	Rate of interest paid depositors.
England & Wales.	17,609,058	498	1,140,551	£30,725,782	2.94
Scotland .....	2,888,742	46	119,281	1,936,495	2.88
Ireland.....	6,515,794	51	57,050	1,710,179	2.84
Islands in British seas.....	90,800	2	14,487	388,475	3.00
Total.....	27,104,394	597	1,331,360	£34,760,933	

The above exhibit shows that in England the savings banks have made the greatest comparative progress. Again, Scotland, with less than one-sixth the population, has less than one-tenth the number of banks. The use of the savings banks is a good index, other things being equal, of the progress and prosperity of the Lower classes, and we find this rule to correspond in the above exhibit with what we know to be the truth by other proof.

If we divide the depositors into classes according to the amount of their deposits, we find the following result for the whole kingdom for the year ending in November 1857. The deposits being invested, by statute, entirely in government three per cent stocks, the interest on savings deposits in Great Britain cannot exceed three per cent:—

	No. depositors	Deposits	Average deposit.	Proportion per cent.
Under £20.....	846,203	£4,848,447	£5.15	14.669
“ 50.....	293,716	9,111,756	31.	27.624
“ 100.....	130,204	8,982,919	68.5	27.334
“ 150.....	44,339	5,330,002	129.2	16.158
“ 200.....	25,820	4,389,337	170.	13.307
“ 300.....	1,470	321,561	218.15	.974
	1,341,752	£32,984,023		

We find from the above exhibit that the greatest number of depositors have under £20, and an average of less than £6. The maximum amount of deposits is, however, held by the class who have from £20 to £50, with an average deposit of £31. The depositors having an average of £57.29, and in the class under £20, form in number 63 per cent of the whole.

In England the depositors are one in every sixteen persons, in Scotland one in every twenty-five, and in Ireland one in every one hundred and fifteen. The average amount of deposits for each depositor is, however, not in the same order. In Ireland the accounts average £30, in England a little over £23, and in Scotland a little under £17, showing by this that in Ireland the poorer classes have not yet appreciated the benefits of frugality and saving.—*Hunt's Merchants' Magazine.*

### HISTORY OF THE MONETARY SYSTEM OF HAYTI.

A correspondent of the New York *Tribune* gives the following accounts of the currency of Hayti:—

The monetary system differs from that of other countries, consisting exclusively of paper money. Gold and silver money of a standard currency is with us only an article of brokerage. Down even to 1807, the commencement of intestine dissensions, gold and silver circulated abundantly in the country. That was the result of the forced labor of the old state of things, but the territorial resources of the country having gradually diminished, through the loss of the labor of a large portion of the people who were transformed into soldiers, its metallic wealth diminished also, to that extent that the government, with a view to arrest the going away of the little silver which yet remained, caused little pieces to be cut out from the gourdes, leaving them worth about twenty cents of American money—one hundred centimes; the value of the piece extracted being reckoned at eighteen centimes. About seventy thousand piastres underwent this operation. In less than a year all the pierced gourdes, and even the little pieces which were cut out, had disappeared from circulation by exportation abroad. Then, to meet their urgent wants, they coined money of lead, pewter, or copper, called Hayti money, and which the soldiers themselves coined publicly on the ramparts, in sight of the enemy, and in spite of the efforts of the authorities. To get rid of this inconvenience, a new money was decreed—the serpent money—two-thirds alloy, to the amount of one million one hundred thousand gourdes, which lasted until 1817. From that time dates the effigy money of five-twelfths intrinsic value to the amount of one hundred thousand gourdes, which gradually increased until 1824, when it was one million three hundred thousand gourdes; and from that time to 1834, when it ceased to be made, there had been 2,595,515 gourdes metallic value in circulation. The imperial necessities also required, in 1826, the emission of treasury bills, and these, together with the alloyed money, form the current money of the country to this day, without counting the copper money called *billion*. In 1843, at the downfall of President Boyer, the amount of treasury bills had risen to three million gourdes, and since then the number has still further increased. The billions now have the effigy of the emperor.

No one now knows the amount of paper money now in circulation, as the late emperor and his ministers made secret issues. One-half of the national debt—the indemnity contracted to be paid by France by Boyer's imbecility—has already been paid, and Soulouque imagined that the stated installment was regularly paid every year, but Delver pocketed the money. There still remained \$7,500,000, with the interest on coupons issued by Soulouque.

The value of the gourdes fluctuated, during our residence in Hayti, from 17½ to 15½ to the Spanish dollar. It is gradually descending—that is, decreasing in value. In 1829, one gentleman informed me the value of the gourde was equal to 67 cents American.

"Coffee," said a merchant, "is the real currency of the country." For example—during the harvest months of coffee, (December, January, and February,) it sells at \$100 to \$108 (Haytian dollars or gourdes) the French hundred pounds; during June, July, and August, at from \$160 to \$180. During December, January, and February, the exchange will be sixteen Haytian for one Spanish dollar; during June, July, and August it will run from eighteen to twenty. Thus, therefore, in consequence of these fluctuations, an exporter may lose by the coffee, but gain upon the currency.

Here is an average of the value of the gourdes or dollars for a number of years past, never hitherto, nor any similiar statement, published. There are about three hundred commercial days in the year, Sundays and fast days bearing no quotations, although the principal days for the retail trade:—

Years	Price of doubloons.	Price of dollars.	Years	Price of doubloons	Price of dollars.
1846.....	\$61 61	\$3 84	1853.....	\$253 00	\$15 81
1847.....	70 45	4 40	1854.....	275 00	17 19
1848.....	114 23	7 15	1855.....	287 00	17 93
1849.....	197 58	12 33	1856.....	278 00	17 39
1850.....	186 67	11 80	1857.....	256 00	16 00
1851.....	211 00	13 21	1858, about....	304 00	18 00
1852.....	231 40	14 46			

At the average rate of last year, the paper money of Hayti, in single gourde or dollar bills, is worth somewhere between \$5,000 and \$5,500 (American currency) per acre! They are nearly all in two dollar bills—that is, worth twelve American cents. A few hundred dollars worth of this money I fear would break down a first-rate mule.

#### FINANCES OF CHILI AND ITS COINAGE.

The report of the Secretary of the Treasury is published, and from it we learn that the public income in 1858 amounted to \$8,072,926.59, being a decrease, as compared with the previous year, of \$340,467. The foreign debt at the end of 1858, was reduced to \$5,264,000. The customs receipts were about \$3,500,000, of which sum all but a quarter of a million was collected at Valparaiso. The decrease, compared with that of the previous year, exceeds half a million. The quantity of gold and silver coined in 1858 amounted to \$1,046,367.50, but this year the sum will be larger, as, in consequence of the reduction in the rates of

exchange, the government has decided upon taking one million and a half of its new seven million English loan in gold ingots for coinage in the Santiago Mint. From the 16th of June the new tariff on the decimal and metrical principal comes into operation throughout the Republic.

### NATIONAL BANKS OF PRUSSIA AND AUSTRIA.

The specie in the National banks of Prussia and Austria has shown some change during the war as follows:—

#### BANK OF PRUSSIA, BERLIN.

	Loans.	Specie.	Circulation.	Deposits.
April 30.. thalers	74,114,000	43,274,000	73,546,000	19,229,000
May 31 .....	74,674,000	47,293,000	79,497,000	19,481,000
June 28.....	74,752,000	55,123,000	87,595,000	18,918,000

There has been a great increase of specie and circulation. The Austrian banks, on the contrary, has been as follows:—

#### NATIONAL BANK OF AUSTRIA.

	Specie.	Circulation.	Loans.
April 30.....	101,377,034	376,559,891	79,206,749
May 31.....	90,015,624	429,291,582	76,106,721
June 28 ..... florins	79,785,997	453,752,407	72,938,014

This gives a decrease of \$11,000,000, or 20 per cent, in the specie, and an increase in the forced paper circulation of \$38,700,000, or 20 per cent.

## TRADE AND NAVIGATION.

### ENLARGEMENT OF THE WELLAND CANAL.

In closing a series of letters which have appeared in the public Press, on the trade of the St. Lawrence and the proposed Caughnawaga Canal, the Hon. John Young thus speaks of the enlargement of the Welland Canal:—

The results and opinions to which I have been led in my previous letters, on the subject of the advantages which the St. Lawrence route from the West to the Ocean and to the Eastern States possesses in comparison with other routes through the United States, and in reference to the facilities for trade and manufacturers which may be created at the Port of Montreal, may be summed up as follows:—

1st. That no adequate means of transport at present exist or will exist in Lower Canada, even when the Victoria Bridge is completed, to compete in cheapness with the routes through the State of New York, from Lakes Ontario and Erie, for the trade of the Western States and Western Canada.



2nd. That without an enlargement of the Welland Canal, and the construction of a Canal into Lake Champlain, that trade must continue to flow as now through the American channels, leaving our Canadian canals and railways comparatively deserted and consequently unremunerative, and an annual tax on the people of this country.

3rd. That the amount of interest which has now to be paid *annually*, and which has to be raised by duties on imports, on the money borrowed to build those canals and to aid the construction of railways, *exceeds two million four hundred thousand dollars*, over and above all receipts from these works.

4th. That the interests of the canals and railways are almost identical, and the prosperity of each must add to the business of the other.

5th. That the completion of the Welland Canal and the construction of the Lake Champlain Canal from the St. Lawrence, of a size commensurate with the magnitude of the capabilities of the St. Lawrence navigation, would give a decided superiority to the route of the St. Lawrence over every or any route which it is possible to have through the State of New York between the Western States, Western Canada, and the Eastern States, and render highly remunerative those canals and railways which at present are unproductive, and an annual loss to the Province.

6th. That with the navigation so improved and perfected, as to make the St. Lawrence route, through Lake Champlain, the cheapest, quickest and best for the great and ever-increasing trade of the Eastern States from the West, the Port of Montreal from the vast water power at command for milling, and from the facilities of receiving and holding property, which could so easily be created, and from the fact that such property could be held here, either for shipment direct by ocean vessel or for distribution to the various Eastern States, can be made the greatest and most convenient interior depôt for Western trade on this Continent, while it would rapidly rise in importance as a receiving and shipping port between England and other countries.

7th. That while the interests of the City of Montreal would be vastly promoted by the adoption of such a policy, a revenue would be obtained from these great public canals and railways, which, combined, do not at present attract more than nine to ten per cent. of that trade,—to secure which was the avowed object of their construction.

8th. That there is nothing in the Navigation or Trade Laws of the United States and Canada which prevent the largest commerce between both countries, and as that route which offers the greatest facilities as to cost and rapidity must, in the nature of things, ultimately command the largest share of that commerce, there is every inducement to proceed as

rapidly as possible with those works, by which alone such a result can be attained.

To the Government of this country, and indeed to all who earnestly desire to see British institutions perpetuated on this continent, it is of the greatest moment, to prevent the possibility of any unfavorable comparisons being justly made between British America and the United States. If it is seen that our canals, railways and material advancement do not keep pace with those interests in the American Republic, dissatisfaction and disaffection will gradually but surely grow, and the inferiority of our progress and position will be ascribed to political causes, instead of to our own want of energy and foresight in developing great natural advantages. In this great contest of rivalry with the State New York for the interior trade, it will not for one moment, I think, be admitted that the people of Canada are inferior in energy and enterprise to our neighbors on the other side of the Line. But at present, from the absence of those works to which I have so frequently alluded, we, as Canadians, can have no opportunity for competition in the Western trade. Indeed, the prospect of our being able to attract any large share of that trade over our railroads or through our canals, even when the Victoria Bridge is completed, is most unsatisfactory; and the responsibility of the Government of this country, considering the vast interests now involved and the disastrous results which must inevitably flow from a longer inaction as to these works, calculated to produce a change, is a very grave one. Believing as I do that the views I have endeavored to point out are sound, I have, as a Canadian, only done my duty in urging them on public attention.

I repeat that it depends entirely on the energy and enterprise of the merchants and residents in Lower Canada generally, and especially of Quebec and Montreal, to say, how much of that vast interior trade can be attracted to the St. Lawrence route, either for export to the Eastern States, or for shipment to Europe. Familiar as I am with all the various routes from the West to the ocean, by a long and active experience in the trade, and knowing all the advantages and capabilities of the different receiving points on the lakes and the Atlantic, I have no hesitation in stating that I know of none which possesses the extraordinary advantages which may be made available at Montreal, as a great *entrepot* for trade. With an unlimited water power at our command, with docks completed, and every facility therein for saving time and charges by machinery,—with a 20 feet channel to sea at lowest water, and with the Victoria Bridge affording an easy means at all seasons of the year for transport throughout New England, there is no place on the continent superior to it. *But none of these results are possible without the enlargement of the*

*Welland and Caughnawaga canals, on a scale for vessels of at least 800 tons, and otherwise perfecting the navigation.* With these works carried out, Canada would be in a position of competing successfully with the State of New York for a share of that vast and ever increasing interior trade.

These improvements could not fail to give greater importance and power to British America than possibly can be attained if the Lower St. Lawrence is to continue in its present inferior position as a means of transit. To myself, personally, it is matter of comparatively little moment, whether these views, which I have so long urged on public attention, shall be speedily carried into effect by the Government or not. But as every succeeding year only tends to impress me more and more with their truth, I cannot help thinking that, in view of the vast public and private interests now involved in our canals and railways, it will ere long be a matter of regret that the Government of Canada had not sooner taken action on a subject upon which there has been so much unanimity of mercantile and professional opinion.

Yours very truly,

JOHN YOUNG.

Montreal, 25th August, 1859.

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CASH DISCOUNTS.

The following is the official reply received by the Council of the Montreal Board of Trade to their application on the subject of Cash Discounts :

{ INSPECTOR GENERAL'S OFFICE,  
*Customs Department,*  
 QUEBEC, Sept. 3, 1859.

SIR,—I beg leave to acknowledge the receipt of your letter of the 1st instant, adverting to a former correspondence on the subject of Discounts, in reference to which the Council of the Montreal Board of Trade were desirous of having the views of the Department.

Having by direction of the Finance Minister referred the question to the Law Officers of the Crown for their opinion thereon, I have the honor to state for the information of the Council of the Board of Trade,—that the Department is advised, that the Legislature in substituting the terms “fair market price” for “cash market price,” intended that the duty should generally be payable on their current and usual market price at the place of sale, according to the practice and custom of trade there, with reference to the country (Canada) to which the goods are to be exported, and that it was not their intention to limit the duty to the *cash price*; and this interpretation appears to be borne out by the form of Oath in Schedule B, attached to the Act. cap. 17 of the consolidated Statutes of Canada, forming part of that Act.

I have the honor to be, Sir, your most obedient humble servant.

R. S. M. BOUCHETTE.

John G. Dinning, Esq.,  
 Secretary Board of Trade,  
 Montreal.

## MINES AND MANUFACTURES.

### PENAL LABOR.

(For the *Canadian Merchants' Magazine*.)

We are much pleased to find that the important subject of Penal Labor is beginning to attract some of the attention which it deserves. Too long have we neglected a source of wealth which, if rightly employed, would, we are firmly convinced, raise British America ere ten years are overpast to a position of wealth and dignity such as her most ardent admirers picture only in the dim future.

The subject is never entirely forgotten; at times it is noticed by the press, and last session Mr. Bellingham, M.P.P. moved for and obtained a Committee of the House of Assembly to consider the entire subject; unfortunately the subject roused no party prejudices and consequently the committee never proceeded to business. Mr. Bellingham stated that there were between 700 and 800 convicts at the disposal of the Government and argued that some use should be made of this mass. We believe he was right; here are a number of men whom the state is obliged to support, and who are perfectly at its disposal.

At the present time convicts are generally employed—when employed at all—in manufacturing. Cabinet-making, is, we believe, a favourite employment. This necessarily brings their labor into competition with that of the honest mechanic, and thus, though the country may gain something in making the convict contribute to his support, it loses much more in the amount of honest labor displaced. We therefore lay it down as our first principle that “convicts should not be employed in competition with honest labor.”

As we suppose that our readers will endorse this proposition, we add that this leads to a condemnation of employing convicts on any sort of manufactures; and then if not on manufactures, on what should they be employed?

They might be employed in cultivating the land, and thus they would support themselves, but otherwise the advantage to the country would be slight, and as it is possible that we might be forced to furnish them with the means of starting on the work, we discard employing them in this manner *at first*, as it would be unfair to assist those who merit punishment while we refuse it to the honest laborer.

“Then how should they be employed?” asks the reader. We reply “In carrying on Public Works and in mining.” Without entering into

the question of how to carry on Public Works generally by means of convict labor, let us glance at one enterprise, and considering what would be saved by supplying convict labor on it, we can easily see the advantage in other cases.

The formation of an Inter-Colonial Railroad or the extension of the Grand Trunk to Halifax is regarded by all parties as a very great desideratum. So much is it desired that the Colonies have voted £60,000 sterling per annum and about four million acres of land in aid of the enterprise, but as its cost is estimated at £5,500,000 stg., this is insufficient. An application was made to the Imperial Government for assistance and as it was refused the enterprise remains in abeyance. We believe that by the aid of convict labor the railroad can be built from the resources set aside by the Colonies.

In case convict labor was employed in building the Railroad, the heaviest item in such an enterprise would be at once provided. The point then is to ascertain what proportion of the cost of building a Railroad is generally paid for labor, and this is a difficult business, as no Company that we are aware of has ever set down "Labor" as a separate item in its account; however, we will try to make an estimate.

In the account of the cost of the Grand Trunk Railroad—to be found in *Lovell's Canada Directory*, page 450—it will be seen that the cost of the "Works and Permanent way," is in every case about nine-twelfths of the entire expenditure. Assuming that of this sum one third goes for Rails, we have six twelfths or one half of the entire cost spent on labor.

We may therefore assume that if we had the labor for nothing we should reduce the cost one half; and it must be remembered that as labor would be wanting on other things also, we could save on them in the same manner.

We proposed that convicts should be employed in mining. That this is practicable is proved by the history of almost every state in the world. Formerly mines were regarded as the special property of the state, and generally convicts were employed in working them. It is so at the present day in many countries, particularly in Russia, which derives a revenue of £3,000,000 from her mines. Modern political economists disapprove of this policy. We do not intend to argue the question at present, but we think that if a revenue can be raised without taxation so much the better, but what we propose is that some of the convicts should be employed in working some of the splendid iron mines in Canada, in order to furnish the material for the rails free of cost. Thus having the ore for nothing, we could contract to have it manufactured into rails, &c., and between the amount saved in this manner and that saved on the

"Labor" item we assume that the cost would be reduced *at least one half*. (Our opinion is that it would be reduced by two-thirds, but to be sure we say one half.) And now what are our resources to meet this? The estimated cost of building the Railroad by means of hired labor is £3,500,000 stg. The sum which can be raised by £60,000 stg. at  $3\frac{1}{2}$  per cent per annum is £1,714,200; one-half of the sum required to build it by hired labor and the amount for which we estimate it can be built by convict labor. Then the four million acres of land remain, and supposing that of these only 2,400,000 were sold and sold at only \$1.25 per acre, it would produce £600,000 stg. towards discharging the debt, and the interest of this money thus discharged would, if formed into a sinking fund, discharge the remainder of the debt in about 20 years. We have assumed that in consideration of our giving the Railroad and lands as security, the Imperial Government would guarantee the loan and thus enable us to obtain it at  $3\frac{1}{2}$  per cent.

In case this experiment should succeed, we would propose to take the convicts of Great Britain on condition of receiving a sum equal to that which their maintenance cost, and employ them in building a RAILROAD TO THE PACIFIC, and in order to prevent them spreading over the country and corrupting society, we would form them into settlements in remote parts of the country two or three years before their term of transportation expired. The cost of their maintenance for the remaining term of their transportation would if bestowed on them in the form of materials necessary for settlement give them a much better chance of success than many an honest backwoodsman, and thus we could colonise tracts which otherwise would remain waste for centuries. There is no use in rhapsodising about the results, but if we had a Railroad from the Atlantic to the Pacific, had the power of building Railroads for one-third of their usual cost, of building Roads and Bridges for nothing, Canals for nothing, and then having these remaining a NATIONAL PROPERTY, and the power of deriving a revenue from our mines, it must, we think be confessed that our prospects would look bright. And we hope for these things only because *Experience* tells us that they are practicable. To go no farther away than our own time, Russia is now mining, colonising, and carrying on Public Works just as we advise. But we do not propose to rush madly into the speculation. Let us try on the Inter-Colonial Railroad whether we cannot do what others have done before us. Aye, and in the British Empire too, for in Australia and in Cape Colony Roads have been built by convicts, and if they can work on roads, why not *also on Rail roads and Canals, &c.* Then if the plan succeeded on the Inter-Colonial line, we could try it on the Pacific. There is no doubt that this Railroad would

be an immense benefit to British America, but even supposing it could be built by hired labor for £16,000,000 as some have calculated it is utterly beyond our power to obtain or bear the weight of such a sum, but if it could be built for £16,000,000 by hired labor, it could probably be built for £5,000,000 by convict labor, and this amount we might borrow as the lands for ten miles on either side of the line if sold at \$1.00 per acre would produce that sum. A great many have been busy in stating the benefits which would accrue from a Pacific Railroad, &c., let them now say whether this is a practicable plan for attaining such benefits.

PERSEVERANCE.

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### THE COAL MINES OF PICTOU.

A correspondent of the *Montreal Gazette* gives in a letter to that journal a very interesting account of the coal mines of Pictou, Nova Scotia, which cannot fail to convey a favourable impression of the mineral resources of our sister Province.—“No one,” says the writer, who goes to Pictou should fail to visit the Albion coal mines. My friend, who went thither, has furnished me with an account of his visit. He went upon a hot day, with the thermometer 94° in the shade, and on starting, crossed the bay, and sailed up the East arm, or river, to South Pictou, where are the Company’s wharves and loading place—the terminus of the short railway leading to the mines. The conveyance is a little steamer, offering no shelter from the fiery sun. The wharves here are so constructed with wings, each furnished with its tramway, that several ships can load directly from the cars at the same time. These vessels are moored alongside, and fitted with troughs leading directly into the bunkers of the steamers or the hold of other vessels. The bottoms of the cars are fastened with hinges and a bolt, so arranged, that as soon as one is properly placed over the mouth of the trough, and the bolt drawn, the coal descends as from a mill hopper, but faster, to the place where it is wanted. Eight or 10 vessels were loading at the time my friend was there, there being accommodation for several times that number. He thus continues: “The Albion mines are six miles distant from this loading wharf, connected with it by a rough bit of railroad with most primitive locomotives, which convey about 36 coal-vans to and fro, and attached to the engine a passenger box (half of it similar to an English second-class—half to a third-class carriage) about the size of a mail-coach, and capable of holding about a dozen persons at a stretch. This railroad passes the pretty village of New Glasgow, situated on the opposite side of the river, about two miles from the Albion Mines. The inhabitants are almost exclusively of Scotch descent, and connected with and supported by the coal mines. On reaching the mines we proceeded to the office of the Company, but neither the head clerk nor the manager, to whom we had letters, being within, we could not obtain such information about the mines as we desired. Having but two hours to spare before the return of the train, we proceeded to the mouth of one of the chief pits, and there met with two very civil men, who volunteered to conduct us into the mines; and this offer we instantly

accepted. The engine at the mouth of the pit was not working at the time, so we walked about a quarter of a mile to another entrance, by which some of the workmen get to and from their daily labour; and then, by the aid of lamps which the miners carry in their caps, we proceeded several hundred feet into the bowels of the earth; the air getting colder as we proceeded downwards until we felt quite chilled, having lately left such a fiery atmosphere over-head. For the first few minutes after entering we could distinguish nothing, but after a while one's eyes became more accustomed to the light (darkness visible?) and we could then perceive the huge walls and pillars of coal through which we were winding and where we would soon have lost ourselves without a guide. Having reached the lowest level of the coal bed, we retraced our steps, not having time to walk to the foot of the shaft, and were soon *en route* again to Picton. On reaching the coaling wharves we found a boatman willing to take us to the town, and there being a favourable breeze we gladly avoided the steamer and had a pleasant sail across the harbor." Thus far my friend, and I now disgress from the date of my notes to a subsequent visit paid by myself to the same mines. Our route was from New Glasgow over this railway. We found the engines at the great shaft working, and, the lady remaining above, myself and *companion de voyage* placed ourselves upon the platform upon which a car of coal had just been hoisted up and pushed off. Standing there, we grasped a bar of iron firmly in our hands; the perpetually revolving endless wire rope brought round again the proper cog or lever, and down we started on a perpendicular descent of 560 feet into the bowels of the earth. I looked up, not understanding then the precise nature of the machinery, with some degree of discomfort at the idea that the concern might break and we be dashed at an uncomfortable speed upon the rocky shore beneath. First came that thought; then a sensation of semi-suffocation became painfully perceptible. Was the air then so close and bad down there? Other men lived and labored there, why not I? These thoughts occupied probably, 15 or 20 seconds, when our guide pointed out the cause of the closeness. There were steam pipes in the corners of the shaft which heated it very uncomfortably. "It will get cooler below," he said. So down, down we sped, fast, very fast—dreading a thump at the bottom, but so beautifully was the machinery arranged that we landed easily without a jerk or jolt and stepped off our platform into almost Cimmerian darkness. I found out here that the platform is so constructed that the breaking of the chains by which it is suspended, hauled up and let down, would immediately bring a wedging apparatus into play, which fastens the edges of the platform firmly against the sides of the shaft—only allowing it to drop, at the most, four to six inches. Here we found some lads and a horse with a string of laden cars ready to be placed one by one upon the platform and drawn up with the same apparent ease as we two or three men. Procuring more miners' lights we were joined by the engineer in charge, and passing through a door having a little lad stationed near to open and close it behind us and so keep the ventilating currents properly regulated, we passed on down a narrow passage, up which ran the main, underground tram-way on an inclined plane, the sides and floor of coal, the roof of rock, all black, black, black, the dim light feebly piercing the dense surrounding gloom. Then we



turned aside into the engine room, where a big, double stationary engine is at work, ever hauling up the trains of coal cars from the lower levels. It stood still when we entered, but soon some empty cars were to be sent down and the big drum round which a stout wire rope was coiled began revolving at a fearful velocity. Yet we scarcely heard a sound outside, so closely were we shut in here by the walls of coal; so completely were other sounds than that of the engine and the whizzing drum shut out. Then we went out, and, standing at the opening of another adit or lead, watched one train pass up filled, another down empty, at a speed probably of ten or possibly fifteen miles, but which looked like fifty in this place. It was the duty of one lad—a smart, active little fellow he was—to catch hold of the end of the advancing train as it reached the summit, run with a few steps, and detach the hauling rope the moment it began to slack. It required great quickness and dexterity, and the lad had both. Off this regularly descending main road were branches. Commencing at the top of the vein, which itself had a dip of several degrees, it dips down gradually to the bottom. It extends, we are told, about a mile. The branches strike into and pierce the vein or seam in different places, and are worked upwards to the roof of it. The one worked here is an exceedingly valuable one of twelve feet in thickness. Up each branch goes a branch tram-way. In each of them works a gang of four men (three digging and one loading), with a boy at the entrance with a horse to haul out the loaded cars to the main road and replace them with the empty. The poor miners, while at work, are naked to the waist—their caps, with the light stuck in them, their trowsers and shoes are all their clothing. Working upward to the slate roof of the seam by regular, broad steps or benches, they dig away at the top a small clear space with picks and crowbars. Then at about three feet below this they undermine a mass, or drill it with their bar, and blast it off with powder. As we approached several of these places we heard the dull rumbling sound of the explosion, and going in found them almost suffocatingly full of powder smoke. One party we found in high glee. A huge mass had been loosened, and their next day's wages were likely to be large. The man whose blast had exploded shook his head triumphantly—"Ah! I never waste my powder. It costs too much." Returning, we saw the stable where the horses are kept. Most of them seemed in very good condition. Once let down they are never taken up again till they die, or become unfitted for their work. The men are sometimes compelled to leave their work by sick headaches. One lad thus afflicted we saw at the head of the shaft, another we met below going up. This suggested unpleasant ideas of "fire damp,"—the more unpleasant as the miners all used open lights—not a Davy or other protected light visible anywhere. The engineer, when questioned, admitted there had been one explosion a few years ago, which killed his own brother, then in charge of the mine, and a couple of little lads. He had ventured into a part of the mine which had been unworked for a long time with an open light—the consequence was the explosion and these deaths. But now, by means of the huge pumping apparatus above, a constant current of air is kept up over the mine, and the water pumped out and exposed to the air above, is dashed down again in spray, and runs swiftly along the mine again to the pumping reservoir. Besides this there is very little

water to be seen in the mine. It is a remarkably dry one. Thus he contended the ventilation of the mine was perfect, and their safety insured. However, for use in explorations in disused portions of the mine, he kept several safety lamps, of the latest as well as earliest patterns, in his snugery or office off the stables. The men's work is measured by the square yard of coal removed. The old way of measuring was by the car load, but then the loader managed the loading in a very different manner from that employed now. He piled it in as some venders of cord-wood love to pile their wood, with plenty of room for ventilation between the pieces. A good miner will make 7s. to 8s. or 9s. per diem. The engine, when at work, pulls up 200 cars a day, weighing about  $\frac{3}{4}$  of a ton each. At the head of the shaft four of these are dumped, in the manner before described, into one car upon the tram-way, and upon that hauled off to the loading ground. This would make about 150 tons per day raised from the pit. From the three pits the quantities raised are nearly 115,000 tons per annum, or nearly 320 tons per day, including Sundays. The returns furnished are as follows:—

Abstract of Returns of Coal Raised, Sold, and Exported in the year ending 31st Dec. 1858.

	Large Coal.	Slack Coal.
Total quantity raised and sold in tons.....	100,607 $\frac{1}{2}$	14,344 $\frac{1}{2}$

Of this there was—

Sold for home consumption.....	9,212 $\frac{1}{2}$	4,519 $\frac{1}{2}$
Exported to the United States.....	89,217	6,396
Exported to the neighboring Colonies.....	2,178	3,419

The following additional statistics are extracted from the

REPORT OF SUPERINTENDENT OF MINES.

Area of coal tract owned here by the General Mining Association is four square miles, in a parallelogram, of which the longest side is three miles. Length of railroad from mines to loading ground, six miles. There are three shafts open. Number of men employed, 398. These are lodged in 15 stone and brick, and 234 wooden, houses belonging to the Company. In 1858, there were on the works 4 steam engines, employed in raising coal, 1 pumping engine, and 6 locomotive engines on the railway.

These mines, like the Sidney, and the most valuable elsewhere in Nova Scotia, belong to the General Mining Association. All the mines of the Province, not then granted, were in 1826 conveyed by the Imperial Government (then holding and managing the lands in all the Provinces) to the late Duke of York for 60 years. By him, or his heirs they have been transferred to this Association for a valuable consideration. This has constituted one of the great grievances of the Nova Scotians in times past. Of late a compromise has been proposed, by which the Mining Association are to be limited, if I am rightly informed, to such mines as they may open and effectively work within a certain time. So they have been at work, with a very keen scent after profits, to get the most valuable into their hands. I am indebted to the source already acknowledged for the following further information about the resources of Pictou:—

“About a mile beyond the Albion mines, a rich bed of Cannel Coal, of the description known here as Alberti, has been discovered—from which is manufactured, by distillation, the Paraffine or Albertine coal oil. A Boston Company has taken the working of it in hand, and three or four cargoes of the mineral have been already shipped this year. On the West River, about 4 miles from Pictou, is a valuable quarry of light, drab or brown free stone, belonging to Mr. Ross. There are about 100 men employed at these quarries. The stone is comparatively soft when extracted from the bed and easily worked. It is forwarded chiefly to Philadelphia and other large cities of the Union, the export this year being estimated at 4,000 tons. Ships can load at about a mile from the quarries, at a large and expensive wharf connected with them by rail.

“Pictou itself is a very pretty town, with some nice country seats in the neighbourhood, where the proprietors have exhibited much taste in the style of their domiciles, chiefly Gothic. The only public building worthy of notice (apart from the churches) is the Pictou Academy, built of native free stone, of a modern design. This Academy was founded so far back as 1816, and has produced some of the most eminent men of the Province.

“Pictou, from its position, is destined some day to be of great importance: it possesses great advantages in its unrivalled harbour, proximity to the rich and fertile Island of Prince Edward, the valuable fisheries of the surrounding coasts, the fertility of its own soil, its coal trade, shipping &c., &c. Complete the railroad to Halifax (but 40 miles,) and our navy can coal there with facility and economy at all seasons of the year, and the produce of the fisheries of the gulf will, in a great measure, be forwarded over that road in return for the produce of the West Indies, and give Halifax what she so much requires, some article of export.

“When we parted it was our intention to proceed to Charlottetown, P. E. Island, but finding that the steamer did not return for several days, (it would have occupied us rather over 4 days,) we were obliged to forego that pleasure, and pushed on to Halifax on Friday. Methinks the *Westmoreland* steamer would make more by returning to Pictou the following day, before proceeding to Shediac, instead of on her return from the latter place.”

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### THE INVENTOR'S RIGHT.

The Creator has endowed every man with natural rights which are available to him, and of use only so far as they are preserved inviolate. Every man has the right to acquire property, but property is of use only as his rights therein are respected. So law which constrains every man to respect the rights of his neighbour, alone, makes property worth possessing, whether that law be one of universal love and good will, which, springing from within, controls the outward man, or whether it be a law of constraint, compelling the unwilling man, in spite of himself to regard the right. It matters not so long as the right is maintained.

Among the God-given powers which man is put in possession of, few are more valuable than that of inventing.

It is by the power of invention that man is elevated so far above the savage state, in all that relates to the conveniences and comforts of civil-

ized life; and in as much as this power is cultivated, and its possessor's right to its products respected, and held sacred to him, in a corresponding ratio does improvement advance. Without an adequate protection of the rights of the inventor to the products of his invention, there can be no sufficient incentive to any extraordinary effort, and, consequently, no very remarkable strides in advance of the present stage of progress. This fact lies at the foundation of the present patent system. Not that the patent law creates or bestows upon the inventor any that are not already his own natural rights, for they are as really and sacredly his in themselves considered, as they can be under the strongest patent.

Not only so, but the inventor has, by virtue of natural right, a more enduring property in his invention, that even the present admirable system of patent law acknowledges. Who will contend that an invention which carries comfort, health, or happiness, to thousands, should not continue to yield to its originator, during its usefulness, some suitable tribute, at least, out of the tide of blessing?

But while the right so unquestionably exists, it is as if it did not exist, and useless unless sustained and protected. Here the system of patent law meets the inventor, and without denying his more extended rights as naturally existing, proposes to furnish the necessary protection of those rights during a brief series of years, in consideration of his relinquishment of them to the public, who are the makers of the law, when that period shall have elapsed. Thus giving him, not the *right* of his invention which he already has, but on reasonable terms of compromise, that which alone can render it valuable to him.—*Scientific Artizan*.

## CEMENT.

BY ANDEW URE, M.D., F.R.S., ETC.

Cements are substances capable of taking the liquid form, and of being in that state applied between the surface of two bodies, so as to unite them by solidifying. They may be divided into two classes, those which are applied through the agency of a liquid menstruum, such as water, alcohol, or oil, and those which are applied by fusion with heat.

The *diamond* cement for uniting broken pieces of china, glass, &c., which is sold as a secret at an absurdly dear price, is composed of isinglass, soaked in water till it becomes soft, and then dissolved in proof spirit to which a little gum, resin, ammoniac, or galbanum, and resin mastic, are added, each previously dissolved in a minimum of alcohol. When to be applied, it must be gently heated to liquefy it: and it should be kept for use in a well corked vial. A glass stopper would be apt to fix so as not to be removable. This is the cement employed by the Armenian jewellers in Turkey, for gluing the ornamental stones to trinkets of various kinds. When well made it resists moisture.

Shellac dissolved in alcohol, or in a solution of borax forms a pretty good cement, white of egg alone, or mixed with finely sifted quick-lime, will answer for uniting objects which are not exposed to moisture. The latter composition is very strong, and is much employed for joining pieces of spar and marble ornaments. A similar composition is used by copersmiths to secure the edges and rivets of boilers; only bullock's blood

is the albuminous matter used instead of white of egg. Another cement in which an analogous substance the curd or caseum of milk is employed, is made by boiling slices of skim-milk cheese into gluey consistence in a quantity of water, and then incorporating it with quicklime, on a slab with a muller, or in a marble mortar. When this compound is applied warm to broken edges of stoneware, it unites them very firmly after it is cold.

A cement which gradually indurates to a stoney consistence, may be made by mixing twenty parts of clean river sand, two of litharge, and one of quicklime, into a thin putty with linseed oil. The quicklime may be replaced with litharge. When this cement is applied to mend broken pieces of stones, as steps of stairs, it acquires after some time, a stoney hardness. A similar composition has been applied to coat over brick walls, under the name of mastic.

The iron rust cement is made of from fifty to one hundred parts of iron borings, pounded and sifted, mixed with one part of sal amoniac, and when it is to be applied, moistened with as much water as will give it a pasty consistency. Formerly flour of sulphur was used, and much more sal ammoniac in making this cement, but with decided disadvantage, as the union is effected by the oxidizement, consequent expansion and solidification of the iron powder, and any heterogenous matter obstructs the effect. The best proportion of sal ammoniac is, I believe, one per cent of the iron borings. Another composition of the same kind is made by mixing four parts of fine borings or filings of iron, two parts of potter's clay, and one part of pounded potsherds, and making them into a paste with salt and water. When the cement is allowed to concrete slowly on iron joints, it becomes very hard.

For making archetectural ornaments in relief, a molding composition is formed of chalk, glue, and paper paste. Even statues can be made with it, the paper aiding the cohesion of the mass.

A NEW ARTICLE OF CANADIAN MANUFACTURE.—Mr. Amason Lewis, of the village of Otterville, has shown us some beautiful specimens of gloves, gauntlets, victorines, &c., made from sheep and lambs skin. By a new and improved process of tanning, the skin is tanned in such a way as to become as soft nearly as cloth. Mr. Lewis assures us that when the gauntlet or victorines becomes soiled, by taking out the lining *it may be washed like a piece of cloth*, without the leather either becoming hard or wrinkled, or becoming stretched out of all shape. The wool of the specimens we saw was fine and soft as down, and as white and pure. A child's victorine, from its snowy purity, was as beautiful an article of ornament and comfort combined as we ever saw. The wool is so cut, or otherwise prepared, as to resemble the "pile" of velvet, only it is longer, and more of it. It is impossible for us to give any description of the articles that will do them justice. The gauntlets—ladies' and gentlemen's—were of sheep and lamb's wool. The lamb's wool was white as the driven snow, and curled very beautifully. They looked the very perfection of comfort and elegance. We are pleased to notice this addition to home-made goods. Mr. Lewis, we hope, will receive extensive orders, and find, in a year or two, a large business grow up in this entirely new trade in this country.—*Norfolk Messenger*.

## A G R I C U L T U R E .

### THE CHINESE SUGAR CANE.

We continue from our last No. (page 18) the article on the Chinese sugar cane from the pen of Charles Robb, Esq, C. E.

#### CRUSHING THE CANES.

The next important step in the process is the extraction of the juice, and as, at this early stage in the history of this interesting branch of manufacturing industry, it is impossible, or at least does not form part of my present plan, to speculate upon the most economical method of disposing of the crop, I shall take it for granted that the farmer will undertake to make his own supply of sugar or syrup. It should here be remarked, however, that the results of operations on such a limited scale, and with such rude apparatus as individual farmers will probably be able to command, can scarcely be taken as a fair criterion of what might be done with perfect machinery, such as would be applied in the event of the manufacture being carried on upon a large scale.

For present purposes, then, I shall suppose a portable sugar mill which would cost probably from 100 to \$150 will be procured, either by the farmers in any particular locality clubbing together to defray the cost conjointly or otherwise, as may be found most convenient. Let no one who has taken the trouble to cultivate even a small crop of the Sorgho entertain the idea of making shift with wooden rollers, or any but a tolerable efficient crushing apparatus. For small operations, such as a breadth of half an acre or less, a hand-mill with iron rollers might suffice. Where steam or water power is not at command, a vertical Three Roller Sugar Mill with iron rollers and framing, and worked by two horses, and with a simple apparatus to guide the canes horizontally in passing between the rollers will, in my opinion, prove the simplest and most efficient form for this mode of working. Such a mill could be set up in working order by two men in a day. The rollers should be arranged so as, for the first squeeze, to be one-eighth of an inch apart, and for the second to touch each other; and thus very little of the juice will remain in the cane after leaving the mill. If time will admit, however, it will be prudent to pass through the mill twice. The juice is received into a large vessel set immediately underneath the rollers, and should be subjected to the further treatment without an hour's delay.

The remaining steps, as well as the rationale of the process, are so fully, clearly and concisely described by Mr. Lovering, one of the most successful and intelligent operators hitherto, that I cannot do better than quote it entire, and recommend it to the careful attention of all who are interested in the subject:—

#### GENERAL PRINCIPLES.

The juice of the ripe Sorgho is composed of

1. Crystallizable sugar, about seven and a quarter per cent.
2. Un

crystallizable molasses, about seven per cent. 3. Acid. 4. Vegetable mucilage, or gum. 5. Coloring matter. 6. Water.

Our object is to separate the sugar and molasses.

The acid and mucilage prevent the sugar from crystallizing.

1. Our first step will be to neutralize the acid in the juice by combining it with an alkali (lime).

2. Our second step will be to remove the mucilage by the addition of liquid albumen (blood, eggs, or milk) to the cold juice, we then apply heat; the albumen, being heated, coagulates, and rising in the form of scum, carries the mucilage with it. This process is called *clarifying*, and should be *twice* repeated at least.

3. Having now got rid of the acid and most of the mucilage, our third step is to remove the *coloring matter*, by filtering the clarified juice through granulated bone black.

But a *peculiar mucilage* still remains, inseparable at a lower heat than about 225° Fahrenheit.

4. Our next step will be to boil the filtered juice to 225° Fahrenheit, and then to add lime water. This mucilage then rises as a scum, and is removed.

We now have left a solution composed of 1st, Sugar; 2nd, Molasses; 3rd, Water.

5. To crystallize the sugar, we must evaporate the excess of water, by boiling. Most of the sugar will crystallize when the solution grows cold. The uncrystallized part, we drain off as molasses.

These operations require the greatest exactness, for if we do not boil enough, the sugar contained in the solution will not crystallize when cold; or, if we boil too much, the molasses will become so thick when it cools, as to impair the crystallizing of the sugar, and cannot be separated from it.

But how shall we know when to stop the boiling?

*By the heat of the boiling liquid*, as marked by the thermometer.

Pure water boils at 212 degrees of Fahrenheit's thermometer. You cannot make it hotter without changing it to *steam*.

The Sorgho juice, being a solution of about fourteen per cent of sugar and molasses, &c., in water, become three degrees hotter before boiling, and boils at 215° Fahrenheit. As the water evaporates, a greater heat is required to keep the concentrated juice at a boil; in other words, the juice grows hotter and hotter. When it reaches the heat marked on the thermometer 238° Fahrenheit, there is just enough water left to enable the sugar to separate from the molasses when cold.

6. We now pour the concentrated juice into a mould, a keg, a barrel or other deep vessel, with a plug in the bottom, and allow it to cool.

7. When quite cold (say in twenty-four hours), we remove the plug. The liquid portion, being molasses with a little sugar and water, gradually drains out, leaving the sugar dry in from four to ten days.

It is also important to remember that the juice begins to ferment almost as soon as it leaves the cane, and therefore, should be neutralized, clarified, and boiled *without delay*. A very few hours' delay will spoil it.

A long continued exposure to heat gradually converts crystallizable sugar into uncrystallizable molasses, therefore, the evaporation should be *as rapid as possible*.

A concentrated solution of sugar and molasses is very liable to burn, and should, therefore, be carefully watched, and exposed to a *more and more moderate fire* as the evaporation advances.

The use of a saccharometer is to indicate the relative weight or density of a liquid as compared with water. This density depends upon the amount of sugar, or other heavy substances held in solution. Consequently, the degree of density indicated by the saccharometer is an index of the proportion of sugar, &c., contained in the juice.

It is simply a hollow tube terminating in a bulb, loaded with shot, to keep the bulb down and the tube upright. Floating in pure water, the tube, at the point where it appears above the surface, marks 0. But in proportion as the liquid is heavier, the bulb does not sink so deep, and more of the tube appears above the surface. The density of the Sorgho juice, cold, is about 10° Beaume, so called from Beaume, the inventor.

If your kettles or moulds are of iron, give them two good coats of white paint *inside*, drying each coat thoroughly. This prevents the sugar from being made dark by contact with iron, which will be the case if the slightest acid be present. Before using them, scald them thoroughly *twice*, letting boiling water stand in them until cold, to remove the taste of the paint.

#### NECESSARY UTENSILS, &c.

1. A thermometer *marking* (250°) *Fahrenheit* One without a case, or which can be removed from the case.
2. A saccharomer, or Pese Sirop, scale of Beaume. You had better get *two of both the above*, to provide against accident.
3. A few sheets of litmus paper.
4. Two kettles of copper, brass or iron, holding twenty-five gallons each ; one of these may be smaller than the other, but if so, should be as large a diameter, only shallower.
5. Three, or more, large iron sugar moulds, holding twelve gallons each. If you cannot get the sugar moulds, three *long, narrow* twelve gallon kegs will answer.
6. Three five gallon pots of glazed earthen or stone ware, with mouths somewhat smaller than the caps of the sugar moulds. If you use kegs instead of moulds you can use pails instead of pots.
7. A barrel of granulated (not pulverized) bone black, such as is used by sugar refiners.
8. Four ten gallon tubs. (Two water-tight whiskey or cider barrels, sawed across the centre, will answer.)
9. A yard of thick heavy bed ticking.
10. A circular piece of coarser wire gauze, to fit the inside of the sugar mould or keg, three inches above the lower end.
11. A circular piece of half inch board, full of gimlet holes, to fit the inside of the sugar mould or keg, three inches above the lower end.
12. A shallow perforated iron or tin skimmer.
13. A large iron or tin dipper, or ladle.
14. Two simple furnaces, or fire places of brick, upon which to place the two kettles. One larger furnace, with two holes, and one fire place under both kettles, will do, if the kettles are *moveable*. But as the labor



and delay of lifting them off and on is great, two separate arches are better. These furnaces must have a flue, communicating with a chimney, to create draft, and carry off the smoke.

15. A bushel of quick lime.

16. A gallon of fresh bullock's blood, or twelve dozen of eggs, or twelve quarts of milk. Either will do, but one of the first two is preferable.

#### PRELIMINARIES.

Having your mill ready, your furnaces built, your kettles and other utensils above described, on the spot.

1. Provide abundant dry fuel, close at hand, and ready for immediate use.

2. Cut and deposit at the mill enough canes for the day's work, say ten canes for each gallon of juice required. Place two tubs (which we will call tubs 1 and 2) at the mill ready to receive the juice.

3. Prepare a bone black filter as follows :

Take one of the sugar moulds, (which we will call mould No. 1). About three inches from the small end, fit into it the circular piece of half inch board, full of small holes. Upon this, lay the circular piece of wire gauze ; over the gauze lay a piece of heavy ticking (or blanket of several thicknesses), laying the edges carefully round the sides of the mould, so as to prevent the bone black from escaping ; stop the hole at the small end of the mould, half fill the mould with hot water, then pour in as much bone black as the mould will hold, leaving about three inches of space on top. Set the filter, thus made, upon another of the tubs (which we will call tub No. 3), to serve as a cistern to receive the filtered juice. Or, a filter may be made of a tight keg or barrel, set on end, with a hole in the bottom, stopped with a plug or faucet, and having a wooden second, or false bottom, perforated with gimlet holes, three inches above the first ; cover this with a piece of ticking or blanket, and on that put the bone black, as directed.

4. Prepare some *milk of lime* as follows :—

Put about a gallon of quick lime into a pail, slacken it with water, until it resembles milk in appearance and consistency. Set it aside, and *stir it before using*.

5. Prepare some *lime water* as follows :—

Put a gallon of quick lime into another pail, slacken it, fill up the pail with water, stir it thoroughly, let the lime settle. The clear water will be a saturated solution of lime, and is called lime water. *Do not stir this again, but use it clear.*

[To be continued.]

## BANK NOTE REPORTER.

## BANK OF BRITISH NORTH AMERICA.

HEAD OFFICE—London, England. Charles McNab, *Secretary*.Head Office in the Colonies—Montreal. T. Paton, *Gen. Manager*.

		DISCOUNT IN	
		Montreal.	Toronto.
BRANCH at	Montreal.	Robert Cassels, Manager .....	par par
"	" Brantford.	James G. Geddes, Manager.....	$\frac{1}{2}$ par
"	" Halifax, N.S.	S. N. Binney, Manager .....	5 5
"	" Hamilton.	Geo. Taylor, Manger, .....	$\frac{1}{2}$ par
"	" Kingston.	Samuel Taylor, Manager .....	$\frac{1}{2}$ par
"	" London, C.W.	Walter Watson.....	$\frac{1}{2}$ par
"	" Quebec.	———, Manager .....	par par
"	" St. John, N.B.	Thomas Christian .....	5 5
"	" Toronto.	W. G. Cassels, Manager.....	$\frac{1}{2}$ par
Agency at	Dundas.	W. Lash, Agent.....	$\frac{1}{2}$ par
"	Ottawa.	A. C. Kelty, Agent.....	$\frac{1}{2}$ par
Agents in	New York.	R. C. Ferguson, F. H. Grain.	
"	Scotland.	National Bank of Scotland, and Branches.	
"	Ireland,	Provincial Bank of Ireland, and Branches.	
"	West Indies.	Colonial Bank.	
"	Australia.	Union Bank, and Branches.	
"	Victoria, V. I.,	F. W. Wood.	

## BANK OF THE COUNTY OF ELGIN.

(Notes secured by deposit of Government Securities.)

Head Office—St. Thomas, C.W. Edward Ermatinger, *Manager*.

All Foreign business transacted through the Commercial Bank of Canada.

## BANK OF MONTREAL.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Montreal.	Hon. P. Gill, <i>President</i> .	
		D. Davidson, <i>Cashier</i> .....	par par
Branch at	Montreal.	E. H. King, Manager.....	par par
"	" Quebec.	J. Stevenson, Manager.....	par par
"	" Toronto.	R. Milroy, Manager.....	$\frac{1}{2}$ par
"	" Hamilton.	G. Dyett, Manager.....	$\frac{1}{2}$ par
"	" London, C.W.	Wm. Dunn, .....	$\frac{1}{2}$ par
"	" Brockville,	F. M. Holmes, Manager .....	$\frac{1}{2}$ par
"	" Kingston.	A. Drummond, Manager.....	$\frac{1}{2}$ par
"	" Cobourg.	C. H. Morgan, Manager .....	$\frac{1}{2}$ par
"	" Belleville.	Q. Macnider, Manager.....	$\frac{1}{2}$ par
"	" Bowmanville.	W. R. Dean, Manager.....	$\frac{1}{2}$ par
"	" Brantford.	A. Greer, Manager.....	$\frac{1}{2}$ par
"	" St. Thomas.	E. M. Yarwood, Manager .....	$\frac{1}{2}$ par
"	" Ottawa (late Bytown).	P. P. Harris, Manager..	$\frac{1}{2}$ par
Agency at	Woodstock.	W. J. Buchanan, Agent .....	$\frac{1}{2}$ par
"	" Cornwall.	W. Mattice, Agent .....	$\frac{1}{2}$ par
"	" Whitby.	Thomas Dow, Agent .....	$\frac{1}{2}$ par
"	" Peterboro'.	J. N. Travers, Agent.....	$\frac{1}{2}$ par
"	" Goderich.	H. McCutcheon.....	$\frac{1}{2}$ par
"	" Simcoe.	S. Read, Agent.....	$\frac{1}{2}$ par
"	" Port Hope.	R. Richardson, Agent .....	$\frac{1}{2}$ par
"	" Picton.	J. Gray, Agent.....	$\frac{1}{2}$ par

## BANK OF MONTREAL (CONTINUED.)

			DISCOUNT IN	
			Montreal.	Toronto.
Agency at	Guelph.	R. M. Moore .....	$\frac{1}{2}$	par
"	"	Lindsay. Hartley Dunsford.....	$\frac{1}{2}$	par
"	"	Perth. M. Stevenson .....	$\frac{1}{2}$	par
"	"	Windsor. A. Macnider .....	$\frac{1}{2}$	par
Agents in	London—The Union Bank of London.			
"	" Liverpool—The Bank of Liverpool.			
"	" Edinburgh—The British Linen Company, and Branches.			
"	" Glasgow—Do. do do. do do.			
"	" New York—R. Bell and J. Rae.			
"	" Boston—The Merchants' Bank.			

## BANK DU PEUPLE.

			DISCOUNT IN	
			Montreal.	Toronto.
Head Office—	Montreal,	——— President.		
		B. H. Lemone, <i>Cashier</i> ..	par	par
Agents at	Quebec,	Quebec Bank.		
"	"	Bowmanville, John Simpson.		
"	"	London, Eng., Glynn, Mills & Co.		
"	"	New York, Bank of the Republic.		
This Bank issues no notes on its Agencies.				

## BANK OF UPPER CANADA.

			DISCOUNT IN	
			Montreal.	Toronto.
Head Office—	Toronto,	C. W. Wm. Proudfoot, <i>President</i> .		
		T. G. Ridout, <i>Cashier</i> .....	$\frac{1}{2}$	par
Branch at	Brockville, ....	R. F. Church, " .....	$\frac{1}{2}$	par
"	"	Hamilton, .... Alfred Stow, " .....	$\frac{1}{2}$	par
"	"	Chatham, .... C. P. Sisson, " .....	$\frac{1}{2}$	par
"	"	Kingston, .... W. G. Hinds, " .....	$\frac{1}{2}$	par
"	"	London, .... Jas. Hamilton, " .....	$\frac{1}{2}$	par
"	"	St. Catharines, H. C. Barwick, " .....	$\frac{1}{2}$	par
"	"	Montreal, .... E. T. Taylor, <i>Manager</i> .....	par	par
"	"	Quebec, .... R. S. Cassels, " .....	par	par
Agency at	Barrie, ....	R. Lally, <i>Agent</i> ,.....		
"	"	Belleville, .... E. Holden, " .....	$\frac{1}{2}$	par
"	"	Clifton, .... James Macklin, <i>Agent</i> .		
"	"	Goderich, .... John McDonald, "		
"	"	Lindsay, .... T. Heliwell, jr., "		
"	"	Niagara, .... T. McCormick, "		
"	"	Ottawa, .... Thomas Gem.		
"	"	Port Hope, .... J. Smart, "		
"	"	Sarnia, .... Alex. Vidal, "		
"	"	Stratford, .... J. C. W. Daly, "		
"	"	Three Rivers, C.E. P. D. Dumoulin, "		
"	"	Windsor, C.W. Thos. E. Trew, "		
"	"	Picton, .... D. Barker, "		
"	"	Albany, N.Y., .... Bank of the Interior.		
"	"	Boston, .... Blake, Howe & Co.		
"	"	Edinburgh, .... British Linen Company.		
"	"	London, Eng., .... Glyn, Mills & Co.		
"	"	" " .... Coutts & Co.		
"	"	" " .... Barclay, Bevan, Tritton & Co		
"	"	" " .... Bank of London.		

BANK OF TORONTO.

		DISCOUNT IN	
		Montreal. Toronto.	
Head Office—Toronto,	....	J. G. Chewett, <i>President</i> .	
		Angus Cameron, <i>Cashier</i> ....	$\frac{1}{2}$ par
Agency at	Barrie, ....	Angus Russell, Agent .....	
" "	Cobourg, ....	J. S. Wallace, " .....	
" "	Newcastle, ....	Alexander Smith, " .....	
" "	Peterboro, ....	Alexander Moore, " .....	
" "	Oakville. ....	John T. M. Burnside, Agent.	
Agents at	London, Eng. ....	City Bank.	
" "	New York, U.S.,	Bank of Commerce.	

CITY BANK, MONTREAL.

		DISCOUNT IN	
		Montreal. Toronto.	
Head Office—Montreal.		Wm. Workman, <i>President</i> .	
		F. McCulloch, <i>Cashier</i> .....	par par
Branch at	Toronto, ....	Thomas Woodside, Manager...	$\frac{1}{2}$ par
" "	Quebec, ....	Daniel McGee, " ...	par par
" "	Sherbrooke,	W. Ritchie, " ...	no issues
Agent at	Dublin, ....	National Bank of Ireland.	
" "	London, Eng.	Glyn, Mills & Co.	
" "	New York, ....	Bank of the Republic.	

INTERNATIONAL BANK.

Capital, \$1,000,000.

Head Office—Toronto.	Wm. Fitch, <i>President</i> ,	J. M. Kennon, <i>Cashier</i> ....	par
Agents at	New York, Metropolitan Bank.		

COLONIAL BANK OF CANADA.

Authorised Capital, \$2,000,000.

Head Office—Toronto.	W. Bettes, <i>President</i> .	E. C. Hopkins, <i>Cashier</i> ....	par
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COMMERCIAL BANK OF CANADA.

(Formerly Commercial Bank of the Midland District.)

		DISCOUNT IN	
		Montreal. Toronto.	
Head Office—Kingston.		Hon. John Hamilton, <i>President</i> .	
		C. S. Ross, <i>Cashier</i> .....	$\frac{1}{2}$ par
Branch at	Belleville, ....	Andrew Thomas, Manager .....	$\frac{1}{2}$ par
" "	Brockville, ....	James Bancroft, " .....	$\frac{1}{2}$ par
" "	Galt, .....	William Cooke, " .....	$\frac{1}{2}$ par
" "	Hamilton, ....	W. H. Park, " .....	$\frac{1}{2}$ par
" "	London, .....	J. G. Harper, " .....	$\frac{1}{2}$ par
Branch at	Montreal, Thomas Kirby . . . . .		par par
" "	Port Hope, W. F. Harper . . . . .		$\frac{1}{2}$ par
" "	Toronto, C. J. Campbell . . . . .		$\frac{1}{2}$ par
Agency at	Berlin, Robert N. Rogers. . . . .		
" "	Chatham, J. Pottinger, <i>Pro Agent</i> . . . . .		
" "	Ingersoll, W. Sage. . . . .		
" "	Perth, James Bell. . . . .		
" "	Peterboro', Wm. Cluxton . . . . .		
" "	Prescott, John Millar. . . . .		
" "	Stratford, George E. Small. . . . .		
" "	Windsor, G. W. Macdonald . . . . .		

## COMMERCIAL BANK OF CANADA (CONTINUED).

		DISCOUNT IN	
		Montreal.	Toronto.
Agents at	Albany, Bank of the Interior.....		
"	" Boston, Merchants Bank .....		
"	" Dublin, Ireland, Boyle, Low, Pim & Co. ....		
"	" Edinburgh, Scotland, Commercial Bank of Scotland.		
"	" Glasgow, " Clydesdale Banking Company.		
"	" London, England, London Joint Stock Bank.		
"	" New York, Merchants' Bank.		

## GORE BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office,	Hamilton, A. Stevens, <i>President</i> . W. G. Crawford,		
	<i>Cashier</i> .....	½	par
Agency at	Chatham, A. Charteris, <i>Agent</i> .....		
"	" Galt, " John Davidson, <i>Agent</i> ...		
"	" Guelph, " T. Sandilands, " ...		
"	" London, " " ...		
"	" Paris, " James Nimmo, " ...		
"	" Simcoe, " D. Campbell, " ...		
"	" Woodstock, " James Ingersoll, " ...		
Agents	" Albany, N.Y.; New York State Bank.....		
"	" Edinburgh, Scotland; Union Bank and Branches.		
"	" London, England; Glyn, Mills & Co.....		
"	" New York, Ward & Co., and Merchants Bank....		

## MOLSONS BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Montreal, Wm. Molson, <i>Pres.</i> W. Sache, <i>Cashier</i> .	par	par
Agency at	Toronto, John Glass, <i>Agent</i> .....	½	par
Agents	" Boston, U. S.; J. E. Thayer & Brother.		
"	" New York, Mechanics' Bank.		
"	" London, England; Glyn, Mills & Co.		

## NIAGARA DISTRICT BANK.

Head Office—	St. Catharines. Hon. W. H. Merritt, <i>President</i> . C. M. Arnold		
	<i>Cashier</i> .		
Agency at	Ingersoll, C. E. Chadwick, <i>Agent</i> .		
<i>Agents</i> —	London, England.....		
"	New York.....		
	Bosquet, Franks & Co.,		
	Bank of the Manhattan Co.		

This Bank was established under the Free Banking Law of Canada, in 1854, but was incorporated by Act of Parliament in 1855, and is now one of the chartered Institutions of the country.

## ONTARIO BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Bowmanville, ... Hon. John Simpson, <i>President</i> .		
	D. Fisher, <i>Cashier</i> .....	½	par
Branch at	Montreal, ... H. Starnes, <i>Manager</i> .....	par	par
"	" Prescott, ... W. D. Dickinson, <i>Manager</i> ....	½	par
Agency	" Oshawa, ... J. B. Warren, <i>Agent</i> .....		
Agent	" New York, ... Bank of the Republic.		
"	" London, Eng., ... Glyn, Mills & Co.		

PROVINCIAL BANK STANSTEAD.

(Notes Secured by deposit of Provincial Securities.)

	DISCOUNT IN	
	Montreal.	Toronto.
Head Office—Stanstead, C. E. ; W. Stevens, <i>President</i> .....	½	5
J. W. Peterson, <i>Cashier</i> .....		
Agents in Montreal, .....J. D. Nutter & Co.		
“ New York,.....		
“ Boston,.....		

The notes of the Provincial Bank are not taken in deposit by any of the other Banks or Branches—the Brokers in Montreal redeem them at one-half per cent. discount. In Toronto and other western cities they are bought in large sums at two and one-half, and, in smaller amounts, at five per cent. discount. These notes are taken at par by the Montreal Bank.

QUEBEC BANK.

	DISCOUNT IN	
	Montreal.	Toronto.
Head Office—Quebec ; Jas. Gibb, <i>President</i> . C. Gethings, <i>Cashier</i> .	par	par
Branch at Toronto, W. W. Ransom, <i>Manager</i> .....	½	par
Agency at Montreal, Banque du Peuple, Agents .....		
“ “ Ottawa, H. V. Noel, “ .....		
“ “ Three Rivers, John McDougall, “ .....		
Agents “ Fredericton, N.B. ; Central Bank, Agents.....		
“ “ London, England ; Glyn, Mills & Co., Agents .....		
“ “ New York, U.S. ; Maitland, Phelps & Co. “ .....		
“ “ St. Johns, N.B. ; Commercial Bank, New Brunswick.		

ZIMMERMAN BANK.

Head Office—Clifton, C.W.—Jos. A. Woodruff, <i>President</i> .	
J. W. Dunklee, <i>Cashier</i> ....	½
Agents in New York, Atlantic Bank.	

PRIVATE BANKERS AND EXCHANGE BROKERS.

MONTREAL.—C. Dorwin & Co., St. Francis Xavier Street.	
“ J. D. Nutter & Co., Place D'Armes, Publishers of C. M's Bank Note Reporter.	
“ Geo. W. Warner, St. François Xavier Street.	
“ D. Fisher & Co.	
“ J. E. Malhiot.	

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## COMMERCIAL SUMMARY AND REVIEW.

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### REVIEW OF THE MONTREAL MARKETS.

MONTREAL, Sept. 30th, 1859.

There is a marked improvement in trade during the last ten days, and a large amount of business has been done. In dry goods, especially, great activity has prevailed, and the stocks are being rapidly thinned out. In boots and shoes a large amount of business has been done, principally to Western buyers. In hardware there is a fair business doing, with every prospect of a good fall trade. In groceries business has been rather dull during the month, but more activity now prevails, and the auction sales which have come off during the past week have been well attended, and fair prices have generally been realized.

**ASHES.**—There has been a fair demand during the past week for both Pots and Pearls, the price ranging from \$5.60 to \$5.70 for Pots, and from \$5.55 to \$5.60 for Pearls, which are the quotations of to-day. The receipts during the week have been 603 bbls. Pots and 195 bbls. Pearls. The shipments are 1166 bbls. Pots and 267 bbls. Pearls. Now in store, 960 bbls. Pots and 968 bbls. Pearls.

**BOOTS AND SHOES.**—The wholesale Boot and Shoe trade continues good, and the stock is being rapidly thinned out. There has been no change in the price of any of the leading articles, which remain steady.

**BUFFALO ROBES.**—The sale of Buffalo Robes on account of John Dougall, Esq., at Messrs. Benning & Barsalou's yesterday, came off with spirit, and fair prices were obtained. Small Common brought \$3½ to \$3¾; Large do. \$4½ to 4¾; Small Prime \$4¾; Large Prime \$5¾ to \$5½.

**FISH.**—*Herrings.*—At James Torrance & Co.'s auction yesterday, Split No. 1 brought from \$4.75 to \$4.90; half bbls. \$2.75 to \$2.80; Round from \$2.70 to \$3.30 per bbl. Half bbls. Trout, \$5. Codfish, \$4.15.

**FLOUR.**—There has been a good demand for Flour during the week, and the market closes firm at our quotations. The receipts for the week ending the 29th inst. have been 18,784 bbls. This shews an increase upon the week as compared with last year of 3806 bbls., but there is still a decrease on the year of 148,066 bbls.

Taylor Brothers' Circular of yesterday states that "No. 2 Superfine is in demand and scarce at \$4.40 to \$4.50; Unbrandable from \$4 for superior down to \$3.25 for inferior samples; Coarse much wanted at \$2.80 to \$3.50.

**FREIGHTS.**—Engagements per *Nova Scotian* at 20s. for Pots, 25s. for Pearls, 2s. 6d. for Flour, and 5s. 6d. for Grain. Freights have rather advanced, and vessels now loading are obtaining higher rates.

**GRAIN.**—*Wheat.*—Small parcels of U. C. Spring have been placed at 95 c. to \$1, but will not now bring over 95 to 97½ c., at which we quote it. The receipts during the week have been 62,350 bushels. *Barley* is rather lower. *Peas* still in demand for shipping at 75c., but few transactions to note. *Oats* without change.

**HIDES AND SKINS.**—Green slaughter hides have rather declined, the ruling price on the market this morning being \$6 per 100 lbs., at which we quote them. Calf-skins without change.

**INDIA RUBBERS.**—The principal holders are offering men's rubbers, first quality, at 75 cents by the quantity—that is, \$1 per pair, 25 per cent off, besides a liberal discount for cash—other kinds in proportion. By the case, a slightly higher figure is asked, while for very large purchases some lots have been placed on private terms. The market is well supplied with shoes of Canadian manufacture.

**LEATHER.**—The demand for Hemlock Sole has rather improved since the date of our last, but prices remain unchanged, and sales light. We hear of some sales among wholesale houses at 27 cents, but to the trade holders are firm at our quotations. In calf the stock is still light and demand fair. Good samples of heavy Canadian calf bring 75 to 80 cents per lb. Split leather in fair demand, at 28 to 32 cents. Slaughter sole has been bought as low as 25 cents, but a fair article will bring from 26 to 29 cents. per lb. Upper is steady at our quotations.

**MUSTARD.**—Jar mustard is scarce, and has advanced to our quotations.

**PROVISIONS.**—Mess Pork is scarce, and holders are asking \$18, at which sales have been made. Prime Mess lower. Increase on the week's arrivals, 551 bbls.; on the year, 1819 bbls. as compared with same period last season. Butter is arriving in larger quantities, and we lower our quotations to 14 to 16 cents. Lard has advanced, and is now selling at 12 to 12½ cents. per lb.

**RAGS.**—The demand continues steady. Contracts have been made as high as \$3.40, three months, for a good article, but the ruling price is from \$2.75 to \$3.25 per 100 lbs.

**SPIRITS.**—The unfavorable accounts of the French vintage have caused an upward movement in Brandies both in the British markets and in New York. F. W. Cosen's London Circular of the 10th September says, "The upward movement in the Brandy market continues, and Martell's 1858 is reported to have reached 9s. free on board export ship; should any considerable orders come to hand by the mail to be delivered to-day, prices will probably rule much higher. Many of the Cognac shippers decline to name a price. It is estimated the produce of the forthcoming vintage will scarcely reach one-third of an average, and as stocks in France are very low, the present upward tendency of prices may thus be satisfactorily accounted for."

As the stock of French Brandies in this market is rather light, the prices here of course immediately sympathise with those of the leading markets.

**SUGAR.**—At Messrs. James Torrance & Co.'s sale yesterday, Cuba brought \$7.10, Porto Rico \$7.05 to \$7.35. At D. Masson & Co.'s sale same day, Porto Rico brought from \$7 to \$7.40. Bright Sugars are rather scarce.

**TOBACCO.**—The market remains without animation. Holders have been obliged to accept lower prices, but are again firmer, owing to the light stock of low grade Tobacco in New York.

**TEAS.**—The excitement caused both in England and New York by



the news from China has had its natural effect on this market, and holders are firm at advanced rates. There is consequently a good speculative demand, although the fall trade has hardly begun. Some holders incline to withdraw their stock from the market, in hopes of realizing higher prices. The stock in hand throughout the country is large, owing to the heavy importations made last spring in anticipation of increased duties.

WOOL—Is in good demand, 30c. to 32c. per lb., the market being rather firmer.

### MONTREAL STOCK MARKET.

1st October, 1859.

Bank of Montreal, .....	115	a 115½
Commercial Bank, .....	113	a
City Bank, .....	110	a 110½
Bank of Upper Canada, .....	96	a 97
People's Bank, .....	107	a 107½
Molson's Bank, .....	112	a
Montreal Mining Company, .....	\$2.50	a 3.00
Grand Trunk Railway, .....	32	a 32½
Great Western Railway, .....	None.	
Government Debentures, .....	102½	a
Municipal Loan Fund Debentures, .....	93	a 94
Montreal Telegraph Company, .....	113	a 114

The Stock Market has been without animation during the month, and business limited.

## REVIEWS.

THE UPPER CANADA LAW JOURNAL FOR SEPTEMBER—MACLEA <sup>R</sup>  
& CO. TORONTO, \$4 PER ANNUM.

The September number of this valuable periodical has come to hand, and contains, as usual, several able articles important alike to the commercial as to the legal reader. The article on the Law of "Registered Judgments in Upper Canada," is well worthy the attention of every Upper Canadian interested in the sale or purchase of real estate.

The Monthly report of Legal Decisions is more than usually interesting to commercial men.

A SCHEME FOR THE COLONIZATION OF BRITISH NORTH AMERICA.  
By S. M. TAYLOR. Montreal: John Lovell.

This Essay, from the pen of Mr. S. M. Taylor, suggests a scheme to promote the settlement of our wild lands by the formation of a Company with sufficient capital to clear a portion of the land, and thus enable the early settler to commence operations under much more favorable circumstances than he can now do. We have occasionally advocated the same policy in this Magazine, and are glad to see the question now fully discussed by one able to treat the subject in a practical manner. No subject can possibly be of greater interest to Canadians than the settlement of her immense territory now lying waste; and we trust Mr. Taylor's timely essay will be the means of directing public attention prominently to its important bearing on the future welfare of the Province.