WASHINGTON CITY.

WEDNESDAY MORNING, OCT. 7, 1857.

☞Mr. ISRAEL E. JAMES, of Philadelphia, is our general travelling agent, assisted by JAMES DERRING, JOHN COLLINS, J. HAMMITT, EDMUND W. WILEY, JOHN K. DERRING, E. A. EVANS, B. S. JAMES, T. ASHMAN, P. A. DAVIS, R. T. ROBERTS.

☞Mr. C. W. JAMES, No. 1 Harrison street, Cincinnati, Ohio, is our general collecting agent for the Western States and Texas, assisted by H. J. THOMAS, WILLIAM H. THOMAS, THOS. M. JAMES, Dr. A. L. CHILDS, GEORGE MORRIS, and RICHARD LEAKE. Receipts of either will be good.

☞Mr. GEO. W. BRAY is authorized to collect moneys due the Union Office for subscriptions and advertisements in the District of Columbia.

BANKS AND BANKING—CONTINUED.

It will be interesting to look into their history, and learn how banks of issue are usually established. There are doubtless some banks in New Orleans, Boston, New York, and other places, which were established by those having capital which they wished to invest to derive therefrom a regular and liberal income, and which are wisely, liberally, and safely conducted. But, with few exceptions, they are set on foot not by those having capital to loan, but by persons wishing to increase the facilities for borrowing. Formerly, legislatures granted charters determining the extent of capital, sometimes requiring it to be paid in, and permitting the issue of bills to twice or three times the amount of capital, and sometimes without any limitation. The subscribers sometimes actually paid in their subscriptions, but more usually in borrowed bills or money, to be returned as soon as the bank should be ready to issue, when the borrowers would give their own notes and obtain them. On some occasions notes were given directly to the bank for part or the whole of the subscription to the capital. If the charter required the capital to be actually paid in, it was often borrowed, paid in, and the fact sworn to, and then instantly taken out and returned to its owners. Banks thus got up had little or no real capital, and banked upon a fictitious one. Subsequently, the legislatures authorized the formation of associations by those who wished to engage in banking, and conferred on them the peculiar facilities and privileges of corporations. New plans were devised to secure bill-holders, old ones having concededly failed. One was to require the amount of the capital stock to be secured by bond and mortgage and deposited with some State functionary, and on his approval he would issue bills to be signed by the bank officers to the estimated value of the mortgages. To give the bills a special credit they were countersigned by the officer of the State. This contrivance early covered large portions of the real estate of the country with liens, and has brought ruin upon thousands. These mortgages did not form a capital on which to bank, but mere security to bill-holders in case of failure. As soon as the bank obtained bills to issue they discounted to the stockholders, officers, and others, and they were thus thrown into circulation. It is evident that a bank thus started had no money to bank upon. Security was given, but that did not enable the bank to pay. Such security could not be available until after the bank failed.

Another mode of setting up a bank is to deposite stocks instead of mortgages, and upon them bills are furnished to the bank. Sometimes these stocks belong to the stockholders, but more frequently they are borrowed, and the lender authorized to draw the interest upon them. Not unfrequently they are obtained on personal security, or through liens upon real estate. When a stock-security bank gets bills it uses them in payment of the first purchase, or to procure more stock upon which to obtain additional bills. Such banks certainly have no capital to bank upon. But sooner or later those getting them up become the principal borrowers at their counters. While the community receive their bills as equal to gold and silver, and their ability to redeem and pay their debts is unquestioned, all is apparently well. Although without money, the bank has credit, and those organizing it pledge their own and borrow that of the bank in the form of bills, and often profit by it. But the whole thing is unreal, and destroyed as easily as a bubble, which it often resembles. Banks thus got up often speak of the mortgages and stocks pledged to get bills as real capital, but they are not so. They are pledged, and cannot be used for any other purpose. Instead of being real money capital they are simply debts, owing by individuals, corporations, or States. They cannot be tendered in payment of debt, nor can the creditors of banks be compelled to take them and discharge their debts; nor can the banks control them. Mortgages given for the purpose of getting up a bank the mortgagers do not expect to pay. They are designed to be deposited simply as a means of obtaining bills, and the nominal interest upon them is to be liquidated out of a portion of expected large dividends.

Stocks are always payable at a future day—often twenty years hence. When panics occur and the banks fail, these mortgages and stock securities strongly tend to increase the difficulties. They are thrown into market at forced sales, as is now being done. Banks and individuals having money, instead of lending to the needy and easing the money market, keep their means to purchase at auction these mortgages and stocks at prices far below their nominal value. The scarcity of money renders it certain that they will depreciate in price with everything else, and consequently sell at a low rate. We see the stocks of as sound and safe a State as Virginia selling at over twenty per cent. discount, and those of Missouri at between thirty and forty. The stocks of other States, as well as railroad and other stocks, have all fallen. To the extent of these depreciations the security contrived for the safety of the bill-holders is fallacious. Mortgages are likely to sell at a greater loss. Every sale increases the scarcity of money. Hence it is certain that mortgages and stocks do not form real and actual available money capital to bank upon, and that they are only limited security for the bill-holder; and when resorted to on the actual failure of banks, their sale really increases the stringency of the money market and occasions loss. It is equally clear that in these operations the stockholders must lose largely of their investments, and indisputably so to the extent of the loss on the sales of mortgages and stocks. These losses to the stockholders in the banks and by the people at large necessarily result from a false system, which authorizes banking without money capital, and the issue of credits instead of money.

States and individuals run in debt, and these debts are falsely called banking capital, and banks are founded and started upon them, and then they run in debt by issuing bills and otherwise. Instead of issuing real money they issue debt, and instead of having a money capital they have nothing but debt. That such a system of banking could be started and kept alive must excite the special wonder of all who understand it as it really exists. It is a contrivance by which borrowers can borrow of themselves, not money, but gaudy engraved evidences of debt, secured, if at all, by like evidences of debt, all ending in involving the whole country in debt, causing wide-spread ruin. It is a system beginning and ending in debt, and little or nothing except debt; bringing distress upon the whole community and ruin upon many of its members. No prudence can guard against its consequences. The value of men's property goes up or down in value under its influence, and those who, from necessity, touch these evidences of debt as a currency forced upon them, are often the victims of this pernicious system which claims that debts are money or its equivalent, which is demonstrated to be untrue.

WHAT MAY BE EXPECTED FROM MOST OF THE SUSPENDED BANKS.

The following notice appears in the Nashville (Tennessee) papers:

BANK OF NASHVILLE,
September 28, 1857.

In consequence of the prejudicial and unfounded reports relative to the solvency of this bank, causing a large number of depositors to withdraw their funds, besides a heavy demand for coin, we have been forced to suspend payments for the present.

We beg our friends to take no action in the matter for a few days, until we have had time for reflection as to the best course to be pursued. Our assets are ample to pay all liabilities, and they shall be faithfully applied.

N. HOBSON, President.
W. WHELESS, Cashier.

Within a few weeks we have read at least a score of bank notices similar in their wording to the above, and we therefore take the annunciation of the Bank of Nashville as a fair representation of its class. The reports complained of by these banks may have been, and no doubt were, exceedingly prejudicial; but the result shows that, so far from being unfounded, they have every foundation in truth. The bill-holders and depositors were told, no doubt, that these banks could not meet their deliberately-assumed obligations—were unable to pay their debts—and the moment they undertake to ascertain whether these reports are true or false—the moment they make a demand for the redemption of promises—they are coolly informed by the banks that they "have been forced to suspend payments for the present;" and, as if to add insult to injury, they are also requested to regard the "suspension" not as an evidence of bad faith, but as a measure of relief which these paper-makers have graciously vouchsafed to a suffering community, ignorant of the mysteries and blessings of modern banking.

False and malicious reports cannot force a solvent merchant into a state of bankruptcy. They may diminish the number of his customers, but they cannot lessen the amount of his assets. If he refused to pay his debts until his neighbors kept civil tongues, the officers of the law would find a singularly efficacious way of forcing him into a resumption of payments; and, so far from this attempt on his part to avoid or postpone his engagements being regarded as a measure of relief by his creditors, they would be very apt to speak of it in the homely and indignant language usually employed by people when they suppose they have been, or about to be, swindled.

"We beg our friends to take no action in the matter for a few days," says the notice. "Our assets are ample to pay all liabilities, and they shall be faithfully applied." This is the old story, and, we suspect, it will be attended with the old results—delays, disappointments, and ruinous sacrifices. The depositors will be settled with in full as soon as the parties who have got their money pay their notes; but as the money, unfortunately, was borrowed in many instances for purely speculative purposes, and as there is just now a suspension in all speculative movements, the chances are as one hundred to one that these notes will be protested and continue under protest for an indefinite period. The condition of the bill-holders is nearly as bad; for as the circulation of such institutions as the Bank of Nashville is based upon deposites of State bonds, it follows that one evidence of debt is to be used to liquidate another evidence of debt—that debt has been employed to multiply debt. Under forced sales ready money, no doubt, could be raised from these bonds; but if they are now selling at from ten to fifty per cent. discount, what lower depths would not be reached if these sales were attempted?

From the present aspect of things, we take it that the pretty-thoroughly-fleeced public will not be troubled with many more notices from the presidents and cashiers of most of the suspended banks.

A DISGUSTED BLEEDING PHILANTHROPIST.

A parti-colored convention met at Syracuse, New York, on Wednesday last, consisting of colored and white politicians of the Gerrit Smith and Frémont school, at which the former gentlemen figured. After discussing the policy of compensated emancipation, in which Mr. Smith favored and Frederick Douglass opposed the plan, the question of finance came up, and this elicited a discussion, in which the philanthropist of Peterboro' stated that he had paid money for Kansas till he was tired, and he did not know where it had gone, nor what good it had done. He said (according to the Courier's report) "he had done 'bleeding' to the society. It had cost him now over $5,000, whereas the society had only raised $1,500." He said it was "riding a free horse to death," and he would no longer stand it; that he had got note after note discounted last fall for the purpose of raising funds for Kansas, and he didn't know where it had gone, and he didn't see that the society was any better for it. He said, in conclusion, he had done. The society must help themselves, that he was tired, disgusted, and needed sleep, and, if there was no other question before the house, he would declare the convention adjourned *sine die*.

The following tribute to the wisdom of a democratic measure is from the Hartford Courant, a press which has constantly and strenuously opposed the democratic cause:

"The gold in the sub-treasury is made available to all who can command United States bonds of 1867 and '68 by Secretary Cobb, who makes the liberal offer to pay in gold 116 dollars, and the accrued interest besides, for every 100 dollars of the United States paper that is offered previous to November 1; after that he will only pay 114 on the 100. Thus the sub-treasury is made to aid the business community. The balance in the sub-treasury has been reduced millions of dollars since the 1st of July, and almost every dollar of it has gone into the vaults of the banks. That Uncle's strong box does not prove as injurious as it was once feared it would."

We deeply regret to learn that the Hon. Louis McLane is now lying dangerously ill at his residence in Baltimore.

CALIFORNIA OPPOSED TO REPUDIATION.

The following article, from the San Francisco Herald, will be read with the liveliest interest by all who are governed by the holy principles of justice, and acknowledge the binding obligations of honor and truth. The State had incurred pecuniary obligations by the action of certain duly and lawfully-appointed commissioners. These commissioners executed their powers, but the parties with whom they contracted acted in perfect confidence and in good faith. California, to some extent, enjoyed the benefit of the contract, and her officials for many years acknowledged and acquiesced in it. A case having arisen, however, which brought the question before the highest judicial tribunal of the State, it was decided that the State was not legally bound to pay the debt thus irregularly contracted by their own proper legal and official agents.

But, notwithstanding the courts decided that the State was not legally bound to pay these debts, yet the sovereign *people* have decided otherwise. To their high and lasting honor, they have decided not to avail themselves of the technical acquittance which they might have claimed under the decision of their court, but have determined that they will tax themselves to pay the debt which their unfaithful agents have contracted in their name, although they have received little or no benefit from it. This is honest. This is just. This is magnanimous. And it stamps a moral value upon her people, more enduring and indestructible than that which attaches to the glittering ore of her gold fields. And whilst her noble democracy are achieving victories over all opponents and combinations, they are, at the same time, achieving a still greater victory over appeals to their mere selfishness or their own private advantage:

"It affords us the deepest satisfaction to be enabled to inform our distant readers that the citizens of San Francisco have voted by a large majority to pay the debt declared by the supreme court to have been illegally contracted. According to the returns published in another column, 5,129 votes were cast in the county of San Francisco for the payment of the debt, and only 2,715 for repudiation. From the State at large we have as yet received very little information as to the result of the vote on this question. It will in all probability be the last vote counted, for the people are naturally anxious to learn first of all the names of those who have been elected to administer their local affairs. We have no doubt, however, but that the people of the State of California have voted by a large majority to pay the debts incurred by their officials and for years acquiesced in and acknowledged by themselves."

Instead of repudiating or "suspending" their obligations, as in the case of many of our banking institutions, the people of California have resolved to meet their honest engagements in an honest way. To quote the language of a cotemporary: "This result, auspicious as it is to the bondholders, is still more a subject for congratulation to California. It will not only restore confidence abroad in the pledged faith of our Pacific State, but will do much to prevent a recurrence of the difficulty which it is now sought to remedy. The deliberate contemplation of the abyss of financial discredit in which the young commonwealth was about falling, and the damaging consequences to its reputation which have followed even the slightest apprehension of repudiation, added to the inconveniences of providing for the extravagances of former misgovernment, may yet have a healthy effect upon the body-politic, leading to greater vigilance on the part of the people, and to a more economical administration on the part of the government."

EXPORTS OF COTTON FROM EGYPT.

We are indebted to the London Economist for a report, dated August 19th, on the cotton trade of Alexandria, from which we have gleaned some interesting facts relative to the cotton market of this port, which we have condensed for our readers. At the date of the report cotton had not declined in price, notwithstanding the unfavorable advices from Liverpool, and former prices were easily realized. The stock was much reduced, and it was expected that it would soon be entirely exhausted. Three months must elapse (November 19) before any of the new crop could be brought to market, owing to its being 15 to 20 days later this year. The crop, however, promised well. The following are the prices quoted free on board, charge and commissions included: Ordinary, piasters, 305 to 320 (18¼c. to 19¼c.;) middling, 310 to 340 (20c. to 21c.;) good middling, 350 to 360 (21c. to 21¾c.;) good to fine, 380 to 390 (23c. to 23¾c.;) extra fine, 415 to 440 (24 4-5c. to 26 1-5c.)

Tabular statement showing the quantities of raw cotton exported from Alexandria from January 1 to August 18, in the years 1855, 1856, 1857.

	1857. Bales.	1856. Bales.	1855. Bales.
To England	47,356	86,019	86,236
France	15,600	21,470	26,806
Austria	13,676	28,608	38,904
Total	76,632	136,097	151,946

The above statement, it will be perceived, exhibits a heavy falling off in 1857 compared with either of the preceding years.

THE DEMOCRATIC VICTORY IN CALIFORNIA.

In view of the recent brilliant and decisive victory of the democracy of California—a clear and undisputed victory over the combined forces of black-republicanism and know-nothingism—the editor of the San Francisco Globe sends the following greeting to his "Atlantic friends:"

We send greeting to the democracy of the East, and congratulate them upon the fact that we have once more met the enemies of the constitution in this State, and that they have succumbed. The majority of Col. Weller over Mr. Stanly, the nominee of the black "republicans," will not come short of from twenty to thirty thousand. His majority over both Stanly and Major Bowie, the "American" candidate, will also be considerable. The "republican" candidate rallied to his support all the isms of the day, and under the specious guise of reform endeavored to array a powerful opposition for the defeat of the democratic candidate. His friends waged a bitter warfare during the campaign, and brought the most calumnious charges against all the democratic nominees. But all was in vain; the people were not to be deceived, and the result is before us in a noble triumph of the democracy.

The democratic party displayed on its flag the mottoes of popular sovereignty in the Territories, the justice of the decision in the Dred Scott case, the non-agitation of the subject of slavery, the importance of the Union and the integrity of the constitution. They also declared for a reform in the State government and for the early payment of the State debt. Col. Weller, as the champion of the administration of James Buchanan and of the democratic party here, took the field on these issues and traversed the greater part of the State, meeting the advocate of sectionalism at every point, and maintaining the cause of the people with a force of argument and fulness of illustration which have never been surpassed. He left the decision with the masses, and they have responded in thunder tones throughout the length and breadth of the State. Whatever other States may do, whatever temporary triumphs may be achieved by the black "republicans" in other localities, California, is bound to stand by the Union and the constitution.

The organist of the Second Presbyterian Church in Albany receives the moderate salary of $1,200 a year for his services.

THE CONDITION OF THE VIRGINIA BANKS.

As the notes of the Virginia banks have for some time formed no inconsiderable portion of the paper currency of this city, we make room for the following useful table which we find in a late number of the Richmond South:

The following table, we believe, includes all the banks in the State, and are classified according to the information in our possession. One curious revelation will be observed, and that is, that not a solitary branch of the Bank of Virginia, as far as heard from, has suspended specie payment:

Old Banks paying specie.—Farmers' Bank of Virginia, Charlottesville; Farmers' Bank, Bank of Virginia, Danville; Farmers' Bank, Farmville; Farmers' Bank of Virginia, Bank of Virginia, Fredericksburg; Farmers' Bank, Exchange Bank, Bank of Virginia, Lynchburg; Exchange Bank of Virginia, Farmers' Bank, Bank of Virginia, Norfolk; Exchange Bank, Farmers' Bank, Bank of Virginia, Petersburg; Bank of Virginia, Portsmouth; Farmers' Bank, Bank of Virginia, Exchange Bank, Richmond.

Independent Banks paying specie.—Fairmount Bank, Fairmount; Bank of Scottsville, Scottsville; Bank of Rockbridge, Lexington; Merchants' Bank, Lynchburg.

Old Banks suspended.—Exchange Bank of Virginia, Farmers' Bank of Virginia, Alexandria; Bank of the Valley, Charlestown; Bank of the Valley, Christiansburg; Bank of the Valley, Leesburg; Bank of the Valley, Moorfield; Merchants' and Mechanics' Bank, Morgantown; Northwestern Bank of Virginia, Parkersburg; Merchants' and Mechanics', Point Pleasant; Bank of Valley, Romney; Bank of Valley, Staunton; Northwestern Bank, Wellsburg; Merchants' and Mechanics', Northwestern Bank, Wheeling; Bank of Valley, Farmers' Bank, Winchester.

Independent Banks suspended.—Bank of the Old Dominion, Alexandria; Bank of Monticello, Charlottesville; Bank of Commerce, Fredericksburg; Bank of Howardsville, Howardsville; Bank of Rockingham, Harrisonburg; Bank of Berkely, Martinsburg; Central Bank, Staunton; Bank of Wheeling, and Manufacturers' and Farmers' Bank, Wheeling; Bank of Winchester, Winchester.

Old Banks not heard from.—Exchange Bank, Abingdon; Farmers' Bank, Blacksburg; Bank of Virginia, Buchanan; Bank of Virginia, Charleston; Exchange Bank, Clarksville; Northwestern Bank, Jeffersonville; Farmers' Bank, Lewisburg; Exchange Bank, Salem; Bank of Virginia, Union; Farmers' Bank, Wytheville; Exchange Bank, Weston.

Independent Banks not heard from.—Farmers' Bank, Fincastle; Trans-Alleghany Bank, Jeffersonville; Bank of the Old Dominion, Parisburg.

The Kanawha Bank, at Malden, in Kanawha county, was paying at last accounts.

There are rumors that the Exchange Bank, at Weston, and the Fairmount Bank, at Fairmount, have suspended, but the rumors were so vague that we preferred a different classification.

The Trans-Alleghany Bank has gone out of circulation, and probably should be dismissed from the list altogether.

The Kanawha Bank, at Malden, has not been heard from since the general suspension.

The banks classified as "not heard from" were specie-paying institutions when last heard from. It is fair to presume that some of them—indeed probably a majority—are still of that class.

THE STADE DUES.

Extracts of a letter from a leading mercantile house in Hamburg to E. B. Ames, esq., late American consul at that port:

During your stay here you have frequently heard of the duty or tolls which are levied on our river at the Hanoverian town of Stade without any reasonable ground; Hanover not doing the least thing for the lights, buoys, or anything which serves for maintaining the navigation on the Elbe. The duty is, therefore, doubly felt by all ships proceeding to Hamburg, and a great annoyance to our commerce. Therefore, although the goods which we import for our own account in Hamburg bottoms are exempt from the duty, we have been long since devising schemes for the abolition of such an absurd duty, which is a molestation of all nations trading to the Elbe without any sort of compensation.

The abolition of the Sound dues, for which we are all indebted to the United States, has of late formed a valuable precedent, and put the Stade dues again in the foreground with us; the agitation is considerable, and we are all persuaded that it wants now the impulse only to settle also this question forever, without difficulty, and in a peaceable way. And who else could give such an impulse better than your country?

After the United States have rejected the Sound dues, it is but a natural consequence that they should proceed now in the same way against the Stade dues; the dignity of your country, and the justice of your policy, demand it equally; it will further increase your influence, and will be an act as much in the general interest of the trading world as in the particular interest of the American commerce. The promotion of the international interests of commerce is one of the principal tasks of our present times, and those States which take the lead in this respect may be sure to acquire a prominently honorable position in the public opinion of nations. It is worth while, therefore, for your government to consider the matter, and the moment for prompt action is most favorable.

The treaty which exists between your country and Hanover, dated 10th June, 1846, expires on the 10th of June, 1858, if notice is given twelve months before of the desired cessation of the treaty. From the 10th of June of this year your government is, consequently, at liberty to give such twelve months' notice at any time, and with the cessation of the treaty your recognition of the Stade duty expires likewise. Your government is even at liberty to give already now a six-months notice only of the cessation of the treaty, for the 11th article of your treaty contains the express condition, if Hanover should ever raise the impost duty then existing on American tobacco, pr. cty. 1 1 ggr. per cwt., that the government of the United States shall have full power to give at once a six-months notice of the cessation of the treaty. This eventuality has happened, for when Hanover entered the Prussian "Zoll-Verein," in the beginning of 1854, the impost duty on tobacco was raised to pr. cty. 4 per cwt., and has been maintained at this rate ever since.

The right of your government is, therefore, quite incontestable, and our great object is now to influence your government to do without delay what the interests of your merchants demand, and what will add anew to the fame and popularity of your great country—that is to say, "To declare at once to Hanover that the treaty is to cease after six or twelve months, and that after its cessation the obligation on the part of American ships or their cargoes to pay the duties at Stade will be no more recognised or admitted, and that your government is determined to give full protection to your ships acting under this declaration, and refusing the payment of the Stade dues."

The consequence of such a declaration of your government would be that most of the other sea-faring countries would equally be freed of the obligation to pay the duty, because their treaties state that they are to participate at all times in any advantages granted to the most favored nations. The government of Hanover, I am informed, is well aware of the danger which the consequences of such a declaration from your government would involve for them, and is quite ready on the first official notice it receives from your side to express its readiness for negotiations on the same basis as that which served for the abolition of the Sound dues. The difference here is only that it regards a much smaller sum, and that Hanover, for fear of losing all, will take what they can get. If, in order to settle the matter in a friendly way, the United States should finally consent to pay also a share of the indemnification, which undoubtedly the European nations would allow the Hanoverian government, the whole share of your country would most likely not exceed $20,000; therefore a mere trifle for your flourishing finances, and quite out of proportion to the advantages which your rising commerce with Germany would derive from it.

There is one circumstance still which must not be lost sight of, and which shows best that the United States are most called for to be again the first in the attack upon this absurd duty on a river for the navigation of which *all and every* expense is exclusively paid by Hamburg, and for which Hanover is not doing the least thing, to wit: When a few years ago England claimed a reduction of the Stade dues Hanover referred to the treaty at the Congress of Vienna in 1815, when the right to levy a duty at Stade had been recognised by all present. Now, the United States, as you are aware, were not represented at Vienna, and have, therefore, no obligation whatever to allow any further their ships to be taxed and molested by a duty for which no possible justification can be found in the general law of nations, and which is, in fact, no better than the piracies of Algiers and Tunis in former days.

Up to the 30th of September there had arrived at the port of New York 145,157 foreign emigrants since the 1st of January, against 103,419 last year.

The Troy (New York) Budget of Tuesday evening says: "For the first time in a period of years a figure below $5 is used to-day in the flour quotations."

DEPARTMENT NEWS.

ATTORNEY GENERAL'S OFFICE.

Opinion of the Attorney General.—Railroad Grants.—A great many important points have grown out of the recent grants of the public domain to States for railroad purposes. The subjoined opinion of the Attorney General on the grants to the States of Missouri and Arkansas defines clearly the condition of not only these grants, but of all similar donations of the public lands, and the power which the Commissioner of the General Land Office may exercise in regard to them:

SIR: The act of Congress passed February 9, 1853, gives and grants to the States of Missouri and Arkansas certain lands for the purpose of making a railroad from the mouth of the Ohio, by way of Little Rock, to Fulton, on the Texas line, with branches. This act vests the fee-simple title in the States to which the lands are given. A legislative grant by Congress does of itself, *proprio vigore*, pass to the grantee all the estate which the United States had in the subject-matter of the grant, except what is expressly excepted. This principle has often been ruled in the courts, as you will see by reference to the following cases: United States *vs.* Perchman, 7 Peters, 51; Mitchell *vs.* United States, 9 Peters, 711; United States *vs.* Brooks, 10 Howard, 442; Lessieur *vs.* Price, 12 Howard, 59; Ladiga *vs.* Roland, 2 Howard, 581; Godfrey *vs.* Bradley, 2 McLean, 412. The point is firmly settled, if the highest judicial authority can settle anything, and even if there had been no decision, or if I should think it too plain on original principles to admit of a doubt. When Congress says that a certain portion of the public domain of the United States "is hereby granted" to a State, what need can there be of any further assurance in order to give the State a perfect title in fee?

The act of August 3, 1854, (10 U. S. L., 346,) most manifestly does not apply in any manner whatever to the lands granted in 1853 to Missouri and Arkansas. That act (the act of 1854) prescribes the duties of the Commissioner of the General Land Office in regard to legislative grants where the law does not convey the fee-simple title, or require patents to be issued for the lands. The Missouri and Arkansas grants are not of that kind.

The definite location of the road will locate the grant upon the proper number of even sections on each side with which the United States shall not previously have parted with the title, and the selection of the governor's agent will determine what sections, or parts of sections, are to be taken instead of those sold or subject to pre-emption. Then the title to each particular parcel will be as complete as if it had been granted by name, number, or description.

The survey required by the first section of the law will enable you to know what lands are appropriated by the mere location of the route for the railroad, and I presume you will also be informed in some authentic way of the choice made by the governor's agents. I can see no objection to your furnishing lists of those lands to any person who desires to make a proper use of them, just as you would give other information from the records of your department. But such lists can have no influence on the title of the States.

The States of Missouri and Arkansas will hold these lands in trust for certain purposes, and the mode in which the trust shall be executed is prescribed in the act making the grant. What those States can rightfully do with the lands, or what remedy the United States will have if they do wrong, are not questions for you and me to decide at present.

I have the honor to be, very respectfully, yours, &c.,
J. S. BLACK.

Hon. J. THOMPSON,
Secretary of the Interior.

TREASURY DEPARTMENT.

Notice to Mariners.—Official information has been received at the office of Mr. Thornton A. Jenkins, of the Lighthouse Board, that two new light-houses have been established on the Arran islands, off the west coast of the county of Galway, Ireland, from which lights will be exhibited during the night of the 1st of December next, and thenceforth will be lighted every night from sunset to sunrise.

INTERIOR DEPARTMENT.

Public Surveys in Oregon.—Returns of the subdivisional surveys in Oregon have been made to the General Land Office situate in township 37 south, of range 4 west of the Willamette meridian; also, of the exterior or township lines in township 37 south, of ranges 3, 4, 5, and 6 west; township 38 south, of range 3 west, traversed by Applegate creek, the tributary of Rogue river, and along which passes the road from Jacksonville, Oregon, to Crescent City, California.

The features of this region of the country appear to be very hilly, requiring considerable hardship at the hands of deputy surveyors in running, measuring, and marking the lines of the public surveys.

Public Surveys in Nebraska.—The returns of public surveys in Nebraska have been received at the General Land Office showing the subdivisional lines of townships 2, 3, and 4 north, of ranges 5 and 6 east of the sixth principal meridian, embracing 121,907 acres of land through which Big Blue river courses, and which lands are situated immediately north of the Ottoes reservation, and lie within the South Platte district.

Public Surveys in Washington Territory.—The subdivisional survey of township 14 north, of range 3 west of the Willamette meridian, in Washington Territory, has been returned to the General Land Office by the surveyor general at Olympia, Washington Territory. The quality of the lands appears, from the field notes of the survey, to be adapted for agricultural purposes, abounding in fir and cedar, and the bottom lands along Chihalis river, which disembogues itself in Gray harbor, are of the first rate.

INTERESTING CORRESPONDENCE.

The subjoined interesting correspondence appears in the New York papers of Monday last:

BOSTON, October 1, 1857.

MY DEAR SIR: It is a good many years since I had a correspondence with you on the subject of the financial state of the country, but it appears to me that the time has arrived which demands deep consideration and wise action.

New York is the headquarters, and has a great responsibility in this matter, so intimately connected with the prosperity of the whole country. Her banks are now evidently in a state of great strength, whilst the commercial community are severely pressed and brimful of fear. In this state of things it appears to me that the duty and interest of the New York banks require at once a liberal increase of their discounts.

There can be no risk in it. No specie can be carried out of the city, because there is no place where it is more valuable. Boston can and will follow the suit of New York, and things might in these two cities very soon resume their usual and natural course, and put an end to the cry of the merchants for suspension.

I should hope it might do more, and bring Philadelphia to her senses and lead her to retrace her steps before it is too late.

A very short time will increase our specie from California, and probably from Europe. I see nothing to prevent the country from assuming a state of the highest prosperity in its regular trade, if the present panic can be allayed.

Yours, very truly,
NATHAN APPLETON.

JOHN A. STEPHENS, Esq.,
President Bank of Commerce, New York.

BANK OF COMMERCE, in New York,
October 2, 1857.

MY DEAR SIR: I fully concur in your views. It is true that New York has a great responsibility; its magnitude is oppressive, has been deeply felt and carefully weighed *for a long time*.

Our banks are prepared and now ready, and will soon be much stronger for the wise action of liberal aid to the community. More coin flows into the city from all quarters—from Philadelphia, from the West, and is already on its way from Europe.

A California steamer is due with about half as much more as there is in all Massachusetts. Some of our banks have scarcely diminished their loans for two months, notwithstanding their aid to neighboring cities. The large banks have expanded, and will continue to expand. On the system of discounting mainly only short paper, they always have money to loan. When will yours confine themselves to short dates, and cease to encourage the pernicious system of long credits—credits ramified to the last degree—from which spring most of your difficulties? Our corresponding banks in Boston are advised that we will not press them for their balances.

Very faithfully, yours,
JOHN A. STEVENS, President.

NATHAN APPLETON, Esq., Boston.

THE BRITISH AND AMERICAN PATENT OFFICES.

The London Engineer has the following article, comparing the English and American patent offices:

"We had no idea of the cribbed, cabined, and confined nature of our own little nest, in comparison with the vast aviary in which we have been accustomed to be fleeced by our transatlantic friends before we had the plans drawn out on the same scale, or we think we should have hesitated to make such an *exposé* of our deficiencies; but the plans being prepared and promised to our readers, we feel bound to bring them to the light, let the consequences be damaging as they may. We had read of the sizes of the various rooms of the American office, as stated in the published description of it, and we had seen the plan; and, further, we knew well the ins and outs of our own Patent Office; but never until the plans were placed side by side did the comparison appear so ridiculous. We do not say that some of the closets of the American office are as large as our patent library, but really the space occupied by the entire building is so vastly greater than our own little jewel in Chancery lane that we are at a loss to know what use can possibly be made of it. It is true that the plan of the American office, as we have given it, is not yet completed—one portion having to be built, and other portions being occupied by different departments of State; yet, for all this, the building was designed for the Patent Office alone, and to the purposes of this office alone will it very shortly be devoted, so that we may justly conclude, from the size of the entire building, what views the Americans entertain of the importance of the patent business of their country. In one of *our* departments the space is so confined that we have recommended the attendants to wear spring shoes, so that they would, after a little practice, be able to jump over each other's heads, there being no room to pass between the shelves and the backs of the chairs of those sitting at the central table." With respect to the store department, there is only sufficient room in the corrugated iron outhouse to contain a few copies of each of the printed specifications, which space will be wholly inadequate when the specifications of the patents granted under the old law are all printed. As to a museum of models, it does not exist, except in one of the boilers at Kensington; and as recent events, to which we referred last week, give signs of an explosion in that quarter—no safety valve having as yet been discovered—it is not impossible that the models may again have to be placed in their respective cases, and consigned to the cellars from which they were taken. Now, this is all too bad, especially when we consider that the patent fund, notwithstanding the excessive fees of the law officers, has accumulated to the extent of about £100,000. Patentees will never, as was at one time suggested, have any part of this fund returned to them, and why, we want to know, would it not be as well employed in building a respectable office as in remaining in the treasury? The business done in our Patent Office is not less important than that of the United States Office; then what makes the difference in the views entertained as to the amount of space required for the proper transaction of that business? The real fact, we suspect, is that no difference of opinion exists as to the space required, but there are some undefined uses to which it is supposed the accumulated fund may be hereafter applied, and which time has not yet revealed. We beg to suggest that this expected revelation, when it is made, should be nothing more than that the whole fund, if necessary, should be expended in building a new Patent Office, containing ample space for every department, including a museum for models; and we venture to hope, further, that the revelation will show that a situation near Chancery lane is in every respect the best for such a building."

From the Alta California.

THE PROPOSED TERRITORY OF CARSON.

The people of Carson valley, and other valleys adjacent, held a public meeting at Genoa, on the 8th ult., to consider the propriety of petitioning Congress for a separate territorial organization. So far as we can learn from the report of the proceedings published by persons who were present, the meeting was unanimous in favor of a new Territory of their own. The reasons for demanding a separation from the dominion of Utah are that they dislike the Mormons, and have now no political communication with the authorities at Salt Lake, and during the winter could have no communication if they wished it. A government is necessary to them; their population is large and rapidly increasing; and they need protection against rascals within and Indians without. The majority of the inhabitants of Carson and the adjacent valleys are Gentiles, and do not wish to have Mormon officers over them. The meeting say in the memorial which they have addressed to Congress:

"The only authority acknowledged in this part of Utah Territory by any class of people is that which the Church of the Latter-day Saints, whose members are generally known under the sobriquet of Mormons, exercises over its votaries and disciples. Neither they nor the Gentiles appear to look to the territorial government of Utah for any statutory laws for the regulation of their business, or for the government of their conduct. The Mormons, in all their social affairs, conform to the general voluntary rules and habits of life among the Gentiles, but they regulate all their business affairs, dealing, and intercourse with each other, by certain established rules of the church, and not by any laws passed by the legislative department of the Territory."

The meeting, in their memorial, ask Congress to organize them into a Territory, with the following boundaries:

"Beginning on the northwest on a line of 42 degrees north latitude and longitude 120 degrees, thence following the Oregon and Utah boundary line on a direct east course to longitude 116, thence a southeast course to about north latitude 38 and longitude 114, thence further on in the same direction to north latitude 34 and longitude 112, thence almost a due south course to the boundary line between the State of Sonora, in the republic of Mexico, and the Territory of New Mexico, thence along that line to the eastern boundary of California, and thence along the latter to the place of beginning."

The Carson Valley people estimate the white inhabitants of the Territory, with their proposed boundaries, at 7,000, of whom about 1,000 are in the Valley of the Virgin. These last we strike off, leaving 6,000. Carson, and the valleys lying near, are said to have a population of 1,300, and, so far as we can learn, that is the only fixed point in the estimate of population. The remaining 4,700 who go to make up the 6,000 are guessed at, and located in the scattered valleys rear of the Oregon line, or live about Honey lake, in California. It is said that the Honey Lake people desire to be organized into a Territory with Carson Valley, because they are east of the summit of the Sierra Nevada, and cannot hold communication with Sacramento during the winter. But even if this be so, and if Honey lake is to be included in the estimate of the population of the Carson Territory, we cannot, if we are at all critical, set the number at more than 2,500. The population may possibly be greater, but, if so, we have not the data for knowing it.

GEORGIA ELECTION.

A despatch from Augusta, Georgia, dated the 5th, says:

The election for governor and congressmen took place in this State to-day. In this city it passed off very quietly. A few scattering returns are in, which indicate the election of Judge Brown, democrat, as governor. His majority will probably be 10,000 or 12,000. The democrats, it is likely, will also be successful in nearly all the congressional districts.

The *Star* of last evening says:

We have a private despatch from Savannah to-day representing the vote in that city to have been: For Congress, Bartow, (K. N.,) 1,002; Seward, (dem.,) 912. This indicates Seward's re-election beyond question, we believe. Ward has been elected to the State senate from the Savannah district.

JEWELLER'S GOLD.—This term is applied to alloys of gold used for trinkets and inferior articles of jewelry, ranging from three or four karats fine upwards, or which are too inferior to receive the Hall mark. The lowest alloy of this class is formed of copper 16 parts; silver, 1 to 1½ parts; gold, 2 to 3 parts, melted together. This is worth only from 8s. 6d. to 9s. 6d. the ounce. "It has recently been found that gold of the 12 karats, or less, if alloyed with zinc instead of the proper quantity of silver, presents a color very nearly equal to that of a metal at least 2½ or 3 karats higher, or of 8s. or 10s. an ounce more value; and the consequence has been that a large quantity of jewelry has been made of gold alloyed in this manner, and the same has been purchased by some shopkeepers, very much to their own loss, as that of the public, inasmuch as a galvanic action is produced after a time upon gold so alloyed, by means of which the metal is split into separate pieces, and the articles rendered perfectly useless. Gold chains, pencil cases, thimbles, and lockets are the articles of which the public and the shopkeepers will do well to take heed, as these have, among some other things, been lately so constructed."