DAILY APPEAL.

ALL LETTERS ENCLOSING REMITTANCES TO THE OFFICE MUST BE REGISTERED, OTHERWISE THE PROPRIETORS WILL NOT HOLD THEMSELVES RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR.

THE APPEAL IS REGULARLY DISCONTINUED AT THE END OF THE TIME PAID FOR, UNLESS RENEWED IN ADVANCE.

MEMPHIS.

SATURDAY MORNING, NOVEMBER 14, 1857.

HON. A. G. BROWN'S RE-ELECTION TO THE UNITED STATES SENATE.

A telegraphic dispatch received in this office from Jackson, Mississippi, informs us that the Hon. A. G. Brown was, on Thursday last, re-elected to the U. S. Senate for the term commencing on the 4th of March, 1859. Since it was understood that the present Legislature felt itself not only authorized, but called upon, to proceed to the election of a Senator, the public were fully prepared for the result now announced, which cannot fail to give satisfaction throughout the State. And this much may be said without disparagement to the able and distinguished statesmen whose names have been connected with the station. Senator Brown was in office, had served the people of Mississippi long, ably and faithfully. He desired a re-election. A failure to elect him would, therefore, it was alleged, have been construed as a condemnation of his course as a public officer. The Legislature of Mississippi could not hesitate as to the line of duty. Governor Brown was *re-elected*, but none of his distinguished competitors were *defeated*.

WALKER AND HIS PROCLAMATIONS.

The Washington correspondent of the Philadelphia *Press*, thus refers to the affair of the Oxford precinct:

"Gentlemen here, who at first were bitter in denunciation of Gov. Walker's conduct in throwing out the returns of the Oxford precinct, Johnson county, now regard his proclamations and all he has done with more favor. Though they may not yet agree that he has pursued a legal course, still they say that their judgment, by which they are to be bound, will be formed from a careful study of the facts as they shall appear in the official report. The truth is, that at the first telegraphic news from Kansas some politicians went off in full cry after Governor Walker and Secretary Stanton, without exercising a little lengthened sence, which would have enabled them to learn whether they were on the right scent or not."

Even admitting that the returns from Johnson and McGee counties were irregular and not in accordance with the requirements of law, this did not impose upon the Governor of Kansas the duty of issuing the certificates of election to Free State candidates. In view of the irregularity of a portion of the returns, the proper course to have pursued, would have been to lay the whole matter, with the facts, before the General Assembly and have it determined by the only authority competent to sit upon the qualifications and returns of its members. The object of lodging such authority in our Legislative bodies, by the laws of the United States and of the States, is to secure freedom and independence, from Executive interference, to the Legislative department, in cases where there is contest. Now, who was most competent to determine the question in controversy, as to the returns and qualifications of members to the General Assembly of Kansas, Governor WALKER and his Secretary, or the Legislature in which these members are called to sit?

In whose hands can the power most safely be confided—that of an Executive who may wish to mould the Legislature to his will, or that of the Legislature itself? It seems to us that it can more safely be lodged, where our laws leave it, in the hands of the body in which the member is to sit. To lodge it in the hands of the Executive is to give him imperial power—to clothe him with autocratic authority. Grant there was fraud, of the deepest dye, is it not an impeachment of the honesty and impartiality of the Legislative body, for Mr. Governor WALKER and Mr. Secretary STANTON to wrest the power from the Legislature and assume it themselves, under the groundless apprehension that the fraud would triumph, if the question were left to the General Assembly?

They quote the Territorial law to show that they were obliged to render the returns to those receiving the greatest number of votes. Of course this provision is only intended to extend to such cases as are clear and unquestionable. But when there is a question—where there is a contest, we think it is certain that the Governor and Secretary were never entrusted with authority to decide the question by proclamation—it then falls within the province of the Legislature to pass upon the rights of all presenting themselves to for membership. Hence if Messrs. WALKER and STANTON had decided to be impartial, they would have given credentials to neither claimants, and left the whole matter to the Legislature.

We have never been disposed to condemn these functionaries unheard, but we do not see how they can justify their course in the matter of these election returns, by any known precedents, or by the well established principles of our system of Government. The question is not as to whether fraud was perpetrated in Johnson and McGee counties. To so state it, is to evade.

But the question is simply one of power between GOV. WALKER and the General Assembly of Kansas. In our opinion WALKER has officiously and wrongly usurped the power of the Legislature.

UNIVERSITY OF MISSISSIPPI.

The Trustees of this institution lately held a meeting at Jackson, Mississippi. All the members were present but three. The action of the Board was important in some respects. The Chair of Intellectual and Moral Philosophy, vacated by the resignation of Rev. Dr. CRAWFORD, who accepted a Chair in the Theological School (Baptist) at Georgetown, Kentucky, was not filled by the Board, but was postponed until the annual meeting in July next, at Oxford. The duties of the Chair will be performed until then, by the other Professors.

The Board revised, corrected and improved the code of laws for the government of the University. W. T. J. SULLIVAN, B. A., and DANL. B. CARR, B. A., were elected to tutorships in the College, the former assistant to the Professor of Rhetoric, Logic and Elocution, and the latter to Mathematics—two most excellent young men, well qualified and of the most exemplary character.

The Trustees have provided Chemical and Philosophical apparatus of the very best and most approved description, from the best manufacturers in Europe and America, and on an extensive scale, employed by but few institutions in the United States, and by none in the South. There is also a magnificent collection of minerals and shells lately purchased and now about to be put up and displayed in suitable cases prepared expressly for the purpose.

The faculty are all working men and well qualified for their positions. The institution is now in a flourishing condition and under excellent government. Never since its establishment has better order prevailed than during the present session. The students seem to vie with each other in their labors for the attainment of kindness and instruction.

ARKANSAS INTELLIGENCE.

THE MEMPHIS AND LITTLE ROCK RAILROAD. From a letter received in this city from the President of this road, dated Memphis, October 17th, we have been permitted to make the extract:

"On this end of the road we are working within our means, and have no idea of suspending operations, though considerably cramped by the depression of the monetary affairs of the country. We are progressing with track-laying at the rate of one quarter of a mile per day and will continue at that rate through the hard times.

"It is impossible to build the road without more available means. There is abundant wealth in the country, and all that is wanting is to give it proper direction. With the close economy we will be able to build this division of the road but will have nothing to spare, and no further assistance may be looked for from this end of the line. If Arkansas wants the road she must furnish the means to bridge from the St. Francis river—I know she can, and I believe she will."—*Little Rock Gazette, Oct. 31.*

A PROSPEROUS TOWN.—The Camden *Herald* says of that place:

"Camden, notwithstanding the pressure of the times and the "panic," seems to be going ahead in the way of improvements. Two large brick buildings are going up under the hill; and quite a number of houses are being erected in different parts of the town. New citizens are coming in constantly, and almost every cabin about the place is occupied. Nothing short of an earthquake, or some such terrible disaster could stop the growth of our town. We have the location, and other superior advantages over any other town in the State.

DESTRUCTIVE HURRICANE.—On last Saturday—at what precise hour we are not informed—a terrible hurricane swept across the Mississippi river near Sterling, proceeding toward the North-east and uprooting trees, levelling houses and even overthrowing houses in its course. The overseer and hands of Maj. Miller were at work in a new clearing, and the manager and several of the negroes were serious[illegible] injured by the falling timber.

A number of persons took refuge in the [illegible] of the Messrs. O'Neal, in the same [illegible] but, with incredible violence, the terri[illegible] tore the house and tilted the massive [illegible] its foundations, killing Mrs. O'Neal [illegible] wounding several others. It [illegible] on its destructive course, [illegible] before it, seeming the [illegible] spread and living horror. [illegible] we are by the surrounding hills, there was a strong wind during all of Saturday afternoon and night, but none of us dreamed of the disasters which were then befalling our near neighbors and friends. *Helena Democrat, Nov. 12.*

The same paper learns that an increase of service in the Helena and Little Rock mail line, from tri-weekly to daily, has been determined on by the Postmaster General, the contract to be let in July.

TELEGRAPH FROM HELENA TO PANOLA.—Col. HINDMAN, of the Helena *Democrat*, has been for a day or two negotiating, on the part of the citizens of Helena, for a branch telegraph line from that place to Panola, Mississippi, where it will connect with the great line leading from this city to New Orleans. We are pleased to learn that he has concluded such an arrangement as will soon secure the connection contemplated.

THE ARKANSAS INDIANS.—The Commissioner of Indian Affairs has received the report of Mr. A. H. McKisick, in which he states the number of Indians under his charge to be 1,200 Witchitos and Kuchies, 100 Wacoes and Tahwaccanas, 300 Caddoes, Anadapos, and Ionies, 3,500 Kickapoos, Shawnees and Delawares, and 600 Camanches. Several of these tribes have not yet been located, but are very anxious to be settled on reserves.

ALABAMA INTELLIGENCE.

SILVER MINE IN HANCOCK.—We learn that an old silver mine has been re-discovered in Hancock county, in this State, near the Morgan and Walker lines. It is on the lands of a man named Blake, and a party of Georgians are now at work at it. It was walled up with solid masonry, which had to be broken up with powder, and the mine was opened again. It must have been worked hundreds of years ago, as trees are now growing over and around it. The ore is said to be rich. A gentleman of intelligence has promised to visit it and give the readers of the *Advocate* an account of the mine—its value, appearance, history, &c., which we shall look for with much interest.—*Huntsville Advocate.*

The same paper has the following:

NEGROES STILL SELLING HIGH.—We understand that at Decatur on Monday, 2d inst., at a public sale on a three years credit, a negro woman and child sold for $1850—a girl 12 or 14 years old brought over one thousand dollars. This does not look like hard times. Negroes will sell beyond any other species of property.

MORE BANKS.—Mobile is preparing petitions to the Legislature now in session for another bank in that city. The Huntsville *Advocate* thinks the proposition will not meet with much favor.

BANK REFORM.

The subject of Bank reform is at present engaging general attention throughout the Union. It will no doubt occupy a large portion of the time of our own Legislature now in session. At a recent meeting of the Boston Board of Trade, the following views were offered by Mr. WM. B. REYNOLDS, as matters of discussion:

I. That while banks of discount and deposit, if established on sound principles, may be multiplied to any extent with advantage to the public, it is objectionable that the business of issuing notes payable on demand, should be entirely separate and distinct from other general banking business, and that the power of making and issuing paper money should be withdrawn from banks whose principal business it is to loan money.

II. That the power of furnishing the State with currency, should be exercised by the State for the benefit of the public at large, and that the profits on the circulation of bank notes should be applied (after meeting the expenses attendant upon the issue,) towards a reduction of the public taxes.

III. That in lieu of the one hundred and seventy-five banks of issue now existing in the State of Massachusetts, each acting for itself and each furnishing its portion of the currency, there should be but one bank or department of issue, managed by directors or commissioners, appointed by the State for account of the public, and that the business of these officers should be confined to the issuing of notes against public securities and gold bullion, without any banking or discounting privileges; these to be left where they now are, with the banks and with individuals.

IV. That in establishing the relative proportions between the issues of bank notes and the securities and bullion held by the issue department for their redemption, the perfect convertibility of the bank note into specie at all times should be secured beyond a shadow of doubt, which, it is generally admitted, may be done by holding two-thirds of undoubted securities and one-third of bullion for the amount of notes in circulation. The bank note should be a legal tender anywhere, except by the issue department.

V. That the notes of discount and deposit, instead of issuing their own notes as at present, should be furnished with notes by the department of issue against a deposit of public securities and bullion in the proportions already mentioned, or such others as may be fixed by law, and that, to compensate the banks in part for the loss of the profits on their circulation, they should be relieved from the State tax of one per cent. on their capital.

VI. That the usury laws, which are so generally disregarded as to be almost a dead-letter, should be abolished entirely, and the banks, as well as individuals, be at liberty to raise or lower the rate of discount according to circumstances, as is done by the Banks of England and France, the legal rate of interest to remain as heretofore, at 6 per cent., when no other is stipulated.

VII. That the accumulation of the public revenue in the hands of Government, whereby large amounts of bullion are liable to be abstracted from the usual channels of trade, tends to produce a contraction of the currency, a pressure upon the money market, and a high rate of interest, resulting in the most disastrous consequences to those who are thus deprived of the usual facilities for carrying on their operations.

REMARKS: The plan of a single department of issue for furnishing a State with currency is neither novel or a range; for it has been sanctioned by the most eminent authorities in political economy, and is now in course of practical application by the Bank of England, that being the leading feature in the new bank act of 1844, introduced into Parliament by Sir Robert Peel, and passed under his administration. Previous to the passage of that act, Mc-Culloch, writing on the subject, says: "Till the note power of issuing paper money be committed to some one body, the country will never surely be exposed to those perpetually recurring and ruinous fluctuations in the quantity and value of money that are productive of the most pernicious consequences, and which go far indeed to impart to all industrial undertakings a sort of gambling character. At present, the currency is supplied by hundreds of institutions, all actuated by different and frequently conflicting views of interest."

To illustrate the operation of the Bank or Department of Issue, let us assume twenty millions of dollars as the lowest point to which the circulation of notes in the State of Massachusetts could fall, under the most unfavorable circumstances (it has not been lower than that during the present crisis.) Now, if the Department of Issue holds public securities and bullion to the amount of twenty millions of notes, over and above that amount, there can be no doubt of the perfect convertibility of its circulation; but if against all reasonable probability there should be a run upon the department, and the stock of gold should be exhausted, it would be the duty of the Directors to sell a portion of their securities for gold, and thus continue to redeem their notes; and, as the sale of securities might be attended with some sacrifice at such a period of distress, a reserve fund might be provided to meet such loss, by allowing the interest on the securities to accumulate for two or three years, before the department commenced paying the same into the State Treasury.

If twenty millions should be fixed as the maximum upon which the department could issue its notes based upon public securities, then it should hold ten millions more in bullion, making in all thirty millions of dollars, and be allowed to issue notes for thirty millions. The Department would in the first instance have to prepare these thirty million of bank notes or "promises to pay on demand," in the name of the Commonwealth of Massachusetts, and the banks of discount and deposit, to provide themselves with these notes for their circulation, would have to bring the public securities and the bullion in the proportions pointed out. When all the exchanges were completed, the Department of Issue would hold in public securities twenty millions of dollars, and in bullion ten millions, against thirty millions of notes in circulation. If the banks wanted more notes, they would have to bring gold for them dollar for dollar. Supposing the public securities to gain six per cent. interest, the Issue Department would receive $1,200,000 per cent. as profits on the circulation, against $300,000 the present annual bank tax, which it is proposed to remit, leaving a balance of $600,000 out of which the expenses of the Department would have to be paid; but there would still remain probably $500,000 to be paid over to the State, and to that extent the public taxes might be reduced.

Let us now see what would be the operation of the new system upon the 173 banks now existing in Massachusetts. They would lose the profits of twenty millions of circulation amounting to $1,200,000, but they would be exempt from the tax of 1 per cent. on their capital, say $600,000 and they would be released from the operation of the usury laws, which would enable them to raise the rate of discount whenever the demand for money warranted it, as the Bank of England does, and if by so doing they average 7 per cent on their capital, instead of 6 per cent., they would be fully compensated for the loss of their circulation; besides which they would still retain the profits on their deposits, which might be made a sure and certain source of revenue, by establishing the rule that every customer should have always a permanent deposit in the hands of his banker to compensate him for keeping his account, or allow him a small fraction of 1 per cent. on the yearly amount of his bank business, as is the custom in Hamburg. The abolition of the usury laws would enable the merchant to change the current rate of interest to account current to his correspondents, instead of 6 per cent. as at present, by which he is generally a loser, the average current rate of interest throughout the year being nearly from 8 to 9 per cent.

If it be made an objection to the State Department of issue, that such a power in the hands of politicians might be perverted to unworthy ends, it may be stated in reply that the plan may be so arranged as to be almost self-acting and mechanical in its operation, without giving the government of the day any control or connection with it; and the Commissioners or Directors themselves would have no other discretion than that of "determining at what point during the period of a contracting currency, it would be necessary to sell a portion of their securities held against the twenty millions of notes, so as to prevent the possibility of an exhaustion of their bullion; and, when again, they should purchase these securities; never, however, exceeding the original amount of twenty millions of dollars."

As for the old, antiquated, impolitic usury laws which are disregarded by everybody, and which defeat the very object they were intended to accomplish (that of keeping down the rate of interest to six per cent.) the sooner they are stricken from the statute book, the better.

The accumulation of large amounts of bullion in the National Treasury is an evil which must be apparent to everybody, and perhaps to no one more than the present Secretary of the Treasury, whose judicious action in the actual crisis in disbursing the funds under his control, as far as prudence would admit, has no doubt alleviated very much the pressure, and entitles him to the gratitude of the community. It may easily be imagined how much more aggravated might have been the crisis, if instead of twenty millions there had been forty millions in the Sub Treasury, with a Secretary of a different calibre to control so vast a sum and withhold it from the most channels of trade.

With a currency established upon such a basis as that indicated, and with bank notes bearing upon their face, "the promises to pay of the Commonwealth of Massachusetts, our domestic exchanges could never be interrupted as they are at present, and it is not hazarding too much to say, that such notes would command their full value in the produce of the West, or the cotton of the South, even in such a crisis as the present.

☞ Snow fell at St. Louis on Monday last.

☞ At Louisville, there are three thousand people out of work.

☞ THACKARAY, the novelist, has given £1,000 to the India relief fund.

☞ It is rumored that the Prince of Wales may possibly visit Canada in the course of next summer.

☞ ED. HARRISON, charged with murder, escaped from the Rising Sun (Ind.) jail on Thursday night.

☞ DAVID and SOL. LOCHAUM have been arrested in Peoria, Illinois, for robbing the mail of four hundred and forty dollars.

☞ PARKER WHITE and PATRICK KELLY, who shot one another in an affray in the Seventeenth Ward, Baltimore, have both died of their wounds.

☞ French papers and some of the American are recommending horse flesh as an article of food; more, however, on account of its delicacy than for its cheapness.

☞ The Queen of Spain has presented Madam RISTORI with a gold crown ornamented with precious stones, and a broach set with brilliants of great value.

☞ The London *Star* has a report of the Pope being anxious to abdicate, and looking to Cardinal WISEMAN as the only person worthy to succeed him.

☞ A farewell demonstration was given to NEAL DOW by the temperance men at Liverpool, on the 23d ult. He is a passenger per the *Canada*.

A MAN SHOT.—We learn from the Yazoo City papers that a man by the name of McBAINE, a resident of Holmes county, was shot in the head, with a double barrelled gun, by HENRY SEBREE, about one mile from that city, on the plank road, a few days since. SEBREE is now in jail awaiting his trial at the Criminal Court.

MARYLAND ELECTION.—The Democrats have gained a member of Congress in Maryland. Mr. KUNKEL, in the Fifth District, beats HOPKINS, the present Know-Nothing member. The names of the delegation are as follows:

First District—Judge STEWART, Democrat.
Second District—JAS. B. RICAUD, American.
Third District—J. MORRISON HARRIS, American.
Fourth District—HENRY WINTER DAVIS, American.
Fifth District—JACOB M. KUNKEL, Democrat.
Sixth District—THOS. F. BOWIE, Democrat.

FIFTEEN TONS OF MONEY.—The St. Louis *Democrat* of Tuesday last states:

"The steamer *Flying Cloud*, on her way from New Orleans to this port, stopped at Cairo and put out fifteen tons of coin, one hundred thousand dollars of which was destined for the subtreasury of Chicago, and the balance for Washington. The boat had also $10,155 consigned to various parties there.

THE BALTIMORE ROWDIES.—The Baltimore *Republican*, speaking of the late election in that city, says:

"The only error the Governor committed was in suffering himself to be persuaded to abandon his design and to rely upon the promises of Mayor Swann and his confederates. He should have known enough of the nature of Know-Nothing promises to have declined all faith in them. The motley crowd which Mayor Swann addressed on Sunday, might well shout when he told that the money would not be out. They understood from his speech that they were at liberty to follow Mr. H. Gwynn's advice, and *do it up as they did it before.*"

SPECULATION AND POVERTY.—The New York *Day Book* of Saturday says:

"The sales at the stock board were very large to-day, and yesterday's prices well sustained. The spirit of speculation is rife, and every one who can raise a few hundred dollars is dipping in. The banks are offering money again to speculators on call, and every effort is being made to keep upprices not only of stocks but of bread and meat. Meantime, the poor are out of work and marching about the streets in crowds asking for work to enable them to keep their wives and little ones from the hospital and grave yard. Go on brokers and bankers, but remember that for all this God will bring you into judgment. The day of retribution is at hand."

A TENNESSEE SLAVE CASE.—A dispatch from Boston on Monday states:

"A hearing was had to-day on a writ of *habeas corpus* sued out for a slave girl, named Betty, belonging to Lewis Sweet, of Tennessee. The girl expressed a wish to remain with her master. Chief Justice Shaw then dismissed the case. Considerable excitement has been produced by this case in certain circles. Several colored persons made strong but unavailing attempts to induce Betty to accept her freedom. Mr. Sweet and his family had spent several winters traveling in the North. Their last stopping place was Lawrence, Mass. A writ of *habeas corpus* was obtained on the grounds that the woman Betty was restrained from liberty. The parties were brought to this city to-day. Mr. and Mrs. Sweet said they would cheerfully abide by Betty's choice. Judge Law took the woman into an adjoining room to ascertain her wishes without bias from the presence of those around her; and then granted an order to the following effect: That Betty be at liberty to remain in Massachusetts or return with her master to Tennessee, as she may see fit."

THE PENNSYLVANIA BANK.—A dispatch from Philadelphia on Monday says:

"A meeting of the stockholders of the Pennsylvania Bank was held this morning. Wm. C. Patterson, who had been appointed President of the bank, to succeed Allibone, was called upon to make a general statement of the bank. He said that no statement could be made which would not be falsified, in less than twenty-four hours. No statement could be made to which he would be willing to affix his signature. The funds of the bank had been used for improper transactions. The condition of the bank was better known by the public outside the bank than by the officers. The books also had been falsified.

"Patterson declines the Presidency. All the directors except Allibone have resigned, and Allibone has left the country. The bank should make an assignment now, no man could say that its debts could be paid. If carefully nursed, the bank may be resuscitated. This statement, meagre and unsatisfactory as it is, is the only one which can now be made. There are no data upon which to proceed. Bills receivable have been sold by the president, funds have been abstracted in divers ways, money has been taken out and charged different accounts, at the discretion of the late president. We need officers to trace the operations of the president during four years. Large transactions of the president, unknown to the directors, have just come to light.

"Resolutions were adopted for the appointment of a committee of five, at large, from the stockholders, to recommend proper directors and also to report to what extent the capital of the bank has been impaired by authorized or fraudulent acts of the late president or any elders or abettors in such fraudulent acts; also, declaring Allibone's seat vacant.

"John M. Dunton, of the firm of Austin, Allibone & Co., made a defense of the president. He said he would return to America and answer the charges. He inquired why a suit should be brought against Allibone for $200,000, if Patterson could give no figures? [The speech was hissed, and the speaker proceeded with much difficulty.] He further stated that Allibone, three weeks after accepting the presidency, said if he had known the condition of the bank he could not have been tempted to accept the office.

"Patterson, in reply, stated that all the directors on oath, stated that Allibone had used $200,000 improperly. Much disorder prevailed. Cries of "Allibone can't be whitewashed; he too well known."

"The meeting then proceeded to consider the relief act, which was accepted."

UNITED STATES TREASURER'S STATEMENT. According to the Treasurer's statement, the amount credited to the Treasury of the United States, in the hands of the assistant Treasurers and designated depositaries, and in the mint and branches, by returns received to the 21st, and in the amount at that date subject to draft, is as follows:

Amt. in different depositaries	$12,082,867 14
Drafts drawn but not paid	3,021,643 82
Amount subject to draft	9,058,181 32
Reduction from last week	744,045 85
Amount of receipts	882,662 84
Drafts returned paid	1,459,257 12
Drafts issued	1,566,708 73
Transfers ordered to Washington	400,000 00

SOMEWHAT A FAILURE.—Mr. W. H. Shedlock, of the celebrated Sugar Refinery at St. Louis, perhaps the highest authority in saccharine matters in the country, has been carefully testing the Chinese cane. He says that it will prove a failure as far as sugar making is concerned, and, if it will not granulate, (as it will not,) the syrup does not contain a due proportion of cane sugar. He doubts its virtues as a sugar producing plant.

Letter from Mr. Appleton.

Mr. Nathan Appleton, of Boston, has written a third letter on the financial troubles of the country, which will be read with interest. This, it will be seen, is a reply to the Boston *Post*:

To the Editors of the Boston Post:

A writer in the *Post*, of the 30th ult., undertakes to criticise some of the positions taken in my letter on the money crisis. His style is so courteous, and he seems so alongside in his opinions, that I consider him entitled to a respectful reply. But it is evident that the writer and myself look at the subject from entirely different points of view. The great question with him is, whether the banks can expand under a severe financial crisis, and he thinks they cannot. Now what is a financial crisis, and what is its cause? It is a scarcity of money, growing out of the contraction of the bank circulation. It is caused by the action of the banks, but does not control that action.

The only legitimate ground for the contraction by the banks is the efflux of coin from the country to a degree to endanger their circulation. This is the only cause which ever did, or ever can, produce a financial crisis in this country. When the export of specie ceases, the crisis ceases to be, ever. The banks can then hold their own at least. Now my argument is that the export of specie ceased after the early part of September, and could only be made at a loss compared to bills of exchange. Here, I contend, the contraction ought to have ceased; instead of which the New York banks have continued the contraction of their liabilities from $88,000,000 on the 22th of September, to $71,000,000 on the 10th of October, and still further since. It is this continued contraction of which I complain, after all occasion and necessity had ceased.

In September we were safe, with a money market rather stringent than otherwise; but it is the subsequent and continued turning of the screw which has produced the appalling state of things which now exists. The whole history of banking cannot show an equal example of ignorance of the "true principle and science of banking," as has been exhibited by the New York bank managers.

As a cure for this horrid mistake, I proposed that the New York banks should expand their loans ten or fifteen millions immediately, to replace themselves as near as may be in their position on the 12th of September. This your correspondent thinks impossible in so short a time. How impossible? The contraction went on at the rate of four or five millions a week; there can certainly be no difficulty in expanding ten millions in two or three weeks, if the country bank and mercantile houses enough felt standing to borrow it.

Your correspondent seems to make a distinction between deposits and circulation, which does not exist in fact. They are essentially the same thing. They are convertible into each other at the pleasure of the possessor. I do not understand what he means by the banks "liquidating their debts in the shape of deposits or credits." This can only apply to those banks which have stopped payment. Neither can I agree that deposits or circulation shall be classed as the means of the banks. They are credits which the community choose to hold for their own convenience, and are increased or diminished by the expansion or contraction of the banks in their loans. They compose the circulating medium, and are the means of the mercantile community to whom they belong.

In the present case it is the forced and unnecessary contraction of which we complain. The means of each bank consists in its specie, as shown in its daily balances at the clearing house. The aggregate means consist in the aggregate specie of all the banks. The proportion of specie to liability is nearly the same as at any comparative view of their strength. This proportion in January last was 11,172,000 to 104,000,000, or 11 per cent. This was continued with little variation until the last of August, when it was diminished to 10 per cent., but was increased in September to 14, 16 and 16½ per cent., showing that at the very time of this disastrous contraction, greater relative means than at any time for these two years. So futile is it to say that the banks have furnished all the aid possible, as much money, under the pressure and crisis, as they did under the highest expansion of their loans. Your correspondent will thus perceive that his elaborate tables have no bearing in my view of the case.

Your correspondent quotes of a speech in the New York banks. He says: "A custom prevails very extensively of discounting large amounts of paper with the express understanding or agreement that one-quarter or one-half shall lay in bank till another maturity, when the loan is renewed upon the same condition." Is this true? I am sorry for it. I have no hesitation in pronouncing it a pernicious custom. It smacks very much of usury.

It seems to be well understood that the actual suspension of the New York banks was not the result of natural causes, but arose from the disgust and indignation of the merchants, who viewed the action of the banks in its true light, and were determined to let them know that, driven to the wall and crushed to dust, they were, they were still able to retaliate by using their power. This was acting out the common principles of human nature; but was probably unfortunate, as it furnishes a pretext for continuing the system of contraction, as necessary to their resumption. It is a poor pretext, as there can in fact be no doubt that the true way to restore confidence and set the wheels of trade in motion, is to adopt a liberal expansion by discounts. This is the direct and shortest road to resumption, which would then easily come of itself. Why should the New York banks continue to keep their currency above the value of specie in any other part of the world?

Your correspondent says: "The evils upon us are the too great expansion of credits both of merchants and banking institutions."

I do not agree with him. No doubt there are cases in which merchants and banks have extended their credits to their own injury; but the present evil arises wholly from the sudden check and stopping of the credits which the New York banks had so freely given. The present evil is not too much but too little credit.

It is easy to decry credit and applaud a pure specie currency. But who does not know that it is a system of extended credit which has built up the wealth and prosperity of the country? NATHAN APPLETON.

The Precious Metals, Why Used as Money?

From Hunt's Merchant's Magazine.]

Many expedients have, at different times and in different countries, been adopted to secure a temporary and partial currency, but so far as we know, from the days of Abraham, who paid "four hundred shekels of silver, *current* money with the merchants, for the field of Ephron," to the present time, the money used in commerce between different nations, has always been composed of gold and silver. These and these only, have formed the universal medium of exchange and standard of value.

The use of these metals as money arises from nothing conventional. No international agreement or treaty was ever made respecting them, yet they are everywhere, and without hesitation, received in exchange for whatever any one may wish to dispose of.

These facts lead us to inquire what peculiarities these metals possess, which render them thus universally acceptable as money.

1st. *They possess value*; that is, cost labor, and are objects of desire. We have endeavored previously to show that the article used as a standard value must, of necessity, possess some absolute value in itself, since we can only measure value with value. Gold and silver have this indispensable requisite.

2d. These metals are *stable in value*; that is, the mass of all known commodities, which is a great desideratum, for the standard of value should be as invariable as possible. The exchangeable power of no commodity can be absolutely fixed in relation to all others, for the relative quantity of each will vary from time to time, to say nothing of those differences in the cost of production, which may arise from many causes. All we can attain of perfection is, to fix that article which, on the whole, and in the long run, maintains *relative* value with the greatest number of others. Now the precious metals do this more satisfactorily than any other commodity in existence; for, although the value, or exchangeable power, of these is greater in one age than another, the changes that take place are so gradual as to be nearly imperceptible. The discovery of the western continent, which opened to the commercial world the accumulated treasures of Mexico and South America, caused the greatest change in the value of the metals that ever taken place, probably ever will take place. In 1492 to 1650, a period of about 150 years, it has been calculated that gold and silver fell in value, as compared with other commodities about 70 per cent. But this fall was only equal to half of one per cent. annually, so that even this change must have been so gradual as to have inflicted but little injury on individuals, and would only be appreciated at all in the case of long annuities, and other obligations of a similar character.

All other commodities are subject to great and frequent changes, equal sometimes to 25 per cent. in a single year. Such great fluctuations never have, and from the nature of the case probably never will, occur in the value of gold and silver, and therefore they form the best possible material for money, so far as *stability of value* is concerned.

3d. *They are conveniently portable.* One pound weight of gold is equal in value to about 2,000 pounds of iron, or 1,200 pounds of copper. No other article, existing in adequate quantity, has equal portability as compared with its exchangeability. On this account, therefore, it is of all articles, best adapted to the desired end.

The power of gold in exchange, in proportion to its weight, may be further seen in the fact that one pound of it is, on an average of prices throughout the United States, equal to 15,000 pounds of wheat, 30,000 pounds of Indian corn, five tons of rice, or one-and-a-half tons of cotton.

4th. *These metals are malleable.* They can be wrought into any shape, will receive and retain any impression that may be put upon them; they may be divided into the smallest quantities, and again united with the smallest possible loss. Hence, they are peculiarly adapted to coinage, and may also be converted to a great variety of alternate uses; now acting as ornaments of the person, now performing the functions of money.

5th. *They are of uniform quality.* This is an important fact. Gold or silver is always the same thing precisely. Other metals may vary greatly in quality, but gold or silver never. Found in the sands of Africa, in the quartz of California, or the mountains of Russia, gold is always and everywhere gold—nothing less, nothing more. The iron of Sweden, of England, and of Pennsylvania, vary in essential particulars, but not so gold or silver.

6th. *These metals may be readily alloyed or refined.* By alloy they are made harder, so as to resist more effectually the abrasion incident to use as a circulating medium. If desired, they can be again refined and assayed with the greatest accuracy, and little or no loss. Of what other commodities can the same be said?

7th. *Imperishable.* Fire does not consume them. Atmospheric changes cause no decomposition. Sunk in the bottom of the ocean, they do not perish; and in the flames which reduce a city to ashes, leave the gold and silver essentially unharmed. The precious metals which ornamented the Temple of Solomon may, and probably do, at this moment form a part of the currency of the world.

8th. *Beautiful.* It is certainly a remarkable fact that in all countries, whether barbarous or civilized, the precious metals are esteemed as objects of great beauty.

In the palaces of the great and the cabins of the lowly, in the wilds of America or on the steppes of Tartary, wherever man is found, whatever his color or condition, whatever in other respects, his taste or aspirations, gold and silver are esteemed as objects of beauty. From the lordly Anglo-Saxon to the scarcely degraded Patagonian savage, the desire for these metals for ornaments to the person or household exists, and the desirableness of an object is one element of its value.

9th. *Universally Diffused.* This fact is also worthy of notice. In every principal section of the globe the precious metals exists in such quantities as to be objects of attention. Europe, Asia, Africa, North and South America, Australia, all produce gold and silver.

10th. Lastly, these metals are *sufficiently plentiful* to furnish currency for all the wants of commerce. This we argue from two considerations; first, from the fact that, according to the best estimations, not more than twelve fifths of the gold and silver now in existence is used as money, the balance being in plate or other objects of utility or ornament. In our last article, we endeavored to establish the fact, that in increasing the quantity of money only reduced its value or power in exchange, by increasing prices and extending credits. If that point is clear, (and nothing is more demonstrable or more in accordance with facts of every day's observation) then it cannot be assumed that the precious metals exist in sufficient quantity for use as currency throughout the world.

In this connection, it may be proper to add, that the adaptation of these metals to a great variety of uses, other than money, is matter of much importance; for as, both in the manner in which they are produced, viz, by labor, and in the demand which exists for them, viz., for a great variety of the ordinary wants of mankind, they are brought within the influence of the laws of trade, as all other values, they always maintain their legitimate position in the aggregate wealth of the world. As soon as there is a real redundancy of gold and silver, as required for money, they are at once converted into plate, jewelry, etc., etc. Money being plenty and cheap, men can afford to use the precious metals for other purposes, and they always have done so. But it is further worthy of remark, that as a general fact the precious metals are only to a limited extent used in such a manner that they cannot be readily brought back into currency if desired; and hence the plate and ornaments the lady of to-day, may be found in the coffers of the banker to-morrow.

We are aware that it is denied that these metals do exist in sufficient plenty to meet the wants of commerce. It is, we know, a disputed point, on which great and important theory rests, and therefore deserves a more extended examination than we have given it in this place, or can advantageously give it, until we have taken into consideration the various substitutes for metallic money which have become, from time to time, introduced to save the use of the precious metals. We are not prepared to decide in full view of the whole ground, until we have examined in detail the entire financial machinery of commerce; have considered the effect of credit, book accounts, promissory notes, bills of exchange, and other similar instrumentalities, by which a great part of the otherwise unnecessary use of money is dispensed with. They demand a separate chapter, and a more appropriate place.

TENNESSEE LEGISLATURE.

NASHVILLE, Wednesday, November 11, 1857.

Senate.—Mr. Jones offered a bill authorizing Christopher C. Hughes, to take guardian bonds in vacation. Passed first reading.

Mr. Menees, a bill regulating the sale of spirituous liquors. Passed first reading, and made the special order for to-morrow.

Mr. Whitworth offered a bill to abolish the office of Tax Assessor, and amend the act of '56, chap. 74. Restores the old agency for assessing, the assessors to act undertithe law of '56, with some amendments. Passed, referred, and 100 copies ordered printed.

House.—Mr. Vaughn, from certain mechanics of Nashville asking for an amendment to the mechanics' lien law.

REPORTS OF STANDING COMMITTEES.

Mr. Davidson, from the committee on incorporations, returned the bill in lieu of the bill to authorize the licensing of attorneys, &c.

Mr. Newman, from the Internal Improvement Committee, reported as follows on sundry bills and resolutions:

To produce uniformity in reports of Railroad Companies, and define the duties of the Road Commissioner, the Committee recommend that the tenth section be stricken out, and that the bill pass.

To compel Railroad Companies to keep within their charters in charging rates of freight. The Committee also to be discharged from the consideration of the bill.

House bills No. 16 and 21, with resolutions No. 9 and 39, in regard to State aid to railroads, the committee offer a bill in lieu of said bills and resolutions, and in lieu of the 10th section of the bill, report the bill 109, defining the duties of the Railroad Commissioner.

Senate bill for the relief of Memphis and Ohio Railroad Company, a majority of the committee recommend its passage.

RESOLUTIONS.

Mr. Bently, directing the Comptroller to make a call upon the free banks for an additional deposit of stock to cover the depreciation of their currency.

Mr. Johnson, providing that the House shall convene at 9 o'clock A. M. and 2 o'clock P. M. daily.

Mr. Maney to incorporate the Young Mens' Christian Association of Nashville.

Mr. Bradford, to change the line between the counties of Dyer, Gibson and Madison.

Mr. Savage, to amend the act of 1856, to exempt certain property from attachment or execution, so as to exempt a gun or stand of arms.

Mr. Rose, to establish a Chancery Court in the town of Sneedville, Hancock county.

Mr. Vaughn, to amend the Mechanic's lien law.

Mr. Taylor, to consolidate the offices of Surveyor and entry taker in the county of Decatur.

Mr. Bently, in relation to unclaimed dividends of Insurance Companies.

Also, relating to the debts contracted by women before marriage.

All of which were appropriately referred.

RESOLUTIONS UNDER THE RULE.

On the distribution of the Geological reports of last session. Adopted.

To appoint commissioners to examine into the condition of certain free banks.

Pending its discussion, the House adjourned till 3 o'clock, P. M.

Afternoon Session.—The discussion of the resolutions to appoint commissioners to examine into the condition of certain free banks, was continued at some length, and the whole subject was finally referred