was about to be begun in 1835 ; as also the Peedee and Wateree Railroad, to extend from Cheraw to Charleston, 153 miles; the Edgefield Railroad, to run from Aiken to Charles­ton, 137 miles ; a railroad to extend from Cheraw to Co­lumbia, eighty-eight or ninety miles ; another from Barn­well to a point on the South Carolina Railroad, and like­wise from Beaufort to Hamburg on the Savannah river, 110 or 112 miles in length.

*Georgia.—*The Savannah and Macon Railroad is 210 miles between these two places. The Augusta and Athens Railroad is 114 miles between the two places, and may be considered as an extension of the South Carolina Railroad. When the whole work is finished, the route from Charleston to Memphis will be 700 miles. A railroad is projected from Augusta to Columbus on the Chattahoochee, twenty miles in length, with other railroads branching from it.

*Florida.—*A railroad is to extend from Tallahassee, the capital, twenty-two miles, to the town of St Mark’s, to be carried to Jacksonville on the St John’s river, 150 miles.

*Alabama.—*the Tuscumbia, Courtland, and Decatur Railroad extends from Tuscumbia to Decatur, forty-five miles. The Daletown, Woodville, and Greensborough Railroad, is to extend from Daletown, on the Alabama river, northward through Woodville to Greensborough, fifty miles; the Florida, Alabama, and Georgia Railroad, to run from Pensacola in Florida, crossing the Escambia river about twenty-two miles above that place, thence in a north-east direction to Columbus, Georgia, on the Chattahoochee river, about 210 miles. Railroads are also proposed from Mont­gomery to Columbus, Georgia, 100 miles in length ; from Montgomery to Decatur on the Tennessee river, about 200 miles ; and from Tuscaloosa to Decatur, about 120 miles. Partly by the Tennessee and Alabama Railroad, partly by a water-communication from the Hiwassee, a considerable tributary of the Tennessee, which rises in the mountains of Georgia, it is proposed to continue a line to Selma on the Alabama, 371 miles, and to Mobile, 600 miles.

*Mississippi.—*Several railroads have been projected in this state, the most important of which is the Natchez and Jackson Railroad, in extent about ninety miles between those places, and onwards to Livingston, thirty-one miles more.

*Louisiana.—*In the legislature of Louisiana a bill has been introduced for a magnificent scheme of internal im­provement ; namely, a railroad from New Orleans to Baton Rouge, St Francisville, and Clinton, thence eastwardly to the boundary line of Mississippi. This plan is recommend­ed as part of a great route through Mississippi, Alabama, Georgia, North and South Carolina, and Virginia, to Wash­ington city. The New Orleans and Nashville Railroad is proposed to extend from New Orleans to Nashville in Ten­nessee, from 480 to 500 miles in length.

In Tennessee, Kentucky, Ohio, Michigan. Indiana, and Illinois, extensive schemes of railroads have also been pro­jected, which, when they are executed, will completely in­tersect these districts, and afford great facilities to internal intercourse.

The substitution of paper-money for specie is a modern improvement of obvious advantage, but liable to peculiar risks. Dr Smith very clearly explains the benefits which arise from the judicious operations of banking, as well as its evils when it is carried to excess.@@1 The great security against the abuse of paper-money, is its immediate convertibility into specie. It is a promise to pay on demand a certain amount of gold or silver. The punctual performance of this promise is the only sure guarantee of its value, which, where it is not performed, may vary to any amount, until the note de­generate into a mere piece of waste paper, as was the case in France during the progress of the revolution, from the inordinate issue of assignats. The great profit of a bank arises from the circulation of its notes, and its chief danger from the sudden return of those notes in exchange for specie. It is well known that no bank has a store of specie equal to the amount of its notes in circulation. The liabilities of the Bank of England have often been between twenty and thirty millions, while its stock of specie did not exceed one or two millions. Specie being, however, an expensive stock, a bank is tempted to carry on business with the lowest pos­sible quantity ; and as the disproportion between this fund and the liabilities increases, the hazard also increases of a run upon the bank, and a suspension of cash payments. Against this danger the American banks, though many of them conducted their business with success, and possessed ample funds, were not sufficiently guarded. In a time of panic, a bank, by the sudden influx of its notes, may be drained of its last guinea or dollar, as happened to the Bank of England in 1797. But when a bank has ample funds, every effort should be made, at whatever expense, and with the least pos­sible delay, to provide specie, and to resume cash payments. In this country, though the Bank of England in 1797 might have been forced for a time to suspend its cash payments, yet the continuance of the suspension after the panic, and when the necessity had ceased, was a fatal error, and a most disgraceful fraud on the community, which was followed by the depreciation of the currency, and by great injustice and disorder. In 1805, the bank of Paris was exposed to a drain of specie to be remitted for payment of the French armies when they were in Germany, and was under a like necessity of suspending its cash payments ; but when the pres­sure ceased, its payments were resumed early in 1806, after the conclusion of the peace of Presburg.

In 1836 the number of banks in America amounted to 636, in 1838 to 663, besides 166 branches, and several other banks from which no returns were received in reply to the application made. Including these, the whole may be estimated at between 800 and 900. Their capital was either subscribed by individuals, or it consisted of loans from the several states in which they were situated ; and in many cases the state was a shareholder or sole proprietor of the bank. Where the state agreed to aid the bank with funds, or with its credit, bonds bearing interest, and payable in ten, twenty, or thirty, or any greater number of years that might be agreed upon, were issued to the amount of one or two millions of dollars, or to any greater or less amount, for which the borrowers gave a mortgage on real property to double the amount. The state bonds being disposed of in the market, the bank acquired the necessary funds for carrying on its business. In some cases banks have been established on the frail foundation of fictitious capital. The fourth part of its capital, for example, or out of 160,000 dollars, only 25,000 were really subscribed. For the residue the shareholders gave their bills, and pledged as a security the stock they had paid in ; and thus the nomi­nal capital was 100,000 dollars, but the real capital only one fourth. In one case the whole capital subscribed was next day given back under the name of a loan to the subscribers. Though such fraudulent transactions were not common, yet many of the banks possessed a slender foundation of capital, not amounting to 100,000 dollars, and in some cases not to above 60,000 or 30,600 dollars, and this often made up with paper promises. In most cases, however, the banks carried on a profitable business, and divided from five to eight and ten per cent.

No country has suffered so much from the mania for banking, or been so deluged with depreciated and worthless paper money, as the United States. There were 400 banks in existence in 1819, many of which had no adequate foun-

@@@, Smith’» Wealth of Nations, vol. i. p. 510.