

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

EDITED BY I. SMITH HOMANS.

"No expectation of forbearance or indulgence should be encouraged. Fear and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The revenue of the State is THE STATE; in effect, all depends upon it, whether for support or for reformation."

"Rightfully considered, no principle is more conservative than that which identifies the laborer with the capitalist."

VOLUME TWENTY-SEVENTH,
OR,
VOLUME SEVENTH OF THE THIRD SERIES.

FROM JULY, 1872, TO JUNE, 1873, INCLUSIVE.

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OF THE

BANKER'S MAGAZINE AND STATISTICAL REGISTER

FROM

JULY, 1872, TO JUNE, 1873, BOTH INCLUSIVE.

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THE
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AND
Statistical Register.

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No. 7.

THE NATIONAL BANKS OF THE UNITED STATES.

The annual report of the Comptroller of the Currency for the year 1872 was duly communicated to the treasury in November last, and by that department transmitted to Congress at its first meeting on the second day of December. The report is mainly satisfactory as regards the condition of the banks during the year. The statistical tables in the report, in relation to the lawful money reserve of the banks, their dividends, earnings, accumulations, and other details, are not only appropriate, but highly valuable.

Many of these details form a new and an interesting feature in the annual report, and are highly creditable to the industry and talent of the new Comptroller. They are quite essential to a full understanding of the workings of the system.

From the new report we learn that since the organization of the national banking system by Congress, in the year 1863, two thousand and sixty-one national banks have been organized; twenty-one of these have failed, and ninety-six gone into voluntary liquidation, by a vote of two-thirds of the shareholders, under section 42 of the act, leaving nineteen hundred and forty-four banks in existence on November 1, 1872.

The banks had in October last, a combined capital of four hundred and seventy-nine millions of dollars; with accumulated surplus or undivided profits equal to one hundred and ten millions; making together a working capital of five hundred and eighty-nine millions. This, although a vast combination of strength and usefulness, is

exceeded by the accumulated deposits* of the savings banks of the seven States of NEW ENGLAND and NEW YORK.

The nineteen hundred and forty-four banks in existence in the month of October had a circulation of 333 millions; general deposits amount to 625 millions; and had deposits to the credit of other banks, amounting to 143 millions, making an aggregate of liabilities to the public of about 1100 millions of dollars.

To meet these aggregate liabilities, the banks held in loans and discounts, 872 millions; in government bonds, 409 millions; on deposit with, and in bills of other banks, 144 millions; in specie, 10 millions; and in lawful reserve, 119 millions.

We regret to find from the official tables contained in this report showing the condition of the banks, towards the close of each year 1864 to 1872, that they do not at present maintain the strength which prevailed five and six years ago—a strength which should be preserved in all time to come. It is the departure by the banks from a truly legitimate and safe system, which has recently fostered speculation throughout this community, and has extended to other parts of the country, and has virtually caused the failures of six of these banks in the year 1872.

The national banks had in October, 1866, combined deposits and circulation of 1015 millions, with a money reserve of 231 millions. In October, 1867, the liabilities were 975 millions, and their cash reserve was 182 millions.

In October, 1872, after repeated revulsions, expansions and contractions, and numerous failures among commercial circles, the banks show combined circulation and deposits in the 1100 millions, while their cash reserve is only 145 millions; or about thirteen per cent of their cash liabilities. The Comptroller states the average to be 19 per cent (page 23), but if we include balances due to other banks as deposits, as they really are, the average will be shown to be less—

viz :

| | |
|---|----------------|
| Circulation outstanding, October, 1872..... | \$ 333,495,000 |
| Deposits on hand, " | 625,708,000 |
| " of other banks, " | 143,836,000 |

Total cash liabilities.....\$ 1,103,039,000

Their cash reserve at the same time was as follows :

| | |
|---------------------------|----------------|
| Lawful money reserve..... | \$ 118,971,000 |
| Specie | 10,229,000 |
| Bills of other banks..... | 15,734,000 |

\$ 144,934,000

or about thirteen per cent.; or if we include, as cash assets, the balances due by other banks, (\$ 128,180,000), the rate will appear to be over 25 per cent.

This relative condition of the national banks at various periods is more fully exhibited in the following summary from the Comptroller's report, (page 6.)

* See Banker's Magazine, October, 1872, page 241, and November, 1872, page 334.

| | Oct., 1864. 508 banks. | Oct., 1865. 1518 banks. | Oct., 1866, 1644 banks. | Oct., 1867. 1642 banks. |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <i>Resources, 1864-1867.</i> | | | | |
| Loans and discounts | \$ 93,238,657 | \$ 487,170,136 | \$ 603,247,503 | \$ 609,675,214 |
| United States bonds | 108,064,496 | 427,731,300 | 426,657,350 | 418,963,050 |
| Due from other banks | 34,017,116 | 107,372,212 | 119,734,408 | 103,618,336 |
| Bills of national banks | 4,687,727 | 16,247,241 | 17,437,699 | 11,841,104 |
| Specie on hand | — | 18,072,012 | 9,220,483 | 12,798,044 |
| Lawful money | 44,801,497 | 189,988,496 | 205,770,641 | 157,439,099 |
| <i>Liabilities, 1864-1867.</i> | | | | |
| Capital stock | 86,782,802 | 393,157,206 | 415,278,969 | 420,073,415 |
| Surplus | 2,010,286 | 38,713,380 | 53,359,277 | 66,695,587 |
| National bank notes | 45,260,504 | 171,321,903 | 280,129,558 | 293,987,941 |
| Deposits | 122,166,536 | 549,081,254 | 597,960,993 | 568,212,337 |
| Due to other banks | 34,862,384 | 174,199,998 | 137,483,456 | 112,756,181 |
| <i>Resources, 1869-1872.</i> | | | | |
| | Oct., 1869. 1617 banks. | Oct., 1870. 1615 banks. | Oct., 1871. 1787 banks. | Oct., 1872. 1919 banks. |
| Loans and discounts | \$ 682,883,106 | \$ 715,928,080 | \$ 831,552,210 | \$ 872,520,104 |
| United States bonds | 384,088,050 | 378,562,750 | 410,316,950 | 409,668,700 |
| Due from other banks | 100,853,544 | 109,426,971 | 143,176,640 | 123,180,542 |
| Bills of national banks | 10,776,023 | 12,512,927 | 14,197,653 | 15,734,098 |
| Specie on hand | 23,002,406 | 18,460,011 | 13,252,998 | 10,229,756 |
| Lawful money | 129,564,295 | 122,669,577 | 134,489,735 | 118,971,104 |
| <i>Liabilities, 1869-1872.</i> | | | | |
| Capital stock | 426,399,151 | 430,399,301 | 458,255,696 | 479,629,144 |
| Surplus | 86,165,334 | 94,061,439 | 101,112,671 | 110,257,516 |
| National bank notes | 293,593,645 | 291,798,640 | 315,519,117 | 333,495,027 |
| Deposits | 523,029,491 | 512,765,708 | 626,774,021 | 625,708,307 |
| Due to other banks | 118,917,264 | 130,042,203 | 171,942,684 | 143,836,431 |

While the national bank circulation has increased from 171 millions in 1865 to 333 millions in 1872, the government issues of currency have not declined. The latter are still allowed to their extreme limit, though they should have been liquidated as fast as the national bank notes were created. There were two points agreed upon in Congress, pending the laws creating a national currency, viz :

1st. That the banks, as a reward for their ample assistance to the public treasury, should be allowed for twenty years to maintain the extreme amount of bank bills, viz : three hundred millions of dollars.

2d. That the legal-tender issues, being merely a war measure, should be gradually liquidated or cancelled after the termination of the war.

This latter agreement has not been maintained. The country is now suffering from a redundant circulation of paper money ; and, AS A RESULT, we are further from specie payments now than we were five years ago.

While the volume of paper money has been rapidly increasing, fostering speculation and producing revulsions frequently, the volume of specie has been allowed to diminish. In order to show this, we reproduce a tabular view of the capital, circulation, deposits, specie and cash reserve of the national banks since the year 1863.

| Year. | No. | Bks. | Capital. | Circulation. | Specie. | Legal Tender. | Deposits. |
|-------|---------|------|-------------|--------------|------------|---------------|-------------|
| 1864. | Jan... | 139 | 14,740,000 | 30,000 | 5,018,000 | — | 21,604,000 |
| | April. | 307 | 42,204,000 | 9,797,000 | 22,961,000 | — | 58,088,000 |
| | July.. | 467 | 75,213,000 | 25,825,000 | 42,283,000 | — | 146,796,000 |
| | Oct... | 508 | 86,782,000 | 45,960,000 | 44,801,000 | — | 157,028,000 |
| 1865. | Jan... | 639 | 135,618,000 | 66,769,000 | 4,481,000 | 72,535,000 | 268,966,000 |
| | April. | 907 | 215,326,000 | 98,896,000 | 6,660,000 | 113,000,000 | 421,585,000 |
| | July.. | 1294 | 325,834,000 | 131,452,000 | 9,437,000 | 168,446,000 | 614,243,000 |
| | Oct... | 1513 | 393,157,000 | 171,321,000 | 14,960,000 | 193,094,000 | 723,280,000 |
| 1866. | Jan... | 1582 | 403,357,000 | 213,240,000 | 16,909,000 | 187,846,000 | 668,460,000 |
| | April. | 1612 | 409,273,000 | 248,886,000 | 13,854,000 | 193,542,000 | 674,793,000 |
| | July.. | 1631 | 414,170,000 | 267,753,000 | 12,627,000 | 201,406,000 | 694,894,000 |
| | Oct... | 1644 | 415,278,000 | 280,130,000 | 8,170,000 | 205,770,000 | 734,393,000 |
| 1867. | Jan... | 1647 | 419,780,000 | 291,093,000 | 16,634,000 | *186,511,000 | 701,760,000 |
| | April. | 1642 | 418,844,000 | 291,880,000 | 10,335,000 | 176,690,000 | 654,787,000 |
| | July.. | 1637 | 418,123,000 | 291,491,000 | 9,602,000 | 177,888,000 | 683,480,000 |
| | Oct... | 1642 | 420,073,000 | 293,887,000 | 10,256,000 | 157,439,000 | 678,425,000 |
| 1868. | Jan... | 1642 | 420,260,000 | 294,377,000 | 18,101,000 | **161,476,000 | 679,353,000 |
| | April. | 1643 | 420,273,000 | 295,336,000 | 15,379,000 | 149,388,000 | 672,140,000 |
| | July.. | 1640 | 420,105,000 | 294,908,000 | 20,755,000 | 166,407,000 | 744,606,000 |
| | Oct... | 1644 | 420,634,000 | 295,769,000 | 11,750,000 | 158,310,000 | 724,964,000 |
| 1869. | Jan... | 1628 | 419,040,000 | 294,476,000 | 29,628,000 | 142,594,000 | 707,653,000 |
| | April. | 1620 | 420,818,000 | 292,457,000 | 9,944,000 | 134,153,000 | 677,383,000 |
| | July.. | 1619 | 422,660,000 | 292,753,000 | 18,455,000 | 132,554,000 | 716,243,000 |
| | Oct... | 1617 | 426,400,000 | 293,593,000 | 23,002,000 | 131,655,000 | 641,946,000 |
| 1870. | Jan... | 1615 | 426,074,000 | 292,838,000 | 48,345,000 | 134,005,000 | 692,835,000 |
| | March. | 1615 | 427,504,000 | 292,509,000 | 37,096,000 | 128,341,000 | 666,695,000 |
| | June.. | 1612 | 427,235,000 | 291,183,000 | 31,100,000 | 140,293,000 | 704,700,000 |
| | Oct... | 1615 | 430,400,000 | 291,798,000 | 18,460,000 | 124,747,000 | 642,805,000 |
| | Dec... | 1648 | 435,356,000 | 296,205,000 | 26,307,000 | 124,576,000 | 652,889,000 |
| 1871. | March. | 1608 | 444,732,000 | 302,028,000 | 26,095,000 | 130,875,000 | 729,364,000 |
| | April.. | 1707 | 446,925,000 | 306,131,000 | 22,732,000 | 142,290,000 | 785,455,000 |
| | June.. | 1723 | 450,330,000 | 307,793,000 | 19,924,000 | 154,988,000 | 789,658,000 |
| | Oct... | 1767 | 458,255,000 | 315,519,000 | 13,253,000 | 136,585,000 | 798,715,000 |
| | Dec... | 1790 | 450,225,066 | 318,265,000 | 29,585,000 | 117,404,000 | 773,590,000 |
| 1872. | Feb... | 1814 | 464,143,000 | 321,634,000 | 25,507,000 | 119,193,000 | 773,376,000 |
| | April.. | 1844 | 467,924,000 | 325,305,000 | 24,433,000 | 123,240,000 | 787,870,000 |
| | June.. | 1853 | 470,543,000 | 327,092,000 | 24,256,000 | 137,065,000 | 803,942,000 |
| | Oct... | 1944 | 479,629,000 | 333,495,000 | 10,229,000 | 118,972,000 | 769,545,000 |

The Comptroller recommends a change in the National bank act in reference to the subject of Usury: there being some doubt among legal minds as to the operation of section 30 of the law. He says:

"The original national currency act of February 11, 1863, provided as a penalty for usury the forfeiture of the debt, and section 50 of the same act also subjected the rights, privileges, and franchises of an association to forfeiture for wilful violations of the act. It may be doubted, therefore, whether Congress intended to impose a specific penalty involving the loss of the whole debt, and then, in addition, subject the same bank to a forfeiture of charter in a subsequent section, which is applicable to other violations of law. I am in-

* Including Compound-interest notes.

** Including Compound notes and three-per-cent Certificates.

formed by gentlemen who participated in the framing of the present national currency act, that the forfeiture of twice the amount of interest was regarded as a sufficient penalty for such violations of law, and, at the same time, a sufficient protection to borrowers."

The anomalous laws of the different States on the subject of interest have long been a source of dispute and litigation. It would be well if one uniform system could be adopted: or if Congress would by a liberal clause release the National banks entirely from any penalty. Wise legislation in ENGLAND has many years since removed all limit to the rate of interest. The Comptroller says: "The rates of interest fixed by State laws are not governed by any sound economical or business principles. In three of the NEW ENGLAND States usury laws are abolished, while in the remainder the rate has remained for half a century at a uniform standard, which is less than the present rate of the BANK OF ENGLAND. In MINNESOTA and VIRGINIA, the rate is limited to twelve per cent.; in ILLINOIS, WISCONSIN, and MISSOURI, to ten per cent.; in ALABAMA and OHIO, to eight per cent.; while in PENNSYLVANIA, MARYLAND and KENTUCKY, the rate is fixed at six per cent. In NEW YORK the taking of an excess beyond the limit of seven per cent. forfeits the whole debt, and subjects the creditor to fine and imprisonment. It would be difficult to give any good reason why the rate of interest should be limited to ten per cent. in the City of Washington, to six per-cent. in the neighboring cities of Philadelphia, Baltimore, Wilmington, and Raleigh, and to twelve per cent. across the Potomac, in Alexandria, and in the capital of VIRGINIA. Many of the States have practically repealed their usury laws, while other neighboring States retain, upon their statute-books, laws which are so continually evaded that they have become obsolete. Savings banks chartered by Congress, savings banks, trust companies, and safe deposit companies authorized by the legislatures of almost every State of the Union, as well as private bankers, offer for interest on deposits rates nearly equal, and sometimes exceeding the ruling rates allowed by law; and under such circumstances it is difficult to control by legislation the rates of the national banks."

The national banks show a commendable increase in their surplus funds, which by law should amount to twenty per cent. of their capital. The surplus has increased from 82 millions in August, 1869, to 105 millions (or a fraction over twenty-two per cent.) in August, 1872. This exhibit is another feature of the new Comptroller's report, which, annually resumed and enlarged, will be valuable to those who examine the subject closely. He says:—

"The Act of March 3, 1869, required specific returns to be made of the dividends and net earnings of the national banks after the declaration of each dividend. From these returns the following table has been prepared, exhibiting the aggregate capital and surplus; total dividends and total earnings of the national banks, with the ratio of dividends to capital; dividends to capital and surplus; and earnings to capital and surplus, for each half year, commencing March 1, 1869, and ended September 1, 1872."

| Period of six months ending— | Number of banks. | Capital. | Average surplus. | Total dividends. | Total net earnings. | Dividends to | | |
|------------------------------|------------------|----------------|------------------|------------------|---------------------|--------------|----------------------|----------------------------------|
| | | | | | | capital. | capital and surplus. | Earnings to capital and surplus. |
| | | | | | | P. ct. | P. ct. | P. ct. |
| Aug. 31, 1869 | 1,481 | \$ 401,650,809 | \$ 82,105,848 | \$ 21,767,831 | \$ 29,221,184 | 5.42 | 4.50 | 6.04 |
| Feb. 28, 1870 | 1,571 | 416,366,991 | 86,118,210 | 21,479,095 | 28,996,934 | 5.16 | 4.27 | 5.77 |
| Aug. 31, 1870 | 1,601 | 425,317,104 | 91,630,690 | 21,080,343 | 26,813,885 | 4.96 | 4.68 | 5.19 |
| Feb. 28, 1871 | 1,605 | 428,699,165 | 94,286,591 | 22,205,150 | 27,243,162 | 5.18 | 4.24 | 5.21 |
| Aug. 31, 1871 | 1,693 | 445,999,264 | 98,431,243 | 22,125,279 | 27,315,311 | 4.96 | 4.07 | 5.00 |
| Feb. 28, 1872 | 1,750 | 450,693,706 | 99,431,243 | 22,859,826 | 27,502,539 | 5.07 | 4.16 | 5.00 |
| Aug. 31, 1872 | 1,852 | 465,676,023 | 105,181,942 | 23,827,289 | 30,572,891 | 5.12 | 4.17 | 5.36 |

FINANCES OF THE UNITED STATES.

The annual Report of the Secretary of the Treasury for the last fiscal year has been made public early in the month of December, and since the publication of our last number. Of the changes in market values of staples, the Secretary says:—"The rise in the price of iron and the advance in the wages of labor in ENGLAND during the past year favor the government and people of the UNITED STATES; but this advantage, due to natural causes, should not lead us to trust the future to the force of those causes, but should induce us rather to act at once and with vigor. It may happen that we cannot regain the control of the direct trade between EUROPE and the UNITED STATES, but there is an immense field to be occupied upon the Pacific Ocean and in the South Atlantic. ENGLAND controls the markets of the world by controlling the channels of communication, and I am convinced that a wonderful impetus will be given to the agricultural and manufacturing interests of the country by the increase of our commercial marine. Merchants in distant countries must purchase goods at points with which they have frequent and regular communication, and when such communication exists with one country only, the cost of merchandise becomes unimportant, as there are no means of comparison; nor is there opportunity for the advantages of competition. Hence a great producing country can afford to establish and maintain lines of steamships upon the ocean, as the indirect benefits will much exceed the cost."

The Secretary does not impute the lower prices of labor and manufactures abroad to the true causes. We think the principal grounds are that in ENGLAND the currency is a steady one, and founded upon correct principles; whereas, in the UNITED STATES, there is neither consistency nor uniformity. All contracts are made in uncertainty, and are affected by the doubts prevailing as to the value of the dollar six months hence.

The report is not as clear as it might be made in reference to the general receipts and expenditures of the current year. The aggregate revenue and the aggregate expenditure under each head should be distinctly stated, not only for the past year, but for the preceding

year, and the estimates for the current and succeeding years. These are not clearly stated in the report, nor can they be ascertained by any manipulation of the figures.

Thus the expenditures under the "civil" head for 1871-2 are reported as \$16,187,060; for the current year they are estimated at \$31,299,891; and for the year 1873-4, they are estimated at \$18,000,000. Here obviously some other expenses are included for the years 1872-3, that are not contemplated in 1871-2 or 1873-4.

The "foreign intercourse" expenses last year were \$1,839,369; and for 1873-4 are estimated at \$1,325,000, but for 1872-3, we find only \$900,000 estimated, and for three quarters only; the remainder being included probably in the general aggregate of \$31,299,891, a sum which must lead the reader astray. An abstract of this kind should embrace a period of at least four years, and present the general aggregate under each head of revenue and expenses.

In the absence of such a clear and comparative exhibit, we endeavor to reconcile the results to our satisfaction, but not fully. The annexed is a summary for the past two years and for the next two years.

| Annual Revenue. | Year. | Year. | Estimated. | Estimated. |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------|
| | 1870-1871. | 1871-1872. | 1872-1873. | 1873-1874. |
| From customs..... | \$ 206,270,408 | \$ 216,370,286 | \$ 192,729,540 | \$ 200,000,000 |
| Internal revenue..... | 143,098,154 | 130,642,178 | 108,169,047 | 103,000,000 |
| Sales of public lands..... | 2,388,647 | 2,575,714 | 2,297,324 | 3,000,000 |
| Tax on national banks... | 6,003,584 | 6,523,396 | 6,307,238 | 6,300,000 |
| Pacific Railway Co..... | 813,285 | 749,862 | 619,094 | 900,000 |
| Premium on gold..... | 8,892,840 | 9,412,638 | 2,426,737 | — |
| Miscellaneous..... | 15,857,027 | 7,832,794 | 6,766,153 | 7,100,000 |
| Ordinary revenue ... | \$ 383,323,944 | \$ 374,106,868 | \$ 319,315,134 | \$ 320,300,000 |
| Cash on hand | 149,502,471 | 109,935,705 | 106,565,371 | — |
| Totals | \$ 532,826,415 | \$ 484,042,573 | \$ 425,880,505 | — |

The expenditures proper for the years 1870-1 and 1871-2 are shown in the annexed summary, to which are added the treasury estimates for the two fiscal years ending June 30, 1874.

| Annual Expenditures. | Year. | Year. | Estimated. | Estimated. |
|----------------------------|-----------------------|-----------------------|----------------|----------------|
| | 1870-1871. | 1871-1872. | 1872-1873. | 1873-1874. |
| Civil expenses..... | \$ 18,760,780 | \$ 16,187,060 | *\$ 31,299,891 | *\$ 18,000,000 |
| Foreign intercourse..... | 1,604,373 | 1,839,369 | 900,000 | 1,325,000 |
| Indians..... | 7,426,997 | 7,061,728 | 7,037,343 | 5,700,000 |
| Pensions..... | 34,443,895 | 28,533,402 | 29,135,390 | 30,500,000 |
| Army..... | 35,799,992 | 35,372,157 | 35,876,983 | 36,000,000 |
| Navy..... | 19,431,027 | 21,249,809 | 20,805,146 | 22,500,000 |
| Miscellaneous..... | 40,116,763 | 42,958,330 | *27,800,000 | *41,500,000 |
| Interest on public debt... | 125,576,566 | 117,357,840 | 107,696,895 | 101,875,000 |
| | \$ 283,160,493 | \$ 270,559,695 | \$ 260,551,648 | \$ 257,400,000 |
| Public debt..... | 130,735,148 | 99,960,254 | — | — |
| Premiums on do..... | 9,016,795 | 6,958,267 | — | — |
| Cash on hand..... | 109,917,477 | 106,564,357 | — | — |
| Totals | \$ 532,829,813 | \$ 484,042,573 | .. | .. |

* The Civil expenses and the "Miscellaneous" for 1872-3 combined together are about equal to the estimates for the year 1873-74.

We could with advantage here take a lesson from the English practice. An annual exhibit is given to the British parliament, in which are shown the total revenue and the total expenditures under each separate or important head for each of the previous fifteen years; to which are added miscellaneous details of the first importance to the legislator, the financier and the merchant. For instance, imports and exports (under 80 or 100 heads). II. Coinage each year for fifteen years. III. Bank circulation. IV. Gold imports and exports—sources of import—countries to which exported. V. Customs' revenue under the principal heads. VI. Public debt. VII. Revenue from stamps, &c.

The treasury claims the privilege of extending the currency, according to the wants of internal commerce. "Where but in the treasury department can the power be reposed?" We think this is a dangerous privilege to grant to any one man, or to any set of men. If it were granted, there would be ceaseless recurrences of revulsions and panics.

On the contrary it appears to us to be the duty of Congress, and should be enforced, to fix a limit to the currency, which shall not be exceeded under any (apparent) emergency—nor under appeals from any source.

The revulsions and panics to which the business community has been exposed in the year 1872, as well as in former years, are simply the result of over-trading and speculation. The paper currency is already too large, giving to speculators and capitalists the power to combine together and by a forced "locking up" of paper, creating a "squeeze" or a "tightness." This is already a subject of investigation by Congress; but the disease lies deeper than the legislative action of Congress can reach by a committee.

The treasury ignores the fact that the three hundred and fifty millions of United States notes were created simply and solely as a WAR MEASURE; while the true interests of commerce demand (the war necessities having ceased) that these millions be slowly and surely reduced to a specie value. Let it take five years or even six years; and let the specie reserve of the banks increase through the specie paid by the government until an adequate sum is in hand to meet the demands of creditors. This would save the country twenty millions or more, annually, by paying specie funds for its government expenditures.

From a speech made by DANIEL WEBSTER in the United States Senate, May 25th, 1832, to be found in the third volume of his works, pages 394 and 395, the following is taken; and may with advantage be read by all legislators and financiers:

A sound currency is an essential and an indispensable security for the fruits of industry and honest enterprise. Every man of property or industry, every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium; such a medium as shall be a real and substantial representative of property, not liable to vibrate with opinions, not subject to be blown up or blown down by the breath of speculation; but made stable and secure by its immediate relation to

that which the whole world regards as of permanent value. A disordered currency is one of the greatest of political evils. It undermines the virtues necessary for the support of the social system and encourages propensities destructive of its happiness. It wars against industry, frugality and economy, and it fosters the evil spirit of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none have been so effectual as that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field with the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for instruction enough, and more than enough, of the demoralizing tendency, the injustice and the intolerable oppression on the virtuous and well disposed, of a degraded currency, authorized by law, or in any way countenanced by government.

U. S. HOUSE OF REPRESENTATIVES.

DEBATE ON THE TREASURY EXCHANGES.—**MR. DAVIS**, (rep.) of **MASSACHUSETTS**, from the Committee on Ways and Means, reported a bill authorizing the Secretary of the Treasury to issue coupon bonds in exchange for registered bonds, provided that the expense of such exchange shall be paid by the owner thereof. He explained that while the Secretary had authority now to change coupon bonds into registered bonds, he had not the correlative authority to change registered bonds, into coupon bonds, and, consequently, the latter class of bonds, on account of their facility of transfer, commanded higher prices in Europe than registered bonds. This bill would place the two classes on an equality by making them interchangeable.

Mr. HOLMAN, (dem.) of **INDIANA**, opposed the bill as tending to facilitate the acquisition and absorption of our bonds in Europe.

Mr. COX, (dem.) of **NEW YORK**, saw no objection to the bill, except that, perhaps, it would open up a new kind of brokerage and might facilitate frauds.

Mr. DAWES explained, that the only effect of the bill was to remove the present obstacles to negotiability of registered bonds.

Mr. HOAR, (rep.) of **MASSACHUSETTS**, remarked that he had last Monday introduced a bill and had it referred to the Committee on Banking and Currency, which, he thought, would meet all the objects of the pending measure. His proposition was to allow a certain designated number of National banks in each State to hold registered bonds in trust for owners, and to keep sets of books in which such bonds and the names of their owner shall be inscribed. The bank would issue to the owners certificates like the certificates of bank stock, signed by the President and cashier of the bank, that they hold certain bonds in trust. Such certificates could be sold in the market without any change in the registration of the bonds, just as railroad and bank stocks are now sold. The bank could collect every six months the interest on all the bonds thus held in trust, and the ordinary deposit of that semi-annual interest, in the course of business, for the time that the owners would naturally allow it to remain,

would be sufficient compensation to the bank for the transaction of the business. The only disadvantage, then, of bonds so registered, as compared with coupon bonds, would be that the owners could not sell the interest in advance of its falling due, as can now be done with coupons, but they certainly could discount it with the bank holding the bonds. It was, therefore, the policy of the Government to favor registered rather than coupon bonds. Coupon bonds give facilities to stock operators, but the others give more security to the government and to the holders. It seemed to him (Mr. HOAR) that a law of that kind would entirely obviate the objections now complained of in regard to the non-negotiability of registered bonds, and he should be very glad if his colleague (Mr. DAWES) would allow the pending bill to be introduced and postponed for a few days in order that the other proposition might be considered.

Mr. DAWES said he had no objection to that.

Mr. HOOPER (rep.) of MASS., agreed with his colleague (Mr. HOAR) as to the measure introduced by him and hoped that the pending bill would be postponed; this same question had been presented to the Committee of Ways and Means in former years, and had never met its approval, the objection to it being that the government was perfectly secure with registered bonds, and was not liable to pay counterfeit coupons or bonds. It was therefore the policy of the government to favor registered rather than coupon bonds; coupon bonds gave facilities to stock operation, but the other gave more security to the government and to the holders.

Mr. DAWES did not see the slightest conflict between the measure suggested by his colleague (Mr. HOAR) and the pending measure. He could see some advantage in his colleague's bill to a large class of bond-holders; but the pending bill had no design to affect that class at all. His colleague could not expect that bonds which go into market in large transactions, or those which were negotiated abroad, could be tied to a bank in MASSACHUSETTS or in any other State, even to that bank to which his friend (Mr. HOOPER) had by his care, sagacity and integrity, given so much credit. He did not understand how bonds deposited in banks could by any sort of certificate be negotiated in the market of the world, although he could understand how such a law as that proposed by his colleague might be desirable to many private holders of registered bonds. His colleague did not seem to comprehend the vastness of the money transactions of the present day.

Mr. WOOD, (dem.) of N. Y., could see no possible objection to the pending bill, but he could see a great advantage in it in the facilitating of trade and commerce. To the government there was no difference in the value of the two classes of bonds, but to the trading community, to the brokers and to the public generally there was a very material difference. Registered bonds had a value for a certain purpose; whereas coupon bonds had all the value of registered bonds so far as security was concerned, and had the additional value of passing readily from hand to hand. He could see no detriment to the

government in permitting this exchange at the cost of the holders, but could see material advantage in it to the commerce and trade and money facilities of the country. He was therefore in favor of the bill. He would also very much like to see the government do something to relieve the money interest of the nation. He would like to see the government, so far as it could do so legitimately and consistently with its limited powers, grant facilities to further develop the commerce and resources of the country, and in the city of New York, the money centre of the country, there was periodically a most lamentable condition of things, where a few capitalists, by the manipulation of a few million dollars absolutely controlled the whole money interests of the nation, and could even evade the power of the Secretary of the Treasury himself. While he did not believe it to be the province or prerogative of the Treasury Department to interfere in any way with private individual interests, yet he believed that the Secretary could so use those bonds and the coin and currency of the country as to grant facilities by loans to individuals on the hypothecation of government bonds at a given rate of interest, which would prevent the lamentable, destructive, revolutionary condition of things that existed to-day in the city of New York, where money was from one-sixteenth to one-eighth of one per cent. per day loaned on the very best security.

Mr. BURCHARD, (rep.) of Ill., remarked that the objections which were supposed to exist to the exchange of registered bonds into coupon bonds were proved by experience to have no weight. The Secretary of the Treasury, who ought to know, was advising the measure. Coupon bonds to-day bore a higher market value than registered bonds, showing that there were not spurious or counterfeit bonds in circulation to affect their market value. It therefore seemed to him that both the people and the Treasury Department confirmed the views suggested by the Committee of Ways and Means. The proposition of Mr. HOAR, of MASSACHUSETTS, had no connection with the pending measure, and did not antagonize it. That was a matter proper to be considered by the Committee on Banking and Currency, and when it was reported to the House it would then be time enough to consider it; but the House could now act on the pending bill on its merits, without reference to the other bill.

Mr. COX asked Mr. DAWES to state why it was that the Secretary of the Treasury desired to change this class of public securities, when he was at the same time endeavoring to negotiate for the four and a half and five per cent. bonds with the Syndicate, of which the country had heard something?

Mr. DAWES replied that it was on the principle indicated by Mr. COX's colleague (Mr. WOOD) that everything which facilitated exchange contributed to prosperity.

Mr. COX—The gentleman does not understand my question exactly.

Mr. DAWES—I see no connection at all between this bill and the negotiation of new bonds. This condition of things has been grow-

ing up every year, as bonds have more and more entered into the commercial transactions of the people. Every year they participate more and more in those transactions as a medium of exchange. It is very desirable, it seems to me, that these bonds should play their full part in exchange. The law proposed will enhance their value, make it of more interest to the people, and will give the government a greater hold on the people. I cannot see why there should be the slightest objection to the bill.

Mr. COX—My objection to the bill is this:—I do not want to aggrandize the powers of the Secretary of the Treasury; and further, I do not want him to give any greater facilities to the people to go in and speculate. After all our dickering here about the currency and bonds, we will be bound in the end to come to the only panacea, and that is the resumption of specie payment. Gentlemen ought to meet it in the next Congress, at least, if not in this. I see it stated in the newspapers that the Secretary of the Treasury intends to put on the market the five per cents. and the four and a half per cents. yet unpaid, and that the ROTHSCHILDS and the Syndicate are to take the rest of them without further legislation. I want to know why it is that in this bill no restriction is placed on the Secretary of the Treasury. He can make any number of these coupon bonds at his pleasure. He can keep stacks of them on hand. They can be used at any time in certain emergencies in the money market. This bill will not stop speculation. It will not lead to prosperity or health. The Secretary of the Treasury should be held to legal restrictions and not allowed to step over the law as he has done in other cases.

Mr. BECK said he would vote for the bill, considering that it did not at all affect the power of the Secretary of the Treasury.

Mr. MERRIMAN, (rep.) of New York, a member of the Banking Committee, also supported the bill. He approved also of Mr. HOAR'S bill, but said that it did not conflict with the preceding measure, which was not for the benefit of speculators, but for the real benefit of the people who had temporary floating capital, which this law would render available.

The discussion was closed and the bill passed—yeas, 136; nays 22.

The bill which thus gives to holders of UNITED STATES stocks, the option of exchanging registered for coupon bonds, is important in its bearing upon the settlement of our trade balances with EUROPE. Should it become a law, it will render available, as a remittance in the coupon form, when justified by the price abroad, an amount of U. S. registered stocks estimated at \$ 733,612,000.

BILLS OF LADING AS A COLLATERAL SECURITY.

In the September number of the *BANKER'S MAGAZINE*, (pages 191-193), and in the November number, (pages 373-374), we published some remarks on the risks incurred by bankers in relinquishing bills of lading, upon the acceptance by drawees of bills of exchange drawn against such bills of lading. The following important case will further illustrate the views then urged :

THE MERCHANTS' NATIONAL BANK OF MEMPHIS v. NATIONAL BANK OF COMMERCE, Boston.—Before SHEPLEY, J., and a jury. Before the UNITED STATES CIRCUIT COURT.—DISTRICT OF MASSACHUSETTS.—Oct. Term, 1872.

This was an action against the defendants for negligence on surrendering upon acceptance, instead of holding for payment, three bills of lading, two of them attached to two thirty-day drafts, drawn by JAMES H. MULFORD, of Memphis, upon GREEN & TRAVIS, of Boston, and one to a sight draft drawn by S. M. ANDERSON & Co. upon the same parties in June, 1870.

The plaintiffs offered evidence to show that the drafts were drawn against cotton sold by the drawers of the drafts and shipped to Messrs. GREEN & TRAVIS, that the drafts were discounted by the plaintiff bank and the railroad receipts attached to the drafts, that the plaintiff bank forwarded the drafts, with bills of lading attached, to their correspondent bank in New York (the METROPOLITAN NATIONAL BANK) and that the METROPOLITAN NATIONAL BANK forwarded the same to the defendant bank for acceptance and payment ; that the defendant bank presented the drafts to GREEN & TRAVIS for acceptance and upon acceptance delivered to them the bills of lading, and that Messrs. GREEN & TRAVIS failed soon after (June 29, 1870) leaving the drafts unpaid. The defendants claimed that the bills of lading were attached to the drafts to secure their acceptance and not their payment ; and that, in the absence of instructions to hold for payment, the defendants were authorized to surrender the bills of lading upon acceptance. They also offered evidence to show that there was an *agreement* between GREEN & TRAVIS and the parties of whom they purchased the cotton (MULFORD & ANDERSON), that the bills of lading should be surrendered upon acceptance, and claimed that the plaintiff bank were bound by this agreement. It appeared that there were no instructions given to the defendants, either by the plaintiff bank or the METROPOLITAN NATIONAL BANK of New York, concerning the drafts in question ; but the defendants proved that instructions were given to them to hold one bill of lading attached to a large draft in December, 1869, and that this was the only instruction given.

The court ruled that in the absence of instructions or consent

expressed or implied by the plaintiff bank, the defendants were not authorized to surrender the bills of lading upon acceptance of the drafts by GREEN & TRAVIS, but should have held them for payment; that the agreement of the vendors of the cotton and drawers of the drafts (MULFORD & ANDERSON), that the bills of lading should be delivered up upon acceptance of the drafts, would not be obligatory upon the plaintiff bank unless they were informed of it, and directed the jury to find and answer two questions:—

First, Whether there was an agreement between GREEN & TRAVIS and MULFORD & ANDERSON, that the bills of lading should be surrendered upon their acceptance.

Second, Whether this agreement was *known* to the plaintiff bank.

The jury found under the instructions of the court a general verdict for the plaintiff for the value of the cotton surrendered, and found also that there was an agreement with GREEN & TRAVIS by MULFORD & ANDERSON for the surrender of the bills of lading upon acceptance of the drafts, but that this agreement was not known to the plaintiff bank. The case will be taken to the Supreme Court at Washington on a writ of error.

The above case will serve as a caution both to drawers and drawees of bills of exchange predicated on property in transitu. It is true that in a large majority of cases the drawee cannot realize the value of the property without possession of the bills, to pay the drafts of the shipper; but the banker incurs a risk, which may (or may not) be contemplated by the original parties.

To prevent any further disputes of this order, let it be a matter of written contract, between the drawers and purchasers of bills drawn against shipments of produce, that the drawees are (or are not) entitled to possession of the bills of lading, upon acceptance by them of the drafts.

So important is this matter to all who may be parties to such operations, that at a meeting of the Board of Presidents of the banks of Philadelphia, held December 2, 1872, it was unanimously

Resolved, That the following circular be adopted and forwarded to our correspondents as indicative of, and defining the custom to be hereafter pursued by, the Philadelphia banks, in relation to the delivery of bills of lading and shipping receipts, accompanying *Time Drafts*.

DEAR SIR:—*Time Drafts* are frequently sent to the banks of this city for acceptance by the drawees, accompanied by shipping receipts or bills of lading for goods shipped to the drawee, without instructions whether the bills of lading shall be surrendered to the drawee, upon his accepting the draft, or not. We are advised that upon such drafts being accepted, it is the duty of the bank to surrender the bill of lading to the acceptor of the draft, in the absence of instructions to the contrary. To prevent any misapprehension arising in the course of

our business transactions in these matters, we have thought it proper to address this circular to our correspondents, and state that we will in all such cases deliver the bills of lading to the drawee, upon his acceptance of the draft, unless instructed to the contrary by our correspondent at the time of sending us the draft and bill of lading.

Please note the contents of this circular, and bear in mind that we shall be governed by the above stated rule in all cases to which it is applicable.

To the Editor of the Public Ledger, Philadelphia:

SIR—The Massachusetts case, of which a report is published in this morning's *Ledger*, is one of great practical importance, and it is desirable that our banks and business men should not hastily adopt an erroneous practice in such matters. It does not appear that the question of law was decided by the Court, and the jury may have been allowed to assess the damages, subject to the opinion of the Court on the point of law reserved for further consideration. Of course if the surrender was, as the report says, *contrary to the orders given*, the verdict may possibly be sustained, but even this is unlikely. The question frequently presents itself where no special instructions have been given, and there it would seem to be plain that the bill of lading should be surrendered on the acceptance of the draft, though doubts have been entertained on the subject. The reasons for the delivery are found both in a consideration of the rights of the parties to a contract of sale on credit and of the position of the acceptor of a draft, or bill of exchange, accepted on the faith of a consignment of goods. A sale upon credit is inconsistent with any right of lien, and hence it has been held, where goods were sold, "to be paid for by cash, in one month," the vendee was entitled to have the goods delivered immediately, but was not bound to pay till the end of the month, and evidence of a contrary usage was inadmissible—the contract having been in writing. As the purchaser would, therefore, be able to take the goods by replevin, or to bring trover for their conversion, it would seem to be clear that he would be entitled to demand the surrender of the bill of lading.

On the other hand, it is equally plain that where a draft is accepted against a bill of lading, the acceptor, in the absence of an express agreement to the contrary, is entitled to the possession of the goods, in order to obtain the means with which to pay the draft at maturity. Hence it was held, as far back as Lord MANSFIELD'S day, that where the drawee accepted, in consideration of a future consignment of goods, and the holder of the bill of exchange, with knowledge of such agreement, received and retained the bill of lading, he discharged the acceptor.

The bank which undertakes, therefore, to hold on to the bill of lading, without express instructions to do so, puts itself in a very awkward position. If the consignee be a purchaser on credit and wishes the goods, he can take them on tendering acceptance, or if he chooses to let them remain in its possession, he can put upon the bank the

risk of fluctuations in the market, while the property may be changeable or perishable—hogs on the hoof, butter, eggs or peaches; or, on the other hand, if it be not the interest of the drawee to accept, a refusal to deliver the bill of lading would justify him in refusing acceptance and rescinding his contract of purchase. It may be added that, on the Continent, the law is well settled that the bill of lading must always be surrendered on acceptance of a bill of exchange payable after sight, unless the contrary be expressed on the face of the bill of exchange; and in ENGLAND, though it is common for the holder of the bill to retain control or possession of the goods, a special letter of hypothecation in such cases always accompanies the bills of exchange and lading.

S. D.

WHEAT RECEIPTS—IMPORTANT DECISION.—The United States District Court of Minnesota has recently tried and determined a case in wheat receipts, which is of the highest interest to all classes dealing in such securities, whether commissionmen, warehousemen or farmers. The case is that of *RAHILLY v. WILSON*, assignee in bankruptcy of the firm of *ATKINSON & CO.*, at Lake City. The suit was brought by *RAHILLY*, a farmer holding the receipt of the firm for wheat, and was a case to determine the title to some 21,000 bushels of wheat, or rather to the proceeds thereof, the wheat having been sold, and the money received therefor having been deposited in the bank by the assignee of the bankrupts.

The question before the court was, whether the proceeds of the wheat should go to the holders of the receipts issued for the wheat by *ATKINSON & Co.*, or whether the money should go for the general payment of claims against the bankrupts. The decision of Judge *NELSON* is a voluminous and exhaustive one, and declares that the holders of the receipts are entitled to the wheat or its value, and that the property cannot go to the general creditors. He says that the wheat receipt is a contract; that receiving wheat in store is "a bailment," or an acceptance of goods in trust; that no title in the grain passed to the warehouseman; that when the certificate is presented the holder is entitled to the possession of the wheat, "not to the specific kernels of wheat deposited," says the decision—"that would, from the nature of the article, be impossible—but to the quantity specified in the receipt, and contained in the warehouse named therein." The receipts may pass from hand to hand, as they do in commercial usage, and the decision further says "the indorsement and delivery of them transfers the title to the property as effectually as if the property itself had been delivered." Of course, on this decision, the efforts of the general creditors of the bankrupts to secure the wheat in payment of their debts failed, as they ought to have done. The wheat belonged to the farmers or to the holders of the wheat receipts until actually sold. Mixing up various lots of wheat, or emptying the bins and filling them up again, did not destroy the right of the holder of the receipt to his wheat out of that warehouse, or to the same quantity of wheat that he stored there, or to the proceeds of his wheat if it had been sold.

ANNUAL REPORT OF THE MINT.

MINT OF THE UNITED STATES,
PHILADELPHIA, *September 30, 1872.*

SIR: I HAVE the honor to submit the following Report of the operations of the Mint and Branches for the fiscal year ending June 30th, 1872.

The deposits of bullion, and the coinage of the past fiscal year, compare very favorably with the previous year. The increase is satisfactory and encouraging.

The deposits of bullion at the Mint and Branches during the fiscal year were as follows: Gold, \$40,382,551.98; silver, \$10,119,414.15; total deposits, \$50,501,966.13. Deducting from this total the re-deposits, or bars made at one Branch of the Mint and deposited at another for coinage, the amount will be \$46,417,453.84.

For the same period the coinage was as follows: Gold coin, number of pieces, 1,096,415; value, \$20,376,495; unparted and fine gold bars, \$15,816,692.73; silver coin, number of pieces, 9,591,362; value, \$3,029,834.05; silver bars, \$10,391,945.32; nickel, copper, and bronze pieces, 3,635,500; value, \$123,020; total number of pieces struck, 14,323,277; total value of coinage, \$49,737,987.10.

The distribution of the bullion received and coined at the Mint and Branches was as follows:

Philadelphia.—At Philadelphia, gold deposited, \$2,318,773.78; gold coined, \$2,053,145; fine gold bars, \$98,125.16; silver deposited and purchased, \$2,000,623.86; silver coined, \$1,979,327.55; silver bars, \$72,976.95; nickel, copper, and bronze coinage, value, \$123,020; total deposits of gold and silver, \$4,319,397.64; total coinage, \$4,326,594.66; total number of pieces, 10,465,737.

San Francisco.—At the Branch Mint, San Francisco, California, the gold deposits were \$25,356,270.74; gold coined, \$25,344,840.-

22; silver deposited and purchased, \$1,039,822.43; silver coined, \$1,137,240.04; total deposits and purchases, \$26,391,093.17; total coinage, \$26,482,080.26; total number of pieces, 3,593,200.

New York.—The Assay Office in New York received during the year in gold bullion, \$7,302,344.89; in silver bullion, including purchases, \$2,868,986.71; total value received, \$10,171,331.60; number of fine gold bars stamped, 11,139; value, \$7,110,853.76; silver bars, 16,531; value, \$2,267,940.80; total value of gold and silver bars stamped, \$9,378,794.56.

Denver.—At the Assay Office (late Branch Mint), Denver, Colorado, the deposits for unparted bars were: Gold, \$985,228.27; silver, \$16,336.54; total deposits, \$1,001,564.81.

As heretofore this Institution is engaged in melting, assaying, and stamping gold and silver bullion in unparted bars, bearing the Government stamp of their weight and fineness. This Office fully meets all the demands of the mining interests of Colorado, and is efficiently and economically conducted.

Charlotte.—The deposits at the Branch Mint at Charlotte, North Carolina, have not increased during the past year. They are assayed and returned to depositors in the form of unparted bars. The Superintendent is sanguine in the belief that the deposits for the present year will exhibit a decided increase.

The deposits for bars during the fiscal year were: Gold, \$16,277.94; silver parted from gold, \$213.96; total deposits, \$16,491.90.

Dahlonega and New Orleans.—The Branch Mints at these places have very properly been abandoned. Certainly no present necessity, local or national, requires their reopening or re-establishment.

Carson City.—This Branch Mint has been most successful in its operations during the past year. The great increase of deposits during the past over the fiscal year ending June 30th, 1871, is deserving of especial notice, and is evidence of the rapid development of the rich mineral resources of that region.

The deposits during the year were: Gold, \$4,371,573.55; gold coined, \$533,350; silver deposits and purchases, \$4,192,863.14; silver coined, \$95,006.50; unparted and fine bars, \$7,869,287.53; total deposits and purchases, \$8,564,436.69; total number of pieces, 264,340.

From this statement we have the gratifying fact that the deposits of gold and silver bullion, in value, during the fiscal year, has exceeded that of the past \$6,269,942.04, an increase nearly threefold. Full confidence in the future of this Branch Mint is felt and expressed by its energetic Superintendent. The following extracts from the Annual Report of the Superintendent speak for themselves, and his recommendations of an increase of clerical force and salaries are fully approved.

He says that "the business has steadily increased during the past year, and now exhibits an extent and promise of permanence which are highly gratifying; the last three months of the year having shown an average of over one million of dollars per month. . . . From these statements it will be seen that the value of the gold and silver deposits during the year 1871-72 was \$8,564,436.69; and during the year 1870-71 was \$2,294,494.45; and that the work executed during the two periods amounted, for 1871-72 to \$8,497,644.03, and for the year 1870-71 to \$2,253,235.05, having nearly quadrupled during the past year. . . . I beg again to submit the necessity of increasing the clerical force by the appointment of an additional clerk in the Treasurer's office, at a salary of eighteen hundred dollars per year. During the past year it has frequently happened that the statements and accounts from the Treasurer's office could not be made up and forwarded to the Department at Washington as promptly as they should have been, from the insufficient force in the Treasurer's office. . . . I have, also, to renew the recommendation made in my Report for the fiscal year of 1870-71, of an increase in the salaries of the Chief Clerk and Treasurer's Clerk, whose compensation is quite inconsistent with the duties and responsibilities of their positions. These are as onerous as those of any department of this Branch Mint, and require for their proper fulfilment persons of good business qualifications. The efficient and satisfactory manner in which the duties of their positions have been discharged by the Chief Clerk and Acting Treasurer entitle them, I feel, to an advance of their salaries to twenty-five hundred dollars per year each."

In relation to the future productiveness of the mines, in connection with the deeper workings, he says: "The past year's experience on the Comstock Lode has established a point upon which there had been hitherto some uncertainty in the public mind and some among experts in mining matters, viz., that in the deeper workings of the mines deposits of ore are reached even more

extensive and rich than are found nearer the surface. This has created greater faith in the permanence of the Lode, and greater confidence in exploring and working it. The developments in the lowest levels of some of the prominent mines, at a depth of fifteen hundred feet, have given a fresh impetus to work upon the Lode. Many partially prospected claims upon which work had been for some time suspended have again been opened; new and extensive hoisting machinery provided, and some are already showing veins of pay matter."

All the suggestions of this Report are judicious and worthy of consideration. The efficiency and economy exhibited in the management of this Branch deserve commendation.

The early completion of the new Branch Mint building at San Francisco is most desirable, as also important and necessary. Every effort should be made to complete it at the earliest day practicable. The work is progressing rapidly, and, with the energy already exhibited, the building will soon be ready for occupation.

Boise City.—The Assay Office in Boise City, Idaho, is now in active operation. In March, 1872, the first deposits were received, and from that time till the close of the fiscal year ending June 30th, 1872, the total amount was: Gold, \$37,082.81; silver parted from gold, \$567.51; total deposits, \$37,650.32. These deposits were assayed and returned in the form of stamped unparted bars to the depositor.

The Superintendent in his Report suggests that the general business of the Office, including assaying, would be much increased "if that Office were directed by the Secretary of the Treasury, to issue drafts or certificates of deposit upon the Treasurer or Assistant Treasurers of the United States in payment for deposits, as authorized by the 5th section of the Act of Congress, of February 19th, 1869, establishing that Office. A favorable contract could be made with the Express Companies to transport the bullion to Philadelphia, and the cost thereof deducted from depositors." The Superintendent also refers to the fact that he has no bullion fund out of which depositors can be paid, and that in returning the unparted bars he is compelled to give to the depositor the "assay chips," or to pay the value of such "chips" out of his private funds, to be reimbursed by sale of the chips. This should be avoided, and he asks "that the Boise City Assay Office be

placed on an equal footing with the others in this respect." Approving of his suggestions, I ask for them the favorable consideration of the Department and of Congress.

The salaries of the officers in that Office are so undeniably inadequate that I earnestly recommend their increase. The Assayer (who is also Superintendent), receives \$1800 currency; the Assayer in a private office in the vicinity receives \$3000 in gold. Equal scientific knowledge, and greater responsibility, should command at least equal compensation.

This new Institution will, it is hoped, greatly aid in developing the mineral wealth of Idaho, and promote and encourage its general productive industries.

REDEMPTION OF COPPER, NICKEL, AND BRONZE COINS.

The redemption of the copper, nickel, and bronze coins by the Treasurer at the Mint under the Act of March 3d, 1871, during the year ending June 30th, 1872, was in tale or nominal value \$475,352.31.

The following statement shows the different kinds of the small coins redeemed during the year.

STATEMENT

Of the Amount and Kind of each Denomination of Base Coins Redeemed at the Mint of the United States during the Fiscal Year ending June 30th, 1872, under the Act of March 3d, 1871.

| Denomination and Kinds. | Number of Pieces. | Value. |
|----------------------------------|-------------------|--------------|
| Copper One Cent Pieces, . . . | 1,796,641 | \$17,966 41 |
| Nickel " " " . . . | 8,343,767 | 88,437 67 |
| Bronze " " " . . . | 7,405,794 | 74,057 94 |
| Bronze Two " " . . . | 3,125,247 | 62,504 94 |
| Nickel Three " " . . . | 678,040 | 20,191 20 |
| Nickel Five " " . . . | 4,343,888 | 217,194 15 |
| Total for the year, . . . | 25,648,372 | \$475,352 31 |
| Redeemed prior to June 30, 1871, | 10,615,899 | 178,133 75 |
| | 36,264,271 | \$653,486 06 |

During the same period large orders were received for the bronze and copper-nickel coins, and the issue of the same on orders is constantly increasing. From present indications the issue of these coins will, in the future, exceed their redemption.

The alloy of the minor coinage has been duly assayed and regularly reported by the Assayer of the Mint. The legal proportions of the constituent metals have been properly maintained.

ABRADED COINS AS A LEGAL TENDER.

The subject of the abrasion of coins, and at what limit abraded coins should cease to be a legal tender, has recently attracted much attention. The importance of the questions involved in the consideration of the subject will be at once recognized by all intelligent men. In my last Annual Report I referred to this subject at length. To the views then expressed, and the suggestions made, I now ask a careful attention.

TOKEN COINAGE.

Having heretofore stated my views on the convenience and necessity of "a silver token coinage," I now refer to what has been said on this subject in previous Reports.

CHLORINE PROCESS.

By the authority of the Secretary of the Treasury, and with the consent of the proprietor of the chlorine process for refining and separating gold and silver, arrangements have been made for testing the same on a large scale. The necessary room has been secured in the Mint building, the apparatus provided, and, when properly arranged, the business of refining will commence. The experience of our Mint, and of other Mints that have extensively used this process, leads to the belief, the almost irresistible conclusion, that it will supersede all others within the scope of its adaptation. For a full explanation of the process, its economy and general adaptation to the required result, I respectfully refer to my remarks on this subject in my last Report.

TABLE OF FOREIGN COINS.

The statement of the weight, fineness, and value of foreign coins, required by law to be made annually, will be found appended

to this Report. The additions will be found in this Annual Statement.

REVIEW OF FOREIGN COINS.

A regular part of every Annual Report of the Mint consists of a statement in regard to the denominations, weight, fineness, and value of foreign gold and silver coins. This is a requirement of law, and serves various useful purposes.

It will be proper, however, at this time, in addition to the statistical tables which give those details, to enlarge somewhat upon foreign systems and practice of coinage, especially as we have lately received a large accession of specimens of recent issue. These comprise not only the gold and silver, but also the finishing-out (*d'appoint*), of each series in copper or other cheap metal, which last, rarely departing from home, is more difficult for us to obtain than the costlier kinds. In a commercial sense the lowest grade of foreign currency is of no importance to us; but it is quite important we should know what rules are observed abroad in regard to such issues; what kinds of metal are used; what sizes represent a given value; and to what degree of minuteness the sizes are carried; as also the general style of device and appearance. No collection of coins is complete without them.

I will therefore offer some miscellaneous remarks, as may be called for, on each series.

Austria.—As in other nations of Europe the coinage of this empire has been, during the last few years, in a state of transition, we might almost say of confusion. There are three series of gold coins of different bases, and as many of silver, without respect to the differences of device and inscription, growing out of the severance of Hungary from Austria proper.

They still coin the gold ducat, and the quadruple ducat; but they have recently discontinued the souverain, and introduced the four-florin or ten-franc piece, corresponding to the same coin issued in France and some other countries.

The fourfold ducat (*vierfache ducaten*), or quadruple, is a beautiful and remarkable coin, and I wish to notice it particularly, because it fulfils certain conditions which have been heretofore spoken of, by which coins can be protected from the most dangerous kind of tampering or fraud. It has a larger diameter than our double eagle, and is of finer metal, and yet has less than half

the value of that coin. Of course it is proportionally thin. But this tenuity entirely sets at nought the cunning villany of sawing out the interior, and inserting a disk of inferior metal, by which a few of our coins have been turned into frauds. If it be said that a thin coin cannot well bring up the devices in a coining-press, these perfectly struck pieces furnish a reply. On the other hand it must be allowed that there are advantages in having a good body for the coin, and it is not intended to argue the question, but merely to present the point in passing.

The last Annual Statement of Austrian coinage shows considerable activity, though not what we might expect from a rich and populous empire. This falling off appears to be true, at the present time, of all the Mints in Europe, except those of London and Berlin.

When Austrian rule extended over a part of Italy there were five Mints in the whole realm; now there are three, in Austria, Hungary, and Transylvania. The coins struck in Hungary, though similar in denominations and value to those of Austria, bear the language of the Magyars.

The new gold pieces, one marked eight florins, the other four florins, the latter alone having been struck so far, are intended as an offering to the scheme of international currency, being concurrent with the gold coins of France, Belgium, Italy, and Sweden. It will serve a commercial, but hardly a domestic use in Austria, since it is not strictly on a par with four silver florins, but is to be rated by agreement of parties. The ducat series, also, is mainly for foreign trade.

It is surprising that Austria, and other German powers, still keep up the system of making *billon* coins; base mixtures of silver and copper, which look very well with their whitened surface when they first leave the Mint, but soon acquire a mongrel hue, by no means so agreeable as mere copper. By far the largest part of Mint work in Austria, in 1870, was upon these pieces of twenty and ten kreutzers. There is a very large profit on them, as compared with the whole florin piece. The latter is coined at the rate of ninety florins to one kilogram of fine silver. The base pieces are at the rate of one hundred and fifty florins to the kilogram. This new proportion was introduced in 1868.

It is a curious fact that the thaler, or dollar of the Empress Maria Theresa, originally bearing date 1780, has always been a favorite at the eastern ports of the Mediterranean, and for that

reason has continued to be coined for that trade ever since. We have a fine specimen coined in 1871, but dated 1780.

It is worth while to notice for its bearing on an interesting controversy in Mint legislation, in which strong minds have taken opposing sides, that in 1868 there was a coinage of some millions of this "Levant thaler," mainly to supply the needs of the English army going to the Abyssinian war; not indeed to be spent in that far country, but at places along the road. Now if it were the law in Austria to coin *without charge* it would be an exhibition of liberality hard to account for, to help the British Government in that way, and not quite fair towards the opposite party in Africa. Yet we would be doing the same thing by making silver dollars to pass in China and India, and dimes for West Indies and South America, and gold coin for any foreign use, without deducting something for the manufacture. England is doing this, in sending her gold coin abroad simply as so much bullion, paying the cost of coinage out of her Treasury, whereby she has indeed the honor of seeing her sovereign's image and superscription in all lands, and of making a universal commercial currency. Still it is desirable and just to promote the coinage of gold and silver by making the charge as light as possible.

Germany.—The new gold coins of the German Empire are the pieces of twenty marks and ten marks, at the rate of 125.55 pieces of ten marks to be coined out of one Mint pound (half kilogram) of gold, nine-tenths fine, the larger piece in proportion. This makes the piece of twenty marks to weigh 7.965 grammes, or 122.92 grains troy; and its value, \$4.76.2. (Ten marks, \$2.38.1.)

This does not harmonize with any system, English, French, Austrian, or American, and seems to be a declaration against international standards.

A very large issue of this money has commenced, the material for which is in a great degree derived from the melting down of coins which lately bore the head of Napoleon. A change in the balance of trade, or the influx of Germans, may bring this coin to us in quantities. At present we must be limited to specimens.

It may seem a small matter, and yet it is significant, that this new money displays the effigy of the Emperor without the wreath of laurel on the brow. It was there recently, while he was King of Prussia. But the change of state seems to have brought with it an advance in popular ideas. Monarchs are not so far above

their subjects as formerly. Indeed, it is stated that the new coining-die was engraved with this ancient mark of distinction on the one hand, and subjection on the other; but the Emperor forbade its use, and insisted on appearing without crown or laurel.

It is plainly the intention that both gold and silver shall be legal tenders in all payments. Yet the two do not fit neatly together. The piece of ten marks is to be equal to $3\frac{1}{2}$ silver thalers, or $5\frac{1}{2}$ florins of South Germany, or 8 marks $5\frac{1}{2}$ schillings of Hamburg. That rate makes the Prussian thaler equal to 71.46 cents (gold) of our money, which is just about what it would be worth in gold in the bullion market of London.

The proposed new coinage charges on gold, when reduced to intelligible terms, are about $\frac{7}{8}$ of one per cent. for twenty mark pieces, and $\frac{3}{4}$ for ten mark pieces.

Of the lesser German states, Wurtemberg, Bavaria, Baden, Hanover, and others, we have recent specimens in silver and copper. They are chiefly interesting for two reasons: That this is the last of them on account of being merged in the new Empire, and that they are such perfect specimens of the Minting art. In this latter respect they must claim the victory over the coins of much larger countries. Perhaps their Mints have so little to do that they can afford to do it as if a prize awaited them. However, the German states, and some of the Italian, have long held this superiority.

Russia.—Very little is to be said of the coinage of this vast empire. Platinum is no longer used, and even gold is scarce, although this is largely a gold-producing country.

The smaller silver coins show a notable reduction of weight, following the principle of making them tokens, and not of full value.

Sweden.—We have here the novelty of a gold *carolin*, or piece of ten francs, according to the French standards. It bears no relation to the usual silver currency of the country.

France.—No gold coinage is executed here at present. The silver remains as before, with a return to the Republican dies of 1848, and the vast female head which symbolizes Liberty.

Spain.—The coins of this country show the changes of history, and of monetary names and devices. The head of Isabella is

followed by the full length recumbent figure of Republican Spain, stretched out from the Pyrenees to the Straits of Gibraltar. This is displaced by the new series of King Amadeo I.

Formerly the *escudo* was a gold money, intended to be equal to two dollars. In later times it has been the normal money of account, and represented both in gold and silver, being worth about half a dollar. But now, in 1869-70, we have the *peseta* or *pistareen*, parallel with the franc, and taking rank as the normal piece. It is divided centesimally, so that there are silver pieces of fifty centesimos, and copper down to one cent. The old *Spanish dollar* has been brought down to a level with the French piece of five francs. It is called five pesetas.

The coins of *Denmark* and *Belgium* require no special notice. Nickel has been used in the inferior Belgian currency for about twelve years.

Italy.—A change to the *lira* system was made in the Papal coins in 1869. But now that coinage is entirely superseded, and the money of the kingdom substituted.

England continues to take the lead in the amount of coinage. Until recently no official Annual Report of Minting operations was issued, but now there is such a document, containing much valuable information, not confined to the account of British moneys. The Mint officers are thoroughly imbued with the spirit of improvement.

The Mints of Sydney and Melbourne, in Australia, contribute largely to swell the aggregate of gold coin. The last named, which is near the gold fields, has recently gone into operation. Engraved views of the interior of this Mint, which have lately reached us, evince perfection of art and completeness of arrangement. We are surprised, unreasonably of course, at such results in what was regarded as the end of the earth only a few years since.

The Anglo-Indian Mints of Calcutta and Bombay show, by their Annual Reports, much activity and a large amount of work, especially in silver. Great system is manifest, and the average fineness is identical with the legal standard, or as nearly so as can anywhere be shown.

Japan.—By one of those immense strides, which have signalized this country of wonderful progress, a new Mint and a new series

of coin have been established, taking rank with the foremost. The former Master of the Anglo-Chinese Mint, at Hongkong, has taken charge of the Mint of Japan. It is all the more honorable to the Government of that empire that it is ready to make use of aid from abroad so long as it may be needed.

The gold and silver series are almost coincident with our own in weight and fineness, except the lower class of silver. There are five denominations of gold coin, and as many of silver. They have been thoroughly examined and tested by the proper officers of this Mint, and a detailed Report upon them was made in May last.

It will be seen by the annexed tables that the gold piece of 20 *yen* is nearly parallel with our piece of 20 dollars. Under this are the denominations of 10, 5, 2, and 1 *yen*. In silver there is the piece of *one yen*, or dollar, for commercial use, and not for home currency; below this the 50, 20, 10, and 5 *sen*, a word corresponding to *cents*. These four pieces are only 800 fine. The values are given in the tables.

We have new coins of other nations and provinces also, most of which are interesting to the numismatist, rather than to the trader. Those of *Finland*, *Servia*, and *Roumania*, are rarely seen here.

Medal Department.—This department has been in successful operation during the year. A large number of medals has been made and sold, and the demand is constantly increasing. This department does honor to the Government, and should be continued and encouraged.

The Mint Cabinet.—The cabinet of coins and medals continues to attract large numbers of visitors. The full set of the new and improved coins of the Japanese Empire was presented to the cabinet by the Emperor of Japan through the recent Embassy from that country. They have been placed in juxtaposition with the ancient coins of Japan, and mark at once the great improvement in their coinage, and the advancing civilization of that people.

The cabinet in its collection of the new and the old, the present and the past, is a place of much interest to the antiquarian and numismatist. The centuries of the past speak to the present through their coins and medals. Valuable additions have been

made to the collection of coins during the year. The annual appropriation for this cabinet should be increased.

Statistical Tables.—The statistics relating to the deposits of bullion and coinage at the Mint of the United States and Branches will be found in the tables hereto annexed. They have been prepared with care, and are believed to be accurate.

I am, sir,

Very respectfully,

Your obedient servant,

JAMES POLLOCK,

Director.

HON. GEORGE S. BOUTWELL,

Secretary of the Treasury, Washington, D. C.

NEW COINS.

The following is a list of coins mentioned in the Mint Report, and recently introduced, fac-similes of which will be contained in the BANKERS' ALMANAC for 1873, to be issued in January.—
ED. B. M.

GREAT BRITAIN—The Sovereign, two styles.

FRANCE—Five Francs, Two Francs, silver.

SPAIN—Coins of the Republic and the Monarchy.

GERMAN EMPIRE—Twenty Marks, gold.

WIRTEMBERG—Silver coin.

FRANKFORT—Silver coin.

AUSTRIA—Gold and silver.

PORTUGAL—Gold and silver.

ITALY—Royal and Papal.

RUSSIA, NETHERLANDS, SWEDEN, DENMARK, and MEXICO.

JAPANESE COINS—Ten in number.

Copies of the Mint Report for 1872, containing the official Tables of Coinage from 1793 to 1872, will be furnished to order, without charge, to subscribers to the BANKERS' MAGAZINE, on application at the office, No. 251 Broadway, New York.

Statement of Deposits at the Mint of the United States, the Branch Mint, San Francisco, Assay Office, New York, and Branch Mints, Denver, Charlotte, Carson City, and Assay Office, Boise City, during the Fiscal Year ending June 30, 1872.

| Description of Bullion. | Mint U. S. Philadelphia. | Branch Mint San Francisco. | Assay Office, New York. | Branch Mint, Denver. | Branch Mint, Charlotte. | Branch Mint, Carson City. | Assay Office, Boise City. | Total. |
|---|--------------------------|----------------------------|-------------------------|-----------------------|-------------------------|---------------------------|---------------------------|------------------------|
| GOLD. | | | | | | | | |
| Fine Bars..... | ..... | \$17,810,822 51 | ..... | ..... | ..... | ..... | ..... | \$17,810,822 51 |
| Mint bars re-deposited..... | ..... | ..... | \$943,236 79 | ..... | ..... | ..... | ..... | 943,236 79 |
| Bars..... | \$1,616,694 28 | ..... | ..... | ..... | ..... | ..... | ..... | 1,616,694 28 |
| United States bullion..... | 329,356 74 | 7,445,006 40 | 4,895,206 12 | \$985,228 27 | \$16,277 94 | \$4,371,573 55 | \$37,082 81 | 18,079,731 83 |
| United States coin..... | 122,007 62 | ..... | 261,014 28 | ..... | ..... | ..... | ..... | 383,021 90 |
| Jewellers' bars..... | 200,564 20 | ..... | 551,188 06 | ..... | ..... | ..... | ..... | 751,752 26 |
| Foreign coin..... | 5,808 94 | 45,768 69 | 200,685 45 | ..... | ..... | ..... | ..... | 252,263 08 |
| Foreign bullion..... | 44,342 00 | 49,673 14 | 451,014 19 | ..... | ..... | ..... | ..... | 545,029 33 |
| Total gold..... | \$2,318,773 78 | \$25,351,270 74 | \$7,302,344 89 | \$985,228 27 | \$16,277 94 | \$4,371,573 55 | \$37,082 81 | \$40,382,551 98 |
| SILVER. | | | | | | | | |
| Fine bars..... | ..... | \$560,154 09 | ..... | ..... | ..... | ..... | ..... | \$560,154 09 |
| Mint bars re-deposited..... | ..... | ..... | \$6,410 73 | ..... | ..... | ..... | ..... | 6,410 73 |
| Bars..... | \$1,507,173 18 | ..... | ..... | ..... | ..... | ..... | ..... | 1,507,173 18 |
| United States bullion..... | 359,545 23 | 137,791 57 | 2,404,695 83 | \$16,336 54 | \$213 96 | \$4,192,863 14 | \$567 51 | 7,112,013 78 |
| United States coin..... | 105,638 56 | ..... | 47,073 88 | ..... | ..... | ..... | ..... | 152,712 44 |
| Jewellers' bars..... | 21,571 84 | ..... | 155,558 57 | ..... | ..... | ..... | ..... | 177,130 41 |
| Foreign coin..... | 6,562 55 | 327,577 99 | 164,306 03 | ..... | ..... | ..... | ..... | 498,446 57 |
| Foreign bullion..... | 132 50 | 14,298 78 | 90,941 67 | ..... | ..... | ..... | ..... | 105,372 95 |
| Total silver..... | \$2,000,623 86 | \$1,039,822 43 | \$2,868,986 71 | \$16,336 54 | \$213 96 | \$4,192,863 14 | \$567 51 | \$10,119,414 15 |
| Total gold and silver..... | \$4,319,397 64 | \$26,391,093 17 | \$10,171,331 60 | \$1,001,564 81 | \$16,491 90 | \$8,564,436 69 | \$37,650 32 | \$50,501,966 13 |
| Less re-deposits diff't insts. Gold..... | 1,627,691 59 | ..... | 943,236 79 | ..... | ..... | ..... | ..... | ..... |
| " " Silver..... | 1,507,173 18 | ..... | 6,410 73 | ..... | ..... | ..... | ..... | ..... |
| Total re-deposits..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 4,084,512 29 |
| | | | | | | | | \$46,417,453 84 |

COINAGE OF THE MINT AND BRANCHES,

Summary Exhibit of the Coinage of the Mint and Branches, to the close of the Year, ending June 30, 1872.

| MINTS. | Commencement of Coinage. | Gold Coinage. Value. | Silver Coinage. Value. | Copper Coinage. Value. | ENTIRE COINAGE. | |
|---------------------------------|--------------------------|-------------------------|---------------------------|---------------------------|-----------------|--------------------|
| | | | | | Pieces. | Value. |
| Philadelphia, | 1793 | \$453,436,482 29 | \$104,662,012 41 | \$11,425,788 55 | 1,113,976,859 | \$569,524,283 25 |
| San Francisco, | 1854 | 338,026,553 26 | 9,729,712 48 | | 36,970,749 | 347,756,265 74 |
| New Orleans (to Jan. 31, 1861) | 1838 | 40,381,615 00 | 29,890,037 03 | | 94,890,695 | 70,271,652 03 |
| Charlotte (to March 31, 1861) | 1838 | 5,048,641 50 | | | 1,206,954 | 5,048,641 50 |
| Dahlonega (to Feb'y 28, 1861) | 1838 | 6,121,919 00 | | | 1,381,784 | 6,121,919 00 |
| New York, | 1854 | 192,325,800 44 | 8,117,457 72 | | | 200,443,258 16 |
| Denver, | 1863 | 5,635,185 00 | 18,561 63 | | | 5,653,746 63 |
| Carson City, | 1870 | 874,641 05 | 10,006,607 08 | | 441,449 | 10,881,248 13 |
| Charlotte, re-opened, | 1869 | 50,069 75 | 681 88 | | | 50,751 63 |
| Boise City, | 1872 | 37,650 32 | | | | 37,650 32 |
| Total, | | \$1,041,938,557 61 | \$162,425,070 23 | \$11,425,788 55 | 1,248,868,490 | \$1,215,789,416 39 |

*Statement of Domestic Gold and Silver deposited at the United States
Mint and Branches, for Coinage, to June 30, 1872.*

| FROM. | GOLD. | SILVER. | GOLD AND SILVER. |
|--------------------------|-------------------------|------------------------|-------------------------|
| California | \$642,965,026 09 | \$156,423 03 | \$643,121,449 12 |
| Montana | 30,648,265 24 | 176,838 57 | 30,825,103 81 |
| Colorado | 20,338,420 96 | 1,114,543 43 | 21,452,964 39 |
| Idaho..... | 17,141,523 84 | 291,681 59 | 17,433,205 43 |
| North Carolina..... | 9,865,252 97 | 44,110 95 | 9,909,363 92 |
| Oregon..... | 11,594,979 33 | 1,863 74 | 11,596,843 07 |
| Georgia..... | 7,232,346 96 | 403 83 | 7,232,750 79 |
| Virginia..... | 1,629,188 79 | ..... | 1,629,188 79 |
| South Carolina..... | 1,379,121 92 | ..... | 1,379,121 92 |
| Nevada | 1,010,280 17 | 8,539,868 04 | 9,550,148 21 |
| Alabama..... | 213,750 66 | ..... | 213,750 66 |
| Arizona..... | 975,401 39 | 39,873 09 | 1,015,274 47 |
| New Mexico..... | 823,021 29 | ..... | 823,021 29 |
| Utah..... | 146,147 18 | 261,204 71 | 407,351 89 |
| Tennessee | 81,529 69 | ..... | 81,529 69 |
| Washington Territory.... | 67,745 38 | ..... | 67,745 38 |
| Dakota..... | 5,760 00 | ..... | 5,760 00 |
| Nebraska..... | 24,381 57 | 200,976 53 | 225,358 10 |
| Vermont..... | 5,611 97 | ..... | 5,611 97 |
| Other Sources..... | 85,226,912 42 | 2,751 15 | 85,229,663 57 |
| Parted from Silver..... | 4,690,402 30 | ..... | 4,690,402 30 |
| Lake Superior..... | ..... | 1,062,540 81 | 1,062,540 81 |
| New Mexico and Sonora.. | ..... | 51,653 31 | 51,653 31 |
| Sitka | 397 64 | ..... | 397 64 |
| Wyoming Territory..... | 138,878 12 | 86 48 | 138,964 60 |
| Maryland | 108 00 | ..... | 108 00 |
| Kansas..... | 1,009 62 | 468 00 | 1,477 62 |
| Fine Bars..... | ..... | 5,298,490 02 | 5,298,490 02 |
| Parted from Gold..... | ..... | 5,821,721 97 | 5,821,721 97 |
| Total..... | \$836,205,463 50 | \$23,065,499 24 | \$859,270,962 74 |

SAVINGS BANKS.

Every Savings bank should, for its own protection, require or secure the option of a timely notice for the withdrawal of a deposit. The investments of such institutions being largely on bond and mortgage, and in securities, not always available readily as cash, they should be entitled to a notice of any proposed withdrawal. The annexed by-laws of the PEOPLE'S SAVINGS BANK of Pittsburgh are published for the information of institutions of this character.

ED. B. M.

BY-LAWS RESPECTING DEPOSITS AND PAYMENTS OF THE PEOPLE'S DEPOSIT BANK OF PITTSBURGH.

1. Every person desirous of becoming a depositor [not a stockholder], shall, at the time of making his or her first deposit, sign a book containing the following By-Laws, and shall thereby be considered as signifying his or her assent thereto, and a willingness to be bound thereby; and shall, in connection with the signature, state his or her business, occupation or calling, and place of residence; and every such depositor will receive a book containing these Rules and Regulations, in which their names will be inscribed, and the amount of their deposits inserted.

2. No money will be received from any depositor unless his or her book be presented and an entry thereof be made by the proper officer of the Bank, at the time of making the deposit; and no sum less than one dollar can be received as a deposit.

3. Deposits may be made by one person as trustee, for the benefit of another, or of any unincorporated society or association, at the discretion of the Treasurer. In all such cases the deposit shall be made in the name of the trustee, "in trust for" such person, society or association, and the trustee, or his successor, shall alone be entitled to receive payments, and his receipt, with the production of the book, shall be a sufficient discharge: *Provided*, however, that in case of deposits for the benefit of another person, the corporation may, at their discretion, by a vote of the Board, make payment to such person, on production of the book, which payment shall also be a sufficient discharge.

4. On all deposits in this Bank, interest at the rate of six per cent. per annum will be allowed, but it will only be calculated on the

deposits from the first days and fifteenth days of the month subsequent to each deposit. Interest will be made up, on all deposits remaining in the institution, half yearly, to wit, on the first days of May and November, and will be paid to depositors on demand on those days; but, if not drawn, will go to their credit, and be compounding. No interest will be calculated on the fractional part of a dollar.

5. Deposits made in this Bank can only be withdrawn on notice being given to the Treasurer, as follows:

If the sum proposed to be drawn be—

| <i>More than</i> | <i>Not over</i> | <i>Notice.</i> |
|------------------|-----------------|----------------|
| \$ 50..... | \$ 200..... | 2 weeks. |
| 200..... | 300..... | 3 " |
| 300..... | 400..... | 4 " |
| 400..... | 500..... | 5 " |
| 500..... | 600..... | 6 " |
| 600..... | 700..... | 7 " |
| 700..... | 800..... | 8 " |
| 800..... | 900..... | 9 " |
| 900..... | 1,000..... | 10 " |
| 1,000..... | 1,100..... | 11 " |
| 1,100..... | 1,200..... | 12 " |
| 1,200..... | 1,300..... | 13 " |
| 1,300..... | 1,400..... | 14 " |
| 1,400..... | 1,500..... | 15 " |

Any sum over \$1,500 four months' notice.

But if the amount be \$50, or under, no notice will be required. If deposits be withdrawn prior to the regular interest days, viz: 1st November and 1st May, no interest which might have accrued since the next preceding interest day will be allowed.

Special cases may be submitted to the Finance Committee. No less than five dollars will be paid, unless to close an account. When money is to be drawn out, the book must be brought to the Office to have the payment entered therein, and in all cases in which the whole amount is drawn, the book must be given up to the corporation. Absent depositors may withdraw their deposits on their order properly witnessed—blanks for which purpose will be furnished at the Office of the Bank.

6. In case a book be lost, destroyed, or obtained from a depositor fraudulently, immediate notice thereof must be given at the Office, and after two weeks from the time of such notice, with satisfactory evidence of the loss, and indemnity given, (if required by the Trustees,) another book will be furnished. If any person shall present a book, and falsely allege himself or herself to be the depositor named therein, and thereby obtain the amount deposited, or any part thereof, this institution will not be liable to make good any loss the actual depositor may sustain thereby, unless previous notice of his or her book having been lost or taken, shall have been given at the office of the corporation.

THE FOLLOWING TABLES SHOW HOW MUCH SMALL SAVINGS MAY AMOUNT TO IN FIVE YEARS, AND ALSO IN TEN YEARS.

Fifty cents a week laid by and paid in as soon as they amount to three dollars, and continued for ten years, may produce as follows: In 1 year, \$26 47; 2 years, \$54 23; 3 years, \$83 48; 4 years, \$114 12; 5 years, \$146 20; 10 years, \$333 10.

One dollar saved each week may amount: In 1 year, \$52 97; 2 years, \$108 54; 3 years, \$166 92; 4 years, \$228 23; 5 years, \$292 60; 10 years, \$666 06.

Interest will commence on all deposits the first and fifteenth days of each month after such deposits are made.

IMPORTANT DECISION IN BANKRUPTCY.

A NOTE GIVEN WITHOUT VALUABLE CONSIDERATION NOT REGARDED AS AN ACT OF BANKRUPTCY—WHAT CONSTITUTES A SUSPENSION OF PAYMENT.

In the UNITED STATES District Court, on December 4th, Judge BLATCHFORD rendered a decision in the case of WILLIAM MANNHEIM, an alleged bankrupt. The Judge says:—"I do not think this is a proper case for adjudication. The sole act of bankruptcy alleged is the suspension of payment for fourteen days of the promissory note held by the petitioner. It is shown that the alleged bankrupt is a man of large property; that he has not suspended payment of his debts and his commercial paper generally; that he is engaged in prosecuting a regular business wholly unconnected with the transaction in regard to which the note was given; that he failed to pay the note because he was advised by counsel and believed he had a good defense to it on the ground that he had never received any consideration for it, and that it was passed away by the payee in violation of the agreement under which it was given, and that the petitioner was not a *bona fide* holder of it for a valuable consideration without notice, and that a suit is now pending in the Supreme Court of New York against him, brought on the note by the petitioner before this proceeding was instituted, which suit is defended on the above grounds, and is at issue and ready for trial. Under these circumstances the debtor cannot be said to have suspended payment of his commercial paper within the meaning of the statute. It was not intended that such a person should be put into bankruptcy. It is not for this Court to try the question of the actual liability of the debtor on the note and adjudge that there was a suspension of payment of his commercial paper, if such liability existed. The proper forum for the determination of the question as to such liability is the Court in which the suit on the note is pending.

The petition is dismissed with costs. S. D. SEWARDS for the petitioner, J. D. RAYMERT for the debtor.

THE HISTORY AND PRINCIPLES OF BANKING.

By JAMES W. GILBART.

(Continued from the December No., page 484.)

CHAPTER SECOND.

THE HISTORY OF THE BANK OF ENGLAND.

THE BANK OF ENGLAND was first projected by Dr. HUGH CHAMBERLAIN, but the plan actually adopted was proposed by Mr. WILLIAM PATERSON. The object was to raise money for the use of the government. After the scheme had received the sanction of the ministry, it was brought before the parliament. Here it underwent a long and violent discussion. One party expatiated upon the national advantages that would accrue from such a measure; they said it would rescue the nation out of the hands of extortioners and usurers, lower interest, raise the value of land, revive and establish public credit, extend the circulation, consequently improve commerce, facilitate the annual supplies, and connect the people more closely with the government. The opposition party affirmed that it would become a monopoly, and engross the whole money of the kingdom; that as it must infallibly be subservient to government views, it might be employed for the worst purposes of arbitrary power; that instead of assisting, it would weaken commerce, by tempting people to withdraw their money from trade and employ it in stock-jobbing; that it would produce a swarm of brokers and jobbers to prey upon their fellow creatures, encourage fraud and gambling, and thus corrupt the morals of the nation. [See SMOLLETT'S *History of England*, chap. iv.] Notwithstanding these objections, the act passed both houses of parliament and received the royal assent. The following observations upon the establishment of the BANK OF ENGLAND, are taken from Bishop BURNET'S *History of his own Times*:

"Some thought a bank would grow to be a monopoly, all the money in ENGLAND would come into their hands, and they would, in a few years, become masters of the wealth and stock of the nation; but those that were for it argued that the credit it would have must increase trade, and the circulation of money, at least in bank notes. It was visible that all the enemies of the government set themselves against it with such a vehemence of zeal that this alone convinced all people that they saw the strength that our affairs would receive from

it. I had heard the Dutch often reckon up the great advantages they had from their banks; and they concluded that as long as ENGLAND continued jealous of the government, a bank could never be settled among us, nor gain credit enough to support itself; and upon that they judged that the superiority in trade must still lie on their side.

“The advantages the king and all concerned in tallies had from the bank were soon so sensibly felt that all people saw into the secret reasons that made the enemies of the constitution set themselves with so much earnestness against it.”

The act of parliament, by which the bank was established, is entitled, “An act for granting to their Majesties several duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors, for securing certain recompenses and advantages in the said act mentioned, to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war with France.” After a variety of enactments relative to the “duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors,” the act authorizes the raising of £1,200,000 by voluntary subscription, the subscribers to be formed into a corporation, and be styled “The Governor and Company of the BANK OF ENGLAND.” The sum of £300,000 was also to be raised by subscription, and the contributors to receive instead annuities for one, two, or three lives. Towards the £1,200,000 no one person was to subscribe more than £10,000 before the first day of July next ensuing, nor at any time more than £20,000. The corporation were to lend their whole capital to the government, for which they were to receive interest at the rate of eight per cent. per annum, and £4,000 per annum for management; being £100,000 per annum in the whole. The corporation were not allowed to borrow or owe more than the amount of their capital, and if they did so the individual members became liable to the creditors in proportion to the amount of their stock. The corporation were not to trade in any “goods, wares, or merchandise whatsoever;” but they were allowed to deal in bills of exchange, gold or silver bullion, and to sell any goods, wares, or merchandise upon which they had advanced money, and which had not been redeemed within three months after the time agreed upon.

The whole subscription having been filled in ten days, a charter was issued on the 27th day of July, 1694.

The charter declares—

“That the management and government of the corporation be committed to the governor, deputy-governor, and twenty-four directors, who shall be elected between the 25th day of March and the 25th day of April each year, from among the members of the company duly qualified.

“That no dividend shall at any time be made by the said governor and company, save only out of the interest, profit, or produce arising out of the said capital, stock, or fund, or by such dealing as is allowed by act of parliament.

"They must be natural born subjects of ENGLAND, or naturalized subjects; they shall have in their own name and for their own use, severally, viz, the governor at least £ 4,000, the deputy-governor, £ 3,000, and each director £ 2,000, of the capital stock of the said corporation.

"That thirteen or more of the said governors or directors (of which the governor or deputy-governor shall be always one), shall constitute a court of directors for the management of the affairs of the company, and for the appointment of all agents and servants which may be necessary, paying them such salaries as they may consider reasonable.

"Every elector must have, in his own name and for his own use, £ 500 or more capital stock, and can only give one vote; he must, if required by any member present, take the oath of stock, or the declaration of stock if it be one of those people called Quakers.

"Four general courts to be held in every year, in the months of September, December, April, and July. A general court may be summoned at any time, upon the requisition of nine proprietors duly qualified as electors.

"The majority of electors in general courts have the power to make and constitute by-laws and ordinances for the government of the corporation, provided that such by-laws and ordinances be not repugnant to the laws of the kingdom, and be conformed and approved, according to the statutes in such case made and provided."

1694. Aug. 8. The rate of discount charged on foreign bills was six per cent., which was the highest legal interest. Aug. 30. The bank discounted foreign bills at four and a half per cent.; and Oct. 24, the discount on inland bills was six per cent.

1695. Jan. 16. The following rates of interest were charged at the bank: foreign bills, having three months to run, six per cent.; but to those who keep accounts at the bank, foreign bills were discounted at three per cent., and inland bills at four and a half per cent. May 19. Running notes and bills were discounted at three per cent. May 6. The following advertisement appeared in the *London Gazette*: "The court of directors of the BANK OF ENGLAND give notice, that they will lend money on plate, lead, tin, copper, steel, and iron, at four per cent. per annum."

1697. Bank notes were from fifteen to twenty per cent. discount. During the recoinage in 1696, the bank had issued their notes in exchange for the clipped and deficient coin previously in circulation, and they were not able to procure from the mint a sufficient quantity of the new coins to discharge the notes presented to them for payment. This compelled them to make two calls of twenty per cent. each upon their stockholders. They paid some of their notes by bills, bearing interest at six per cent. They also advertised, that while the silver was recoinage, "such as think it fit, for their convenience, to keep an account in a book with the bank, may transfer any sum under five pounds from his own to another man's account."

Exchequer tallies and orders for payment having, in 1696, been at a discount of forty, fifty, and sixty per cent., and bank-notes at a discount of twenty per cent., the bank was empowered to receive subscriptions for the enlargement of their stock; four-fifths in tallies and orders, and the remaining one-fifth in bank-notes. The sum subscribed was £1,001,171 10s., which, with the original capital of £1,200,000, raised the capital to the sum of £2,201,171 10s.

The bank charter was extended or renewed until the expiration of twelve months, notice to be given after the first day of August, 1710, and until payment by the public to the bank of the demands therein specified; being an extension or renewal for five years (8 and 9 WILLIAM III, c. 20). It was also enacted, "that the common capital and principal stock, and also the real fund of the governor and company, or any profit or produce to be made thereof, should be exempted from any rates, taxes, assessments, or impositions whatever, during the continuance of the bank;" and that the forgery of the company's seal, or of any of their notes or bills, should be felony without benefit of clergy. The dividend on bank stock this year was nine per cent.

1704. Feb. 28. Foreign bills *made payable at the bank* were charged discount at the rate of four per cent., but if not payable at the bank they were charged five per cent.

1707. The subscription of £1,001,171 10s., raised in the year 1697, was restored. This reduced the bank capital to the original sum of £1,200,000.

1708. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the first day of August, 1732, and until payment by the public to the bank of the demands therein specified; being an extension or renewal of the said charter for twenty years, (7 ANNE, c. 7). By this act it is provided, "That during the continuance of the said corporation of the governor and company of the BANK OF ENGLAND, it shall not be lawful for any body politic or corporate whatsoever, created or to be created, (other than the said governor and company of the BANK OF ENGLAND), or for any other persons whatsoever, united or to be united in covenants or partnership, *exceeding the number of six persons*, in that part of GREAT BRITAIN called ENGLAND, to borrow, owe, or take up any sum or sums of money on their bills or notes, payable at demand or at a less time than six months from the borrowing thereof."

From this year until the year 1729, the annual dividends varied from nine to five and a half per cent.

1709. In this year there was a new subscription of £1,001,171 10s., another of £2,201,171 10s., and a call upon the proprietors of fifteen per cent., £656,204 1s. 9d.; altogether making the total capital of the bank, £5,058,547 1s. 9d. This increase of capital became necessary, from the bank having in the preceding year lent the government £400,000 without interest, and agreed to cancel one million and a half exchequer bills in their possession, amounting with interest to £1,775,027 17s. 10½d.

1710. A further call of £501,448 12s. 11d., which increased the bank capital to £5,559,995 14s. 8d. The interest on foreign bills raised from four to five per cent., the same as the inland bills.

1713. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the first day of August, 1742, and until payment by the public to the bank of the demands therein specified; being an extension or renewal of the said charter for ten years, (12 ANNE, stat. I, c. ii). In consideration of receiving this privilege, the bank undertook to circulate £1,200,000 in exchequer bills. In this year the legal rate of interest was reduced from six to five per cent.

1716. July 26. The bank rate of discount on foreign and inland bills reduced to four per cent.

1717. The bank canceled £2,000,000 exchequer bills, and received interest from the government at five per cent. on the amount.

1718. Subscriptions for government loans were first received at the bank. From this period the government have found it more convenient to employ the bank as their agents in all operations of this nature, than to transact them at the treasury or the exchequer. The bank, becoming by degrees more closely connected with the government, began to make advances of money in anticipation of the land and malt taxes, and upon exchequer bills and other securities.

1719. April 30. The rate of discount at the bank upon bills and notes was raised from four to five per cent.

1720. THE SOUTH SEA BUBBLE commenced April 7:

"The directors opened their books for a subscription of one million, at the rate of £300 for every £100 capital. Persons of all ranks crowded to the house in such a manner, that the first subscriptions exceeded two millions of original stock. In a few days this stock advanced to £340, and the subscriptions were sold for double the price of the first payment. The infatuation prevailed till the 8th day of September, when the stock began to fall. Then did some of the adventurers awake from their delirium. The number of the sellers daily increased. On the 29th day of the month, the stock had sunk to one hundred and fifty. Several eminent goldsmiths and bankers, who had lent great sums upon it, were obliged to stop payment, and abscond. The ebb of this portentous tide was so violent, that it bore down everything in its way and an infinite number of families were overwhelmed with ruin; public credit sustained a terrible shock; the nation was thrown into a dangerous ferment; and nothing was heard but the ravings of grief and despair. Some principal members of the ministry were deeply concerned in these fraudulent transactions. When they saw the price of stock sinking daily, they employed all their influence with the bank to support the credit of the South Sea Company. That corporation agreed, though with reluctance, to subscribe into the stock of the South Sea Company, valued at £400 per cent., £3,500,000, which the company was to repay to the bank on Lady-day and Michaelmas of the ensuing year. This transaction was

managed by Mr. ROBERT WALPOLE, who with his own hand wrote the minute of agreement, afterwards known by the name of the Bank Contract. Books were opened at the bank to take in a subscription for the support of public credit, and considerable sums of money were brought in. By this expedient the stock was raised at first, and those who contrived it, seized the opportunity to realize. But the bankruptcy of goldsmiths and the sword-blade company, from the fall of South Sea stock, occasioned such a run upon the bank, that the money was paid away faster than it could be received from the subscription. Then the South Sea stock sunk again, and the directors of the bank, finding themselves in danger of being involved in the company's ruin, renounced the agreement; which, indeed, they were under no obligation to perform, for it was drawn up in such a manner as to be no more than the rough draft of a subsequent agreement, without due form, penalty, or clause of obligation." [SMOLLETT.]

The directors of the South Sea Company took legal advice, with a view to compel the bank to perform their contract; but the matter was arranged through the intervention of the government, who remitted to the South Sea Company two millions sterling as a compensation for the non-performance of the bank contract.

1721. By the 8th GEO. I, c. 21, the South Sea Company were authorized to sell £200,000 per annum, government annuities; and corporations purchasing the same at twenty-six years' purchase were allowed to add the amount to their capital stock. The bank purchased the whole of this £200,000 per annum, at twenty years' purchase, making £4,000,000.

1722. The bank capital increased £3,400,000 by a new subscription. This made the amount of capital £8,959,995 14s. 8d. April 33. The rate of discount on bills reduced from five to four per cent.

1726. The stock called three per cents. 1726, was created this year by the means of a lottery.

1727. The bank advanced to government £1,750,000 upon the coal and culm duties, at four per cent. interest (1 GEO. II, c. 8).

1728. The bank advanced to government £1,250,000 upon the lottery, at four per cent. (2 GEO. II, c. 3).

1730. The half-yearly dividend at Lady-day was at the rate of six per cent. per annum, and that at Michaelmas at the rate of five and a half per cent. per annum.

1731. The dividends were the same as in the preceding year.

1732. The dividends were the same as in the preceding year. From this year until the year 1747, the dividends were at the rate of five and a half per cent. per annum.

Thursday, 3d of August, about one o'clock, the governor, sub-governor, and several of the directors of the bank, came to see the first stone laid of their new building in Threadneedle Street; and after they had viewed the stone, on which his Majesty's and their several names were engraved, the same was covered with a plate of lead, and that, with the base of a pillar. They then gave twenty

guineas to be distributed among the workmen. The following are the names of the directors in this year :

Sir EDWARD BELLAMY, Governor.

HORATIO TOWNSEND, Deputy-Governor.

| | |
|--------------------------------|---------------------------|
| ROBERT ALSOP, Alderman. | MATTHEW RAPER. |
| ROBERT ATTWOOD. | MOSES RAPER. |
| JOHN BANCE. | JOHN RUDGE. |
| Sir GER. CONYERS, Knt., Ald. | WILLIAM SNELLING. |
| DELILLERS CARBONELL. | BRYAN BENSON. |
| Sir JOSEPH EYLES. | STAMP BROOKSBANK. |
| NATHANIEL GOULD. | CLEMENT BOEHM. |
| Sir GIL. HEATHCOTE, Knt., Ald. | WILLIAM FAUKENER. |
| JOHN HANGER. | JAMES GAULTIER. |
| SAMUEL HOLDEN. | CHRISTOPHER LETHIEULLIER. |
| WILLIAM HUNT. | HENRY NEAL. |
| JOSEPH PAICE, Jun. | ROBERT THORNTON. |

The last eight were not in the direction the preceding years.

1734. Thursday, 5th of June. The directors began to transact business at their new house in Threadneedle Street. The business of the bank had previously been carried on at Grocers' Hall, in the Poultry. In the hall of the new building was erected a curious marble statue of King WILLIAM III, with a Latin inscription, of which the following is a translation :

For restoring efficacy to the laws,
 Authority to the courts of justice,
 Dignity to the parliament,
 To all his subjects their religion and liberties,
 And
 For confirming these to posterity,
 By the succession of the illustrious House
 Of Hanover
 To the British Throne,
 To the best of Princes, WILLIAM III,
 Founder of the Bank,
 This Corporation, from a sense of gratitude,
 Has erected this statue,
 And dedicated it to his Memory,
 In the year of Our Lord MDCCXXXIV.,
 And the first year of this building.

1737. Considerable public discussion about the propriety of again renewing the bank charter. The following extracts from the *London Magazine* of this year will show the sentiments which different writers entertained upon this subject :

“The bank have power to lend money on land, and no doubt might have put out prodigious sums that way, and have had a better interest for their money than most private people. Had the bank then lent out their money on land, they would have strengthened their CREDIT and their INTEREST, and also extended their usefulness by relieving the landed property, of which there is a great deal at this time in

mortgage, most unaccountably, at five per cent., while inferior securities bear a premium at three per cent.

“Another branch of business which the bank have power to transact, but yet never meddle with, is the remittance of money backwards and forwards to London from all the chief trading cities in ENGLAND, for which they should have proper offices or inferior banks erected in all such cities and towns as they intend to manage a remittance with; this, besides what profit might be expected upon the remittances, would naturally bring great part of the cash which is circulated in the country to be lodged in their hands.

“I must next observe that in that branch of business in which they do employ themselves, which is that of a *London banker*, they very much contract and narrow their dealings, by refusing to take in payment *the foreign coins*, for which reason it is impracticable with many traders to keep their cash with them.

“This very privilege which the bank has for so long enjoyed, I could demonstrate to be a most heavy burthen upon the people, and a great prejudice to the landed interest as well as the trading interest of this kingdom; for if it had not been for this privilege we should have had a bank, perhaps, in every county in ENGLAND, and probably half a dozen different banks in London, by which means no merchant of tolerable credit could ever have been straightened for want of ready money at a low interest when he had occasion for it, nor would any landed gentleman, who had a good title to his estate, have been obliged to pay such premiums to brokers, or such an interest to mortgagees as they have now generally to pay; whereas our present bank has never, so far as I have heard, assisted any landed gentleman, nor any merchant, except in and about London only.

“I am of opinion that with respect to the banking trade and the trade to the EAST INDIES, neither the one nor the other can be carried on with such success, or in such an extensive manner, by private adventurers, as by a public company with such an exclusive privilege as our present companies have. The circulating of bank bills or cash notes must certainly increase the current cash of any country, and must, therefore, be of great use in trade; consequently, the more extensive and the more general such a circulation is, the better will it be for the inland trade of that country. It is true, a private man or set of men may, by a long series of good management, gain a very extensive credit, but that credit can never come to be so extensive or near so general as the credit of a rich public company, that has supported itself with honor, perhaps, for some ages; because the credit of a private man always depends upon himself, so, that when he dies, his credit, as to any further circulation, generally dies with him, for it must require some time before those who succeed can revive or regain it; whereas a public company never dies, nor can their credit meet with any such interruption; and as their managers are always chosen annually by the company, there is a greater security for its being under good management than a private bank,

whose chief managers are appointed by the chance of natural or legal succession; therefore, I shall always think it better for a trading country to have a public bank than to trust entirely to private bankers.

“There certainly never was a body of men that contributed more to the public safety than the BANK OF ENGLAND. This flourishing and opulent company have, upon every emergency, always cheerfully and readily supplied the necessities of the nation, so that there never have been any difficulties—any embarrassments—any delays in raising the money which has been granted by parliament for the service of the public; and it may very truly be said that they have, in very many important conjunctures, relieved the nation out of the greatest difficulties, if not absolutely saved it from ruin.”

1738. Dec. 14. The bank commenced issuing post bills, payable seven days after sight, that in case the mail was robbed the parties might have time to stop payment of the bills. Highway robberies appear to have been very frequent at this period.

1742. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the first day of August, 1764, and until payment by the public to the bank of the demands in this act specified, being an extension or renewal of the said charter for twenty-two years (15 GEO. II, c. 13). In consideration of obtaining this charter the bank lent to government £1,600,000 without interest. To raise this sum the bank made a call upon the proprietors of £840,004 5s. 4d., which increased their capital to £9,800,000. Oct. 18. The rate of discount on bills drawn within the kingdom was raised to five per cent.; bills drawn without the kingdom were still discounted at four per cent.

1745. A RUN upon the bank, occasioned by the rebellion in SCOTLAND, and supposed to be for the purpose of supplying the rebels with gold. A public meeting was held, and one thousand one hundred and forty merchants signed a declaration expressing their readiness to take bank notes.

1746. May 1. The rate of discount on foreign bills reduced from five to four per cent.; inland bills and notes were still charged five per cent. These rates continued until the year 1773. By the 19th GEO. II, c. 6, the bank delivered up to be canceled £986,000 exchequer bills, in consideration of an annuity of £39,472, being three per cent. per annum. To raise the above sum the bank made a call of ten per cent. upon their proprietors; this increased the bank capital from £9,800,000 to £10,780,000.

1747. The bank dividend was at the rate of five per cent. per annum. It continued at this rate until the year 1753.

1750. A reduction took place in the interest of part of the national debt. The bank held a court at Merchant-Taylor's Hall, and consented to receive a reduced rate of interest upon £8,486,800 of the debt due to them by the government. The bank also agreed to advance to the government a sum of money to pay off the dissentients.

1751. In order to raise the sum promised to be lent to the government, the bank established what was called "Bank circulation." Books were opened to the public, and any person might enter his name and the sum he was willing to lend to the bank, *in case it should be called for*. The books being closed, the bank had the power of calling for the whole or any part of the sum subscribed at any time they pleased. The subscribers were to receive 2s. per cent. on the total amount of their subscription, and £ 4 per cent. on the sum actually advanced.

1752. By 25 GEO. II the balance of annuities granted by 8 GEO. I was carried to a three per cent. stock, formed in 1731, and they were consolidated into one stock; the new stock is still called "Three per cent. consols." The word *consols* is a contraction for consolidated.

1753. The bank dividend this year was at the rate of four and three-quarters per cent.

1754. The bank dividend was at the rate of four and a half per cent. It continued at this rate until the year 1764.

1757. The government stock called "Three per cent. reduced" derives its name from the operation of this year. This stock had borne four per cent. until the year 1750; from that time it paid three and a half per cent., and this year it was *reduced* to three per cent.

1758. It was legally determined that those persons who had given value for bank notes stolen from the mail had a right to receive payment of them from the bank. In this year occurred the first instance of the forgery of a bank note. It was committed by a person named R. W. VAUGHAN, who had been a linendraper at Stafford. The note was for £ 20, the smallest amount then in circulation. He was convicted and executed.

1759. The bank commenced issuing notes and post bills of £ 15 and £ 10. It was proved, by experiment, that five hundred and twelve £ 10 bank notes weighed one pound.

1764. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the first day of August, 1786, and until payment by the public to the bank of the demands therein specified; being an extension or renewal of the said charter for twenty-two years (4 GEO. III, c. 25). In consideration of obtaining this charter, the bank advanced £ 1,000,000 on exchequer bills until the year 1766, and paid into the exchequer £ 110,000. The dividends this year were raised to five per cent. per annum, at which rate they continued until the year 1767.

1767. The bank dividend was raised to five and a half per cent., and was continued at that rate until the year 1781.

1773. The rate of discount on foreign bills raised from four to five per cent. The discount on both foreign and inland remained at five per cent. until the year 1822.

1775. Bankers were prohibited to issue notes of a less amount than 20s. (15 GEO. III, c. 51).

1777. Bankers were prohibited to issue notes of a less value than £ 5 (17 GEO. III, c. 30).

1781. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the first day of August, 1812, and until payment by the public to the bank of the demands therein specified; being an extension or renewal of the said charter for twenty-six years (21 GEO. III, c. 60). In consideration of obtaining this renewal of their charter the bank advanced to the government £ 2,000,000, for three years, at three per cent. The bank dividend raised to six per cent., at which rate it continued till the year 1788. It is legally decided that the bank is not liable to pay forged notes.

1782. A call of £ 862,400, making the total capital of the bank £ 11,642,400. There was no further increase of capital until the year 1816.

1786. Previous to this year the bank received an allowance from the government on account of the management of the public debt; that is, for trouble in paying the dividends, superintending the transfer of stock, &c., of £ 562 10s. a million. It was now reduced to £ 450 a million; the bank being at the same time entitled to a considerable allowance for trouble in receiving contributions on loans, lotteries, &c. This scale of allowance was continued until the year 1808.

1788. The bank dividend raised to seven per cent., at which rate it continued until the year 1807.

1791. A bill was brought into parliament to render £ 500,000 of the unclaimed dividends on the public funds available for the service of the public; but the bank agreed to lend that sum to the government without interest, and the bill was withdrawn.

1792. A calculation was made with a view to ascertain the number of days that a bank note of each denomination remained in circulation in this year. The following are the results:

| Notes of £ 10 each, 236 days. | | | | Notes of £ 50 each, 124 days. | | | |
|-------------------------------|----|---|-----|-------------------------------|------|---|----|
| " | 15 | " | 114 | " | 100 | " | 84 |
| " | 20 | " | 209 | " | 200 | " | 31 |
| " | 25 | " | 74 | " | 300 | " | 24 |
| " | 30 | " | 95 | " | 500 | " | 24 |
| " | 40 | " | 65 | " | 1000 | " | 22 |

1793. An act of parliament was passed (33 GEO. III, c. 32,) declaring that the bank should not be subject to any penalties for advancing money to the government for the payment of bills of exchange, accepted by the commissioners of his Majesty's treasury, and made payable at the bank. The amount of sums so advanced was required to be annually laid before parliament. According to their original charter the bank were prohibited lending money to the government without the consent of parliament, under a penalty of three times the sum lent; one-fifth part of which was to go to the informer. This was a year of great commercial distress; twenty-two commissions of bankruptcy were issued against country bankers.

1794. The bank commenced issuing notes for £ 5.

1795. The bank having resolved to reduce their discounts placed the following notice in the discount office :

“BANK OF ENGLAND, 31st December, 1795.

“Pursuant to an order of the Court of Directors :

“Notice is hereby given,

“That no bills will be taken in for discount at this office after 12 o'clock at noon, or notes after 12 o'clock on Wednesday.

“That in future, whenever the bills sent in for discount shall in any day amount to a larger sum than it shall be resolved to discount on that day, a *pro rata* proportion of such bills in each parcel, as are not otherwise objectionable, will be returned to the person sending in the same, without regard to the respectability of the party sending in the bills or the solidity of the bills themselves.

“The same regulation will be observed as to the notes.”

1797. THE SUSPENSION OF CASH PAYMENTS.

This took place on Monday, February 27th, in consequence of an order in council, which ran in the following terms :

“Upon the representation of the Chancellor of the Exchequer, stating that from the results of the information which he had received, and of the inquiries which it has been his duty to make, respecting the effects of the unusual demand for specie that has been made upon the metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country, it appears, that unless some measure is immediately taken, there may be reason to apprehend a want of a sufficient supply of cash to answer the exigencies of the public service. It is the unanimous opinion of the Board, that it is indispensably necessary for the public service, that the directors of the BANK OF ENGLAND should forbear issuing any cash in payment, until the sense of parliament can be taken on that subject, and the proper measures adopted thereupon, for maintaining the means of circulation and supporting the public and commercial credit of the kingdom at this important conjuncture; and it is ordered that a copy of this minute be transmitted to the directors of the BANK OF ENGLAND, and they are hereby required, on the grounds of the exigency of the case, to conform thereto until the sense of parliament can be taken as aforesaid.”

Among the crowd assembled at the bank, with a view of demanding gold, handbills were distributed, of which the following is a copy :

“BANK OF ENGLAND, February 27th, 1797.

“In consequence of an order of his Majesty's Privy Council, notified to the bank last night, a copy of which is hereunto annexed, the governor, deputy-governor, and directors of the BANK OF ENGLAND think it their duty to inform the proprietors of the bank stock, as well as the public at large, that the general concerns of the bank are in a

most affluent and prosperous situation, and such as to preclude every doubt as to the security of its notes. The directors mean to continue their usual discounts for the accommodation of the commercial interest, paying the amount in bank notes, and the dividend warrants will be paid in the same manner."

On the same day was held a meeting of merchants, bankers, and others, the Lord Mayor in the chair, when the following resolution was unanimously passed:

"That we, the undersigned, being highly sensible how necessary the preservation of public credit is at this time, do most readily declare, that we will not refuse to receive bank notes in payment of any sum of money to be paid to us, and we will use our utmost endeavors to make all our payments in the same manner."

This resolution was left for signature at several of the most respectable taverns, and a similar resolution was subsequently adopted by other public assemblies.

Immediately afterwards, the House of Commons appointed a committee to enquire into the affairs of the bank. The committee reported, that "The total amount of outstanding demands on the bank, on the 25th of July, was £13,770,390; and that the total amount of the funds for discharging those demands (not including the permanent debt due from government of £11,686,800, which bears an interest of three per cent.) was £17,597,280; and the result is, that there was, on the 25th day of February last, a surplus of effects belonging to the bank, beyond the amount of their debts, amounting to the sum of £3,825,890, exclusive of the above-mentioned permanent debt of £11,684,800, due from government. From accounts since published, it appears that the amount of gold and silver in possession of the bank was reduced by the previous run to £1,086,170.

1797. March 3. The bank was authorized to issue notes under £5; 37 GEO. III, c. 28. It is entitled "An Act to remove doubts respecting promissory notes of the Governor and Company of the BANK OF ENGLAND, for payment of sums of money under £5." Accordingly, on the 10th of March the bank issued, for the first time, notes for £1 and £2.

May 3. THE BANK RESTRICTION ACT PASSED. It is the 37 GEO. III, c. 45, and is entitled "An Act for continuing, for a limited time, the restriction contained in the minute of council of the 26th of February, 1797, on payment of cash by the bank." By this act the bank directors were indemnified against any legal proceedings on account of having complied with the order of council. They were not permitted to issue cash, except for any sum under twenty shillings. But if any person lodged *cash* in the bank, he might be repaid in cash to the extent of three-fourths of the sum lodged; but the sum lodged must not be less than £500. The bank was also allowed to advance to the bankers of London, Westminster, and Southwark, any sum of cash not exceeding in the whole £100,000; and also £25,000 each to the BANK OF SCOTLAND and the ROYAL BANK OF SCOTLAND, dur-

ing the continuance of this act. The bank could not be sued for payment of any of their notes for which they were willing to give other notes; and no person could be held to special bail upon any process issuing out of any court, unless the affidavit made for the purpose stated, also, that the party had made no offer to pay in bank notes. This act was to be in force till the 24th day of the following June, a duration of fifty-two days.

1797. June 22. Another act was passed, continuing the bank restriction until one month after the commencement of the then next session of parliament.

Nov. 30. A third act passed, continuing the restriction until six months after the conclusion of the war. An act was also passed (37 GEO. III, c. 32) suspending the acts passed in 1777, which prohibited bankers issuing notes below the amount of £ 5, and the country bankers commenced issuing notes of £1.

1799. Jan. 3. The bank gave notice, "That on and after the 14th instant, they would pay in cash all fractional sums under £ 5; and that on and after the 1st day of February next, the bank will pay cash for all notes of £1 and £ 2 value that are dated prior to the 1st day of July, 1798, or exchange them for new notes of the same value, at the option of the holders." This year the bank proprietors received a bonus of ten per cent. on their capital. The bonus was made in five per cents. 1797.

1800. The bank charter was extended or renewed until the expiration of twelve months' notice, to be given after the 1st day of August, 1833, and until payment by the public to the bank of the demands therein mentioned; being an extension or renewal of the said charter for twenty-one years (40 GEO. III, c. 28). In consideration of obtaining this renewal of their charter, the bank agreed to lend the government the sum of £ 3,000,000 without interest for six years. The 40 GEO. III, c. 36, was enacted to enable courts of equity to compel a transfer of stock in suits, without making the BANK OF ENGLAND, or the EAST INDIA COMPANY, or the SOUTH SEA COMPANY, partners in the sales.

1801. 41 GEO. III, c. 57, was enacted "For the better prevention of the forgery of the notes and bills of exchange of persons carrying on the business of bankers."

"After July 10th, 1801, no person shall use or make any frame or mould for making paper, with the name or firm of any persons or body corporate appearing in the substance of the paper without a written authority for that purpose; or shall make or vend such paper, or cause such name or firm to appear in the substance of the paper, whereon the same shall be written or printed—on penalty of being imprisoned for the first offence, not exceeding two years, nor less than six months; and for the second offence, transported for seven years.

"No person shall engrave, &c., any bill or note of any person or banking company, or use any plate so engraved, or any device for making or printing such bill or note, nor shall knowingly have in his

custody such plate or device, or shall utter such bill or note, without a written authority for that purpose, under a like penalty.

“No person shall engrave, &c., on any plate, any subscriptions subjoined to any bill or note of any person or banking company, payable to bearer on demand, or have in his possession any such plate, on penalty, for the first offence, of being imprisoned not exceeding three years, nor less than twelve months; and for the second, transported for seven years.”

1801. The proprietors of bank stock received a bonus of five per cent. in navy five per cents.

1802. The war having been concluded by the peace of Amiens, the Bank Restriction Act would have expired six months afterwards, but it was by a new act continued in force till the 1st day of March, 1803.

The bank proprietors received a bonus of two and a half per cent. on their capital in navy five per cents.

1803. Feb. 28. The Bank Restriction Act was continued until six weeks after the commencement of the next session of parliament. Dec. 15. War having recommenced, the Bank Restriction Act was continued until six months after the conclusion of a definitive treaty of peace. The bank is said to have lost this year no less a sum than £300,000, through a fraud committed by one of their principal cashiers, Mr. ASTLETT.

1804. The bank proprietors received a bonus in cash of five per cent. on their capital. In consequence of the scarcity of silver, the bank issued five-shilling dollars. These dollars had on the obverse side an impression of his Majesty's head, and the following superscription: “GEORGIUS III, Dei Gratia Rex;” and on the reverse side, the impression of Britannia and the following: “Five shillings dollar. BANK OF ENGLAND, 1804.” The bank subsequently issued silver tokens for three shillings, and for one shilling and sixpence. By an Act passed 1812, the counterfeiting these dollars and tokens was liable to a punishment of fourteen years' transportation.

By 44 GEO. III, c. 98, the following duties were imposed upon the notes of country bankers.

| | | | | | |
|---------------------|-----|-------|-------------------|------|-------|
| Not exceeding £ 1 | 1s. | ..... | £ 0 | 0s. | 0d. |
| Exceeding | 1 | 1 | not exceeding £ 2 | 2s. | 0 0 6 |
| “ | 2 | 2 | “ | 5 5 | 0 0 9 |
| “ | 5 | 5 | “ | 20 0 | 0 1 0 |

These duties continued until the year 1808.

1805. The bank proprietors received another bonus of five per cent. in cash.

1806. Another bonus of five per cent. in cash.

1807. The dividend on bank stock was raised from seven to ten per cent., at which rate it continued until the year 1823.

1808. The allowance from the government to the bank for managing the public debt reduced from £450 a million to £340 a million, on

six hundred millions of the debt, and to £ 300 a million on all that exceeded that sum. This was exclusive of some separate allowances on annuities, &c. By 48 GEO. III, c. 149, the following duties were imposed upon country bank notes :

| Not exceeding £ | 1 | 1s. | .... | .... | £ | 0s. | 4d. | |
|-----------------|----|-----|---------------|------|-----|-----|-----|---|
| Exceeding . . . | 1 | 1 | not exceeding | £ 2 | 2s. | 0 | 0 | 8 |
| " . . . | 2 | 2 | " | 5 | 5 | 0 | 1 | 0 |
| " . . . | 5 | 5 | " | 20 | 0 | 0 | 1 | 6 |
| " . . . | 20 | 0 | " | 30 | 0 | 0 | 3 | 0 |
| " . . . | 30 | 0 | " | 50 | 0 | 0 | 4 | 6 |
| " . . . | 50 | 0 | " | 100 | 0 | 0 | 7 | 6 |

These duties remained the same until the year 1815.

1810. THE BULLION COMMITTEE, appointed by the House of Commons for the purpose of inquiring into the causes of the high price of gold bullion, and its effects on the circulating medium. The committee delivered a very long report, in which they discussed a variety of matters connected with the currency, and concluded by recommending that the bank should resume cash payments at the end of two years. The following are extracts :

" Your committee have found that the price of gold bullion, which, by the regulation of his Majesty's mint, is £ 3 17s. 10½d. per ounce of standard fineness, was, during the years 1806, 1807, and 1808, as high as £ 4 in the market. Towards the year of 1808 it began to advance very rapidly, and continued very high during the whole year 1809, the market price of standard gold fluctuating from £ 4 9s. to £ 4 12s. per oz. The market price at £ 4 10s. is about 15½ per cent. above the mint price.

" Your committee have likewise found that, towards the end of the year 1808, the exchanges with the Continent became very unfavorable to this country, and continued still more unfavorable through the whole of 1809, and the three first months of the present year.

" Mr. WHITMORE, the late governor of the bank, stated to the committee that, in regulating the general amounts of the loans and discounts, he did not advert to the circumstance of the exchanges, it appearing upon a reference to the amount of our notes in circulation, and the course of the exchange, that they frequently have no connection."

" Mr. PEARSE, now governor of the bank, agreed with Mr. WHITMORE, in this account of the practice of the bank, and expressed his full concurrence in the same opinion. Mr. PEARSE,—' In considering this subject with reference to the manner in which bank notes are issued, resulting from the applications made for discounts to supply the necessary want of bank notes, by which their issue in amount is so controlled that it can never amount to an excess; I cannot see how the amount of bank notes issued can operate upon the price of bullion, or the state of exchanges; and therefore I am individually of opinion that the price of bullion or the state of the exchanges can never be a reason for lessening the amount of bank notes to be issued, always understanding the control which I have already described.'

“The bank directors, as well as some of the merchants who have been examined, showed a great anxiety to state to your committee a doctrine, of the truth of which they professed themselves to be most thoroughly convinced; that there can be no possible excess in the issue of BANK OF ENGLAND paper, so long as the advances in which it is issued are made upon the principles which at present guide the conduct of the directors—that is, so long as the discount of mercantile bills is confined to paper of undoubted solidity, arising out of real commercial transactions, and payable at short and fixed periods. That the discounts should be made only upon bills growing out of real commercial transactions, and falling due in a fixed and short period, are sound and well established principles. But that while the bank is restrained from paying in specie, there need be no other limits to the issue of their paper than what is fixed by such rules of discount; and that during the suspension of cash payments, the discount of good bills falling due at short periods cannot lead to any excess in the amount of bank paper in circulation, appears to your committee to be a doctrine wholly erroneous in principle, and pregnant with dangerous consequences in practice.

“Upon a review of all the facts and reasonings which have been submitted to the consideration of your committee in the course of this inquiry, they have formed an opinion, which they submit to the House—That there is at present an excess in the paper circulation of this country, of which the most unequivocal symptom is the very high price of bullion; and, next to that, the low state of the continental exchanges; that this excess is to be ascribed to the want of sufficient check and control in the issues of paper from the BANK OF ENGLAND, and originally to the suspension of cash payments, which removed the natural and true control.

“Your committee would suggest, that the restriction on cash payments cannot safely be removed at an earlier period than two years from the present time; but your committee are of opinion that early provision ought to be made by parliament for terminating, at the end of that period, the operation of the several statutes which have imposed and continue that restriction.”

This report was delivered late in the session, and was not taken into consideration by the House until the following year.

1811. The commercial distress of the country had become so great, that parliament authorized the sum of six millions to be advanced to merchants on their giving sufficient security; but such had been the fall in the price of mercantile property, that not many could give the required security, and bankruptcies were numerous. Whether this distress arose from any preparations of the bank to return to cash payments, from the American embargo, or from BUONAPARTE'S Berlin and Milan decrees, was a matter of much controversy. From the accounts since published, it does not appear that the bank had taken any measures to increase their stock of gold; but during the years 1810, 1811, and 1812, they considerably reduced their private securities and increased the amount of their public securities. Thus,

on the last day of February, 1810, their public securities were £14,322,634, and their private securities were £21,055,946. On the same day in 1813,^a their public securities were £25,036,626, and their private securities £12,894,324. This progressive reduction of the discounts no doubt occasioned great distress, though it was in some degree counteracted by an increase in the same period of above two millions in the circulation.

The report of the Bullion Committee was taken into consideration by the House of Commons, and after much discussion, rejected. Instead of the measures recommended by the committee, the House adopted certain resolutions proposed by Mr. VANSITTART (afterwards LORD BEXLEY), declaring that the value of bank notes was not depreciated, but that the value of gold was enhanced; and that the political and commercial relations of GREAT BRITAIN with foreign states were sufficient to account for the unfavorable state of the foreign exchanges and the high price of bullion.*

July 24. LORD STANHOPE'S act passed. This act (51 GEO. III, c. 127) is entitled, "An act for making more effectual provision for preventing the current gold of the realm from being paid or accepted for a greater value than the current value of such coin; for preventing any note or bill of the Governor and Company of the BANK OF ENGLAND from being received for any smaller sum than the sum therein specified; and for staying proceedings upon any distress by tender of such notes." It enacts that the taking gold coin at more than its value, or BANK OF ENGLAND notes for less than their value, shall be deemed a misdemeanor. This act was to be in force until the 25th of March, 1812. It was introduced by the EARL OF STANHOPE, in consequence of the following notice having been addressed by LORD KING to his tenantry:

"By lease, dated 1802, you have contracted to pay the annual rent of £47 5s. in good and lawful money of GREAT BRITAIN. In consequence of the late great depreciation of paper money, I can no longer accept any bank notes at their nominal value in payment or satisfaction of an old contract. I must, therefore, desire you to provide for the payment of your rent in the legal gold coin of the realm; at the same time, having no other object than to secure payment of the real intrinsic value of the same, stipulated by agreement, and being desirous to avoid giving you any unnecessary trouble, I shall be willing to receive payment in either of the manners following, according to your option:—1st. By payment in guineas: 2nd. If guineas cannot be procured, by payment in PORTUGAL gold coin, equal in weight to the number of guineas requisite to discharge the rent: 3rd. By a payment in bank paper, of a sum sufficient to purchase (at the present market price) the weight of standard gold requisite to discharge the

* Thus repudiating the principles laid down in the report, now universally accepted, that when the market or paper price of gold bullion exceeds the mint price (£3 17s. 10d.), it is not gold which has risen in value, but paper which has become depreciated; that the difference between the two prices is the measure of this depreciation; and the only sound mode of rectifying the exchanges is the timely contraction of its discounts by the bank as the drain of bullion for exportation sets in, the creation and confirmation of public confidence by liberality at seasons of severe pressure, and enlargement of its issues as the exchanges become favorable.

rent. The alteration of the value of paper money is estimated in this manner: the price of gold, in 1802, the year of your agreement, was £4 an ounce; the present market price is £4 14s., arising from the diminished value of paper. In that proportion an addition of £17 10s. per cent. in paper money will be required as the equivalent for the payment of rent in paper.*

1812. "An act passed for the further prevention of the counterfeiting of silver tokens issued by the Governor and Company of the BANK OF ENGLAND, called *dollars*, and of silver pieces issued and circulated by the said Governor and Company, called *tokens*, and for the further prevention of frauds practised by the imitation of the notes or bills of the said Governor and Company" (52 GEO. III, c. 138). Lord STANHOPE'S act continued, by 52 GEO. III, c. 5, until three months after the commencement of the next session of parliament.

1814. Lord STANHOPE'S act revived and continued, by 54 GEO. III, c. 52, during the continuance of the Bank Restriction act.

1815. The following stamp duties were imposed upon the notes of country bankers (55 GEO. III, c. 184):

| Not exceeding £ 1 | 1s. | .... | .... | £ 2 | 2s. | .. | Os. | 5d. |
|-------------------|-----|-------------------|------|-----|-----|----|-----|-----|
| Exceeding . . . 1 | 1 | and not exceeding | £ 2 | 2s. | .. | 0 | 10 | |
| " . . . 1 | 2 | " | 5 | 5 | .. | 1 | 3 | |
| " . . . 5 | 5 | " | 10 | 0 | .. | 1 | 9 | |
| " . . . 10 | 0 | " | 20 | 0 | .. | 2 | 0 | |
| " . . . 20 | 0 | " | 30 | 0 | .. | 3 | 0 | |
| " . . . 30 | 0 | " | 50 | 0 | .. | 5 | 0 | |
| " . . . 50 | 0 | " | 100 | 0 | .. | 8 | 6 | |

1815. Peace being restored, the Bank Restriction act would have expired six months afterwards, but it was continued by a new act until the 5th July, 1816.

1816. The Bank Restriction act continued from July, 1816, to July, 1818. The bank was authorized to increase its capital from £11,642,400 to £14,553,000, being an addition of twenty-five per cent. to the stock of the several proprietors. This addition was made out of the surplus profits without any further call (56 GEO. III, c. 96). In consideration of obtaining this privilege the bank agreed to lend the government the sum of £3,000,000, at three per cent.

1817. April 17. The bank gave notice that on and after the second day of May then next ensuing, they would pay cash for all notes of £1 and £2 value dated prior to the first day of January, 1816, or exchange them for new notes of the same value, at the option of the holders.

Sept. 18. The bank gave notice that on and after the first day of October then next ensuing, they would be ready to pay cash for their notes, of every description, dated prior to the first day of January, 1817.

1818. The Bank Restriction act continued from the 5th July, 1818, to 5th July, 1819. A calculation was made this year, to ascertain

* A cutting sarcasm on the resolutions proposed and carried by Mr. VANSITTART

the number of days that a bank note of each denomination remained in circulation. The following are the results :

| Notes of £ 1 and £ 2 | 147 days. | Notes of £ 40 | 38 days. |
|----------------------|-----------|---------------|----------|
| " 5 | 148 | " 50 | 72 |
| " 10 | 137 | " 100 | 49 |
| " 15 | 66 | " 200 | 18 |
| " 20 | 121 | " 300 | 14 |
| " 25 | 43 | " 500 | 14 |
| " 30 | 55 | " 1000 | 13 |

The bank had always been in the practice of detaining the forged notes offered for payment. But two persons, who had forged notes returned to them by the bank, paid the amount and kept the notes. They were charged with having forged notes in their possession, and tried on this charge, but the juries acquitted them. In consequence of this decision the bank have since returned all forged notes to the parties presenting them, after having stamped them in several places with the word "forged."

1819. A bill passed through parliament in the course of two nights to restrain the bank paying away any more gold under its notice of September, 1817, or any previous notice. A committee of the House of Commons had reported that the bank had paid away above five millions in gold; the greater part of which had been taken to the continent, and there re-coined into foreign money.

From an account submitted to parliament, of the total amount of outstanding demands on the BANK OF ENGLAND, and the funds for discharging the same, it appears that there was a surplus in favor of the bank of £ 5,202,320, independently of their capital of £ 14,686,800. Mr. PEEL'S BILL PASSED. This bill (59 GEO. III, c. 49) contains the following provisions :

1. The Bank Restriction act was continued, absolutely, from the 5th of July, 1819, to February 1, 1820.

2. Between February 1 and October 1, 1820, the bank were required to pay their notes in gold bullion of standard fineness at the rate of £ 4 1s. per ounce, but not to be liable to a demand for a less quantity than sixty ounces at one time.

3. Between October 1, 1820, and May 1, 1821, the bank were required to pay their notes in gold bullion upon the same plan, at the rate of £ 3 19s. 6d. per ounce.

4. Between May 1, 1821, and May 1, 1823, the bank were to pay in gold bullion upon the same plan, at the rate of £ 3 17s. 10½d. per ounce, which was the mint price of gold.

5. From May 1, 1823, the bank were to pay their notes in the gold coin of the realm.

6. But between February 1 and October 1, 1820, the bank might make payments at a less rate than £ 4 1s. and not less than £ 3 19s. 6d. per ounce; and between October 1, 1820, and May 1, 1821, the bank might pay at any rate less than £ 3 19s. 6d., and not less than £ 3 17s. 10½d., on giving three days notice in the *Gazette*.

Such payments to be made in ingots or bars of gold, of the weight of sixty ounces. The bank were also permitted to pay in gold coin on or after May 1, 1822.

7. All the laws which restrained the exportation of gold and silver coin were repealed, and the coin was allowed to be exported or melted without incurring any penalty. The bill did not give satisfaction to the bank directors. They wished to be allowed to pay their notes in gold bullion at the market price of the day.

The 59 GEO. III, c. 76, was passed to prohibit the bank making advances to the government without the authority of parliament. But the bank were allowed to purchase exchequer bills, or to advance money on them, but the amount of such bills was to be laid annually before parliament.

1820. An act passed for the further prevention of forging and counterfeiting of bank notes (1 GEO. IV, c. 92). It also enacted, that the names of persons authorized by the bank directors to sign the notes, might be impressed by machine instead of being subscribed in the handwriting of such persons.

1821. The bank commenced paying off their notes under £ 5 in gold. The directors had procured an act of parliament, 1 and 2 GEO. IV, c. 26, permitting them to do so from the first day of May, 1821. The gold coins issued by the bank were not guineas, but sovereigns of the value of twenty shillings, which were now first coined. The gold coined at the mint this year amounted to £ 9,520,758, and the silver to £ 433,686.

1822. In this year an act was passed permitting the country bankers to continue the issuing of notes under £ 5 until the expiration of the bank charter in 1833. As the law previously stood, their notes were prohibited on the resumption of cash payments by the bank. The directors made the following reference to this subject, in a memorandum they delivered to the parliamentary committee of 1832 :

“By the resolution of the House of Commons of 1819, the bank were required, within four years, to pay off in gold the amount of their one-pound notes then in circulation (about £ 7,600,000); further, to provide the coin for paying off the country small notes in 1825 (about seven or eight millions more); in addition to which the necessity was imposed of providing the surplus bullion for insuring the convertibility of all their liabilities, which addition of bullion to their then stock could not be estimated at less than £ 5,000,000; making in the aggregate £ 20,000,000 of gold as necessary to be provided from foreign countries within the space of four years from 1819.

“That supply of gold could only be purchased by reduced prices of commodities; the bank withdrawing a given amount of securities, in the first instance, the notes of which might be reissued in payment of the gold as imported. The low prices and general state of trade, from 1819 to 1821, and the withdrawal of the bank's securities, enabled the bank to cancel their smaller notes in the latter year; and in the following (1822) three years prior to the time fixed by parliament,

they were in a situation to furnish the gold for paying off the country small notes, when, without any communication with the bank, the government thought proper to authorize a continuance of the circulation of the country small notes until 1833. The consequence of that measure was, to leave in the possession of the bank an inordinate quantity of bullion (£ 14,200,000 in January, 1824); and further, to afford the power of extension to the country bankers' issues, which it is believed were greatly extended, from 1823 to 1825."

By a return from the Stamp Office, it appears that the number of country banks this year was five hundred and fifty-two, and the number of persons in those firms was one thousand six hundred and seventy-three.

1822. June 22. The bank reduced the rate of interest upon bills of exchange from five to four per cent., and extended the time of such bills from sixty-one to ninety-five days. In this year the government reduced the interest of the navy five per cents. to four per cent. Each holder of £ 100 stock received £ 105 new stock, bearing four per cent., with a guarantee that the interest should not be farther reduced until the year 1829. This new stock was distinguished by the name of "new fours." The bank agreed to advance the money to pay off the dissentients.

1822. In consequence of the abolition of the notes under £ 5, the bank found they had many more clerks than was necessary. A good number were, therefore, discontinued; the bank giving them either a pension, or the value of a pension in ready money, at the option of the clerks. The conduct of the bank on this occasion was highly liberal, and met with universal approbation.

1823. Lady-day. The dividend on bank stock was reduced from ten to eight per cent. The bank engaged to advance to government, between April, 1823, and April, 1828, the sum of £ 13,089,419, for the purpose of defraying the charge of military and naval pensions, and to receive in lieu of this sum £ 585,740 per annum; to commence from the 4th of April, 1823, and to continue for a term of forty-four years, and then to cease. This charge is commonly called "the dead weight." In the latter end of this year the bank commenced advancing money upon the security of government stock. They also lent £ 1,500,000 to the East India Company.

1824. The bank extended their advances upon stock, and commenced lending money on mortgage.

The old four per cents. were reduced to three and a half per cent. The new stock is called "Three and a half per cent. reduced."

This and the subsequent year were remarkable for the commencement of a great number of joint-stock companies. The total number of projects was six hundred and twenty-four, and to carry them all into effect would have required a capital of £ 372,173,100. They have been thus classified:*

* See A Complete View of the Joint-Stock Companies formed during the years 1824 and 1825, by HENRY ENGLISH.

| | |
|-----------------------|-----------------------|
| 74 Mining Companies | Capital, £ 38,370,000 |
| 29 Gas | 12,077,000 |
| 20 Insurance | 35,820,000 |
| 29 Investments | 52,600,000 |
| 54 Canal R. R. | 44,051,000 |
| 67 Steam | 8,555,500 |
| 11 Trading | 10,450,000 |
| 26 Building | 13,781,000 |
| 24 Provision | 8,360,000 |
| 292 Miscellaneous | 148,108,600 |
| 624 Companies. | £ 372,173,100 |

The above companies are divided by Mr. ENGLISH into four classes. First, companies which continued to exist in the year 1827; secondly, companies whose shares had been sold in the market, but were afterwards abandoned; thirdly, companies which published prospectuses, or which were announced in the papers, but which are not known to have issued shares; fourthly, companies the formation of which was noticed in the public papers, but the particulars not specified.

The following is the general summary :

| Companies. | Capital required. | Actually advanced. |
|--------------------------------|----------------------|---------------------|
| 127 Companies existing in 1827 | £ 102,781,600 | £ 15,185,950 |
| 118 " abandoned | 56,606,500 | 2,419,675 |
| 236 " projected | 143,610,000 | — |
| 143 " not particularized | 69,175,000 | — |
| 624 Companies | £ 372,173,100 | £ 17,605,625 |

Besides the capital required for the above companies, large sums of money were granted as loans to foreign powers, as appears from the following table :

A list of the names of the contractors, the years in which the contracts were made, and the prices at which they were issued.

| Nation | Amount | Per Cent. | Contractor | Year | Per Cent. |
|--------------|-------------|-----------|-------------------------|------|-----------|
| Austrian | £ 2,500,000 | 5 | N. M. Rothschild | 1823 | 82 |
| Brazilian | 3,200,000 | 5 | T. Wilson & Co. | 1824 | 75 |
| " | 2,000,000 | 5 | N. M. Rothschild | 1825 | 85 |
| Buenos Ayres | 1,000,000 | 6 | Baring Brothers | 1824 | 85 |
| Chili | 1,000,000 | 6 | Hullelt Brothers | 1822 | 70 |
| Columbian | 2,000,000 | 6 | Herring, Graham & Co. | 1822 | 84 |
| " | 4,750,000 | 6 | B. A. Goldschmidt & Co. | 1824 | 88½ |
| Danish | 5,500,000 | 3 | T. Wilson & Co. | 1825 | 75 |
| Greek | 800,000 | 5 | Loughnan & Co. | 1824 | 59 |
| " | 1,000,000 | 5 | Ricardos | 1825 | 56½ |
| Gautemala | 1,428,571 | 6 | I. & A. Powles | 1825 | 73 |
| Guadaljava | 600,000 | 5 | W. Ellward, Jr. | 1825 | 60 |
| Mexican | 3,200,000 | 5 | B. A. Goldschmidt & Co. | 1824 | 58 |
| " | 3,200,000 | 6 | Barclay, Herring & Co. | 1825 | 89½ |
| Neapolitan | 2,500,000 | 5 | N. M. Rothschild | 1824 | 92½ |
| Prussian | 5,000,000 | 5 | " | 1818 | 72 |
| " | 3,500,000 | 5 | " | 1822 | 84 |
| Portuguese | 1,500,000 | 5 | B. A. Goldschmidt & Co. | 1823 | 87 |
| Peruvian | 450,000 | 6 | Frys & Chapman | 1822 | 88 |
| " | 750,000 | 6 | " | 1824 | 82 |
| " | 618,000 | 6 | " | 1825 | 78 |
| Russian | 3,500,000 | 5 | N. M. Rothschild | 1822 | 82 |
| Spanish | 1,500,000 | 5 | A. F. Haldimand | 1821 | 56 |
| " | 1,500,000 | 5 | J. Campbell & Co. | 1823 | 80½ |

(To be continued.)

WHAT IS MONEY ?

Essays on Political Economy, by the late M. FREDERIC BASTIAT, member of the Institute of France. 12mo., London, 1872.

The sub-divisions of this little volume, by one of the most noted writers of the age, are as follows : I. Capital and Interest. II. That which is seen and that which is not seen. III. What is money ? IV. The Law. We select for the information of our readers, the third chapter, entitled "What is Money ?" *Editor B. M.*

Hateful money ! hateful money ! (cried F——, the economist, despairingly,) as he came from the Committee of Finance, where a project of paper money had just been discussed.

What's the matter ? (said I.) What is the meaning of this sudden dislike to the most extolled of all the divinities of this world ?

F. Hateful money ! hateful money !

B. You alarm me. I hear peace, liberty and life cried down, and BRUTUS went so far even as to say, "Virtue ! thou art but a name !" But what can have happened ?

F. Hateful money ! hateful money !

B. Come, come, exercise a little philosophy. What has happened to you ? Has CRÆSUS been affecting you ? Has MONDOR been playing you false ? or has ZOILUS been libelling you in the papers ?

F. I have nothing to do with CRÆSUS ; my character, by its insignificance, is safe from any slanders of ZOILUS ; and as to MONDOR—

B. Ah ! now I have it. How could I be so blind ? You, too, are the inventor of a social re-organization—of the F—— system, in fact. Your society is to be more perfect than that of SPARTA, and, therefore, all money is to be rigidly banished from it. And the thing that troubles you is, how to persuade your people to empty their purses. What would you have ? This is the rock on which all re-organizers split. There is not one but would do wonders, if he could only contrive to overcome all resisting influences, and if all mankind would consent to become soft wax in his fingers ; but men are resolved not to be soft wax ; they listen, applaud, or reject, and—go on as before.

F. Thank heaven, I am still free from this fashionable mania. Instead of inventing social laws, I am studying those which it has pleased Providence to invent, and I am delighted to find them admirable in their progressive development. This is why I exclaim, "Hateful money ! hateful money !"

B. You are a disciple of PROUDHON, then ? Well, there is a very simple way for you to satisfy yourself. Throw your purse into the

Seine, only reserving a hundred sous, to take an action from the Bank of Exchange.

F. If I cry out against money, is it likely I should tolerate its deceitful substitute?

B. Then I have only one more guess to make. You are a new DIOGENES, and are going to victimize me with a discourse *a la* SENECA on the contempt of riches.

F. Heaven preserve me from that! For riches, don't you see, are not a little more or a little less money. They are bread for the hungry, clothes for the naked, fuel to warm you, oil to lengthen the day, a career open to your son, a certain portion for your daughter, a day of rest after fatigue, a cordial for the faint, a little assistance slipped into the hand of a poor man, a shelter from the storm, a diversion for a brain worn by thought, the incomparable pleasure of making those happy who are dear to us. Riches are instruction, independence, dignity, confidence, charity; they are progress and civilization. Riches are the admirable civilizing result of two admirable agents, more civilizing even than riches themselves—labor and exchange.

B. Well! now you seem to be singing the praises of riches, when, a moment ago, you were loading them with imprecations?

F. Why, don't you see that it was only the whim of an economist? I cry out against money, just because every body confounds it, as you did just now, with riches, and that this confusion is the cause of errors and calamities without number. I cry out against it, because its function in society is not understood, and very difficult to explain. I cry out against it, because it jumbles all ideas, causes the means to be taken for the end, the obstacle for the cause, the alpha for the omega; because its presence in the world, though in itself beneficial, has, nevertheless, introduced a fatal notion, a perversion of principles, a contradictory theory, which, in a multitude of forms, has impoverished mankind and deluged the earth with blood. I cry out against it, because I feel that I am incapable of contending against the error to which it has given birth, otherwise than by a long and fastidious dissertation to which no one would listen. Oh! if I could only find a patient and benevolent listener!

B. Well! it shall not be said that for want of a victim you remain in the state of irritation in which you now are. I am listening; speak, lecture, do not restrain yourself in any way.

F. You promise to take an interest?

B. I promise to have patience.

F. That is not much.

B. It is all that I can give. Begin and explain to me, at first, how a mistake on the subject of cash, if mistake there be, is to be found at the root of all economical errors?

F. Well, now, is it possible that you can conscientiously assure me, that you have never happened to confound wealth with money?

B. I don't know; but, after all, what would be the consequence of such a confusion?

F. Nothing very important. An error in your brain, which would have no influence over your actions; for you see that, with respect to labor and exchange, although there are as many opinions as there are heads, we all act in the same way.

B. Just as we walk upon the same principle, although we are not agreed upon the theory of equilibrium and gravitation.

F. Precisely. A person who argued himself into the opinion that during the night our heads and feet changed places, might write very fine books upon the subject, but still he would walk about like everybody else.

B. So I think. Nevertheless, he would soon suffer the penalty of being too much of a logician.

F. In the same way, a man would die of hunger, who, having decided that money is real wealth, should carry out the idea to the end. That is the reason that this theory is false, for there is no true theory but such as results from facts themselves, as manifested at all times and in all places.

B. I can understand that practically, and under the influence of personal interest, the fatal effects of the erroneous action would tend to correct an error. But if that of which you speak has so little influence, why does it disturb you so much?

F. Because, when a man, instead of acting for himself, decides for others, personal interest, that ever watchful and sensible sentinel, is no longer present to cry out, "Stop! the responsibility is misplaced." It is Peter who is deceived, and John suffers; the false system of the legislator necessarily becomes the rule of action of whole populations. And observe the difference. When you have money, and are very hungry, whatever your theory on cash may be, what do you do?

B. I go to a baker's, and buy some bread.

F. You do not hesitate about getting rid of your money?

B. The only use of money is to buy what one wants.

F. And if the baker should happen to be thirsty, what does he do?

B. He goes to the wine merchant's, and buys wine with the money I have given him.

F. What! is he not afraid he shall ruin himself?

B. The real ruin would be to go without eating or drinking.

F. And everybody in the world, if he is free, acts in the same manner?

B. Without a doubt. Would you have them die of hunger for the sake of laying by pence?

F. So far from it, that I consider they act wisely, and I only wish that the theory was nothing but the faithful image of this universal practice. But, suppose now that you were the legislator, the absolute king of a vast empire, where there were no gold mines.

B. No unpleasant fiction.

F. Suppose, again, that you were perfectly convinced of this,—

that wealth consists solely and exclusively in cash; to what conclusion would you come?

B. I should conclude that there was no other means for me to enrich my people, or for them to enrich themselves, but to draw away the cash from other nations.

F. That is to say, to impoverish them. The first conclusion, then, to which you would arrive would be this—a nation can only gain when another loses.

B. This axiom has the authority of BACON and MONTAIGNE.

F. It is not the less sorrowful for that, for it implies that progress is impossible. Two nations, no more than two men, cannot prosper side by side.

B. It would seem that such is the result of this principle.

F. And as all men are ambitious to enrich themselves, it follows that all are desirous, according to a law of Providence, of ruining their fellow-creatures.

B. This is not Christianity, but it is political economy.

F. Such a doctrine is detestable. But, to continue, I have made you an absolute king. You must not be satisfied with reasoning, you must act. There is no limit to your power. How would you treat this doctrine—wealth is money?

B. It would be my endeavor to increase, incessantly, among my people, the quantity of cash.

F. But there are no mines in your kingdom! How would you set about it? What would you do?

B. I should do nothing; I should merely forbid, on pain of death, that a single crown should leave the country.

F. And if your people should happen to be hungry as well as rich?

B. Never mind. In the system we are discussing, to allow them to export crowns would be to allow them to impoverish themselves.

F. So that, by your own confession, you would force it to act upon a principle equally opposite to that upon which you would yourself act under similar circumstances. Why so?

B. Just because my own hunger touches me, and the hunger of a nation does not touch legislators.

F. Well, I can tell you that your plan would fail, and that no superintendence would be sufficiently vigilant, when the people were hungry, to prevent the crowns from going out, and the corn from coming in.

B. If so, this plan, whether erroneous or not, would effect nothing; it would do neither good nor harm, and therefore requires no further consideration.

F. You forget that you are a legislator. A legislator must not be disheartened at trifles, when he is making experiments on others. The first measure not having succeeded, you ought to take some other means of attaining your end.

B. What end?

F. You must have a bad memory ; why, that of increasing, in the midst of your people, the quantity of cash, which is presumed to be true wealth.

B. Ah ! to be sure ; I beg your pardon. But then, you see, as they say of music, a little is enough ; and this may be said, I think, with still more reason, of political economy. I must consider. But really I don't know how to contrive—

F. Ponder it well. First, I would have you observe that your first plan solved the problem only negatively. To prevent the crowns from going out of the country is the way, to prevent the wealth from diminishing, but it is not the way to increase it.

B. Ah ! now I am beginning to see . . . the corn which is allowed to come in . . . a bright idea strikes me . . . the contrivance is ingenious, the means infallible ; I am coming to it now.

F. Now, I, in turn, must ask you—to what ?

B. Why, to a means of increasing the quantity of cash.

F. How would you set about it, if you please ?

B. Is it not evident that if the heap of money is to be constantly increasing, the first condition is, that none must be taken from it ?

F. Certainly.

B. And the second, that additions must constantly be made to it ?

F. To be sure.

B. Then the problem will be solved, either negatively or positively, as the Socialists say, if on the one hand I prevent the foreigner from taking from it, and on the other I oblige him to add to it.

F. Better and better.

B. And for this there must be two simple laws made, in which cash will not even be mentioned. By the one, my subjects will be forbidden to buy anything abroad ; and by the other, they will be required to sell a great deal.

F. A well-advised plan.

B. Is it new ? I must take out a patent for the invention.

F. You need do no such thing ; you have been forestalled. But you must take care of one thing.

B. What is that ?

F. I have made you an absolute king. I understand that you are going to prevent your subjects from buying foreign productions. It will be enough if you prevent them from entering the country. Thirty or forty thousand custom-house officers will do the business.

B. It would be rather expensive. But what does that signify ? The money they receive will not go out of the country.

F. True ; and in this system it is the grand point. But to ensure a sale abroad, how would you proceed ?

B. I should encourage it by prizes, obtained by means of some good taxes laid upon my people.

F. In this case, the exporters, constrained by competition among

themselves, would lower their prices in proportion, and it would be like making a present to the foreigner of the prizes or of the taxes.

B. Still, the money would not go out of the country.

F. Of course. That is understood. But if your system is beneficial, the kings around you will adopt it. They will make similar plans to yours; they will have their custom-house officers, and reject your productions; so that with them, as with you, the heap of money may not be diminished.

B. I shall have an army and force their barriers.

F. They will have an army and force yours.

B. I shall arm vessels, make conquests, acquire colonies, and create consumers for my people, who will be obliged to eat our corn and drink our wine.

F. The other kings will do the same. They will dispute your conquests, your colonies, and your consumers; then on all sides there will be war, and all will be uproar.

B. I shall raise my taxes, and increase my custom-house officers, my army, and my navy.

F. The others will do the same.

B. I shall redouble my exertions.

F. The others will redouble theirs. In the meantime, we have no proof that you would succeed in selling to a great extent.

B. It is but too true. It would be well if the commercial efforts would neutralize each other.

F. And the military efforts also. And, tell me, are not these custom-house officers, soldiers, and vessels, these oppressive taxes, this perpetual struggle towards an impossible result, this permanent state of open or secret war with the whole world, are they not the logical and inevitable consequence of the legislators having adopted an idea, which you admit is acted upon by no man who is his own master, that "wealth is cash; and to increase cash, is to increase wealth?"

B. I grant it. Either the axiom is true, and then the legislator ought to act as I have described, although universal war should be the consequence: or it is false; and in this case men, in destroying each other, only ruin themselves.

F. And, remember, that before you became a king, this same axiom had led you by a logical process to the following maxims:—That which one gains, another loses. The profits of one is the loss of the other—which maxims imply an unavoidable antagonism amongst all men.

B. It is only too certain. Whether I am a philosopher or a legislator, whether I reason or act upon the principle that money is wealth, I always arrive at one conclusion, or one result—universal war. It is well that you pointed out the consequences before beginning a discussion upon it; otherwise, I should never have had the courage to follow you to the end of your economical dissertation, for, to tell you the truth, it is not much to my taste.

F. What do you mean? I was just thinking of it when you heard me grumbling against money. I was lamenting that my countrymen have not the courage to study what it is so important that they should know.

B. And yet the consequences are frightful.

F. The consequences! As yet I have only mentioned one. I might have told you of others still more fatal.

B. You make my hair stand on end! What other evils can have been caused to mankind by this confusion between money and wealth?

F. It would take me a long time to enumerate them. This doctrine is one of a very numerous family. The eldest, whose acquaintance we have just made, is called the *prohibitive system*; the next, the *colonial system*; the third, *hatred of capital*; the Benjamin, *paper money*.

B. What! does paper money proceed from the same error?

F. Yes, directly. When legislators, after having ruined men by war and taxes, persevere in their idea, they say to themselves, "if the people suffer, it is because there is not money enough. We must make some." And as it is not easy to multiply the precious metals, especially when the pretended resources of prohibition have been exhausted, they add, "we will make fictitious money, nothing is more easy, and then every citizen will have his pocket-book full of it, and they will all be rich."

B. In fact, this proceeding is more expeditious than the other, and then it does not lead to foreign war.

F. No, but it leads to civil war.

B. You are a grumbler. Make haste and dive to the bottom of the question. I am quite impatient, for the first time, to know if money (or its sign) is wealth.

F. You will grant that men do not satisfy any of their wants immediately with crown pieces. If they are hungry, they want bread; if naked, clothing; if they are ill, they must have remedies; if they are cold, they want shelter and fuel; if they would learn, they must have books; if they would travel, they must have conveyances—and so on. The riches of a country consist in the abundance and proper distribution of all these things. Hence you may perceive and rejoice at the falseness of this gloomy maxim of BACON'S, *What one people gains, another necessarily loses*: a maxim expressed in a still more discouraging manner by MONTAIGNE, in these words:—"The profit of one is the loss of another." When SHEM, HAM, and JAPHETH divided amongst themselves the vast solitudes of this earth, they surely might each of them build, drain, sow, reap, and obtain improved lodging, food and clothing, and better instruction, perfect and enrich themselves—in short, increase their enjoyments, without causing a necessary diminution in the corresponding enjoyments of their brothers. It is the same with two nations.

B. There is no doubt that two nations, the same as two men, un-

connected with each other, may, by working more, and working better, prosper at the same time, without injuring each other. It is not this which is denied by the axioms of MONTAIGNE and BACON. They only mean to say, that in the transactions which take place between two nations or two men, if one gains, the other must lose. And this is self-evident, as exchange adds nothing by itself to the mass of those useful things of which you were speaking; for if, after the exchange, one of the parties is found to have gained something, the other will, of course, be found to have lost something.

F. You have formed a very incomplete, nay, a false idea of exchange. If SHEM is located upon a plain which is fertile in corn, JAPHETH upon a slope adapted for growing the vine, HAM upon a rich pasturage,—the distinction of their occupations, far from hurting any of them, might cause all three to prosper more. It must be so, in fact, for the distribution of labor, introduced by exchange, will have the effect of increasing the mass of corn, wine, and meat which is produced, and which is to be shared. How can it be otherwise, if you allow liberty in these transactions? From the moment that any one of the brothers should perceive that labor in company, as it were, was a permanent loss, compared to solitary labor, he would cease to exchange. Exchange brings with it its claim to our gratitude. The fact of its being accomplished, proves that it is a good thing.

B. But BACON's axiom is true in the case of gold and silver. If we admit that at a certain moment there exists in the world a given quantity, it is perfectly clear that one purse cannot be filled without another being emptied.

F. And if gold is considered to be riches, the natural conclusion is, that displacements of fortune take place among men, but no general progress. It is just what I said when I began. If, on the contrary, you look upon an abundance of useful things, fit for satisfying our wants and our tastes, as true riches, you will see that simultaneous prosperity is possible. Cash serves only to facilitate the transmission of these useful things from one to another, which may be done equally well with an ounce of rare metal like gold, with a pound of more abundant material as silver, or with a hundredweight of still more abundant metal, as copper. According to that, if the French had at their disposal as much again of all these useful things, FRANCE would be twice as rich, although the quantity of cash remained the same, but it would not be the same if there were double the cash, for in that case the amount of useful things would not increase.

B. The question to be decided is, whether the presence of a greater number of crowns has not the effect, precisely, of augmenting the sum of useful things?

F. What connection can there be between these two terms? Food, clothing, houses, fuel, all come from nature and from labor, from more or less skillful labor exerted upon a more or less liberal nature.

B. You are forgetting one great force, which is—exchange. If you acknowledge that this is a force, as you have admitted that crowns facilitate it, you must also allow that they have an indirect power of production.

F. But I have added, that a small quantity of rare metal facilitates transactions as much as a large quantity of abundant metal ; whence it follows, that a people is not enriched by being *forced* to give up useful things for the sake of having more money.

B. Thus, it is your opinion that the treasures discovered in CALIFORNIA will not increase the wealth of the world ?

F. I do not believe that, on the whole, they will add much to the enjoyments, to the real satisfactions of mankind. If the Californian gold merely replaces in the world that which has been lost and destroyed, it may have its use. If it increases the amount of cash, it will depreciate it. The gold diggers will be richer than they would have been without it. But those in whose possession the gold is at the moment of its depreciation, will obtain a smaller gratification for the same amount. I cannot look upon this as an increase, but as a displacement of true riches, as I have defined them.

B. All that is very plausible. But you will not easily convince me that I am not richer (all other things being equal) if I have two crowns, than if I had only one.

F. I do not deny it.

B. And what is true of me is true of my neighbor, and of the neighbor of my neighbor, and so on, from one to another, all over the country. Therefore, if every Frenchman has more crowns, FRANCE must be more rich.

F. And here you fall into the common mistake of concluding that what affects one affects all, and thus confusing the individual with the general interest.

B. Why, what can be more conclusive ? What is true of one must be so of all ! What are all, but a collection of individuals ? You might as well tell me that every Frenchman could suddenly grow an inch taller, without the average height of Frenchmen being increased.

F. Your reasoning is apparently sound, I grant you, and that is why the illusion it conceals is so common. However, let us examine it a little. Ten persons were at play. For greater ease, they had adopted the plan of each taking ten counters, and against these they had placed a hundred francs under a candlestick, so that each counter corresponded to ten francs. After the game, the winnings were adjusted, and the players drew from the candlestick as many ten francs as would represent the number of counters. Seeing this, one of them, a great arithmetician perhaps, but an indifferent reasoner, said— "Gentlemen, experience invariably teaches me that, at the end of the game, I find myself a gainer in proportion to the number of my counters. Have you not observed the same with regard to yourselves ? Thus, what is true of me must be true of each of you, and what is true of each must be true of all. We should, therefore, all of us gain more, at the end of the game, if we all had more counters. Now, nothing can be easier ; we have only to distribute twice the number." This was done ; but when the game was finished, and they came to adjust the winnings, it was found that the thousand francs under the candlestick had not been miraculously multiplied, according

to the general expectation. They had to be divided accordingly, and the only result obtained (chimerical enough) was this:—every one had, it is true, his double number of counters, but every counter, instead of corresponding to *ten* francs, only represented *five*. Thus it was clearly shown, that what is true of each is not always true of all.

B. I see; you are supposing a general increase of counters, without a corresponding increase of the sum placed under the candlestick.

F. And you are supposing a general increase of crowns, without a corresponding increase of things, the exchange of which is facilitated by these crowns.

B. Do you compare the crowns to counters?

F. In any other point of view, certainly not; but in the case you place before me, and which I have to argue against, I do. Remark one thing. In order that there be a general increase of crowns in a country, this country must have mines, or its commerce must be such as to give useful things in exchange for cash. Apart from these two circumstances, a universal increase is impossible, the crowns only changing hands; and in this case, although it may be very true that each one, taken individually, is richer in proportion to the number of crowns that he has, we cannot draw the inference which you drew just now, because a crown more in one purse implies necessarily a crown less in some other. It is the same as with your comparison of the middle height. If each of us grew only at the expense of others, it would be very true of each, taken individually, that he would be a taller man if he had the chance, but this would never be true of the whole taken collectively.

B. Be it so; but, in the two suppositions that you have made, the increase is real, and you must allow that I am right.

F. To a certain point, gold and silver have a value. To obtain this, men consent to give useful things which have a value also. When, therefore, there are mines in a country, if that country obtains from them sufficient gold to purchase a useful thing from abroad—a locomotive, for instance—it enriches itself with all the enjoyments which a locomotive can procure, exactly as if the machine had been made at home. The question is, whether it spends more efforts in the former proceeding than in the latter? For if it did not export this gold, it would depreciate, and something worse would happen than what you see in CALIFORNIA, for there, at least, the precious metals are used to buy useful things made elsewhere. Nevertheless, there is still a danger that they may starve on heaps of gold. What would it be if the law prohibited exportation? As to the second supposition—that of the gold which we obtain by trade; it is an advantage, or the reverse, according as the country stands more or less in need of it, compared to its wants of the useful things which must be given up in order to obtain it. It is not for the law to judge of this, but for those who are concerned in it; for if the law should start upon this principle, that gold is preferable to useful things, whatever may be their value, and if it should act effectually in this sense, it would tend to make FRANCE another CALIFORNIA, where there would be a great

deal of cash to spend, and nothing to buy. It is the very same system which is represented by MIDAS.

B. The gold which is imported implies that a *useful thing* is exported, and in this respect there is a satisfaction withdrawn from the country. But is there not a corresponding benefit? And will not this gold be the source of a number of new satisfactions, by circulating from hand to hand, and inciting to labor and industry, until at length it leaves the country in its turn, and causes the importation of some useful thing?

F. Now you have come to the heart of the question. Is it true that a crown is the principle which causes the production of all the objects whose exchange it facilitates? It is very clear that a piece of five francs is only *worth* five francs; but we are led to believe that this value has a particular character; that it is not consumed like other things, or that it is exhausted very gradually; that it renews itself, as it were, in each transaction; and that, finally, this crown has been worth five francs as many times as it has accomplished transactions—that it is of itself worth all the things for which it has been successively exchanged; and this is believed, because it is supposed that without this crown these things would never have been produced. It is said, the shoemaker would have sold fewer shoes, consequently he would have bought less of the butcher; the butcher would not have gone so often to the grocer, the grocer to the doctor, the doctor to the lawyer, and so on.

B. No one can dispute that.

F. This is the time, then, to analyze the true function of cash, independently of mines and importations. You have a crown. What does it imply in your hands? It is, as it were, the witness and proof that you have, at some time or other, performed some labor, which, instead of profiting by it, you have bestowed upon society in the person of your client. This crown testifies that you have performed a *service* for society, and, moreover, it shows the value of it. It bears witness, besides, that you have not yet obtained from society a *real* equivalent service, to which you have a right. To place you in a condition to exercise this right, at the time and in the manner you please, society, by means of your client, has given you an acknowledgment, a title, a privilege from the republic, a counter, a crown in fact, which only differs from executive titles by bearing its value in itself; and if you are able to read with your mind's eye the inscriptions stamped upon it you will distinctly decipher these words:—"Pay the bearer a *service equivalent to what he has rendered to society, the value received being shown, proved, and measured by that which is represented by me.*" Now, you give up your crown to me. Either my title to it is gratuitous, or it is a claim. If you give it me as payment for a service, the following is the result:—your account with society for real satisfactions is regulated, balanced, and closed. You had rendered it a service for a crown, you now restore the crown for a service; as far as you are concerned, you are clear. As for me, I am just in the position in which you were just now. It is I who am now in advance to society for the service which I have just rendered it in your person.

I am become its creditor for the value of the labor which I have performed for you, and which I might devote to myself. It is into my hands, then, that the title of this credit—the proof of this social debt—ought to pass. You cannot say that I am any richer; if I am entitled to receive, it is because I have given. Still less can you say that society is a crown richer, because one of its members has a crown more, and another has one less. For if you let me have this crown gratis, it is certain I shall be so much the richer, but you will be so much the poorer for it; and the social fortune, taken in a mass, will have undergone no change, because, as I have already said, this fortune consists in real services, in effective satisfactions, in useful things. You were a creditor to society, you made me a substitute to your rights, and it signifies little to society, which owes a service, whether it pays the debt to you or to me. This is discharged as soon as the bearer of the claim is paid.

B. But if we all had a great number of crowns we should obtain from society many services. Would not that be very desirable?

F. You forget that in the process which I have described, and which is a picture of the reality, we only obtain services from society because we have bestowed some upon it. Whoever speaks of a *service*, speaks at the same time of a service *received* and *returned*, for these two terms imply each other, so that the one must always be balanced by the other. It is impossible for society to render more services than it receives, and yet this is the chimera which is being pursued by means of the multiplication of coins, of paper money, &c.

B. All that appears very reasonable in theory, but in practice I cannot help thinking, when I see how things go, that if, by some fortunate circumstance, the number of crowns could be multiplied in such a way that each of us could see his little property doubled, we should all be more at our ease; we should all make more purchases, and trade would receive a powerful stimulus.

F. More purchases? and what should we buy? Doubtless, useful articles—things likely to procure for us substantial gratification—such as provisions, stuffs, houses, books, pictures. You should begin, then, by proving that all these things create themselves; you must suppose the Mint melting ingots of gold which have fallen from the moon; or that the Board of Assignats be put in action at the national printing-office; for you cannot reasonably think that if the quantity of corn, cloth, ships, hats, and shoes remains the same, the share of each of us can be greater, because we each go to market with a greater number of real or fictitious money. Remember the players. In the social order, the useful things are what the workers place under the candlestick, and the crowns which circulate from hand to hand are the counters. If you multiply the francs without multiplying the useful things, the only result will be, that more francs will be required for each exchange, just as the players required more counters for each deposit. You have the proof of this in what passes for gold, silver, and copper. Why does the same exchange require more copper than silver, more silver than gold? Is it not because these metals are distributed in the world in different proportions? What reason

have you to suppose that if gold were suddenly to become as abundant as silver, it would not require as much of one as of the other to buy a house?

B. You may be right, but I should prefer your being wrong. In the midst of the sufferings which surround us, so distressing in themselves, and so dangerous in their consequences, I have found some consolation in thinking that there was an easy method of making all the members of the community happy.

F. Even if gold and silver were true riches, it would be no easy matter to increase the amount of them in a country where there are no mines.

B. No, but it is easy to substitute something else. I agree with you that gold and silver can do but little service, except as a mere means of exchange. It is the same with paper money, bank notes, &c. Then, if we had all of us plenty of the latter, which it is so easy to create, we might all buy a great deal, and should want for nothing. Your cruel theory dissipates hopes—illusions, if you will—whose principle is assuredly very philanthropic.

F. Yes, like all other barren dreams formed to promote universal felicity. The extreme facility of the means which you recommend is quite sufficient to expose its hollowness. Do you believe that if it were merely needful to print bank-notes in order to satisfy all our wants, our tastes, and desires, that mankind would have been contented to go on till now, without having recourse to this plan? I agree with you that the discovery is tempting. It would immediately banish from the world, not only plunder, in its diversified and deplorable forms, but even labor itself, except the Board of Assignats. But we have yet to learn how assignats are to purchase houses, which no one would have built; corn, which no one would have raised; stuffs, which no one would have taken the trouble to weave.

B. One thing strikes me in your argument. You say yourself, that if there is no gain, at any rate there is no loss in multiplying the instrument of exchange, as is seen by the instance of the players, who were quits by a very mild deception. Why, then, refuse the philosopher's stone, which would teach us the secret of changing flints into gold, and, in the meantime, into paper money? Are you so blindly wedded to your logic that you would refuse to try an experiment where there can be no risk? If you are mistaken, you are depriving the nation, as your numerous adversaries believe, of an immense advantage. If the error is on their side, no harm can result, as you yourself say, beyond the failure of a hope. The measure, excellent in their opinion, in yours is negative. Let it be tried, then, since the worst which can happen is not the realization of an evil, but the non-realization of a benefit.

F. In the first place, the failure of a hope is a very great misfortune to any people. It is also very undesirable that the government should announce the re-imposition of several taxes on the faith of a resource which must infallibly fail. Nevertheless, your remark would deserve some consideration, if, after the issue of paper money and its

depreciation, the equilibrium of values should instantly and simultaneously take place, in all things and in every part of the country. The measure would tend, as in my example of the players, to a universal mystification, upon which the best thing we could do would be to look at one another and laugh. But this is not in the course of events. The experiment has been made, and every time a despot has altered the money

B. Who says anything about altering the money ?

F. Why, to force people to take in payment scraps of paper which have been officially baptized *francs*, or to force them to receive, as weighing five grains, a piece of silver which weighs only two and a half, but which has been officially named a *franc*, is the same thing, if not worse ; and all the reasoning which can be made in favor of assignats has been made in favor of legal false money. Certainly, looking at it as you did just now, and as you appear to be doing still, if it is believed that to multiply the instruments of exchange is to multiply the exchanges themselves as well as the things exchanged, it might very reasonably be thought that the most simple means was to double the crowns, and to cause the law to give to the half the name and the value of the whole. Well, in both cases, depreciation is inevitable. I think I have told you the cause. I must also inform you, that this depreciation, which, with paper, might go on till it came to nothing, is effected by continually making dupes ; and of these, poor people, simple persons, workmen and countrymen, are the chief.

B. I see ; but stop a little. This dose of Economy is rather too strong for once.

F. Be it so. We are agreed then, upon this point,—that wealth is the mass of useful things which we produce by labor ; or, still better, the result of all the efforts which we make for the satisfaction of our wants and tastes. These useful things are exchanged for each other, according to the convenience of those to whom they belong. There are two forms in these transactions ; one is called barter : in this case, a service is rendered for the sake of receiving an equivalent service immediately. In this form, transactions would be exceedingly limited. In order that they may be multiplied, and accomplished independently of time and space amongst persons unknown to each other, and by infinite fractions, an intermediate agent has been necessary,—this is cash. It gives occasion for exchange, which is nothing else but a complicated bargain. This is what has to be remarked and understood. Exchange decomposes itself into two bargains, into two actors, sale and purchase,—the reunion of which is needed to complete it. You *sell* a service, and receive a crown—then, with this crown, you buy a service. Then only is the bargain complete ; it is not till then that your effort has been followed by a real satisfaction. Evidently, you only work to satisfy the wants of others, that others may work to satisfy yours. So long as you have only the crown which has been given you for your work, you are only entitled to claim the work of another person. When you have done so, the economical evolution will be accomplished as far as you are concerned, since you will then only, have obtained, by a real satisfaction, the

true reward for your trouble. The idea of a bargain implies a service rendered, and a service received. Why should it not be the same with exchange, which is merely a bargain in two parts? And here there are two observations to be made. First,—it is a very unimportant circumstance whether there be much or little cash in the world. If there is much, much is required; if there is little, little is wanted for each transaction: that is all. The second observation is this:—Because it is seen that cash always re-appears in every exchange, it has come to be regarded as the *sign* and the *measure* of the things exchanged.

B. Will you still deny that cash is the *sign* of the useful things of which you speak?

F. A louis* is no more the sign of a sack of corn than a sack of corn is the sign of a louis.

B. What harm is there in looking at cash as the sign of wealth?

F. The inconvenience is this,—it leads to the idea that we have only to increase the sign in order to increase the things signified; and we are in danger of adopting all the false measures which you took when I made you an absolute king. We should go still further. Just as in money we see the sign of wealth, we see also in paper money the sign of money; and thence conclude that there is a very easy and simple method of procuring for everybody the pleasures of fortune.

B. But you will not go so far as to dispute that cash is the *measure* of values?

F. Yes, certainly, I do go as far as that, for that is precisely where the illusion lies. It has become customary to refer the value of everything to that of cash. It is said, this is *worth* five, ten, or twenty francs, as we say this *weighs* five, ten, or twenty grains; this *measures* five, ten, or twenty yards; this ground contains five, ten, or twenty acres; and hence it has been concluded, that cash is the *measure* of values.

B. Well, it appears as if it was so.

F. Yes, it appears so, and it is this I complain of, and not of the reality. A measure of length, size, surface, is a quantity agreed upon, and unchangeable. It is not so with the value of gold and silver. This varies as much as that of corn, wine, cloth, or labor, and from the same causes, for it has the same source and obeys the same laws. Gold is brought within our reach, just like iron, by the labor of miners, the advances of capitalists, and the combination of merchants and seamen. It costs more or less, according to the expense of its production, according to whether there is much or little in the market, and whether it is much or little in request; in a word, it undergoes the fluctuations of all other human productions. But one circumstance is singular, and gives rise to many mistakes. When the value of cash varies, the variation is attributed by language to the other productions for which it is exchanged. Thus, let us suppose that all the circumstances relative to gold remain the same, and that the corn

* Twenty francs.

harvest has failed. The price of corn will rise. It will be said, "The quarter of corn, which was worth twenty francs, is now worth thirty;" and this will be correct, for it is the value of the corn which has varied, and language agrees with the fact. But let us reverse the supposition: let us suppose that all the circumstances relative to corn remain the same, and that half of all the gold in existence is swallowed up; this time it is the price of gold which will rise. It would seem that we ought to say,—“This Napoleon, which *was worth* twenty francs, is now *worth* forty.” Now, do you know how this is expressed? Just as if it was the other objects of comparison which had fallen in price, it is said,—“Corn, which *was worth* twenty francs, is now only *worth* ten.”

B. It all comes to the same thing in the end.

F. No doubt; but only think what disturbances, what cheatings are produced in exchanges, when the value of the medium varies without our becoming aware of it by a change in the name. Old pieces are issued, or notes bearing the name of twenty *francs*, and which will bear that name through every subsequent depreciation. The value will be reduced a quarter, a half, but they will still be called *pieces* or *notes of twenty francs*. Clever persons will take care not to part with their goods unless for a larger number of notes—in other words, they will ask forty francs for what they would formerly have sold for twenty; but simple persons will be taken in. Many years must pass before all the values will find their proper level. Under the influence of ignorance and *custom*, the day's pay of a country laborer will remain for a long time at a franc, while the saleable price of all the articles of consumption around him will be rising. He will sink into destitution without being able to discover the cause. In short, Sir, since you wish me to finish, I must beg you, before we separate, to fix your whole attention upon this essential point:—When once false money (under whatever form it may take) is put in circulation, depreciation will ensue, and manifest itself by the universal rise of every thing which is capable of being sold. But this rise in prices is not instantaneous and equal for all things. Sharp men, brokers, and men of business, will not suffer by it; for it is their trade to watch the fluctuations of prices, to observe the cause, and even to speculate upon it. But little tradesmen, countrymen and workmen, will bear the whole weight of it. The rich man is not any the richer for it, but the poor man becomes poorer by it. Therefore, expedients of this kind have the effect of increasing the distance which separates wealth from poverty, of paralyzing the social tendencies which are incessantly bringing men to the same level, and it will require centuries for the suffering classes to regain the ground which they have lost in their advance towards *equality of condition*.

B. Good morning, sir; I shall go and meditate upon the lecture you have been giving me.

F. Have you finished your own dissertation? As for me, I have scarcely begun mine. I have not yet spoken of the *hatred* of capital, of gratuitous credit—a fatal notion, a deplorable mistake, which takes its rise from the same source.

B. What! does this frightful commotion of the populace against capitalists arise from money being confounded with wealth?

F. It is the result of different causes. Unfortunately, certain capitalists have arrogated to themselves monopolies and privileges which are quite sufficient to account for this feeling. But, when the theorists of democracy have wished to justify it, to systemize it, to give it the appearance of a reasonable opinion, and to turn it against the very nature of capital, they have had recourse to that false political economy at whose root the same confusion is always to be found. They have said to the people:—"Take a crown, put it under a glass; forget it for a year; then go and look at it, and you will be convinced that it has not produced ten sous, nor five sous, nor any fraction of a sou. Therefore, money produces no interest." Then, substituting for the word money its pretended sign, *capital*, they have made it by their logic undergo this modification—"Then capital produces no interest." Then follows this series of consequences—"Therefore he who lends a capital ought to obtain nothing from it; therefore he who lends you a capital, if he gains something by it, is robbing you; therefore all capitalists are robbers; therefore wealth, which ought to serve gratuitously those who borrow it, belongs in reality to those to whom it does not belong; therefore there is no such thing as property; therefore every thing belongs to everybody; therefore"

B. This is very serious; the more so, from the syllogism being so admirably formed. I should very much like to be enlightened on the subject. But, alas! I can no longer command my attention. There is such a confusion in my head of the words *cash*, *money*, *services*, *capital*, *interest*, that, really, I hardly know where I am. We will, if you please, resume the conversation another day.

F. In the meantime, here is a little work entitled *Capital and Rent*. It may perhaps remove some of your doubts. Just look at it, when you are in want of a little amusement.

B. To amuse me?

F. Who knows? One nail drives in another; one wearisome thing drives away another.

B. I have not yet made up my mind that your views upon cash and political economy in general are correct. But, from your conversation, this is what I have gathered:—that these questions are of the highest importance; for peace or war, order or anarchy, the union or the antagonism of citizens, are at the root of the answer to them. How is it that, in FRANCE, a science which concerns us all so nearly, and the diffusion of which would have so decisive an influence upon the fate of mankind, is so little known? Is it that the State does not teach it sufficiently?

F. Not exactly. For, without knowing it, it applies itself to loading everybody's brain with prejudices, and everybody's heart with sentiments favorable to the spirit of anarchy, war, and hatred; so that, when a doctrine of order, peace, and union presents itself, it is in vain that it has clearness and truth on its side,—it cannot gain admittance.

B. Decidedly, you are a frightful grumbler. What interest can the

State have in mystifying people's intellects in favor of revolutions, and civil and foreign wars? There must certainly be a great deal of exaggeration in what you say.

F. Consider. At the period when our intellectual faculties begin to develop themselves, at the age when impressions are liveliest, when habits of mind are formed with the greatest ease—when we might look at society and understand it—in a word, as soon as we are seven or eight years old, what does the State do? It puts a bandage over our eyes, takes us gently from the midst of the social circle which surrounds us, to plunge us, with our susceptible faculties, our impressionable hearts, into the midst of Roman society. It keeps us there for ten years at least, long enough to make an ineffaceable impression on the brain. Now observe, that Roman society is directly opposed to what our society ought to be. There they lived upon war; here we ought to hate war. There they hated labor; here we ought to live upon labor. There the means of subsistence were founded upon slavery and plunder; here they should be drawn from free industry. Roman society was organized in consequence of its principle. It necessarily admired what made it prosper. There they considered as virtue, what we look upon as vice. Its poets and historians had to exalt what we ought to despise. The very words, *liberty, order, justice, people, honor, influence, &c.*, could not have the same signification at Rome, as they have, or ought to have, at Paris. How can you expect that all these youths who have been at university or conventual schools, with LIVY and QUINTUS CURTIUS for their catechism, will not understand liberty like the GRACCHI, virtue like CATO, patriotism like CÆSAR? How can you expect them not to be factious and warlike? How can you expect them to take the slightest interest in the mechanism of our social order? Do you think that their minds have been prepared to understand it? Do you not see that, in order to do so, they must get rid of their present impressions, and receive others entirely opposed to them?

B. What do you conclude from that?

F. I will tell you. The most urgent necessity is, not that the State should teach, but that it should *allow* education. All monopolies are detestable, but the worst of all is the monopoly of education.

THE DAILY PRICE OF GOLD AT NEW-YORK.

(Continued from page 476, December No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of November, 1872, compared with the same period in the years 1867-71. The figures in full-face denote the lowest and highest quotations of the month:

| NOV. | 1872. | 1871. | 1870. | 1869. | 1868. | 1867. |
|--------------|----------|----------|----------|----------|----------|----------|
| 1 Friday | 11½ 12½ | 12 12½ | 11½ 11½ | 28 28½ | Sun. | 40½ 41½ |
| 2 Saturday | 11½ 12 | 12 12½ | 10½ 11½ | 27½ 28 | 33 33½ | 40½ 40½ |
| 3 Sunday | Sun. | 11½ 12 | 10½ 10½ | 27½ 27½ | 33½ 33½ | Sun. |
| 4 Monday | 11½ 12½ | 11½ 12 | 10 10½ | 26½ 27 | 33 33½ | 39½ 41½ |
| 5 Tuesday | Holiday. | Sun. | 10½ 10½ | 26½ 27½ | 32½ 32½ | 39½ 40½ |
| 6 Wednesday | 11½ 12½ | 11½ 12½ | Sun. | 26½ 27½ | 32½ 33 | 38½ 39½ |
| 7 Thursday | 12½ 12½ | Holiday. | 10½ 10½ | Sun. | 33½ 34½ | 38½ 39½ |
| 8 Friday | 12½ 13 | 11½ 11½ | 10½ 10½ | 26½ 26½ | Sun. | 38½ 39½ |
| 9 Saturday | 13½ 13½ | 11½ 11½ | 10½ 10½ | 26½ 27 | 34½ 34½ | 38½ 39½ |
| 10 Sunday | Sun. | 11½ 11½ | 10½ 10½ | 26½ 27½ | 34½ 35½ | Sun. |
| 11 Monday | 13½ 14½ | 11½ 11½ | 10½ 11½ | 26½ 27 | 33½ 34½ | 38½ 39 |
| 12 Tuesday | 13½ 13½ | Sun. | 11 11½ | 26½ 27 | 33½ 34½ | 39 39½ |
| 13 Wednesday | 13½ 13½ | 11½ 11½ | Sun. | 26½ 27 | 33½ 34 | 39½ 40½ |
| 14 Thursday | 13½ 13½ | 11 11½ | 11½ 12½ | Sun. | 34½ 35 | 39½ 40½ |
| 15 Friday | 13½ 13½ | 11½ 11½ | 10½ 11½ | 26½ 27½ | Sun. | 40½ 41½ |
| 16 Saturday | 13½ 13½ | 11 11½ | 11½ 12½ | 27½ 27½ | 35½ 37 | 39½ 40½ |
| 17 Sunday | Sun. | 11½ 11½ | 12½ 13½ | 26½ 27½ | 34½ 36½ | Sun. |
| 18 Monday | 13½ 13½ | 11 11½ | 12½ 13½ | Holiday. | 33½ 35½ | 39½ 40½ |
| 19 Tuesday | 13½ 13½ | Sun. | 12½ 12½ | 26½ 26½ | 34½ 35 | 39½ 39½ |
| 20 Wednesday | 13 13½ | 10½ 11 | Sun. | 26½ 26½ | 34½ 35 | 39½ 40 |
| 21 Thursday | 13 13½ | 10½ 10½ | 11½ 11½ | Sun. | 34½ 34½ | 39½ 39½ |
| 22 Friday | 13 14 | 10½ 10½ | 11½ 12 | 26½ 26½ | Sun. | 38½ 39½ |
| 23 Saturday | 12½ 13½ | 10½ 10½ | 11½ 12½ | 26½ 26½ | 34 34½ | 39½ 40½ |
| 24 Sunday | Sun. | 10½ 11½ | Holiday. | 26 26½ | 34½ 34½ | Sun. |
| 25 Monday | 12½ 13½ | 10½ 10½ | 11½ 12½ | 24½ 25½ | 34½ 35½ | 39½ 40½ |
| 26 Tuesday | 12½ 13 | Sun. | 11½ 12 | 24½ 24½ | Holiday. | 39½ 40 |
| 27 Wednesday | 12½ 12½ | 10½ 11 | Sun. | 24½ 25½ | 35 35½ | 39½ 39½ |
| 28 Thursday | Holiday. | 10½ 11 | 11½ 11½ | Sun. | 34½ 35½ | Holiday. |
| 29 Friday | 12½ 12½ | 10½ 10½ | 11 11½ | 21½ 23 | Sun. | 38½ 39½ |
| 30 Saturday | 12½ 12½ | | 10½ 11 | 21½ 23½ | 35½ 35½ | 37½ 38½ |

MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1867-72.

| DATE. | 1867. | 1868. | 1869. | 1870. | 1871. | 1872. |
|-----------|---------|---------|---------|---------|---------|---------|
| January | 32 37½ | 33½ 42½ | 34½ 36½ | 19½ 23½ | 10½ 11½ | 8½ 10½ |
| February | 35½ 40½ | 39½ 44 | 30½ 36½ | 15 21½ | 10½ 12½ | 9½ 11 |
| March | 33½ 40½ | 37½ 41½ | 30½ 32½ | 10½ 16 | 10½ 11½ | 9½ 10½ |
| April | 32½ 41½ | 37½ 40½ | 31½ 34½ | 11½ 15½ | 10½ 11½ | 9½ 13½ |
| May | 34½ 38½ | 39½ 40½ | 34½ 44½ | 13½ 15½ | 11 12½ | 12½ 14½ |
| June | 36½ 38½ | 39½ 41½ | 37 39½ | 10½ 14½ | 11½ 13½ | 13 14½ |
| July | 38 40½ | 40½ 45½ | 34 37½ | 11½ 22½ | 11½ 13½ | 13½ 15½ |
| August | 39½ 42½ | 43½ 50 | 31½ 36½ | 14½ 22 | 11½ 13½ | 12½ 15½ |
| September | 40½ 46½ | 41½ 45½ | 33½ 62½ | 12½ 16½ | 12½ 15½ | 12½ 15½ |
| October | 40½ 45½ | 33½ 40½ | 28½ 31½ | 11½ 14½ | 11½ 15 | 12½ 15½ |
| November | 37½ 41½ | 32½ 37 | 21½ 28½ | 10 13½ | 10½ 12½ | 13½ 14½ |
| December | 33 37½ | 34½ 36½ | 19 24 | 10½ 11½ | 8½ 10½ | — — |

For the daily price of gold from January, 1862, to December 1871, see the *Banker's Almanac*, for 1872.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

SEPTEMBER, OCTOBER AND NOVEMBER, 1872.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 479, December No.)

| STOCKS. | SEP., 1872. | | OCT., 1872. | | NOV., 1872. | |
|---|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| U. S. Six per cts. of 1881, Coupon Bds. | 114½ | 116½ | 115½ | 117 | 116½ | 117½ |
| “ Five-Twenty of 1862, “ | 113 | 115½ | 115½ | 116½ | 111½ | 113 |
| “ “ 1864, “ | 113½ | 114½ | 114½ | 116 | 111½ | 113½ |
| “ “ 1865, “ | 114 | 114½ | 115½ | 116½ | 112 | 113½ |
| “ “ 1865, New, “ | 112 | 113½ | 113½ | 114½ | 114½ | 115½ |
| “ “ 1867, “ | 112½ | 114½ | 113½ | 115½ | 114 | 116½ |
| “ “ 1868, “ | 112½ | 114 | .. | .. | 114½ | 115½ |
| “ Ten-Forty Coupon Bonds | 107½ | 108½ | 107½ | 108½ | 107½ | 108½ |
| “ Five per cent. of 1881 | 109½ | 111½ | 111 | 111½ | 110 | 111 |
| “ Six per cent. Currency | 111½ | 112½ | 111 | 114 | 113½ | 114½ |
| Tenn. Six per cent. Bonds, Old | 72½ | 74 | 72½ | 75½ | 74 | 76 |
| “ “ “ New | 71 | 74½ | .. | .. | 73½ | 76½ |
| Virginia Six per cent. Bonds, Old .. | 45 | 45 | 44½ | 44½ | .. | .. |
| “ “ “ New | .. | .. | .. | .. | 52 | 52 |
| “ “ “ Consol .. | 50½ | 51½ | 50 | 54½ | 54½ | 56 |
| N. Carolina Six per ct. Bonds | 33 | 34 | 33 | 33½ | 33 | 36 |
| “ “ “ New | 20 | 21 | 20 | 20 | .. | .. |
| “ “ “ Special Tax .. | .. | .. | 11 | 14 | 13½ | 14½ |
| S. C. Six per ct. Bds. Jan. & July .. | 22½ | 25½ | 23½ | 27 | 23½ | 26 |
| “ “ “ April & Oct .. | 22½ | 26½ | 24½ | 24½ | 25½ | 30 |
| Missouri Six per cent. Bonds | 92 | 93½ | 92 | 93½ | 93 | 95½ |
| Canton Company of Maryland | 90 | 95 | 93 | 106½ | 100 | 106 |
| Delaware and Hudson Canal Co. | 116½ | 119 | 115 | 118 | 115 | 117½ |
| Consolidated Coal Co. of Maryland .. | 40 | 42½ | 41 | 45½ | 43 | 48½ |
| Quicksilver Mining Company | 40 | 44½ | 43 | 49 | 44 | 48½ |
| “ “ “ Preferred .. | 51½ | 55½ | 54 | 59 | 52 | 57½ |
| Mariposa Mining Company | .. | .. | 1½ | 2½ | 1½ | 2½ |
| “ “ “ Preferred .. | 2½ | 2½ | 2 | 4½ | 1½ | 4½ |
| Western Union Telegraph Co. | 67½ | 72½ | 69½ | 81½ | 73½ | 80 |
| Pacific Mail Steamship Company .. | 67½ | 75½ | 74½ | 102½ | 83½ | 95½ |
| Adams Express Company | 89 | 95½ | 91½ | 95½ | 91 | 95 |
| Wells, Fargo & Co. Express Co. | 79 | 86 | 85 | 88½ | 80 | 88 |
| American Merchant's Union Express .. | 65½ | 72 | 67½ | 71½ | 64 | 71½ |
| United States Express | 75½ | 82½ | 75½ | 81½ | 72 | 79½ |
| N. Y. Cent. and Hudson River R. R. .. | 92½ | 100½ | 92 | 96½ | 91½ | 96½ |
| Erie Railroad, Common | 47½ | 54 | 47½ | 54½ | 48 | 57 |
| “ “ “ Preferred | 69 | 71½ | 70 | 74½ | 71 | 74½ |
| Harlem Railroad, Common Shares .. | 109 | 114½ | 110 | 115½ | 111 | 116½ |
| Reading Railroad Shares | .. | .. | .. | .. | .. | .. |

| STOCKS. | SEP., 1872. | | OCT., 1872. | | Nov., 1872. | |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> |
| N. York & New Haven R. R. Shares.. | 145 | 147 | 115 | 117 | 113½ | 115½ |
| Michigan Central Railroad Co..... | 115 | 115 | 90 | 93½ | 86½ | 95½ |
| Lake Shore & Mich. Southern R.R. | 87½ | 90 | 86½ | 93½ | 86½ | 95½ |
| Panama Railroad Company Shares.. | 125 | 145½ | 140 | 150 | 130 | 143 |
| Union Pacific Railroad " .. | 35½ | 39½ | 37½ | 40½ | 32½ | 39½ |
| Illinois Central Railroad " .. | 127 | 133 | 122 | 129 | 119 | 127½ |
| Cleveland & Pittsburgh R.R. "Gtd. | 88 | 90½ | 87 | 90 | 86½ | 90 |
| " Col., Cinn. & Ind. R.R. | 89 | 94 | 88 | 91½ | 88 | 91½ |
| Chicago, Rock Island & Pacific R.R. | 106½ | 111 | 106 | 112½ | 105 | 111½ |
| " Burlington & Quincy " | 130 | 135 | 133½ | 140 | 132 | 135 |
| " & Alton Railroad Shares.. | 110 | 113 | 109 | 113 | 108 | 113 |
| " " " Pref. | 114½ | 116 | 114 | 115 | 113 | 113 |
| " & Northwestern R.R. Shares | 70½ | 74½ | 68½ | 82½ | 80 | 190 |
| " " " Pref. | 84½ | 90½ | 84½ | 90 | 83½ | 95½ |
| Del., Lackawanna & West. R.R. Co. | 96½ | 103½ | 93½ | 99½ | 94 | 99 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 90 | 96 | 93 | 96 | 92 | 94½ |
| Toledo & Wabash R.R. Co. Shares. | 69 | 74½ | 68 | 74½ | 66½ | 77½ |
| " " " Pref. | .. | .. | 88½ | 90 | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 41½ | 44½ | 42½ | 48½ | 42 | 48½ |
| Hannibal & St. Joseph R.R. " | 30 | 38 | 31½ | 38 | 29 | 35½ |
| " " " Pref. | 48 | 53½ | 50 | 56 | 48 | 51½ |
| Milwaukee & St. Paul R.R. Shares | 53½ | 56 | 53½ | 58½ | 51½ | 56½ |
| " " " Pref. | 74½ | 76 | 74½ | 77½ | 72½ | 76 |
| Boston, Hartford & Erie R.R. Shares | 6½ | 7½ | 7½ | 9½ | 6½ | 8½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 34½ | 37½ | 33½ | 37 | 29½ | 36½ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | 62 | 64 |
| New Jersey Central Railroad Shares | 100 | 106½ | 94½ | 104 | 100 | 104 |
| Morris & Essex Railroad Shares... | 91 | 92 | 90 | 92½ | 91½ | 92½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 91 | 91 | 92 | 92½ | 89 | 91 |
| Erie First Mortgage Bonds of 1868.. | 103 | 103 | 103½ | 104 | 101½ | 102 |
| Long Dock Bonds..... | 95 | 96 | 95½ | 96 | 96 | 96 |
| Mich. Southern Sinking Fund Bonds | 101½ | 102½ | 102 | 104½ | 100 | 101½ |
| " " Seven p. ct. 2d Mtge. | 98 | 98 | 100 | 100 | 95 | 97½ |
| Central Pacific 1st Mortgage Bonds | 99½ | 101 | 99 | 101½ | 99½ | 101 |
| Union " " " | 86½ | 88½ | 86 | 89½ | 86 | 88½ |
| " " Land Grant Bonds.. | 78½ | 81 | 75 | 77½ | 73½ | 77½ |
| " " Income Bonds..... | 77½ | 82 | 78 | 80½ | 76 | 86 |
| Alton & Terre Haute 1st Mtge. Bds. | 100 | 100 | 101 | 101 | 101 | 101 |
| " " " 2d " Pref. | .. | .. | 90 | 90 | 90 | 90 |
| " " " Income Bds. | 82½ | 84 | 80½ | 83 | 78½ | 80½ |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | .. | .. | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 93½ | 95 | 94 | 94½ | 93 | 93 |
| " " 1st Mortgage Bonds.. | 95½ | 96 | 96½ | 99 | 98 | 100 |
| Cleveland & Tol. Sinking Fund Bds. | .. | .. | .. | .. | 102½ | 102½ |
| " & Pittsb'gh Consol'n Bds. | 95 | 96 | .. | .. | 92 | 95 |
| " " Second Mtge. | .. | .. | 98 | 98 | .. | .. |
| " " Third " | 98 | 98 | .. | .. | 98½ | 98½ |
| " " Fourth " | 82½ | 83½ | 82½ | 83½ | 83½ | 84 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 100½ | 101½ | 101 | 101½ | 101½ | 102 |
| Milwaukee & St. Paul 1st Mortgage | 91½ | 92½ | 92½ | 93 | 91½ | 91½ |
| St. Louis & Iron Mountain R.R. Bds. | 93 | 96 | 93½ | 95 | 92 | 92 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 91½ | 92½ | 85½ | 88 | 86½ | 88 |
| " " " 2d " " | 74 | 76 | 73 | 73½ | 72½ | 73½ |
| Toledo, Peoria & Warsaw 1st, E. D. | 94 | 94 | 91 | 92 | 94 | 94 |
| " " " 1st, W. D. | 88½ | 89 | 88½ | 88½ | 87½ | 89 |
| " " " 2d, W. D. | 86 | 86 | 81 | 81½ | 81 | 81½ |
| Cedar Falls & Minn. 1st Mtge. Bds. | 81 | 83½ | 82 | 83 | .. | .. |
| Boston, Hart. & Erie 1st Mtge. Bds. | 37 | 41½ | 39 | 42 | 36 | 42½ |

PUBLIC DEBT OF THE UNITED STATES.

Abstract of the Official Statements, January, 1869, to December, 1872.

| | Jan. 1, 1869. | July 1, 1870. | January 1, 1871. | January 2, 1872. | November 1, 1872. | December 1, 1872. |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,589,300 | \$ 221,589,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent..... | ..... | ..... | ..... | 96,997,650 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1861..... | 283,677,400 | 283,678,100 | 283,678,100 | 283,681,200 | 283,681,200 | 283,681,250 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,602,683,300 | 1,437,099,300 | 1,258,610,550 | 1,064,940,700 | 1,061,453,700 |
| | \$ 2,107,836,350 | \$ 2,107,960,700 | \$ 1,935,342,700 | \$ 1,853,856,700 | \$ 1,762,469,200 | \$ 1,759,702,250 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-cent. Bonds Pacific Railroad..... | \$ 50,097,000 | \$ 64,457,320 | \$ 64,618,832 | \$ 64,618,832 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 45,545,000 | 43,550,000 | 22,025,000 | 5,030,000 | 4,030,000 |
| 4-per-cent. Certificates..... | ..... | ..... | 678,362 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent..... | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 124,002,320 | \$ 122,847,194 | \$ 101,321,832 | \$ 84,331,512 | \$ 83,331,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 3,647,367 | \$ 7,315,822 | \$ 1,739,938 | \$ 5,483,930 | \$ 4,210,440 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 356,021,073 | \$ 356,106,256 | \$ 356,101,066 | \$ 357,592,801 | \$ 360,652,816 | \$ 358,135,643 |
| Fractional Currency..... | 34,215,715 | 39,878,654 | 39,936,069 | 40,767,877 | 42,316,786 | 43,798,680 |
| Gold Certificates of Deposit..... | 27,036,020 | 34,547,120 | 26,149,000 | 36,049,700 | 22,307,000 | 20,276,900 |
| Currency, do. do. .... | ..... | ..... | ..... | ..... | 23,655,000 | 24,465,000 |
| | \$ 417,272,806 | \$ 430,532,060 | \$ 422,245,175 | \$ 434,419,378 | \$ 448,931,602 | \$ 446,604,232 |
| Aggregate Debt..... | \$ 2,652,533,662 | \$ 2,666,132,447 | \$ 2,467,750,892 | \$ 2,391,328,848 | \$ 2,301,236,284 | \$ 2,293,848,434 |
| Coin and Currency in Treasury.. | 111,926,461 | 141,721,115 | 138,086,572 | 127,294,320 | 115,061,841 | 103,186,752 |
| Debt, less coin and currency... | \$ 2,540,707,201 | \$ 2,524,411,332 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,186,174,453 | \$ 2,190,661,682 |

Coin in the Treasury, December, 1872, \$ 68,603,641; Currency, \$ 34,568,111; total, \$ 103,186,752.

FAILURE OF BOWLES BROTHERS & CO.

Mr. ROBERT BOWLES, of the firm of BOWLES BROTHERS & Co., and understood to be the London partner, was brought before the Lord Mayor of London in November, on a charge that he and his partners had been entrusted by Messrs. D'AGIONT & SONS, of Naples, with two hundred debentures of the Lombardo-Venetian Railway, worth \$ 11,000, for safe custody, and contrary to the intent with which they were deposited, and without any authority, and in violation of good faith, he had pledged them for the benefit of himself and his firm. It was stated by the prosecutor in his testimony that these debentures had been deposited by Messrs. D'AGIONT to cover advances; that BOWLES BROTHERS had, it was feared, been dragging on an existence by pledging their customers' securities; that they had by that means obtained advances from the UNION BANK to the amount of \$ 80,000; and that among the securities so pledged were those of Messrs. D'AGIONT. The prosecutor further testified that the debit against his firm on the books of BOWLES BROS. did not exceed \$ 860, which he was perfectly ready to pay. There had never been, so far as appears, any default on his part. When he heard of the failure he came to London to get his debentures. Last Monday he saw Mr. ROBERT BOWLES, then the only partner in ENGLAND, and asked him for the securities. He at first answered that he knew nothing about them; but later in the day told him that the bonds were in the UNION BANK with many other securities of their clients. The securities were in point of fact in the UNION BANK. On this evidence Mr. ROBERT BOWLES was remanded till next Tuesday. Later in the day he applied to be admitted to bail, to which the Lord Mayor assented, and the prisoner, on entering into his own recognisances for \$ 20,000, and giving two sureties, each for \$ 10,000, was liberated.

Nov. 28.—The second hearing in the case was on the 26th of November. The adjourned meeting of the creditors was held on the 27th, and the statements made in both were of the most damaging character. The prospects for the creditors are disastrous. The estimated liabilities are \$ 415,000. Securities to the amount of \$ 70,000, deposited with the firm for safe custody only, have been pledged with the bankers of the London house against loans. The liabilities of the firm are further extended to the amount of about \$ 475,000 due in respect of shares of the Joint National Agency, being the amount not paid up on \$ 100,000 shares at \$ 5 each. Against this, the only realizable assets are cash and bills receivable and a few debit accounts, in all amounting to about \$ 17,000. There are additional debtor balances on the books amounting nominally to \$ 190,000, the nature and value of which neither Mr. ROBERT BOWLES nor Mr. KERTH, the London manager, are able to explain or estimate. Very little, think the committee, will ever be realized from these mysterious balances. The London books show no capital accounts of the several partners, and their drawings in London have been debited to salary and entertainment accounts.

The committee of creditors recommend placing the estate in bankruptcy. Sir ANTONIG BRADY, one of the creditors, remarked that he felt the real culprits were not yet in custody, that the case was one of downright fraud, and that though he had lost over \$ 4,000 he would gladly subscribe something to bring to justice the author of the calamity. The solicitor who represented Mr. NELL, of NEW JERSEY, the largest creditor, said nothing was to be hoped for from the UNION BANK, the securities pledged with them being transferable, and the law being on the side of the bank. The motion to put the estate into bankruptcy was carried unanimously. The costs of that proceeding will probably eat up a good part of what is left, and the failure bids fair to be in all respects, except as to the amount of losses, one of the worst ever known in London. Mr. ROBERT BOWLES was again remanded, and goes about on bail as before.

CHARLES BOWLES, the head of the banking house of BOWLES BROTHERS & Co., and President of the Joint National Agency, was arrested at Springfield, Mass., Dec. 18, at the civil suit of Mr. HUBER of this city. This arrest was made upon the affidavit of Mr. HUBER, that he believed Mr. BOWLES was about to leave the State, and was the ordinary arrest under the laws of the State upon so-called *mesme* process. Mr. BOWLES has given bail to the effect that he will not leave the State, but will hold himself subject to its jurisdiction in this suit.

THE MONEY MARKET IN CONGRESS.

On the 6th December, in the United States Senate, "On motion of Senator WRIGHT, it was resolved that the Committee on Finance be instructed to inquire what legislation is necessary to relieve the present stringency of the money market, the propriety of providing for an additional issue of legal-tender notes, and all matters connected therewith, and report by bill or otherwise at as early a day as practicable."

This enquiry is far from an appropriate one for either branch of Congress. It seems to us that they have nothing to do with any cure of the diseases or distresses of the money market—especially as Congress, by its own action of late years, has produced nearly all the ills of the market. Instead of an enquiry as to the "propriety of providing for an additional issue of legal-tender notes," if Congress would reduce the present inflated volume of paper money, AS WAS PROMISED WHEN THE GOVERNMENT ISSUES WERE CREATED, the revolutions in commerce and finance would be largely obviated. It was expressly urged in Congress in 1862, when the currency bill was under consideration, that it was a *war measure*. "We must take war responsibilities," said Senator McDUGALL, of CALIFORNIA. Senator SUMNER gave his assent WITH RELUCTANCE, and said: "We must all set our faces against any proposition like the present, EXCEPT AS A TEMPORARY EXPEDIENT, rendered imperative by the exigency of the hour." Now seven years or more have elapsed, and the only movement to a contraction was made by Secretary MCCULLOCH, a movement which, if it had not been interrupted by Congress, would have led, by this time, to a resumption of specie payments—the only measure that will ever restore the currency and the market to a secure footing and a permanent condition.

BILL TO SUBSTITUTE UNITED STATES NOTES FOR NATIONAL BANK NOTES.—Mr. COLE has introduced in the Senate, a bill to replace the National Bank notes with United States notes. It requires the Secretary of the Treasury to withdraw from circulation all notes of the National Banks coming into the custody of the UNITED STATES, and to issue in place thereof, if necessary, an equal amount of the notes of the UNITED STATES. And whenever and as often as the notes of any one of such National Banks, to amount of \$900, shall accumulate in the Treasury, and after thirty days' notice thereof to such banks, interest shall cease and be suspended upon \$1,000 of the United States bonds deposited in the Treasury to the credit of such bank as security for its circulation, until such bank shall redeem said bond by the payment of \$900 in current money into the Treasury of the UNITED STATES.

BILLS OF LADING.—The following notice has been sent by a number of the New York City banks to their correspondent banks:

New York, December 10, 1872.—An important decision has recently been made by the United States District Court, against a Boston bank, for having surrendered a bill lading, attached to a time draft, upon acceptance of the draft. The opinion expressed was, in substance, as follows: "That all bills of lading attached to drafts should be surrendered only upon payment of the draft." In consequence of this decision, any draft sent to this bank for collection, accompanied by bill lading or transportation receipts, must have expressed instructions written upon its face, with signature, whether or not it shall be surrendered upon acceptance. In the absence of instructions, all such documents will be held until payment of the drafts, and, upon refusal of drawees to accept, they must, of necessity, be protested.

By reference to page 510 of this number of the *BANKER'S MAGAZINE* it will be seen that this rule is the opposite of one recently adopted in Philadelphia.

BANKING AND FINANCIAL ITEMS.

THE *BANKER'S ALMANAC* for 1873, illustrated with engravings, 500 pages, price three dollars, will be issued early in January, containing a list of all the National and State banks in operation to date, 2,500 in number; the location, names of officers, capital, and New York correspondent of each. A list of the private bankers in the UNITED STATES; 2,100 in number; with population of each place. A list of chartered Savings banks in NEW ENGLAND, NEW YORK, MARYLAND, NEW JERSEY, CALIFORNIA, and PENNSYLVANIA; 500 in number. An alphabetical list of 2,500 cashiers in the UNITED STATES; with a new list of assistant cashiers; with other details of value to bankers, and to merchants abroad and at home. The names of assistant cashiers throughout the U. S. should be made known immediately to this office.

NEW COINS. The years 1871 and 1872 are conspicuous for the variety of new coins brought before the world. In order to make the facsimiles of these coins familiar where the originals cannot be seen, we have had engravings made of thirty-three of these, viz: of ENGLAND, FRANCE, GERMANY, RUSSIA, SWEDEN, DENMARK, CANADA, SPAIN, AUSTRIA, MEXICO, PORTUGAL, ITALY, WURTEMBERG, FRANKFORT, and JAPAN. These will all appear in the *Banker's Almanac* for 1873. The new five franc piece is interesting historically:—It was coined during the late war, at Bordeaux. The five franc piece is considered a remarkably fine specimen of modern coinage. It is worthy of note that although the new silver dollar of Mexico is somewhat better than the former one so well known the world over, yet it stands lower in the bullion market; the ASIATICS have not the same confidence in it, on account of the entire change of device and appearance. This fact, and the growing scarcity of the former dollar, have given rise to the proposition to displace with our present silver dollar, which, on account of its lightness, is still less in credit at the East than the new Mexican, and to coin a commercial dollar, a little heavier than the Mexican, not to be a legal tender in our own currency, but solely for exportation.

LIENS FOR ADVANCES.—In the United States Circuit Court, NEW YORK, November 27, before Judge SHIPMAN and a jury, was decided the suit of the Wisconsin Fire and Marine Insurance Company to recover from DAVID DOWS and others, advances made by the company on 26,000 bushels of wheat, the advances having been made to A. S. SMITH & Co., who transferred the wheat to defendants, and failed to pay the advances made upon it by plaintiffs, the defendants being ignorant of such advances. It was contended on behalf of the plaintiffs that the advances were in the nature of a lien upon the wheat, following it wherever it went until the advances were repaid. It was contended by the defense that as they had purchased the wheat in good faith without notice of the advances, they were not liable; that repayment of advances made to a second party could not be enforced against a third party purchasing of a second party in good faith, the remedy of the party making the advances being against the second party, the one to whom the advances were directly made. The Court held that the advances, if made as alleged, were still a lien on the property, and the facts being given to the jury to pass upon, they found a verdict for the plaintiff for \$36,278 98.

New York.—The Gold and Stock Telegraph Co. is in operation at No. 61 Broadway, New York City. This Company furnish gold and stock quotations, cotton and produce exchange, and general commercial news reports to its subscribers, by telegraphic printing instruments, at their respective places of business; and also erect and maintain private telegraph lines for Corporations and individuals, operated with printing instruments. The directors are TRACY R. EDEON, HORACE F. CLARKE, JAMES H. BANKER, WILLIAM ORTON, MARSHALL LEFFERTS, ALONZO B. CORNELL, JOSEPH M. COOK.

NEW YORK.—SILAS B. DUTCHER, as assignee of the insolvent CENTRAL BANK of Brooklyn, brings suit against the IMPORTERS AND TRADERS' NATIONAL BANK of New York, before the Supreme Court, Brooklyn district. The CENTRAL

BANK used to make the collections in Brooklyn of the IMPORTERS AND TRADERS' NATIONAL BANK OF NEW YORK. On the 1st of August there was in the CENTRAL BANK \$20,422 to the credit of the IMPORTERS AND TRADERS' BANK, of which on that day \$19,300 was paid on a draft drawn by the IMPORTERS AND TRADERS' BANK. This action is now brought to recover this amount, the plaintiff claiming that the payment of this draft was made with intent to give a preference to the defendant over the other creditors of the CENTRAL BANK, and delay and defeat the operation of the bankrupt act. The defendant claims that the CENTRAL BANK was its agent for collection merely, and that the funds in the CENTRAL BANK were, therefore, trust funds, and cannot in law be considered as an indebtedness in the purview of the bankrupt act. The defendant also claims that Mr. DUTCHER got possession of \$3,749 37 when he became assignee of the CENTRAL BANK, which was their money, the CENTRAL BANK having collected that amount for them on Brooklyn checks, notes and drafts. For this amount judgment is asked for against Mr. DUTCHER. Case on.

Middletown.—For some time past much distrust has been felt among business men in the WALLKILL NATIONAL BANK, of this place, which was organized some years ago, under most favorable circumstances. That the funds of the concern were being used by certain of its officers in sundry speculations had been a common rumor; but it was not until the latter part of last month that general alarm was manifested as to the affairs of the bank. At that time the cashier of the bank, CHARLES H. HORTON, disappeared, and it became known that a draft on the bank for a comparatively small sum had been protested by the PARK BANK, in New York, agents of the WALLKILL BANK. A run commenced, when the bank was forced to close its doors. Ex-Senator WILLIAM M. GRAHAM was brought before Commissioner OSBORN, New York, December 3rd, and charged with having, while acting as President of the WALLKILL NATIONAL BANK, embezzled \$100,000, the property of the stockholders of that institution and of other persons. He was committed in default of \$20,000 bail for examination. CHARLES H. HORTON, the cashier of the bank, was included in this charge; but he has not been arrested, and the belief is that he has left the country.

New York.—At the annual election of the stockholders of the NEW YORK GOLD EXCHANGE BANK, held on Tuesday, December 3d, the following directors were chosen:—CHARLES H. HARNEY, ALFRED L. SETON, RICHARD L. EDWARDS, T. F. B. PARKER, HENRY M. BENEDICT, W. A. GIBSON, TOWNSEND COX, JOHN F. UNDERHILL, E. CORNELIUS BENEDICT, E. O. READ and SIMON SCHAFFER. After which, officers were elected as follows:—R. L. EDWARDS, President; T. F. B. PARKER, Vice-President; S. WILLIAM MATHEWS, Cashier; GEORGE L. DE GRAY, Assistant Cashier.

New York.—A run on the MUTUAL BANK, No. 756 Broadway, occurred on 8th December, and all demands were met. The run on the MUTUAL BANK having entirely subsided, the officers of the institution are now able to see the effects of the false alarm, and congratulate themselves upon the bank's escape from what seemed like serious consequences. The total amount paid to depositors since Friday last is \$73,000, of which \$45,000 were drawn out on Saturday, the first day of the run. Since Saturday, the draft each day rapidly declined, while deposits from new creditors, as well as from depositors who had drawn out their money on the first alarm, came steadily in, and nearly counterbalanced the effect of the run.

New York.—The Depositors' Investigating Committee of the EIGHTH NATIONAL BANK held a meeting December 17, for the purpose of making arrangements for the criminal prosecution of the directors and officers of the bankrupt institution. Mr. JOHNSON presided, and stated the present condition of the bank and the prospects of the depositors in obtaining another dividend. It was moved that a subscription be started to fee counsel to institute criminal proceedings. A depositor stated that he was unwilling to take such extreme measures, and thought that by urging the directors they might be induced to pay up the deficit in the assets of the bank. Another depositor stated that this course had been suggested to the directors and officers, but without result, and recommended starting a subscription at once. After some further discussion it was agreed to employ counsel, and \$250 was contributed. The committee then visited the

receiver, Mr. ALVON MAN. Further subscriptions were received, and Mr. JOHNSON expects that \$1000 will be subscribed before the committee meets again.

Nunda.—The BANK OF NUNDA, Livingston County, has commenced business with a capital of \$100,000, under the general banking law of NEW YORK. President, JOHN F. BARBER; Cashier, JOHN E. MILLS. The two banking firms of W. WHITCOMB and JOHN F. BARBER & Co. have relinquished business in favor of the new corporation. Their New York correspondent is the NATIONAL PARK BANK.

NEW YORK.—Messrs. BLAKE BROTHERS & Co., bankers, No. 52 Wall street, New York, and 28 State street, Boston, offer to purchase and sell, on commission, commercial paper, stocks, bonds and gold. They draw sterling bills on Messrs PIXLEY, ABELL, LANGLEY and BLAKE, London.

New York.—WILLIAM C. BRANDON, broker and dealer in miscellaneous securities at No. 708 Broadway, was arrested in December on a charge of being connected with the WATERFORD BANK robbery, which occurred on October 11.

ALABAMA.—The NATIONAL BANK, of Birmingham, Jefferson County, ALABAMA, (No. 2065), was organized in November with a capital of \$50,000, limited to \$250,000. President, C. LINN; Cashier, DANIEL TRAVERS.

DACOTAH.—The FIRST NATIONAL BANK OF YANKTON, Yankton County, DACOTAH, (No. 2068), was organized in December with a capital of \$50,000 limited to \$300,000. President, MOSES K. ARMSTRONG; Cashier, MARK W. PARMER. Mr. PARMER, in addition to the duties of cashier, retains his former business as a private banker. Their New York correspondent is the NINTH NATIONAL BANK.

ILLINOIS.—The BANK OF CHICAGO, under a State charter, succeeds to the business of the late National Loan and Trust Company. President, GEORGE C. SMITH; Vice-President, THOMAS H. ELLIS; Cashier, WILLIAM H. PARK; Assistant Cashier, James J. MCCARTHY. The present capital is \$100,000 limited to \$500,000. An engraving of the handsome building erected for this bank may be found in the *Banker's Almanac* for 1873, and on the cover of this work. Their New York correspondent is the FIRST NATIONAL BANK.

Chicago.—An exposé of the affairs of the SCANDINAVIAN NATIONAL BANK of Chicago is published, from which it appears that FERDINAND S. WINSLOW, the president, has been guilty of fraudulent transactions, which will result in the closing of the bank to-day, with a heavy loss to the stockholders and depositors. WINSLOW has been in EUROPE for the past two months, and it is confidently asserted that he will never return. He is alleged to have been engaged in various speculations, all of which appear to have proved unsuccessful. The bank did a very large proportion of the business of the Scandinavian population of this city, and its connections extended to every Scandinavian community in the West.

The *Chicago Tribune* says: The SCANDINAVIAN BANK was originally a private bank, with a line of about \$100,000 deposits (nearly all savings deposits) of Scandinavian laborers. The bank also did a considerable business in the sale of passage tickets to and from North Germany, Denmark and Sweden. Last spring, FERDINAND S. WINSLOW being president, the bank was reorganized as a national bank, and the majority of the stock, \$225,000, taken by WINSLOW. A few small amounts of stock were scattered among reputable people here, and their names temporarily used as directors just long enough to give the bank a respectable standing, the bank making its first statement as a national bank on October 3. It is not known how much of the \$225,000 of stock was legitimately paid in at the start, but it is alleged that, as WINSLOW did not have the capital to pay in, the money to buy the \$150,000 of bonds to secure its \$135,000 of circulation was loaned to him by a national bank of this city until the \$135,000 of circulation on the bonds could be got from the Treasury Department at Washington. It is also stated that the president of the national bank that made this advance got \$1000 of stock in the SCANDINAVIAN NATIONAL BANK for the accommodation.

WINSLOW subsequently sold \$75,000 of the stock of the bank to parties in Copenhagen, and \$50,000 to parties in Paris, who were all induced to take it on the recommendation of a respectable Danish banker, a friend of WINSLOW's,

in Copenhagen. The money for this stock was paid to WINSLOW in person, and, it is alleged, was never paid by him into the bank as capital, but only partly, and to the credit of his own account. Meantime, the prestige of being a national bank attracted the deposits of the Scandinavians of the city, its deposits increased, and, on these and some small payments of stock, probably \$40,000 all told, the bank was carried along. About five months ago WINSLOW undertook to financier the Mississippi Valley and Western Railroad, which is in operation from Quincy to Keokuk, 40 miles, with a line in progress from Keokuk to Brownsville, NEBRASKA, 352 miles. In pursuance of this plan, he sailed for EUROPE about the 1st of July, to negotiate the bonds to build the road. In expectation of the sale of the bonds, he bought a considerable amount of railroad iron, at least one cargo of which has come forward. But failing to negotiate the bonds as anticipated, further purchases of iron were suspended. The iron that was bought was at a high figure, and the subsequent decline in the price of iron made, as is claimed, a loss of some \$20,000 or \$30,000. This is all the legitimate loss of which we can hear positively, and it seems that the \$260,000 which WINSLOW is said to be indebted to the bank is almost entirely an illegal misappropriation of its funds.

The condition of the bank, as shown by the investigations of the Clearing-House Committee on the 25th ult., would show that after the payment of the \$310,758 of deposits, together with some other liabilities, (exclusive of circulation), to the amount of probably \$50,000, there would probably remain a balance of \$130,000 to represent capital. But it is just here that the illegitimate character of the whole institution as a national bank is developed. The loans are shown to be more than the total amount of the deposits, and of these loans nearly one-half have been made to WINSLOW, the president of the bank. We have reason to believe, also, that a considerable part of the remaining "loans" are notes of stockholders, given to represent capital stock that was never paid in. Some of those whose names have been used as directors, and have been the means of giving the bank a fair character, admit that they never paid in a cent of money; that WINSLOW pressed them to take the stock, saying they could give their notes for it; that these notes could be carried along by the bank, and they need not trouble themselves about payment.

INDIANA.—The GIBSON COUNTY NATIONAL BANK, of Princeton, IND., (No. 2066,) was organized in November, with a capital of \$50,000, limited to \$100,000. President, CALEB TRIPPET; Cashier, R. M. J. MILLER.

Goshen.—The CITY NATIONAL BANK of Goshen, Elkhart County, (No. 2067,) was organized in December, with a capital of \$50,000, limited to \$150,000. President, HENRY H. HITCHCOCK; Cashier, IRA W. NASH. Their New York Correspondent is the THIRD NATIONAL BANK. The FIRST NATIONAL BANK OF GOSHEN is now in liquidation.

IOWA.—The PEOPLE'S SAVINGS BANK, at Dubuque, is organized under the general law of the State of IOWA, with a capital of \$250,000. President, HENRY K. LOVE; Vice-President, LEROY D. RANDALL; Cashier, JOHN F. BATES. Their New York correspondent is the IMPORTERS AND TRADERS' NATIONAL BANK.

MASSACHUSETTS.—By the disastrous fire at Boston, on the 9th and 10th of November last, six of the national banks and one savings bank were burnt out, thereby causing serious inconvenience by the loss of account books and papers, but no loss of cash effects. These banks have removed to new quarters, temporarily, as follows:

| <i>Name of Bank.</i> | <i>Former Location.</i> | <i>Present Location.</i> |
|------------------------------|-------------------------|--------------------------|
| National Revere Bank..... | 74 Franklin St.... | Sears Building. |
| Nat. Hide and Leather Bank.. | 51 Congress St.... | 74 State St. |
| Nat. Bank of North America.. | 75 Franklin St.... | 70 State St. |
| Shawmut National Bank..... | 52 Congress St.... | 43 State St. |
| Freeman's National Bank..... | 109 Summer St.... | 411 Washington St. |
| Mount Vernon National Bank. | 186 Washington St. | 133 Tremont St. |
| Emigrant Savings Bank..... | 17 Franklin St.... | 260 Washington St. |

BOSTON.—HENRY W. PITMAN, formerly a receiving teller of the NORTH NATIONAL BANK of Boston, has been sentenced to five years' imprisonment in Lawrence jail for embezzling money from the bank.

Fraudulent Warrants.—THOMAS DUNHAM was held at the Tombs, New York, on a charge of being concerned in the fraudulent alteration of MISSISSIPPI State warrants. It was testified that he offered a warrant for sale to LEVY & BORG, brokers, of No. 20 Broad street, purporting to be for \$500. The brokers telegraphed to the Governor of MISSISSIPPI, and learned that the warrant, if genuine, was for \$6. DUNHAM was arrested, and on his person were found warrants representing \$40,000, all of which he admitted were altered. DUNHAM was committed by Justice DOWLING to await the arrival of witnesses from MISSISSIPPI.

CALIFORNIA.—DAYS OF GRACE on promissory notes are abolished in CALIFORNIA on January 1st. After that date, commercial paper must be paid on the day it is due or be protested.

MISSOURI.—The KNOX COUNTY SAVINGS BANK, at Edina, Knox County, Mo., is organized under State laws, with a capital of \$100,000. President, WILLIS ANDERSON; Vice-President, HENRY B. PARSONS; Cashier, ARNOLD DAVIDSON. Their New York correspondents are the NATIONAL PARK BANK and HENRY CLEWS & Co.

COUNTY RAILROAD AID.—An important injunction suit was decided at Springfield, Mo., on Nov. 30th, by the District Court. The case was the State ex rel. Attorney-General vs. the County Court of Green County and others, and its object the levy of a tax to pay the interest on \$400,000 of bonds issued by the county for the benefit of the Kansas City and Memphis Railroad. The point raised was that the bonds had been illegally issued, as the question had not been submitted to a vote of the people of the county. The argument for the plaintiff was so clear and conclusive that the Court granted the injunction asked. Defendants took an appeal to the Supreme Court. Other counties that have issued bonds in the same manner will doubtless follow suit, and the railroad will be seriously affected if the decree of the court is not reversed.—*St. Louis Democrat.*

TENNESSEE.—The EAST TENNESSEE NATIONAL BANK, of Knoxville, TENN., having purchased the Bank building, fixtures, &c., of the FIRST NATIONAL BANK, of that place, succeeds to its business and will attend to all its unsettled collections, &c. Special attention given to all business and prompt returns made for all collections. The officers are R. C. JACKSON, President; F. H. McCLUNG, Vice-President, W. B. FRENCH, Cashier. The FIRST NATIONAL BANK of Knoxville, is in liquidation.

TEXAS.—The NATIONAL BANK OF JEFFERSON, Marion County, TEXAS, has increased its capital to two hundred thousand dollars, and offer to make collections throughout that State. President, Mr. WILLIAM M HARRISON; Vice-President, W. B. WARD; Cashier, T. P. MARTIN. Their correspondents are the STATE NATIONAL BANK, New Orleans; the UNION NATIONAL BANK, St. Louis; the NINTH NATIONAL BANK, New York; the SECOND NATIONAL BANK, Louisville.

VIRGINIA.—The Supreme Court of Appeals decided in December, that the action of the General Assembly, in March, 1872, by which the coupon feature of the funding law was repealed, was unconstitutional. The effect of this decision is to make coupons of bonds issued under the funding act receivable for State taxes, as was contemplated by that act. One judge dissented.

Wheeling.—Some excitement was caused here in October, by a run on the GERMAN SAVINGS BANK, of Wheeling, by the depositors. Some misunderstanding about the indorsement of a check was the cause. All demands were promptly met, and the directors publish a card, holding themselves individually and collectively responsible for all deposits in their bank.

WISCONSIN.—The FIRST NATIONAL BANK OF EAU CLAIRE, Eau Claire County, WISCONSIN, (No. 2069), was organized in December, with a capital of \$60,000, limited to \$150,000. President, FRANCIS W. WOODWARD; Cashier, WILLIAM A. RUST.

Milwaukee.—The NATIONAL CITY BANK OF MILWAUKEE tender their services for prompt attention to collections in the North-west. Their capital is \$100,000. President, F. C. BELLINGER; Cashier, ABBOTT LAWRENCE. Their New York correspondent is the NATIONAL PARK BANK.

NEW BANKS, BANKERS AND SAVINGS BANKS.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC.

The cards of Banks and Bankers are inserted in the BANKER'S MAGAZINE (monthly) at thirty dollars per annum, and in the BANKER'S ALMANAC, annually at twenty-five dollars, and will thus reach every bank and banker in the U. S.

| <i>Place and State.</i> | <i>Names of Bank.</i> | <i>N. Y. Correspondent.</i> |
|-------------------------|----------------------------------|-----------------------------|
| Pine Bluff, ARK..... | C. M. Neal..... | Northrup & Chick. |
| Vallejo, CAL..... | Vallejo Savings Bank..... | Drexel, Morgan & Co. |
| El Paso, COL..... | A. G. Lincoln..... | Kountze Brothers. |
| Evans, "..... | Evans Banking Co..... | H. Clews & Co. |
| Pueblo, "..... | Chick, Brown & Co..... | Northrup & Chick. |
| Elk Point, DACOTAH..... | J. W. Hoffman..... | Kountze Brothers. |
| Yankton, "..... | First National Bank..... | Ninth National Bank. |
| Columbus, GEO..... | Merchants & Mechanics' Bank..... | National Park Bank. |
| Atlanta, "..... | H. T. Cox & Co..... | Fourth National Bank. |
| Princeton, IND..... | Gibson County National Bank..... | ..... |
| Goshen, "..... | City National Bank..... | Third National Bank. |
| Blandinville, ILL..... | T. A. Hardin & Co..... | Allen, Stephens & Co. |
| Du Quoin, "..... | H. Pomeroy..... | H. Clews & Co. |
| Foreston, "..... | Wayne & McClure..... | Kountze Brothers. |
| Kansas, "..... | People's Bank..... | H. Clews & Co. |
| Mason City, "..... | J. B. Massey..... | " " |
| Mt. Vernon, "..... | Carlin, Cross & Co..... | " " |
| Peoria, "..... | German Savings Bank..... | " " |
| Princeton, "..... | Princeton Loan & Trust Co..... | " " |
| "..... | Illinois Trust Co..... | " " |
| Pittsfield, "..... | Bank of Pike County..... | German-American Bank. |
| Shannon, "..... | Van Vechten & Co..... | Ninth National Bank. |
| Taylorville, "..... | W. W. Anderson & Co..... | " " |
| Carroll, IOWA..... | Griffith & Deal..... | H. Clews & Co. |
| Drakeville, "..... | John A. Drake..... | Ninth National Bank. |
| Leon, "..... | Farmers & Traders' Bank..... | H. Clews & Co. |
| Northwood, "..... | Worth County Bank..... | " " |
| Oxford, "..... | O. B. Dutton & Son..... | Allen, Stephens & Co. |
| Panora, "..... | Ira P. Wetmore..... | " " |
| Dubuque, "..... | People's Savings Bank..... | Importers & Traders. |
| Marshalltown, "..... | Marshall County Bank..... | Leonard, Sheldon & Foster. |
| Coffeyville, KAN..... | T. B. Eldridge..... | Northrup & Chick. |
| Eureka, "..... | Eureka Bank..... | " " |
| Garnett, "..... | Citizens' Bank..... | " " |
| Burlingame, "..... | Burlingame Savings Bank..... | " " |
| Independence, "..... | C. A. Hull & Co..... | Importers & Traders. |
| Hopkinsville, KY..... | Planters' Bank..... | Norton, Slaughter & Co. |
| Paducah, "..... | American-German Nat. Bank..... | ..... |
| Clear Spring, MD..... | Merchants' Loan & Sav. Inst..... | H. Clews & Co. |
| Baltimore, "..... | F. B. Loney..... | ..... |
| Detroit, MICH..... | People's Savings Bank..... | H. Clews & Co. |
| Bay City, "..... | C. F. Gibson & Co..... | Importers & Traders. |

| | | |
|------------------------|---------------------------------|--|
| St. Louis, Mo..... | Lucas Market Savings Bank..... | German-American Bank. |
| Moberly, "..... | National Savings Bank..... | Northrup & Chick. |
| Edina, "..... | Knox County Savings Bank..... | ..... |
| Osceola, "..... | Osceola Savings Bank..... | Donnell, Lawson & Co |
| St. Joseph, "..... | Missouri Loan & Trust Co..... | " " " " |
| Kansas City, "..... | Long, Grant & Co..... | Northrup & Chick. |
| Prairie City, NEB..... | State Bank..... | Jay Cooke & Co. |
| Ashland, "..... | State Bank..... | Kountze Brothers. |
| Omaha, "..... | Byron, Reed & Co..... | " " " " |
| "..... | H. Pundt & Co..... | " " " " |
| Nunda, N. Y..... | Bank of Nunda..... | National Park Bank. |
| Castile, "..... | Bank of Castile..... | Ninth National Bank. |
| Cazenovia, "..... | B. F. Jervis..... | Fourth National Bank. |
| Hume, "..... | J. M. Hammond..... | Fisk & Hatch. |
| Sag Harbor, "..... | Buck & Hunting..... | Importers & Traders. |
| Sherburne, "..... | A. White & Co..... | Fisk & Hatch. |
| Walden, "..... | Lefevre & Deganne..... | Fourth National Bank. |
| Dayton, OHIO..... | Gebhart, Harman & Co..... | ..... |
| Marion, "..... | J. E. Davids..... | Ninth National Bank |
| Upper Sandusky, "..... | Wyandot County Bank..... | " " " " |
| Urbana, "..... | Third National Bank..... | ..... |
| Zanesville, "..... | Muskingum Valley Bank..... | Brown, Wadsworth & Co., and Manhattan Bank. |
| Philadelphia, PA..... | Darlington & Marshall..... | (241 Dock Street.) |
| Birmingham, "..... | Farmers & Mechanics' Bank..... | Howes & Macy. |
| Easton, "..... | Merchants' Bank..... | Vermilye & Co. |
| Lebanon, "..... | Dime Savings Bank..... | H. Clews & Co. |
| Littlestown, "..... | Littlestown Savings Bank..... | Union Banking Co., Phila. |
| Pittsburgh, "..... | Max Schamberg..... | German-American Bank. |
| "..... | Tenth Ward Savings Bank..... | Kountze Brothers. |
| "..... | South Side Savings Bank..... | Union Banking Co., Phila. |
| "..... | G. B. Hill & Co..... | Kountze Brothers. |
| Pottsville, "..... | Safe Deposit Bank..... | Lloyd, Hamilton & Co. |
| Union City, "..... | Casement Savings Bank..... | H. Clews & Co |
| Warren, "..... | Warren Savings Bank..... | Importers & Traders. |
| Wilkes Barre, "..... | Miners' Savings Bank..... | Merchants' Exchange N. B. |
| "..... | Wilkes Barre Savings Bank..... | Clark, Dodge & Co. |
| Bath, "..... | Union Savings Bank..... | Union Banking Co., Phila. |
| East Brady, "..... | Citizens' Savings Bank..... | Lloyd, Hamilton & Co. |
| New Bethlehem, "..... | New Bethlehem Savings Bank..... | " " " " |
| Scranton, "..... | Hyde Park Bank..... | Ninth National Bank. |
| Carlisle, "..... | Farmers' Bank..... | Jay Cooke & Co. |
| Columbia, S. C..... | Union Savings Bank..... | ..... |
| Norfolk, VA..... | Mutual Bank & Trust Co..... | ..... |
| Bridgewater, "..... | H. Kyle..... | Ninth National Bank. |
| Lexington, "..... | Bank of Lexington..... | National Bank Republic. |
| Calvert, TEXAS..... | Adon & Lobet..... | J. W. Trask. |
| Corsicana, "..... | J. B. Jones & Co..... | Ninth National Bank. |
| Dennison, "..... | W. L. Hull..... | Northrup & Chick. |
| Galveston, "..... | Alford, Miller & Veal..... | " " " " |
| Marshall, "..... | Raguet & Fry..... | Swenson, Perkins & Co. |
| Corinne, UTAH..... | Bank of Corinne..... | National Park Bank. |
| Morgantown, W. VA..... | John H. Hoffman & Co..... | Northrup & Chick. |
| Wheeling, "..... | " " " "..... | " " " " |
| Cheyenne, WYOMING..... | J. W. Hiff..... | Kountze Brothers. |
| South Pass, "..... | J. D. Farmer..... | " " " " |
| Eau Claire, WIS..... | First National Bank..... | ..... |
| Oshkosh, "..... | Commercial Bank..... | ..... |

CHANGES OF PRESIDENT AND CASHIER.

(Continued from December No., page 490.)

Changes of president and cashier of National and State banks should be promptly reported, for announcement in the *BANKER'S MAGAZINE*. No charge is made for such announcements.

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of.</i> |
|--|--|---------------------|
| Bank of Lansingburg, N. Y. . . . | Horace W. Day, <i>Pres.</i> | F. P. Leonard. |
| Bank of Skaneateles, " | H. T. Webb, <i>Cash.</i> | Charles W. Alles. |
| Gold Exch. Bank, N. Y. City . . . | William S. Mathews, <i>Cash.</i> . . . | H. C. Rogers. |
| Ninth Ward Bank, " | T. J. Coleman, <i>Pres.</i> | William Faxon. |
| Brooklyn Bank, N. Y. | George A. Thorne, <i>Pres.</i> | Thomas Messenger. |
| First Nat. B'k., Elmira, N.Y. . . . | John Arnot, <i>Pres.</i> | David Decker. |
| Farmers' B'k., Fayetteville, " . . | F. M. Severance, <i>Cash.</i> | W. F. Merriman. |
| Nat. Exch. B., Lockport, " | L. F. Bowen, <i>Pres.</i> | M. I. Borst. |
| City Nat. B'k., Selma, ALA. | Wm. P. Armstrong, <i>Pres.</i> | James Isbell.* |
| People's Sav. B'k., Mobile, " . . . | P. C. Conly, <i>Pres.</i> | J. C. DuBose. |
| New Haven Trust Co., CONN. | Alex. McAlister, <i>Cash.</i> | J. M. Gillott. |
| Com. Loan Co., Chicago, ILLS. . . . | Frederick Meyer, <i>Cash.</i> | John B. Sabine. |
| Dixon National Bank, " | J. W. Chace, <i>Cash.</i> | H. S. Lucas. |
| Rock Island Nat. Bank, " | J. F. Robinson, <i>Cash.</i> | Albert Benedict. |
| Indianapolis Savings B'k., IND. . . | William N. Jackson, <i>Pres.</i> | Charles Mayer. |
| First N. B., Cedar Rapids, IA. . . . | John Weare, <i>Pres.</i> | William W. Walker. |
| " " " " " " | John F. Dean, <i>Cash.</i> | John Weare. |
| " Council Bluffs, " " " " " " . . | J. A. Evans, <i>Pres.</i> | M. H. Deming. |
| Citizens' N. B., Davenport, " " " . . | Frank H. Griggs, <i>Pres.</i> | C. Stewart Ellis. |
| First N. B., Wichita, KAN. | A. H. Gassard, <i>Cash.</i> | J. S. Danford. |
| Bank of Newcastle, KY. | John W. Mathews, <i>Cash.</i> | Joseph Brinker. |
| Union N. B., Brunswick, ME. | William Decker, <i>Pres.</i> | Adam Lemont. |
| Second N. B., Skowhegan, " " " " " . . | Samuel Robinson, <i>Pres.</i> | Samuel Parker. |
| Ann Arbor Savings B., MICH. | Thomas M. Cooley, <i>Pres.</i> | Ransom S. Smith. |
| State Bank, Bay City, " " " " " . . | A. Chesbrough, <i>Pres.</i> | W. S. Petrick. |
| Exch. Bank, Big Rapids, " " " " " . . | F. D. Brown, <i>Cash.</i> | C. D. Bronson. |
| Second N. B., Hillsdale, " " " " " . . | C. T. Mitchell, <i>Pres.</i> | Henry Waldron. |
| Aull Sav. B., Lexington, MO. | John Aull, <i>Cash.</i> | James Aull. |
| Prov. Sav. In., St. Louis, " " " " " . . | William Groshon, <i>Pres.</i> | I. Parker Doan. |
| Franklin Sav. In., " " " " " " . . . | Charles Taussig, <i>Pres.</i> | William D'Oench. |
| Metropolitan Bank, " " " " " " . . | Jacob S. Merrell, <i>Pres.</i> | J. H. McLean. |
| " " " " " " " " " " " " | August Bock, <i>Cash.</i> | William D. Henry. |
| Bank of Holden, " " " " " " " " " . . | John G. Cope, <i>Cash.</i> | Israel M. Smith. |
| Littleton Nat. Bank, N. H. | Oscar C. Hatch, <i>Cash.</i> | William B. Denison. |
| First N. B., Van Wert, O. | G. A. Sahlgvist, <i>Cash.</i> | Horace E. Wells. |

* Deceased.

| | | |
|----------------------------------|---------------------------------|-------------------|
| First Nat. B'k, Ashland, Pa. | William Torrey, <i>Cash.</i> | F. B. Wingert. |
| Farmers' S. B., Fogelsville, " | J. H. Straub, <i>Cash.</i> | Robert H. Fogel. |
| Fifth Av. B., Pittsburgh, " | J. A. Kaercher, <i>Pres.</i> | W. G. Robertson. |
| First N. B., Scranton, " | J. J. Albright, <i>Pres.</i> | J. H. Scranton. |
| First N. B., Westchester, " | E. E. Thatcher, <i>Cash.</i> | T. W. Marshall. |
| Phenix N. B., Westerly, R. I. | John B. Foster, <i>Cash.</i> | Edwin Babcock. |
| " " " | Edwin Babcock, <i>Pres.</i> | Rowse Babcock. |
| Union B'k., Charleston, S. C. | Lewis D. Mowry, <i>Pres.</i> | W. B. Smith. |
| Planters & M. B., " | Thomas Frost, Jr., <i>Cash.</i> | W. E. Haskell. |
| S. C. Bank & T. Co., " | F. S. Jacobs, <i>Cash.</i> | J. C. Roath. |
| Knoxville Bank, TENN. | H. S. Ault, <i>Cash.</i> | P. Lea Rogers.* |
| B'k of Columbia, " | L. D. Myers, <i>Pres.</i> | W. P. Ingram. |
| " " " | W. P. Ingram, <i>Cash.</i> | L. Frierson. |
| Nat. Bank, Bellows Falls, VT. | James H. Williams, <i>Pres.</i> | N. Fullerton.* |
| Orange Co. Nat. Bank, " | William G. Austin, <i>Cash.</i> | O. C. Hatch. |
| Caledonia N. B., Danville, " | B. N. Davis, <i>Pres.</i> | O. Crosby. |
| Woodstock Nat. Bank, " | H. C. Johnson, <i>Cash.</i> | E. Johnson. |
| Nat. Bank of Newbury, " | A. B. W. Tenney, <i>Pres.</i> | William R. Shedd. |
| Citizens' B., Norfolk, VA. | R. H. Chamberlain, <i>Pres.</i> | Richard Taylor. |
| People's Nat. B'k, " " | John Peters, <i>Pres.</i> | J. C. Deming. |
| Rock Co. N. B., Janesville, Wis. | C. S. Crosby, <i>Cash.</i> | J. E. Crosby. |
| First N. B., Whitewater, " | George S. Marsh, <i>Cash.</i> | C. M. Blackman. |
| Bank of Madison, " | James L. Hill, <i>Pres.</i> | Simeon Mills. |
| " " " | Adrian Webster, <i>Cash.</i> | James L. Hill. |

*Deceased.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from December Number, page 491).

NEW YORK CITY.

BAKER & KITCHEN, New York, (succeeded by KITCHEN & Co.)

COLORADO.—N. Young & Co., *Central City.*ILLINOIS.—W. R. Haight, *Earlsville*; Holderman, Bulkley & Co., *Seneca*; Cross & Swallow, *Jerseyville*, (succeeded by Cross, Carlin & Co). C. B. Durfee & Co., *Woodstock*, (failed); Peninsular Loan & Trust Co., *Pittsfield*.IOWA.—Kirby & Howe, *Marshalltown.*MASSACHUSETTS.—Kidder National Bank, *Boston.*NEW YORK.—J. F. Barber & Co., *Nunda*; W. Whitcomb, *Nunda*; H. J. Shuttleworth, *Buffalo* (failed).TENNESSEE.—First National Bank, *Knoxville.*OHIO.—Second National Bank, *Zanesville*, A. H. Brown & Co., *Zanesville*, (both succeeded by the Muskingum Valley Bank at *Zanesville*).SOUTH CAROLINA.—South Western Railroad Bank, *Charleston.*

INCREASE OF CAPITAL.

| | | <i>Increase.</i> | <i>Present Capital.</i> |
|----------------------|-------------------------------|------------------|-------------------------|
| Norwich, CONN. | Merchants' National Bank | \$ 85,000 | \$ 300,000 |
| Stafford Springs, " | Stafford " " | 50,000 | 200,000 |
| Hartford, " | Conn. Trust & S. D. Co. | 100,000 | 300,000 |
| Montgomery, ALA. | First National Bank | 43,000 | 208,000 |
| Mobile, " | National Commercial Bank | 300,000 | 500,000 |
| Marseilles, ILL. | First National Bank | 25,000 | 75,000 |
| Moline, " " | First " " | 50,000 | 150,000 |
| Chicago, " " | Union " " | 250,000 | 1,000,000 |
| Macomb, " " | Union " " | 10,000 | 60,000 |
| Indianapolis, IND. | Meridian National Bank | 100,000 | 300,000 |
| Knoxville, IOWA | Marion County National Bank | 10,000 | 60,000 |
| Albia, " " | First National Bank | 25,000 | 75,000 |
| Wichita, KAN. | First National Bank | 10,000 | 60,000 |
| Louisville, KY | Kentucky National Bank | 33,000 | 300,000 |
| Lexington, " " | Fayette Co. " " | 50,000 | 300,000 |
| Louisville, " " | Western German Savings Bank | 100,000 | 200,000 |
| Holyoke, MASS. | Holyoke National Bank | 50,000 | 200,000 |
| Boston, " " | Freeman's " " | 200,000 | 800,000 |
| Springfield, " " | Chapin Banking & Trust Co. | 600,000 | 1,000,000 |
| Bay City, MICH. | First National Bank | 150,000 | 400,000 |
| Port Huron, " " | First " " | 50,000 | 150,000 |
| Marshall, " " | First " " | 50,000 | 150,000 |
| Lansing, " " | Lansing " " | 15,000 | 75,000 |
| Grand Haven, " " | First " " | 100,000 | 200,000 |
| Saginaw, " " | First " " | 50,000 | 200,000 |
| Marshall, " " | National City Bank | 50,000 | 100,000 |
| Duluth, MINN. | First National Bank | 50,000 | 100,000 |
| Stillwater, " " | First " " | 30,000 | 130,000 |
| Somers, N. Y. | Farmers & Drovers' Nat. Bank | 55,000 | 166,700 |
| Gloversville, " " | National Bank of Gloversville | 50,000 | 100,000 |
| Cohoes, " " | National Bank of, " | 150,000 | 250,000 |
| New York City, " " | German American Bank | 1,000,000 | 2,000,000 |
| Watertown, " " | Merchants' Bank | 150,000 | 300,000 |
| Newark, N. J. | Manufacturers' National Bank | 50,000 | 300,000 |
| Wellington, OHIO | First National Bank | 40,000 | 100,000 |
| McConnelsville, " " | First " " | 25,000 | 125,000 |
| Coshocton, " " | First " " | 10,000 | 110,000 |
| Lodi, " " | First " " | 25,000 | 100,000 |
| Ironton, " " | First " " | 26,000 | 280,000 |
| Cleveland, " " | Merchants' National Bank | 600,000 | 1,200,000 |
| Wilkes Barre, PA. | First National Bank | 125,000 | 375,000 |
| Scranton " " | Third " " | 100,000 | 200,000 |
| Catasauqua " " | National Bank of Catasauqua. | 100,000 | 400,000 |
| Titusville, " " | Second National Bank | 100,000 | 300,000 |
| N. Providence, R. I. | Slater National Bank | 100,000 | 300,000 |
| Woonsocket, " " | Producers' " " | 40,000 | 200,000 |
| Spartanburg, S. C. | National Bank of Spartanburg | 40,000 | 100,000 |
| Greenville " " | National Bank of Greenville | 20,000 | 100,000 |
| Jefferson, TEXAS. | National Bank of Jefferson | 100,000 | 200,000 |
| Woodstock, VT. | Woodstock National Bank | 100,000 | 300,000 |
| Rutland, " " | Baxter " " | 150,000 | 300,000 |
| Milwaukee, WIS. | Second Ward Savings Bank | 50,000 | 100,000 |
| Petersburg, VA. | Planters & Mechanics' Bank | 150,000 | 250,000 |

NOTES ON THE MONEY MARKET.

NEW YORK, DECEMBER 23, 1872.

Exchange on London, at sixty days' sight, 109% @ 109½ for gold.

In the year now drawing to its close, the finances of the country, though far from being what is desirable, have made some advancement towards a more satisfactory condition. The public debt has been reduced about 90 millions of dollars; the burden of taxation has been lightened, and the odious income tax is among the things of the past. Although the eye can perceive no gleam of the coming day of specie payments, we can believe that a vigorous country, favored with ample harvests, needs only a prudent, honest and economical administration of its affairs to go steadily forward towards that much needed condition of true stability.

During the month of December there has been a close money market, a decline in the premium on gold and a sharp advance in foreign exchange. Upon Government securities money has commanded 7 per cent. gold, while borrowers on stock collaterals have been forced to pay from 1-16 to $\frac{1}{4}$ per day for loans. With this stringency, the withdrawal by the Secretary of the Treasury, of the bulk of the \$6,000,000 deposited in October with some of the banks here, has had much to do. The injurious effect of our Usury Law is at such times clearly to be seen. We annex the current quotations for loans in Wall street:

| | Per Cent. |
|---|-----------|
| Loans on call—Government collaterals..... | Gold 7 |
| " " Miscellaneous collaterals, first-class..... | " 7 |
| Commercial first-class indorsed paper, sixty days..... | 10 @ 12 |
| Commercial first-class indorsed paper, four months..... | 10 @ 12 |
| Commercial first-class indorsed paper, six months..... | 10 @ 12 |
| Commercial first-class, single names, sixty days..... | 12 |
| Commercial first-class, single names, four to six months..... | 12 |
| Bankers', first-class domestic, three to four months..... | 12 @ 13½ |

Gold has been lower since our last report. The premium has declined from 12½ @ 13½ to 11½ @ 12%. The shipments to Europe during the last month have been only some two and a half millions, amounting since January 1st, to \$69,565,000. We annex the amounts up to same period in a series of years:

| | | |
|------------------------------|------------------------------|------------------------------|
| Year 1872. . . \$ 69,565,000 | Year 1865. . . \$ 29,690,000 | Year 1858. . . \$ 25,942,000 |
| " 1871. . . 61,532,000 | " 1864. . . 49,113,000 | " 1857. . . 44,005,000 |
| " 1870. . . 58,225,000 | " 1863. . . 49,152,000 | " 1856. . . 36,839,000 |
| " 1869. . . 31,227,000 | " 1862. . . 59,107,000 | " 1855. . . 27,207,000 |
| " 1868. . . 70,110,000 | " 1861. . . 3,903,000 | " 1854. . . 37,147,000 |
| " 1867. . . 48,564,000 | " 1860. . . 42,162,000 | " 1853. . . 26,362,000 |
| " 1866. . . 60,760,000 | " 1859. . . 69,305,000 | " 1852. . . 24,662,000 |

For miscellaneous gold and silver coins the brokers' quotations are as follows:

American silver large, 95½ @ 97½; American silver, small, 95 @ 97; Mexican dollars, old stamp, 104½ @ 105½; Mexican dollars, new stamp, 101½ @ 103; English silver, 480 @ 485; Five francs, 95 @ 97; Thalers, 70½ @ 73; English sovereigns, 490 @ 495; Twenty francs, 363 @ 366; Spanish doubloons, 15.70 @ 16.00; Mexican doubloons, 15.55 @ 15.70.

Foreign Exchange has advanced to a higher point than it has for some time attained. Since last month the difference is one per cent., being for leading bankers' bills 109½ @ 109½. We quote: Bills at 60 days on London, 108½ @ 109½ for commercial; 109¼ @ 109½ for bankers'; do. at short sight, 110½ @ 110½; Paris at 60 days, 5.27½ @ 5.23½; do. at short sight, 5.18½ @ 5.18½; Antwerp, 5.26½ @ 5.20; Swiss, 5.26½ @ 5.20; Hamburg, 4 Reichsmark, 95¼ @ 96; Amsterdam, 40 @ 40½; Frankfort, 40½ @ 41¼; Bremen, 4 Reichsmark, 95¼ @ 96; Prussian thalers, 71½ @ 72. The quotations for Hamburg are now per 4 Reichsmark. Rates for the three preceding months compare as follows:

| Sixty days' Bills. | Sept. 21. | Oct. 21. | Nov. 23. | Dec. 23. |
|--------------------------------|--------------|---------------|---------------|---------------|
| On London, bankers' | 107½ @ 107½ | 108½ @ 109 | 108½ @ 108½ | 109½ @ 109½ |
| " commercial | 106½ @ 107½ | 108½ @ 108½ | 107½ @ 108 | 108½ @ 109½ |
| Paris, franc, per dollar | 5.35 @ 5.14½ | 5.32½ @ 5.27½ | 5.31½ @ 5.37½ | 5.23½ @ 5.27½ |
| Amsterdam, per guilder | 39 @ 40 | 40 @ 40½ | 39½ @ 39½ | 40 @ 40½ |
| Frankfort, per florin | 40½ @ 40½ | 40½ @ 41¼ | 40½ @ 40½ | 40½ @ 41¼ |
| Hamburg, per marc-banco | 35 @ 35½ | 35½ @ 35½ | 34½ @ 35½ | 95½ @ 96 |
| Prussian thalers | 70½ @ 71½ | 71½ @ 72 | 70½ @ 71 | 71½ @ 72 |
| Bremen, per 4 Reichsmark | 93½ @ 94½ | 95½ @ 95½ | 93½ @ 94½ | 95½ @ 96 |

The liabilities of the New York City Banks foot up very nearly the same amount as at the end of November. Their reserve is, however, still less, exceeding the legal limit only \$ 663,175. The returns of the seventy-seven banks are as follows; the aggregate capital of the fifty-one National banks being \$ 71,785,000, and of the twenty-six under State charters, \$ 15,570,500:

| 1867. | Loans. | Specie. | Circulation. | Deposits. | Legal Tenders. | Weekly Clearings. |
|-------------------|----------------|---------------|---------------|----------------|----------------|-------------------|
| Jan. 5 | \$ 257,852,460 | \$ 12,794,892 | \$ 32,762,779 | \$ 202,533,564 | \$ 65,026,121 | \$ 466,967,787 |
| July 6 | 264,361,237 | 10,853,171 | 33,669,397 | 191,524,312 | 71,196,472 | 494,061,990 |
| Jan. 4, '68 | 249,741,297 | 12,724,614 | 34,134,391 | 187,070,786 | 62,111,201 | 483,266,304 |
| July 3 | 281,945,931 | 11,954,730 | 34,032,466 | 221,050,806 | 72,124,939 | 525,646,692 |
| Jan. 4, '69 | 259,090,057 | 20,736,122 | 34,379,609 | 180,490,445 | 48,896,421 | 585,304,799 |
| Jan. 3, '70 | 250,406,387 | 31,166,908 | 34,150,887 | 179,129,394 | 45,034,608 | 399,355,375 |
| July 4 | 276,496,503 | 31,611,330 | 33,070,365 | 219,083,428 | 56,815,254 | 562,736,404 |
| Jan. 2, '71 | 263,417,418 | 20,028,846 | 32,153,514 | 188,238,995 | 45,245,358 | 467,692,962 |
| July 3 | 296,237,959 | 16,526,451 | 30,494,457 | 243,308,693 | 71,348,828 | 561,366,458 |
| Jan. 1, '72 | 270,534,000 | 25,049,500 | 28,542,800 | 200,409,800 | 40,282,800 | 561,802,964 |
| Feb. 5 | 282,610,400 | 23,936,100 | 28,218,700 | 220,906,700 | 46,565,800 | 556,855,404 |
| Mar. 4 | 282,280,100 | 18,333,600 | 28,165,400 | 210,472,800 | 43,770,400 | 656,572,703 |
| April 1 | 276,767,400 | 21,384,700 | 28,019,400 | 203,058,800 | 41,649,700 | 658,840,254 |
| May 6 | 280,284,900 | 18,325,400 | 27,809,800 | 211,636,400 | 47,407,400 | 742,928,540 |
| June 3 | 284,674,800 | 21,268,800 | 27,522,000 | 226,070,900 | 53,780,500 | 686,459,868 |
| July 1 | 289,002,800 | 22,795,500 | 27,416,100 | 232,387,900 | 54,951,400 | 485,973,837 |
| Aug. 5 | 295,428,200 | 23,925,900 | 27,337,200 | 241,528,000 | 55,051,700 | 540,228,348 |
| Sept. 2 | 288,812,400 | 16,402,500 | 27,475,000 | 219,036,900 | 49,366,700 | 500,013,376 |
| Oct. 7 | 269,810,300 | 9,943,900 | 27,604,200 | 186,150,200 | 41,915,700 | 777,477,621 |
| Nov. 4 | 277,832,300 | 11,888,600 | 27,591,200 | 204,405,300 | 51,736,500 | 903,910,753 |
| Dec. 2 | 276,560,000 | 12,947,200 | 27,570,900 | 201,915,300 | 47,169,500 | 678,212,643 |
| " 9 | 278,388,600 | 13,209,500 | 27,569,100 | 205,019,800 | 46,401,200 | 805,551,069 |
| " 16 | 277,620,400 | 11,719,700 | 27,533,700 | 202,911,700 | 47,217,000 | 779,957,294 |
| " 23 | 275,811,400 | 12,773,100 | 27,522,700 | 199,423,800 | 44,626,700 | 807,602,654 |

We annex the returns for the latter part of December in a series of years.

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------------|----------------|---------------|----------------|---------------|----------------|
| 1871 | \$ 271,383,000 | \$ 22,764,700 | \$ 41,217,800 | \$ 28,575,600 | \$ 199,346,700 |
| 1870 | 264,811,129 | 18,389,756 | 46,739,688 | 32,183,983 | 188,748,754 |
| 1869 | 251,096,000 | 28,419,977 | 44,493,992 | 34,127,857 | 177,165,586 |
| 1868 | 261,342,530 | 17,940,865 | 48,706,160 | 34,387,114 | 178,503,758 |
| 1867 | 241,620,312 | 10,971,969 | 60,657,932 | 34,134,400 | 178,713,191 |
| 1866 | 259,354,761 | 13,185,222 | 63,000,687 | 32,644,526 | 200,811,260 |
| 1865 | 239,445,730 | 15,331,769 | 71,134,966 | 17,990,669 | 189,224,861 |
| 1864 | 199,444,969 | 19,662,211 | — | 3,323,832 | 147,442,071 |

The condition of the Philadelphia banks has varied but little during this month. The aggregate capital of the twenty-seven National Banks is \$16,285,000. Their reports for five years are given below.

| | <i>Legal Tenders.</i> | <i>Loans.</i> | <i>Specie.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|--------------|-----------------------|---------------|----------------|---------------------|------------------|
| Aug. 3, 1867 | \$16,733,198 | \$53,427,840 | \$302,055 | \$10,635,925 | \$38,094,543 |
| Jan. 4, 1868 | 16,782,432 | 52,002,304 | 235,912 | 10,639,000 | 36,621,274 |
| July 6 | 16,443,153 | 53,663,471 | 233,906 | 10,625,426 | 44,824,398 |
| Jan. 4, 1869 | 13,210,397 | 50,716,999 | 252,483 | 10,593,719 | 38,121,093 |
| February 1 | 14,206,570 | 52,632,813 | 302,789 | 10,593,351 | 39,677,943 |
| December 6 | 12,991,489 | 51,968,040 | 932,468 | 10,603,252 | 38,878,533 |
| Jan. 3, 1870 | 12,670,198 | 51,662,662 | 1,290,096 | 10,568,681 | 38,890,001 |
| December 5 | 12,698,298 | 51,063,136 | 800,705 | 10,814,300 | 38,682,209 |
| Jan. 2, 1871 | 12,653,166 | 51,861,827 | 1,071,528 | 10,813,212 | 38,660,403 |
| July 3 | 14,802,502 | 58,130,492 | 233,883 | 11,190,228 | 47,439,791 |
| Jan. 1, 1872 | 11,228,988 | 56,631,723 | 1,069,585 | 11,343,651 | 42,049,757 |
| Feb. 5 | 11,296,868 | 56,578,932 | 960,469 | 11,356,645 | 42,295,844 |
| Mar. 4 | 11,067,595 | 56,420,226 | 363,722 | 11,359,977 | 40,307,856 |
| April 1 | 10,060,386 | 54,674,526 | 246,583 | 11,419,343 | 38,396,406 |
| May 6 | 12,012,484 | 55,049,536 | 253,525 | 11,370,358 | 42,149,002 |
| June 3 | 14,273,283 | 57,263,669 | 144,106 | 11,337,956 | 49,303,161 |
| July 1 | 13,952,002 | 59,659,324 | 228,338 | 11,345,868 | 50,021,793 |
| Aug. 5 | 12,489,368 | 59,612,473 | 267,427 | 11,357,705 | 47,493,586 |
| Sept. 2 | 10,892,744 | 57,874,699 | 231,782 | 11,866,786 | 43,104,280 |
| Oct. 7 | 10,419,592 | 55,852,031 | 120,890 | 11,379,972 | 40,665,109 |
| Nov. 5 | 10,396,592 | 55,501,652 | 173,774 | 11,364,647 | 40,576,166 |
| " 26 | 9,881,921 | 55,218,299 | 146,933 | 11,418,932 | 39,622,804 |
| Dec. 2 | 10,988,145 | 55,066,002 | 109,275 | 11,410,359 | 40,448,268 |
| " 9 | 10,238,522 | 55,081,050 | 125,043 | 11,399,290 | 40,010,819 |
| " 16 | 9,507,729 | 55,134,063 | 122,627 | 11,400,316 | 39,663,102 |

The Boston Banks report a large increase both of loans and deposits. In addition to the latter is a liability of 16 millions to country banks. The fifty-one Boston Banks have a combined capital of \$49,080,000, and surplus funds, \$12,872,000. We annex the returns for 1867-1872:

| 1867. | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Deposits.</i> | <i>Circulation.</i> |
|--------------|---------------|----------------|-----------------------|------------------|---------------------|
| August 5 | \$96,367,558 | \$472,045 | \$15,111,084 | \$36,396,866 | \$94,655,075 |
| Jan. 6, 1868 | 94,969,249 | 1,468,246 | 15,543,169 | 40,856,022 | 24,682,569 |
| July 6 | 100,110,630 | 1,617,638 | 15,107,307 | 43,458,654 | 25,214,196 |
| Jan. 4, 1869 | 96,423,644 | 2,208,401 | 12,938,342 | 37,536,767 | 25,151,340 |
| Jan. 3, 1870 | 105,965,214 | 3,765,347 | 11,374,569 | 40,007,626 | 25,280,293 |
| Dec. 5 | 108,544,507 | 2,105,536 | 12,612,076 | 44,345,792 | 24,653,980 |
| Jan. 2, 1871 | 111,190,173 | 2,484,536 | 12,872,917 | 46,927,971 | 24,662,209 |
| July 3 | 119,152,159 | 1,441,500 | 13,117,482 | 50,693,087 | 24,816,011 |
| Dec. 4 | 114,748,031 | 1,510,054 | 10,387,633 | 44,847,412 | 25,713,612 |
| Jan. 1, 1872 | 115,878,481 | 4,469,483 | 9,602,748 | 46,994,488 | 25,715,976 |
| Feb. 5 | 119,464,300 | 5,602,000 | 7,969,700 | 50,136,500 | 25,654,500 |
| March 4 | 117,359,400 | 3,726,200 | 7,446,400 | 45,636,500 | 25,725,300 |
| April 1 | 116,121,900 | 3,966,400 | 8,107,500 | 44,842,500 | 25,750,800 |
| May 6 | 114,481,900 | 3,255,800 | 7,609,200 | 47,371,000 | 25,803,600 |
| June 3 | 115,567,200 | 2,944,300 | 10,470,600 | 48,585,600 | 25,654,300 |
| July 8 | 112,164,800 | 2,740,100 | 9,471,800 | 48,875,500 | 24,877,000 |
| Aug. 5 | 119,046,700 | 1,730,900 | 9,765,400 | 46,368,000 | 25,602,400 |
| Sept. 2 | 116,642,700 | 1,198,700 | 9,860,100 | 41,306,100 | 25,638,900 |
| Oct. 7 | 111,693,400 | 773,600 | 8,939,500 | 39,989,300 | 25,705,300 |
| Nov. 4 | 114,725,100 | 1,300,600 | 9,641,500 | 45,033,100 | 25,672,500 |
| " 25 | 114,776,100 | 1,082,200 | 10,161,800 | 48,150,300 | 25,659,900 |
| Dec. 2 | 115,834,200 | 1,077,200 | 10,637,400 | 50,304,400 | 25,662,200 |
| " 9 | 116,731,300 | 1,143,600 | 10,814,000 | 50,491,100 | 25,632,200 |
| " 16 | 118,498,700 | 1,065,100 | 10,800,400 | 51,022,700 | 25,608,400 |

The Government bond market is strong. There are considerable orders to purchase; but few offerings are made. The latest quotations are as follows:—

| Offered. | | Asked. | Offered. | | Asked. |
|-------------------------------------|------|--------|--------------------------------------|------|--------|
| U. S. Currency 6s | 112½ | 112½ | U. S. 5-20, '65, Coup., Jan. & July. | 115½ | 115½ |
| U. S. 6s, 1881, Registered | 114½ | 114½ | U. S. 5-20, '67, Coup., Jan. & July. | 116½ | 116½ |
| U. S. 6s, 1881, Coupon | 117½ | 117½ | U. S. 5-20, '68, Coup., Jan. & July. | 116½ | 116½ |
| U. S. 5-20 Reg., May and Nov. | 112½ | 112½ | U. S. 10-40, Registered | 109½ | 109½ |
| U. S. 5-20, '62, Coupon, Nov. | 112½ | 112½ | U. S. 10-40 Coupon | 109½ | 109½ |
| U. S. 5-20, '64, Coupon, Nov. | 112½ | 112½ | U. S. 5s of '81, Registered | 111½ | 112 |
| U. S. 5-20, '65, Coupon, Nov. | 112½ | 112½ | U. S. 5s of '81, Coupon | 111½ | 112 |
| U. S. 5-20, '67, Reg., Jan. & July. | 112½ | 114½ | Central Pacific Gold Bonds | 102½ | 102½ |

A much easier money market prevails at London. The rate of interest by the BANK OF ENGLAND was reduced on 28th November to 6 per cent., and on the 12th December to 5 per cent. Bullion in the Bank of England is steadily increasing, while as steadily diminishing in the Bank of France. The latest reports by mail report the following as the rates of interest on the Continent:

| | Bank Rate. Per Cent | | Bank Rate. Per Cent. |
|-----------|------------------------|----------------|-------------------------|
| Amsterdam | 5 | Hamburg | 4 |
| Bremen | 5 | Leipsic | 6 |
| Berlin | 5 | Paris | 5 |
| Brussels | 5 | St. Petersburg | 6½ |
| Frankfort | 5 | Vienna | 6 |

DEATHS.

In NEW YORK CITY, on Monday, December 2, aged eighty years, THOMAS JERRIAH, President of the BOWERY SAVINGS BANK, of the city of NEW YORK.

In October, 1872, aged thirty-six years, WILLIAM HYDE CLARK, for many years a banker in Dubuque and until recently Cashier of the FIRST NATIONAL BANK OF DUBUQUE.

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

VOL. VII. THIRD SERIES. FEBRUARY, 1873.

No. 8.

THE SAVINGS BANKS OF NEW YORK.

SKETCHES OF THE BANK FOR SAVINGS, AND THE BOWERY
SAVINGS BANKS.

The utility and the conservative influence of savings banks have long since been felt. These institutions are both useful and valuable in any community, large or small. They are useful because they provide a safe depository for the surplus earnings and the savings of all classes of the people, and thus furnish capital, in a concentrated form, for the benefit of landed owners and business men. They aid essentially in promoting public and private improvements in large and small cities. This is demonstrated by the annual reports of the banks in January, 1872, when the savings banks of the State of NEW YORK had ninety-six millions loaned on bond and mortgage, and one hundred and fifty-six millions loaned or invested in stocks. In MASSACHUSETTS, the amount loaned on bond and mortgage was seventy-four millions, besides fourteen millions to counties and cities, and twenty-four millions invested in public stocks. In CONNECTICUT, the loans by their savings banks, at the close of 1871, amounted to thirty-eight millions on real estate. The accumulations of deposits in the savings banks of NEW ENGLAND and NEW YORK are in an increasing ratio, the whole last year being, in the six States of NEW ENGLAND, three hundred and twelve millions; in the State of NEW YORK alone two hundred and sixty-seven millions, thus largely exceeding the combined bank capital of the UNITED STATES.

The savings banks are also valuable because they have a conservative influence in and among the community where established. Every depositor is, necessarily, a conservative citizen; because, (whatever his antecedents,) he becomes at once a lover of order. He at once takes a greater interest in the condition of the city or town where he resides. He becomes an advocate of law and order, and an opponent of mobs and riots* of all kinds. In these States alone there were, twelve months ago, 1,766,361 savings bank depositors, young and old, male and female; with accumulated savings of five hundred and eighty millions of dollars, or an average of about \$ 323 to each. Thus out of an aggregate population of 7,820,663, according to the census of 1870, the savings bank depositors were 1,766,361, or nearly twenty three per cent. of the whole population.

"To be employed (said the poet GRAY,) is to be happy." Bishop CUMBERLAND announced: "It is better to wear out than rust out." And another writer (ARNAULD) exclaimed: "Have we not all eternity to rest in?" PYTHAGORAS of old argued that "In this theatre of man's life it is reserved only for God and angels to be lookers on." WILBERFORCE has said in brief, "God has so made the mind of man, that a peculiar deliciousness resides in the fruits of personal industry." Sir JOSHUA REYNOLDS adds: "Excellence is never granted to man but as the reward of labor." And FRANKLIN engrafted upon every page of his own writings the importance, the necessity, of frugality and industry. The lessons of these eminent men have apparently taken deep root in the minds of the common people of NEW ENGLAND and NEW YORK. The legislature has fostered these sentiments, and has wisely encouraged industrial savings, and has adopted rigid measures for the protection of accumulated funds in the savings banks.

The recent deaths of the manager of the BANK FOR SAVINGS, and of the BOWERY SAVINGS BANK in this city, furnish a pretext for the preservation of savings statistics of our State and city, which might be otherwise scattered and forgotten.

MARSHALL L. BIDWELL, the President of the BANK FOR SAVINGS, the oldest institution of the kind in this city, died in October last, at the age of seventy-three years, "his judgment ripe." Mr. THOMAS JEREMIAH, President of the BOWERY SAVINGS BANK, died in December, at the age of seventy-nine years, after a gratuitous service of fourteen years in behalf of this great corporation. The care and investment of forty-three millions of dollars, as held by these two banks, demand for each comptroller that

"his integrity stands without blemish."

In these two institutions alone there are one hundred and twenty-five thousand depositors; in the whole city there are nearly half a million, whose savings, small and large, are committed to the care, judgment, and integrity of such managers, who have an important trust

* We have long thought that if the South had had among the people an industry and thrift similar to the North, with ample savings, instead of squandering their enormous wealth, the rebellion would never have occurred.

confided to them. We hope the growing accumulations in this community may, at all times, have the careful management which has prevailed with these leading savings banks for forty or fifty years past.

The BANK FOR SAVINGS commenced business in the year 1819. The savings had increased in 1820 to the heavy sum of one hundred and fifty-five thousand dollars. In 1824-1825 they exceeded a million, a large sum in those days. The growth since presents pleasant, we may say extraordinary, features.

Aggregate Deposits in the Bank for Savings at the dates named.

| | | | | |
|---------------------|------------|------|---------------------|--------------|
| January 1, 1820, .. | \$ 155,791 | ---- | January 1, 1862, .. | \$ 8,821,750 |
| " 1, 1825, .. | 1,388,716 | ---- | " 1, 1863, .. | 9,587,112 |
| " 1, 1830, .. | 2,061,090 | ---- | " 1, 1864, .. | 11,363,269 |
| " 1, 1835, .. | 3,085,738 | ---- | " 1, 1865, .. | 13,012,649 |
| " 1, 1840, .. | 3,125,545 | ---- | " 1, 1866, .. | 13,715,136 |
| " 1, 1845, .. | 4,635,133 | ---- | " 1, 1867, .. | 14,238,471 |
| " 1, 1850, .. | 5,810,685 | ---- | " 1, 1868, .. | 14,719,987 |
| " 1, 1855, .. | 7,236,003 | ---- | " 1, 1869, .. | 15,502,504 |
| " 1, 1859, .. | 8,701,923 | ---- | " 1, 1870, .. | 16,325,154 |
| " 1, 1860, .. | 9,544,479 | ---- | " 1, 1871, .. | 17,097,630 |
| " 1, 1861, .. | 10,062,616 | ---- | " 1, 1872, .. | 18,367,370 |

It will be interesting to our readers to learn who have been the several Presidents of the BANK FOR SAVINGS since its early organization in the year 1819. The following well-known gentlemen had the control:

1. WILLIAM BAYARD, appointed in the Act of Incorporation, April 5th, 1819, died in September or October, 1826.
 2. WILLIAM FEW, elected 8th November, 1826, died August, 1828.
 3. JOHN PINTARD, elected 13th August, 1828, resigned June 9th, 1841, (in his 83d year.)
 4. PHILIP HONE, elected 14th July, 1841, died 5th May, 1851.
 5. NAJAH TAYLOR, elected June 11th, 1851, died April, 1860, aged ninety years, (the last one of the original incorporators.)
- BENJAMIN L. SWAN, elected 11th July, 1860, *declined* the office, in a letter addressed to the Board of Trustees, August 4th, 1860.
6. MARSHALL S. BIDWELL, elected 10th October, 1860, died 24th October, 1872, aged seventy-three years.
 7. JOHN C. GREEN, elected 13th November, 1872, and now in office.

The BANK FOR SAVINGS, in the City of New York, was the first bank for savings chartered in this State. The charter was granted in the year 1819. The deposits have increased from \$ 155,000 in the year 1820, to eighteen millions in the year 1872. In this long interval of fifty-three years since its charter there have been only six presidents; of whom five were part of the original incorporators. They have long since passed away, but the great institution—the great charity—is growing rapidly under the wise principles inaugurated by them. Their example is spreading throughout the land, and the accumulations of six hundred millions of savings in New

ENGLAND and NEW YORK alone bear witness to the wisdom of the system. Each successive savings bank president may contribute to this provision for the future, and with GOLDSMITH

"learn the luxury of doing good."

The BOWERY SAVINGS BANK was chartered in the year 1834, and has even exceeded their cotemporary, now in Bleeker Street, in the accumulated deposits. Up to the year 1859 their deposits were less than in the older institution, but since that time the BOWERY has maintained a larger line of deposits. The growth of this bank is shown in the following summary of deposits on hand at the dates named.

| | | | | |
|-------------------|------------|------|-------------------|--------------|
| January, 1836, .. | \$257,140 | .... | January, 1867, .. | \$15,598,769 |
| " 1840, .. | 481,200 | .... | " 1868, .. | 15,644,748 |
| " 1845, .. | 1,399,988 | .... | " 1869, .. | 16,551,227 |
| " 1850, .. | 2,714,141 | .... | " 1870, .. | 18,599,300 |
| " 1855, .. | 4,865,836 | .... | " 1871, .. | 21,847,855 |
| " 1860, .. | 9,573,400 | .... | (ex. div.) .. | 24,449,241 |
| " 1865, .. | 14,505,427 | .... | January, 1872, .. | 25,106,821 |
| " 1866, .. | 15,189,746 | .... | Dec., 1872. .. | 26,682,896 |

The number of depositors since 1860 is shown in the following :

| | | | | |
|-------------------|--------|------|-------------------|--------|
| January, 1860, .. | 41,692 | .... | January, 1871, .. | 53,845 |
| " 1870, .. | 53,065 | .... | " 1872, .. | 55,550 |

Those who desire to obtain ample statistics of the savings banks in New England and NEW YORK will find them in the *BANKER'S MAGAZINE* for August-October, 1872. The following were the names of the Presidents of the BOWERY SAVINGS BANK up to this date :

| <i>Date.</i> | <i>Name.</i> | <i>Appointed.</i> | <i>Died or Resigned.</i> | <i>Age at Death.</i> |
|--------------|--------------------|-------------------|--------------------------|----------------------|
| 1834. | Benjamin M. Brown. | May 14.. | Resigned June 13, 1838. | Unknown. |
| 1837. | David Cotheal..... | Jan 11... | Died June, 1864..... | " |
| 1839. | James Mills..... | Nov. 13.. | Died February, 1858... | " |
| 1858. | Thomas Jeremiah... | March 10. | Died December, 1872... | 79 years. |

The first four were among the incorporators of the bank in the year 1834. Mr. JEREMIAH was an active participant in the management from 1834 until his death, with the exception of the period from 1841 to 1842.

BONA FIDES.—Before the holder of negotiable paper can be required to prove his bona fides, it must appear that the instrument was obtained originally, or was put into circulation subsequently by fraud or undue means. Want or failure of consideration or that an agent or broker had fraudulently misappropriated the proceeds of discount, is not sufficient to put the holder to the proof of his bona fides. In an action against a drawer by a bank, holding a note from the payee, the affidavit of defense was that the note had been given for a balance supposed to be due to the payee; that it was afterwards discovered that nothing had been due to the payee; that the payee had funds sufficient in the bank to pay the note, and that before it was due the indorser gave notice to the bank of the mistake and required them to pay it out of the indorser's funds held by them. Held, not to be a sufficient defense.—*SLOAN v. THE UNION BANKING COMPANY.*

THE STATE BANKS OF NEW YORK.

THE ANNUAL REPORT OF THE SUPERINTENDENT.

BANK DEPARTMENT, ALBANY, Jan. 7, 1873.

To the Honorable the Legislature of the State of New York:

The following-named banking associations have filed original certificates of organization, and commenced business under the laws of this State during the fiscal year ending Sept. 30, 1872:

BANK OF OSWEGO.

GERMAN EXCHANGE BANK of New York.

PRODUCE BANK, New York.

MANUFACTURERS' BANK of Cohoes.

CITY BANK of Rochester.

The CITY BANK of Rochester was originally organized as a national bank.

Since the present incumbent assumed charge of this department, the following-named banking associations have organized and commenced business under the laws of this State:

ALBANY COUNTY BANK, Albany.

CITY BANK of Rochester.

DRY GOODS BANK, New York.

EXCHANGE BANK of Lansingburg.

FARMERS' BANK of Fayetteville.*

GERMAN-AMERICAN BANK, New York.

GERMAN BANK, Buffalo.

GERMAN EXCHANGE BANK, New York.

BANK OF HAVERSTRAW, Warren.

MANUFACTURERS' BANK, Cohoes.

MERCHANTS' BANK, Watertown.

BANK OF THE METROPOLIS, New York.

MURRAY HILL BANK, New York.

NINTH WARD BANK, New York.

BANK OF OSWEGO.

PRODUCE BANK, New York.

SARATOGA COUNTY BANK, Waterford.

SECURITY BANK, New York.

SECURITY BANK, Watertown.

STATE BANK of Fort Edward.

STATE BANK of Olean.

WAPPINGER'S FALLS BANK.

* Since closed.

Since the passage of the Enabling Act, April 20, 1867, authorizing the same, the following-named national banks have dissolved their connection with that system, and organized under the laws of this State:

NATIONAL MECHANICS AND FARMERS' BANK, Albany.
MERCHANTS AND MECHANICS' NATIONAL BANK, Troy.
NATIONAL BANK OF LANSINGBURG.
NATIONAL BANK OF NORTH AMERICA, New York.
PACIFIC NATIONAL BANK, New York.
GROCERS' NATIONAL BANK, New York.
NATIONAL EXCHANGE BANK of Lansingburg.
SARATOGA COUNTY NATIONAL BANK, Waterford.
FIRST NATIONAL BANK, Rochester.

From the foregoing statements, it will be seen that the banking system of this State is regarded with favor by the public, and in the event of the repeal by Congress of the prohibitory tax on circulation, the banks of this State would resume their former high position, and be enabled to furnish the facilities extended to the business interests of the people of the State previous to the change in the banking systems of the country.

The opinions expressed in my two last annual reports relative to the respective advantages of the national and State systems of banking, so far as the business interests of the State of NEW YORK are concerned, have undergone no change, and I do not deem it necessary to repeat the arguments on the subject contained in those reports, to which I respectfully refer you.

In my last report I suggested a modification, of the then existing law relative to the organization of banks which do not take out circulation, and which are required to deposit in this department \$ 5,000 in stocks, merely as security for their compliance with the law. The attention of the Legislature was called to the fact that, upon the organization of a bank, there was no evidence before the superintendent that any capital beyond the \$ 5,000 had been or would be paid in. Reference was also made to the fact that, while a new association was required to have a capital of at least \$ 100,000, and an individual bank of at least \$ 50,000, there was no means in the hands of the superintendent, or otherwise, to prevent banks previously organized from reducing their capital below the legal limit: some of them reporting a capital not exceeding the few thousand dollars circulation still outstanding.

In accordance with these suggestions, the Legislature, at its last session, passed an act requiring that, before any bank should commence business, satisfactory evidence should be furnished the superintendent that its capital had been paid in, in cash; and upon being furnished with such evidence, the superintendent was authorized to issue a certificate of authority enabling the bank to commence business; and a remedy was provided, by which the superintendent is enabled to enforce a compliance with the law, in case of banks reporting a capital reduced by impairment, or otherwise below the legal

limit. All banks organized since the passage of this act have furnished the required evidence of the paying in in full of their capital.

On the 1st of October, 1871, the State Treasury was in advance on account of banks and trust companies, as shown by the books of the department, \$3,348.75. At the close of the last fiscal year there was a balance in the treasury to the credit of the Bank Department, amounting to \$18,985.54, belonging to the banks of the State, other than savings banks, applicable to the future expenses of the department on account of such banks.

The amount of bank notes returned to the department and burned during the year was \$26,093, of which \$23,173 had been issued, by banking associations and individual bankers, and \$2,930 by incorporated or safety-fund banks. Forty-one banks have been credited with unredeemed circulation to the amount of \$213,341, the time for redemption having expired; this amount, together with the notes burned, making an aggregate of \$239,434 canceled circulation.

The circulating notes outstanding on the 1st day of October were, by the books of this department, \$1,903,001.50, of which \$1,148,539 was secured by deposits of cash, stocks, or stocks and bonds and mortgages, and \$753,462.50 was issued by incorporated or safety-fund banks that were not required, under their original charters, to make a deposit for the protection of their circulation.

The securities of all kinds held by the superintendent were, on the 1st day of October, \$2,203,001.37, of which \$1,672,622.39 were held for banks, and \$530,378.98 were held for trust companies.

The STUYVESANT BANK, and the WALL STREET EXCHANGE BANK, both of the City of New York, failed during the last fiscal year, and each passed into the hands of a receiver.

Respectfully submitted,

D. C. HOWELL, *Superintendent.*

THE COAL TRADE OF THE COUNTRY.—The history of the coal trade of the UNITED STATES furnishes the most striking evidence of the rapid progress of the country in manufactures and commerce. Previous to 1820, the year in which coal mining commenced, there were very few factories and workshops, no railroads, and almost no steam vessels. Since that date manufacturing establishments have sprung up in almost all directions, with amazing rapidity, thus creating a demand for fuel. The following table, showing the progress of anthracite coal mining in PENNSYLVANIA, indicates also the progress of the country generally in manufactures and wealth:

| <i>Year.</i> | <i>Total production.</i> | <i>Year.</i> | <i>Total production.</i> |
|--------------|--------------------------|--------------|--------------------------|
| 1820 | 365 tons. | 1860 | 8,513,123 tons. |
| 1830 | 174,734 | 1870 | 15,849,899 |
| 1840 | 864,879 | 1871 | 15,113,407 |
| 1850 | 3,358,899 | .. | .. |

The production of 1872 promises to be larger than in any previous year. The total production of anthracite for the year, to September 21st, was 14,133,173 tons, against 10,120,784 to the same date last year—an increase of 4,072,389 tons. The total production of all kinds of coal for the same period—January 1, 1872, to September 21, 1872—was 15,855,670 tons, against 11,712,634 tons to corresponding time last year, an increase of 4,243,036 tons.

BANKS AND FINANCES OF THE STATE OF NEW YORK.

Extracts from the message of Governor JOHN ADAMS DIX, Jan. 1, 1873.

BANKS—SAVINGS BANKS.

On the 1st of October last, 70 banks were doing business under the banking laws of this State. During the fiscal year, circulating notes to the amount of \$ 26,093 have been destroyed by the Bank Department. Forty-one banks have been credited with lost circulation to the amount, in all, of \$ 213,341, the time for redeeming the same, after the usual legal notice, having expired. The amount of circulation outstanding, including that of incorporated banks, banking associations, and individual bankers, was, on the 1st of October last, \$ 1,902,001.50. Of this amount the sum of \$ 1,148,539 was secured by deposits of cash, stocks, or stocks and mortgages. The residue, being circulation issued prior to the passage of the general banking law, is not secured by any deposit in the Bank Department.

There were, on the 1st of July last, 151 savings banks reporting to the Banking Department (two of which are closing), with assets to the amount, in the aggregate, of \$ 292,305,325. These assets may, at this time, be estimated, upon the ratio of increase of the preceding six months, at \$ 301,572,804. The number of persons having deposits in these institutions was, according to the number of open accounts on the 1st of January, 1872, 776,700. It is very desirable that the provisions of law regulating savings banks should be uniform; and, in my opinion, the object in view in the creation of these institutions—the security of deposits by individuals whose small savings are for the most part all they possess—would be best secured by a general law defining their powers, and by the repeal of all special privileges in existing charters inconsistent with it. As they are created for the benefit of persons in moderate circumstances, and not for persons dealing in large sums, the amount which any one individual should be allowed to deposit should be limited. I suggest further for the consideration of the Legislature whether the classes of securities in which these institutions invest should not be prescribed by law, and any investment by trustees in violation of it made a misdemeanor.

INSURANCE DEPARTMENT.

The number of insurance companies subject to the supervision of the Insurance Department on the first day of December, 1872, was 264, as follows :

| | |
|--|------------|
| New York Joint Stock Fire Insurance Companies..... | 93 |
| New York Mutual Fire Insurance Companies..... | 7 |
| New York Marine Insurance Companies..... | 9 |
| New York Life Insurance Companies..... | 32 |
| Fire Insurance Companies of other States..... | 73 |
| Marine Insurance Companies of other States..... | 1 |
| Life Insurance Companies of other States..... | 28 |
| Casualty Insurance Companies of other States..... | 3 |
| Foreign Insurance Companies..... | 13 |
| Total..... | 264 |

The total amount of stocks and mortgages held by the Department for the protection of policy-holders of Life and Casualty Insurance Companies of this State, and of Foreign Insurance Companies doing business within it, is \$9,107,493.54, as follows:

| | |
|--|-----------------------|
| For protection of policy-holders generally, in Life Insurance Companies of this State..... | \$3,961,143 54 |
| For protection of registered policy-holders exclusively..... | 2,815,350 00 |
| For protection of casualty policy-holders exclusively..... | 1,000 00 |
| For protection of fire policy-holders in Foreign Insurance Companies..... | 2,027,000 00 |
| For protection of life policy-holders in Foreign Insurance Companies..... | 303,000 00 |
| Total deposit..... | \$9,107,493 54 |

TAXATION.

I respectfully call your attention to the reports of the Commissioners appointed to revise the laws for the assessment of taxes heretofore made to the Legislature, and to the draft of a bill submitted by them in the performance of their duty. It is not denied that the existing laws for the valuation of property and the assessment of taxes are unequal, unjust, and ineffective; that the valuation of real estate falls far below its actual value; that much the larger portion of the personal property of the State escapes taxation, and that the tax on mortgages of real estate not only prevents the introduction of capital from abroad, but is rapidly expelling our own, heretofore loaned on such security, and transferring it to States in which no such tax is imposed. The objection to this tax does not come from lenders, but from borrowers, and from the owners of real estate, who find it difficult to procure money for improving it. In the city of New York, where there is a deficiency of dwellings, especially for the industrious classes, and where the population is for that reason crowded into narrow spaces, such an imposition is not only a serious obstacle to the extension of the city, but is in the nature of an excise on the health and comfort of its inhabitants. While real estate is known to be valued at one-third or one-half what it is worth, mortgages, where they do not escape the scrutiny of assessors altogether, are appraised at their full value, thus constituting a most unjust and oppressive distinction between two classes of property holders.

While NEW YORK has been clinging with a tenacity, for which it is difficult to account, to anti-commercial restrictions, PENNSYLVANIA

and NEW JERSEY have been gradually removing them for the purpose of attracting labor and capital. The result of our inaction and their progress in this respect is illustrated in a manner which should give us cause for grave reflection. During the last ten years the population of NEW JERSEY has increased at the rate of 35 per cent., and that of PENNSYLVANIA at the rate of 21, while ours has increased only at the rate of 13. The natural advantages of NEW YORK, especially for commerce, far exceed those of other States; but they are not great enough to enable us to contend successfully with the rivalry of neighbors quite as enterprising as ourselves, unless labor and capital are encouraged by laws as liberal as theirs. It vitally concerns us, therefore, to consider whether we can maintain our ascendancy in population and wealth; whether we can succeed in retaining the title of pre-eminence, which we have borne with the consent of our contemporaries for half a century; and whether we can preserve our reputation as an enlightened administrator of our own affairs, if we have not the wisdom and courage to cast off the antiquated clogs and badges of an obsolete civilization.

* * * * *

THE USURY LAWS.

I suggest for your consideration whether the time has not arrived to repeal the usury laws, leaving the established rate of interest to apply to cases in which no contract or agreement has been made. It is believed that their continuance at the present advanced stage of civilization, and in a State so highly commercial as ours, cannot be defended on any logical grounds. It has been feared that their repeal might, in agricultural districts, subject borrowers to the extortion of greedy lenders; but this apprehension has, in other communities, proved unfounded. In ruder conditions of society, when the laboring classes were, to a great extent, dependent on capitalists, there was a plausible argument in favor of limiting the rate of interest. But at the present day, when the eagerness to lend is quite as prevalent as the desire to borrow, and when labor has become independent and powerful, it needs no protection, direct or indirect, against capital in competing with it for the profits of production. In most of the neighboring States restrictions on traffic in money have been removed, and I believe there is good authority for saying that no practical inconvenience has ensued. It is quite clear that in the city of New York, but for scruples on the one hand and fears on the other, by which conscientious and timid capitalists are restrained from lending at prohibited rates, the enormous interest paid, under the pressure of extraordinary demands, for the use of money, could not be maintained for a single day. It is only by establishing an arbitrary and fixed standard of value for it, when such value will, in spite of all legal limitations, conform to the fluctuations of commerce, that borrowers are made to suffer through the necessity of paying unscrupulous lenders a premium for violating the law. Should you not be prepared to follow the example of MASSACHUSETTS, RHODE ISLAND, CONNECTICUT, and other States by an absolute repeal of the usury laws, I can

conceive no possible objection to their modification so far as to leave the rate of interest to be fixed by agreement of the parties on commercial paper, and on loans secured by the mortgage or hypothecation of personal property.

* * * * *

STATE DEBT.

The following statement shows the amount of the State debt on the 30th September, 1872, after deducting the unapplied balances of the sinking funds at that date :

| | <i>Debt on the 30th Sep- tember, 1872.</i> | .. | <i>Balance of Sinking Funds on the 30th September, 1872.</i> | .. | <i>Balance of debt after applying Sinking Funds.</i> |
|-------------------|--|----|--|----|--|
| General Fund..... | \$ 3,988,526 40 | .. | \$ 2,787,567 49 | .. | \$ 1,200,958 91 |
| Contingent..... | 68,000 00 | .. | 19,710 50 | .. | 48,289 50 |
| Canal..... | 11,396,680 00 | .. | 1,449,978 15 | .. | 9,946,701 85 |
| Bounty..... | 21,121,000 00 | .. | 6,930,224 42 | .. | 14,190,775 58 |
| | \$ 36,574,206 40 | | \$ 11,187,480 56 | | \$ 25,386,725 84 |

The sinking fund of the general fund includes \$ 1,202,571.35, received since the close of the fiscal year, and from the sinking fund of the bounty fund the interest accrued to October 1, 1872, payable January 1, 1873, has been deducted. Thus, the entire funded debt of the State, on the 30th of September, 1872, after deducting unapplied balances of the sinking funds, amounted to \$ 25,386,725.84. On the 30th of September, 1871, the entire funded debt of the State, after a like deduction, was \$ 29,482,702.52. There was, therefore, during the last financial year, a reduction in the amount of the funded debt of \$ 4,095,976.68.

REDEMPTION OF THE STATE DEBT.

On the first day of this month \$ 847,500 of the canal debt became due, and the principal and interest were paid in coin. In July and November \$ 4,302,600 more will fall due, and will be redeemed in specie by the Commissioners of the Canal fund. I trust the good faith of the State, in its fiscal transactions, will be scrupulously maintained, and that the public creditors will not be asked to receive depreciated paper in payment of the debts due to them. At a former period, during a suspension of specie payments, the State officers charged with the management of its revenues paid in coin the interest on the debt then outstanding, and thus preserved the public credit inviolate. If it be justifiable in seasons of public danger to make anything but specie a legal tender in contracts between individuals, thus departing from the only standard of value recognized by civilized States, and the only one to which transactions between independent communities can be made to conform, the policy and morality of continuing the practice in time of peace are both questionable. Indeed, no difference in principle is perceived between a compulsory acceptance of a depreciated paper currency and an adulteration of the national coin. Whatever dilatoriness there may be on the part of

Congress to repeal the law thus affecting private obligations by bringing them to an arbitrary and degraded standard of value, our own duty toward our creditors is quite apparent. The propriety of some early action might be equally clear to the Federal Government if its paper were publicly quoted at 88 per cent—its present value—instead of quoting gold at 112, according to the established practice, in order to cover up a national reproach.

* * * * *

FUNDING THE STATE DEBT.

In direct connection with the foregoing suggestions is the question which has largely occupied, during the last two years, the attention of the public and of the classes concerned in commercial exchanges, of funding the canal and general fund debts, and providing for an issue of five per cent. stock, redeemable at the end of forty years with a provision for the payment of the annual interest, and the creation of a sinking fund out of the surplus revenues of the canals for the redemption of the stock at its maturity. The proposition seems to have met with general acceptance, and I respectfully ask for your favorable consideration, with a view to present it to the people for their decision under the form of an amendment of the Constitution. If it is adopted, the general fund debt, created for the benefit of the people at large, will be paid by the canal revenues, and in this point of view it will commend itself to the approval of the portions of the State which have no direct communication with the canals, and only an indirect interest in maintaining them.

There is one consideration connected with the creation of the sinking fund, in case this issue of stock is submitted to the people and favorably considered, which I desire to press with more than ordinary earnestness on your attention. Sinking funds are, in their nature, a solemn pledge of faith to creditors for the payment of the debts due to them. To borrow money on their credit for other purposes, or, in other words, to make them the subject of any other pledge, or to make even a temporary use of the moneys or securities of which they consist, is a clear violation of the pledge originally given. It appears to me that this deduction of common sense cannot be invalidated or obscured by any refinement of reasoning, however subtle it may be. There have been instances in which sinking funds have been invaded and consumed; but these cases have been very properly regarded as unwarrantable acts of bad faith. To guard against the temptation of resorting to these funds in emergencies instead of meeting the public wants by taxation, the annual contribution of money provided for their increase should, instead of being deposited in banks, be invested in permanent securities, such as stocks of the UNITED STATES. The best of all investments is the purchase of the certificates of stock which they are set apart to redeem; and these certificates should be canceled as soon as they are purchased. Thus the State, instead of having on hand for a series of years a large fund, exposed to the hazard of bank failures and to inconsiderate or unscrupulous legislation, will gradually extinguish its debts, and have no money to pro-

vide for the purpose when they fall due. If at times it be necessary to purchase these certificates at a premium, the small advance is repaid by having the sinking fund free from the risk of bad management, and the people protected against the necessity of providing, by taxation or by a new loan, for the loss and the payment of the debts at their maturity.

THE PUBLIC DEBT OF BOSTON.

January, 1873.

The following is an exhibit of the total *funded* and *unfunded* debt of the city, as it stood December 31, 1872, compared with the close of the year 1871.

The total debt of the city, at the close of the municipal year 1872, compared with that of 1871, was as follows :

| | Dec. 31, 1872. | Dec. 31, 1871. |
|---|----------------|----------------|
| Funded debt | \$ 29,718,677 | \$ 27,865,916 |
| Unfunded debt, being loans authorized but not negotiated..... | 4,020,781 | 1,517,473 |
| | \$ 33,739,459 | \$ 29,383,390 |
| Increase of the total debt during the municipal year 1872 | | \$ 4,356,068 |

This debt the auditor of accounts classifies as follows :

| | 1872. | 1871. |
|--------------------------------------|---------------|---------------|
| City debt proper..... | \$ 21,323,808 | \$ 17,020,493 |
| Water debt (net cost of works) | 9,702,950 | 9,570,896 |
| War loans (outstanding) | 1,914,500 | 1,915,500 |
| Roxbury loans (outstanding) | 630,700 | 692,000 |
| Dorchester loans (outstanding) | 167,500 | 184,500 |
| | \$ 33,739,459 | \$ 29,383,390 |

The means on hand December 31, 1872, for the payment of this debt of \$ 33,739,459, compared with those of 1871, were as follows :

| | Dec. 31, 1872. | Dec. 31, 1871. |
|---|----------------|----------------|
| Funds in the hands of the board of commissioners of the sinking funds..... | \$ 12,328,300 | \$ 10,771,231 |
| Public land and other bonds in the hands of the city treasurer pledged for the payment of the debt..... | 1,223,948 | 998,930 |
| | \$ 13,552,249 | \$ 11,770,162 |
| Increase of means during the municipal year 1872..... | | \$ 1,782,068 |
| The gross debt December 31, 1872, was..... | | \$ 33,739,459 |
| The means on hand for the payment of the same Dec. 31, 1872..... | | 13,552,249 |

Net debt Dec. 31, 1872..... \$ 20,187,209

The net debt of the city, December 31, 1871, was \$ 17,613,228, which shows that there was an increase of the net debt amounting to \$ 2,573,981 during the year 1872, while the gross debt was increased, the same year, \$ 4,356,068.

PUBLIC DEBTS OF CITIES OF MASSACHUSETTS.

The following table is not wholly complete, the amount of the debt a year ago being omitted from two of them, and, of course, the increase. In some of the cities, too, the water debt is excluded from the statement, while it is included in others. On the whole, however, the table is reasonably accurate :—

| <i>City.</i> | <i>Debt, 1871.</i> | <i>Debt, 1872.</i> | <i>Increase in 1872.</i> |
|-------------------------------|----------------------|----------------------|------------------------------|
| Boston | \$ 29,383,390 | \$ 33,739,459 | \$ 4,356,068 |
| Cambridge | 1,007,610 | 1,222,443 | 214,833 |
| Charlestown | 2,552,663 | 2,565,757 | 13,094 |
| Chelsea | 975,700 | 1,262,700 | 287,000 |
| Fall River | 552,883 | 901,717 | 348,834 |
| Fitchburg | — | 300,000 | — |
| Haverhill | 254,243 | 300,043 | 45,800 |
| Lawrence | 413,822 | 429,808 | 15,985 |
| Lowell | 999,216 | 1,718,124 | 718,908 |
| Lynn | 1,476,000 | 1,844,000 | 368,000 |
| New Bedford | — | 995,080 | — |
| Newburyport | 410,300 | 473,700 | 63,400 |
| Somerville | 593,349 | 678,354 | 85,005 |
| Springfield | 382,768 | 470,261 | 87,403 |
| Taunton | 333,650 | 361,879 | 28,327 |
| Worcester | 2,456,788 | 2,687,910 | 231,121 |
| Total, 14 cities | \$ 41,797,386 | \$ 48,656,159 | \$ 6,863,773 |

The above shows that in fourteen cities of the Commonwealth the average increase of debt has been more than sixteen per cent. It is impracticable to detail here the items of debt or to indicate what steps have been taken to meet the liabilities at maturity. The addresses of the several mayors will, however, generally supply this information.—*Commercial Bulletin.*

THE RIGHTS OF DEPOSITORS IN INSOLVENT BANKS.

THE CENTRAL BANK OF BROOKLYN.

In the Supreme Court Circuit for Kings County, N. Y., JOSEPH E. SLAVENES has recovered judgment for \$3,125 against SILAS B. DUTCHER, assignee in bankruptcy of the CENTRAL BANK of Brooklyn, for a check deposited for collection after the bank was really insolvent. Mr. Justice PRATT, in deciding the question at issue, says :

Inasmuch as plaintiff was not allowed to draw against a check so deposited until the expiration of about twenty-four hours, or until it had been collected, the relation was that of principal and agent. The testimony shows that when the plaintiff deposited the check for \$3,125 he was ignorant of any change in the condition of the bank that would prevent them from continuing to transact business

as they had before done. But in fact the bank was insolvent, and the bank officers well knew that if they received the plaintiff's check, the implied conditions on which it was to be received could not be carried out. Candor and good faith required them to decline to receive the check. Instead of pursuing that course, so obviously proper, they took the check and placed it among their assets. At two o'clock of the next day it was paid by the drawee, but before that time, upon the application of the bank, the court had appointed a receiver, entirely destroying the bank's capacity for transacting business. When the receiver was appointed the check in question was still the property of the plaintiff, was in possession of the bank and the proceeds came into the receiver's hands. He thus became possessed of the plaintiff's money without the plaintiff's consent, and under circumstances that gave him no claim to retain it. But having done so, and the defendant having, as assignee in bankruptcy, succeeded to the possession of the fund, he must be held to have taken it in subordination to the plaintiff's rights. Defendant being in possession of money that equitably belongs to the plaintiff, an action for money had and received will lie against him in favor of the plaintiff. The general rule of banking, that a deposit becomes the property of the bank the moment it is made, does not apply to a case when a deposit is made of bills receivable expressly for collection or when the deposit is obtained by fraud.

TAX ON BANKERS AND BROKERS.

In the case of *HIRAM M. NORTHRUP and JOSEPH S. CHICK*, [of the banking firm of *NORTHRUP & CHICK*, No. 6 Wall street,] *v. SHERIDAN SHOOK*, Judge *WOODRUFF* rendered a lengthy and important decision in the United States Circuit Court. The action was prosecuted for the recovery from the defendant, who was at the time of the transaction in question the Collector of Internal Revenue for the Thirty-second District of the State of *NEW YORK*, of the sum of \$20,830.19, alleged to have been erroneously assessed upon the business of the plaintiffs, and paid by them as taxes from September, 1864, to and including the sums assessed for July, and paid August 31, 1866. The amount was assessed upon their sales of gold, stocks, bonds, bullion, bills of exchange, and promissory notes between the dates stated.

It is not claimed that the amounts of the sales upon which the assessments were made, or the rate of the tax assessed, were in any respect erroneous, if the plaintiffs were liable to assessment and tax upon the respective kinds or classes of business done by them as bankers and brokers in gold, &c.

The ground of the assessment was that the plaintiffs were bankers, doing business as brokers, within the meaning of the act of June 13, 1864, and were liable to tax upon all their sales of gold, stocks, &c., whether their own property or the property of others. The plaintiffs

insist that they are bankers only, doing business under a license as bankers, and not liable to taxation upon any of their sales, and that although they made sale of the stocks, &c., belonging to others which were taxed, they were therein acting as bankers only. The sales in question appear to have been sales of property belonging to the plaintiffs, sales of gold, stocks, bonds, bullion, &c., transmitted to them by their correspondents, and the same or the proceeds drawn against, in some of which cases the sales of the transmitted property were made immediately, and the proceeds at once applied to the payment of drafts so drawn and others of which the drafts were accepted or paid, and the gold, stocks, &c., were held for a better market or to await further orders, and in the meantime stood as their security for their advances and to provide reimbursement therefor. In other cases there were no actual advances but the property held for sale, and when sold by order of the customer the proceeds were placed to credit, subject to draft.

There were also sales of stocks made in pursuance of an arrangement for what is called carrying stocks on a margin, wherever they, upon the deposit with them of a percentage on the amount of the stock, advanced money and purchased stock for the dealer or speculator (who dealt in the hope of making a profit by the rise in the market price) and held the same subject to his order to sell, and finally sold the same for his account as to profit and loss. These transactions were conducted in the name of the plaintiffs, the name of the customer not being disclosed to those from whom the stocks were purchased, nor to those to whom the stocks were finally sold. Upon these purchases and sales they charged and received from the customers the usual commissions for purchasing and selling stocks for account of others, and the tax imposed and paid to the UNITED STATES on the sales was also charged to such customers. If the transaction showed a profit it was paid to the customer, with a return to him of the cash or security held as a margin. If the transaction resulted in a loss the amount of such margin returned to the customer was correspondingly reduced.

Judge WOODRUFF, after adverting to the views advanced upon the trial by counsel upon both sides, and reviewing them in detail, says:—"I cannot doubt that it was the intention of Congress to reach and include what I presume constitutes very much the largest part of all the sales of stocks, gold, and some other property made in this country, and it is expressly proved that it constituted much the largest part of the plaintiff's business—viz, speculations in the very manner of the transactions I am considering—and I think a just interpretation of the statute does include them. It follows from these views that the plaintiffs were during the period doing business as brokers, and were therefore taxable for these sales." The judge also holds that persons doing business as bankers only, and paying the regular banker's license and percentage fee mentioned in the act, are not liable to be taxed or assessed as brokers.

Judgment must be entered for the defendant, with costs.

BILLS OF LADING AS A COLLATERAL SECURITY.

Before the Supreme Court of the UNITED STATES, December Term, 1870. CHRISTIAN J. HOFFMAN and HENRY G. KENNEDY, Plaintiffs in error *v.* THE NATIONAL CITY BANK, of Milwaukee, in error to the Circuit Court of the UNITED STATES for the District of WISCONSIN.

MATTHEW H. CARPENTER, of Milwaukee, Attorney for plaintiffs in error. JOHN W. & A. L. CARY, of Milwaukee, Attorneys for defendant in error.

CHAPIN, MILES & Co. were manufacturers of flour at Milwaukee, WISCONSIN. HOFFMAN & KENNEDY, plaintiffs, were commission merchants at Philadelphia. In January, 1868, CHAPIN, MILES & Co. arranged with plaintiffs to ship them flour at Philadelphia to sell upon commission and to draw on them from time to time for advances, for which advances the plaintiffs were to be reimbursed out of the sales of the flour. This arrangement had been in force and operation for more than a year prior to the time of the transactions embraced in this suit, and during all that time CHAPIN, MILES & Co. had procured their advances of plaintiffs in this way—by drawing their drafts upon plaintiffs to cover particular shipments of flour, and negotiating such drafts, accompanied by the bills of lading given for the shipments drawn against—to banks in Milwaukee, which banks would forward the drafts accompanied by the bills of lading to plaintiffs for acceptance or payment, and upon making payment plaintiffs would receive the bills of lading. It was the universal custom of CHAPIN, MILES & Co., upon drawing upon plaintiffs for advances, to advise them by letter of the shipment and of the draft made for the advance, and it was the like custom of plaintiffs to acknowledge the receipt of such letters of advice and to promise payment of the drafts. In no instance did the drafts or bills of lading accompanying them express that they had any relation to or connection with each other, and furthermore the bills of lading did not show that the indorsees of the drafts had any connection with or interest in the bills of lading.

In pursuance of the arrangement and course of business above stated, CHAPIN, MILES & Co. made their three sight drafts upon plaintiffs, one for \$1100, dated February 26, 1869, one for \$1000, dated March 16, 1869, and one for \$1000, dated March 25, 1869, and each payable to the order of the defendant, which drafts the defendant discounted for CHAPIN, MILES & Co.—that there accom-

panied each of said drafts, at the time it was negotiated to defendant, what purported to be a bill of lading for two hundred barrels of flour.

That defendant upon discounting these drafts, forwarded them with the supposed bills of lading to the NATIONAL PARK, in New York, which bank in turn forwarded them to the CITY NATIONAL BANK, of Philadelphia, and which last-named bank presented them to plaintiffs for payment, who paid the same and received the drafts and the supposed bills of lading. The bills of lading afterwards proved to be forgeries. This suit was brought to recover back the money paid by plaintiffs upon these drafts, upon the alleged ground that they paid the money under a mistake of fact, to wit: that they supposed the bills of lading to be genuine, whereas, they proved to be forgeries.

Judgment having been given for the defendant in the court below, the plaintiffs sued out a writ of error from the Supreme Court of the UNITED STATES.

Mr. Justice CLIFFORD delivered the opinion of the Court.

Acceptors of a bill of exchange, by the act of acceptance, admit the genuineness of the signatures of the drawers, and the competency of the drawers to assume that responsibility.

Such an act imports an engagement, on the part of the acceptor, to the payee or other lawful holder of the bill, to pay the same, if duly presented, when it becomes due, according to the tenor of the acceptance. He engages to pay the holder, whether payee or indorsee, the full amount of the bill at maturity, and if he does not, the holder has a right of action against him, and he may also have one against the drawer.

Drawers of bills of exchange, however, are not liable to the holder, under such circumstances, until it appears that the bill was duly presented and that the acceptor refused or neglected to pay the same according to the tenor of the instrument, as their liability is contingent and subject to those conditions precedent.

Three bills of exchange, as exhibited in the record, were drawn by CHAPIN, MILES & Co., payable to the order of the defendants, and the record shows that they, the defendants, received and discounted the three bills at the request of the drawers. Attached to each bill of exchange was a bill of lading for two hundred barrels of flour, shipped, as therein represented, by the drawers of the bills of exchange and assigned to the plaintiffs; and the record also shows that the drawers, in each case, sent a letter of advice to the consignees apprising them of the shipment, and that they would draw on them as such consignees for the respective amounts specified in the several bills of exchange. Prompt reply in each case was communicated by the plaintiffs, acknowledging the receipt of the letter of advice sent by the shippers, and promising to honor the bills of exchange, as therein requested.

Evidence was also introduced by the plaintiffs showing that the defendants endorsed the bills of exchange and forwarded the same, with the bills of lading attached, to the NATIONAL PARK BANK of the city of New York, their regular correspondent; that the same

were subsequently endorsed by the latter bank, and forwarded to the COMMONWEALTH BANK of Philadelphia for collection; that the COMMONWEALTH BANK presented the bills of exchange, with the bills of lading attached, to the plaintiffs, as the acceptors, and that they paid the respective amounts as they had previously promised to do, and that the COMMONWEALTH BANK remitted the proceeds in each case to the NATIONAL PARK BANK, where the respective amounts were credited to the defendants.

Proof was also introduced by the plaintiffs showing that each of the bills of lading was a forgery, and that the plaintiffs, before the commencement of the suit, tendered the same and the bills of exchange to the defendants, and that they demanded of the defendants, at the same time, the respective amounts so paid by them to the COMMONWEALTH BANK. Payment as demanded being refused, the plaintiffs brought an action of assumpsit against the defendants for money had and received, claiming to recover back the several amounts so paid as money paid by mistake, but the verdict and judgment were for the defendants, and the plaintiffs sued out a writ of error, and removed the cause into this court.

Testimony was also introduced by the defendants tending to show that the shippers were millers; that they made an arrangement with the plaintiffs to ship flour to them at Philadelphia for sale in that market, the plaintiffs agreeing that they, the shippers, might draw on them for advances on the flour, to be reimbursed out of the proceeds of the sales; that for more than a year they had been in the habit of shipping flour to the plaintiffs under that arrangement and of negotiating drafts on the plaintiffs to the banks in that city, accompanied by bills of lading in form like those given in evidence in this case; that the drafts, with the bills of lading attached, were sent forward by the banks, where the same were discounted, and that the same were paid by the plaintiffs; that the drawers of the drafts in every case notified the plaintiffs of the same, and that the plaintiffs, as in this case, answered the letter of advice and promised to pay the amount. They also proved that the drawers of the drafts in this case informed their cashier that the same would always be drawn upon property, and that the bills of lading would accompany the drafts, and that they had no knowledge or intimation that the bills of lading were not genuine.

Instructions were requested by the plaintiffs, that if the jury found that the respective bills of lading were not genuine that they were entitled to recover the several amounts paid to the COMMONWEALTH BANK, with interest; but the court refused to give the instruction as prayed, and instructed the jury that if they found the facts as shown by the defendants, the plaintiffs could not recover in the case, even though they should find that the several bills of lading were a forgery.

Money paid under a mistake of facts, it is said, may be recovered back as having been paid without consideration, but the decisive answer to that suggestion, as applied to the case before the court, is

that money paid, as in this case, by the acceptor of a bill of exchange to the payee of the same, or to a subsequent indorsee, in discharge of his legal obligation as such, is not a payment by mistake nor without consideration, unless it be shown that the instrument was fraudulent in its inception, or that the consideration was illegal, or that the facts and circumstances which impeach the transaction, as between the acceptor and the drawer, were known to the payee or subsequent indorsee at the time he became the holder of the instrument.—(FITCH *v.* JONES, 5 ELLIS & BL., 238. ARBOURN *v.* ANDERSON, 1 ADOL. & ELLIS, N. S., 498. SMITH *v.* BRAINE, 16 ADOL. & ELLIS, N. S., 244. HALL *v.* FEATHERSTONE, 3 HURL. & NOR., 287.)

Such an instrument, as between the payee and the acceptor, imports a sufficient consideration, and in a suit by the former against the latter the defence of prior equities, as between the acceptor and the drawer, is not open unless it be shown that the payee, at the time he became the holder of the instrument, had knowledge of those facts and circumstances.

Attempt is made in argument to show that the plaintiffs accepted the bills of exchange upon the faith and security of the bills of lading attached to the same at the time the bills of exchange were discounted by the defendants. Suppose it was so, which is not satisfactorily proved, still it is not perceived that the concession, if made, would benefit the plaintiffs, as the bills of exchange are in the usual form and contain no reference whatever to the bills of lading, and it is not pretended that the defendants had any knowledge or intimation that the bills of lading were not genuine, nor is it pretended that they made any representation upon the subject to induce the plaintiffs to contract any such liability. They received the bills of exchange in the usual course of their business as a bank of discount and paid the full amount of the net proceeds of the same to the drawers, and it is not even suggested that any act of the defendants, except the endorsement of the bills of exchange in the usual course of their business, operated to the prejudice of the plaintiffs or prevented them from making an earlier discovery of the true character of the transaction. On the contrary, it distinctly appears that the drawers of the bills of exchange were the regular correspondents of the plaintiffs, and that they became the acceptors of the bills of exchange at the request of the drawers of the same, and upon their representations that the flour mentioned in the bills of lading had been shipped to their firm for sale under the arrangement before described.

Beyond doubt the bills of lading gave some credit to the bills of exchange beyond what was created by the pecuniary standing of the parties to the same, but it is clear that they are not a part of those instruments nor are they referred to either in the body of the bills or in the acceptance, and they cannot be regarded in any more favorable light for the plaintiffs than as collateral security accompanying the bills of exchange.

Sent forward, as the bills of lading were, with the bills of exchange, it is beyond question that the property in the same passed to

the acceptors when they paid the several amounts therein specified, as the lien, if any, in favor of the defendants was then displaced and the plaintiffs became entitled to the instruments as the muniments of title to the flour shipped to them for sale and as security for the money which they had advanced under the arrangement between them and the drawers of the bills of exchange. Proof, therefore, that the bills of lading were forgeries could not operate to discharge the liability of the plaintiffs, as acceptors, to pay the amounts to the payees or their indorsees, as the payees were innocent holders, having paid value for the same in the usual course of business.

Different rules apply between the immediate parties to a bill of exchange—as between the drawer and the acceptor, or between the payee and the drawer—as the only consideration as between those parties is that which moves from the plaintiff to the defendant; and the rule is, if that consideration fails, proof of that fact is a good defence to the action. But the rule is otherwise between the remote parties to the bill, as, for example, between the payee and the acceptor, or between the indorsee and the acceptor, as two distinct considerations come in question in every such case where the payee or indorsee became the holder of the bill before it was overdue and without any knowledge of the facts and circumstances which impeach the title as between the immediate parties to the instrument. Those two considerations are as follows: First, that which the defendant received for his liability, and, secondly, that which the plaintiff gave for his title, and the rule is well settled that the action between the remote parties to the bill will not be defeated unless there be an absence or failure of both these considerations.—(ROBINSON *v.* REYNOLDS, 2 Q. B., 202. *SAME v. SAME*, in error, 2 *Ibid.*, 210. BYLES *on Bills*, (5th Am. Ed.,) 124. THIEDEMANN *v.* GOLDSCHMIDT, 1 DEG., FISH & J., Ch. App. B., 10.)

Unless both considerations fail in a suit by the payee against the acceptor, it is clear that the action may be maintained, and many decided cases affirm the rule, where the suit is in the name of a remote indorsee against the acceptor, that if any intermediate holder between the defendant and the plaintiff gave value for the bill, such an intervening consideration will sustain the title of the plaintiff.—(HUNTER *v.* WILSON, 4 Exch., 489. BOYD *v.* McCANN, 10 MD., 118. HOWELL *v.* CRANE, 12 LA. AN., 126. WATSON *v.* FLANIGAN, 14 TEXAS, 354.)

Where it was arranged between a drawer and his correspondent that the latter would accept his bills in consideration of produce to be shipped or transported to the acceptor for sale, the Supreme Court of PENNSYLVANIA held that the acceptor was bound to the payee by his general acceptance of a bill, although it turned out that the bill of lading forwarded at the same time with the bill of exchange was fraudulent, it not being shown that the payee of the bill was privy to the fraud. Evidence was introduced in that case showing that the payee knew what the terms of the arrangement between the drawer and the payee were, but the court held that mere knowledge of that

fact was not sufficient to constitute a defence, as the payee was not a party to the arrangement and was not in any respect a surety for the good faith and fair dealing of the shipper.—(CRAIG *v.* SIBBELL & al., 15 PENN. St., 240.)

Failure of consideration, as between the drawer and acceptor of a bill of exchange, is no defence to an action brought by the payee against the acceptor, if the acceptance was unconditional in its terms, and it appears that the plaintiff paid value for the bill, even though the acceptor was defrauded by the drawer, unless it be shown that the payee had knowledge of the fraudulent acts of the drawer before he paid such value and became the holder of the instrument.—(UNITED STATES *v.* BANK OF METROPOLIS, 15 PET., 393.)

Testimony to show that the payees were not *bona fide* holders of the bills would be admissible in a suit by them against the acceptors, and would constitute, if believed, a good defence, but the evidence in this case does not show that they did anything that is not entirely sanctioned by commercial usage. They discounted these bills and they had a right to present them for acceptance, and having obtained the acceptance they have an undoubted right to apply the proceeds collected from the acceptors to their own indemnity.—(THIEDERMANN *v.* GOLDSCHMIDT & al., 1 DEt., F. & J., Ch. App. R., 10. ROBINSON *v.* REYNOLDS, 2 Q. B., 211.)

Forgery of the bills of lading would be a good defence to an action on the bills if the defendants in this case had been the drawers, but they were payees and holders for value in the regular course of business, and the case last referred to, which was decided in the Exchequer Chamber, shows that such an acceptance binds the acceptors conclusively as between them and every *bona fide* holder for value.

Very many cases decide that the drawee of a bill of exchange is bound to know the handwriting of his correspondent, the drawer, and that if he accepts or pays a bill in the hands of a *bona fide* holder for value, he is concluded by the act, although the bill turns out to be a forgery. If he has accepted he must pay, and if he has paid he cannot recover the money back, as the money, in such a case, is paid in pursuance of a legal obligation as understood in the commercial law.—(GODDARD *v.* MERCHANTS' BANK, 4 COMST., 149. BANK OF COMMERCE *v.* UNION BANK, 3 COMST., 234. U. S. BANK *v.* BANK OF GEORGIA, 10 WHEAT, 348. PRICE *v.* NEAL, 3 BURR, 1355.)

Difficulty sometimes arises in determining whether the plaintiff, in an action on a bill of exchange, is the immediate promisee of the defendant or whether he is to be regarded as a remote party, but it is settled law that the payee, where he discounts the bill at the request of the drawer, is regarded as a stranger to the acceptor in respect to the consideration for the acceptance; consequently, if the acceptance is absolute in its terms and the bill is received in good faith and for value, it is no answer to an action by him that the defendant received no consideration for his acceptance or that the consideration therefor has failed, and it is immaterial in that behalf whether the bill was accepted while in the hands of the drawer and

at his request, or whether it had passed into the hands of the payee before acceptance and was accepted at his request.—(PARS. on bills, 179. *MUNROE v. BORDIER*, 8 C. B., 862.)

Certain other defences, such as that the payments were voluntarily made, and that the title to the bills at the time the payments were made was in the NATIONAL PARK BANK, were also set up by the defendants, but the court does not find it necessary to examine those matters, as they are of the opinion that the payments, if made to the payees of the bills, as contended by the plaintiffs, were made in pursuance of a legal obligation and that the money cannot be recovered back.

Judgment affirmed.

THE FINANCES OF SOUTH CAROLINA.

[From the COLUMBIA UNION.]

To the Editor of the Daily Union :

The *vexata questio* now disturbing the public mind in this State, more than perhaps any other, is the condition of our State finances, and the restoration of her ruined credit. Practically, SOUTH CAROLINA is bankrupt. Her securities, which in *ante bellum* days were sought after with avidity, are now avoided as a leprous sore. To restore this credit and give new vitality to our State securities, should be a matter of prime and thoughtful consideration with the present administration. All legislation should be made subservient to these, as upon them hinges the weal or woe of SOUTH CAROLINA for years to come.

Governor MOSES has entered upon the duties of his office with an endorsement from the conservative press and people, which no Republican Governor of this State it was expected would ever receive. The platform on which he was elected clearly defines his policy in reference to the State debt. Let him pursue a fair, impartial, and independent course on this subject, and his administration will prove a success. But should he dally and temporize, leaving the public at sea as to what his policy upon the State debt will be, it will terminate in failure, and from the beginning to the end things will drag, while the next two years will find us in a worse condition, if possible, than we are to-day.

On a recent visit to New York, I was asked by several distinguished bankers what were my views as to SOUTH CAROLINA bonds. I told them (basing my opinion upon the promises and pledges of the party elect) that I thought their future was encouraging. That efforts would be made by the incoming legislature to sift the spurious from the genuine bonds, and the debt once ascertained the interest would be promptly met. When interrogating them as to the reason why they touched so cautiously all classes of Southern securities, they answered: How can we have confidence in the security of States

whose State securities themselves are of so little value? The loss of credit by a State, they argued, affects indirectly the credit of every corporation and citizen of that State. One gentleman—member of a prominent banking house—of large culture and the highest respectability in that city, and a Virginian, told me that instead of investing money at the South, many Northern capitalists were withdrawing their funds from this section, and illustrated his position thus: “A National Bank in Virginia, whose capital stock was taken to a large extent in New York through our instrumentality, has had it nearly all returned to local parties, the holders here preferring to get rid of the investment. The action of Southern legislatures, sir, in their odious and semi-repudiating laws, has disgusted them.” The reasoning is sound. What, then, is the remedy? Let the legislature appoint a commission, composed of three or more gentlemen of integrity and business experience, to investigate the debt, give them access to the treasurer’s books, furnish them all the information they ask for, concealing nothing. Let this commission, for the public convenience, sit at stated times in Columbia and New York, give them full opportunity to examine into the matter, and when their labors are ended publish their report. Then, and not till then, let a tax be levied to pay the interest. For SOUTH CAROLINA to take this step would blot out many a stain that now blurs her escutcheon, and restore to some extent her ancient reputation. The credit of the State revived, confidence, that plant of slow growth, will again germinate on her soil; her securities will appreciate; landed property will improve in value; capital and immigration will begin to flow hither.

“There is a tide in the affairs of men, which taken at the flood leads on to fortune.” Governor MOSES’ tide is now at its flood; propitious winds bear him smoothly on, and with the proper chart closely followed he may yet, as her pilot, be able to direct our old ship of State to the long desired haven of prosperity and peace.

A. C. KAUFMAN.

Charleston, S. C., December, 1872.

GERMAN FINANCES.

The following letter to the London *Economist* of November 2, seems to be from a German in London, and is valuable for facts and for reference to three important things. First—The legal standard in Germany. Second—The Bank Act in England, and third—the want of banking facilities in Germany:

THE CIRCULATION OF GOLD IN GERMANY.

To the Editor of the Economist:

SIR:—Having read your valuable article on the money market of last Saturday, I beg to draw your attention, with regard to German finances, to certain facts perhaps unknown or misunderstood in this

country. I quite agree with you that Germany is in possession, as well of the 20 millions disappeared from the PARIS BANK since 1870, as of the many millions more drained from here; but, according to parliamentary documents, the military chest, as you call it, holds of it only one million and a half sterling more than it always had before 1870 or 1866. The 17 millions sterling worth of gold coined already into the new German money are certainly in circulation, or at least as much open to it as any hard cash in the BANK OF ENGLAND; and if we do not yet discover much of it in the hands or pockets of the public in general, it is because since the admission of gold in Germany as a legal standard, with a great chance of soon becoming the sole legal standard, the German banks, private and public, try to keep their spare cash quietly in the new gold coin and to get rid of their silver. The present overwhelming demand for gold is, therefore, not the consequence of German financial mismanagement, but naturally follows out of the adoption of a standard alteration in a country where cheques and Clearing Houses are almost unknown, deposits therefore insignificant, where no central bank, as the BANK OF ENGLAND, balances hundreds of millions without the use of a single sovereign or bank note. Yet Germany is as thriving a country as any in EUROPE. But we have to deal, under these circumstances, with the sudden change of a money standard, suggested and supported by a colossal ransom to be paid in hard cash within a given time, which will, and must drain the gold market till either the retaining of the double standard is settled—a question expected to be decided by the next Reichstag—or till a better outlet for silver than at present facilitates the exchange.

The raising of the discount in this country cannot thwart the purpose of a Government bound to certain changes, and possessed of ample means to do it. On the contrary, the higher the premium the more these means will lead to a command in this market; and although by that process we shall undergo certain temporary ease, we must expect, for a time, sudden fluctuations, and will again be made aware that we labor under a bank act based more on a figure than a principle—a figure which at a time when 10 millions of gold were considered a comfortable stock at the Bank, because it allowed an issue of 150 per cent. uncovered notes, with 20 or 25 millions, and claims grown in proportion, limits the issue to 75 or 60 per cent. Were GERMANY encumbered with the same act, the PRUSSIAN BANK, with upwards of 24 millions hard cash and a circulation above 40 millions, would have succumbed already, while the principle that one-third to two-fifths of issued notes, covered in gold, is sufficient for general purposes, allows the PRUSSIAN BANK to dispense its bargains at 5 per cent., and still to be considered powerful, without having the benefit of Prussian exchequer, overflowing for the present from ordinary sources even. I beg to enclose my card, and remain, Sir,
your obedient servant. M.

City, October 30, 1872.

THE HISTORY AND PRINCIPLES OF BANKING.

By JAMES W. GILBART.

(Continued from the January No., page 584.)

CHAPTER 1. The Origin and Progress of Banking. 2. The Rise of Banking in England. 3. The History of the Bank of England. 4. The London Bankers. 5. Country Banks. 6. Joint-Stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks.

CHAPTER THIRD.

THE HISTORY OF THE BANK OF ENGLAND.—Continued.

1825. At the commencement of this year there was every appearance of general prosperity, but in December occurred "THE PANIC." The course of exchange being unfavorable, had occasioned a demand for gold for exportation. The bank became under the necessity of restraining its issues.

The house of Sir PETER POLE and Co., who were agents to several country banks, stopped payment. This occasioned a general alarm, and the notes of private bankers became discredited throughout the country. As the bank had ceased to issue notes under £ 5, they were obliged to find gold to the country bankers to pay off their notes; but their gold failing, they re-issued their £ 1 notes, some of which, happily, had not been destroyed. Notwithstanding the great liberality of the bank, several London bankers, and a much greater number of country bankers, were obliged to suspend their payments. Most of the joint-stock companies, that had formed in the season of speculation, fell to the ground.*

The following is the opinion of J. H. PALMER, Esq., the governor of the bank, as to the causes of the wild spirit of speculation which had preceded the panic:

"Will you state to the committee what, in your opinion, was the nature and march of the crisis in 1825? I have always considered that the first step towards the excitement was the reduction of the interest upon the government securities; the first movement in that respect was, I think, upon £ 135,000,000 of five per cents., which took place in 1823. In the subsequent year, 1824, followed the reduction of £ 80,000,000 of four per cents. I have always considered that reduction of interests, one-fifth in one case, and one-eighth in the other, to have created the feverish feeling in the minds of the public at large, which prompted almost everybody to entertain any proposi-

* The crisis was at its height from Monday, the 12th, to Saturday, the 17th December. Up to the night of Wednesday the bank restricted its issues, to the ruin of houses of first-rate importance. Becoming sensible of its error, it discounted liberally the last three days of the week, issuing upwards of £ 5,000,000 of notes; otherwise, the ruin would have been universal.

tion for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgement of the South American republics by this country, and the inducements held out for engaging in mining operations, and loans to those governments, in which all classes of the community in ENGLAND seem to have partaken almost simultaneously. With these speculations arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and creating an unfavorable foreign exchange, which continued from October, 1824, to November, 1825, causing a very considerable export of bullion from the bank, about seven millions and a half. Commercial speculations had induced some bankers, one particularly, to invest money in securities not strictly convertible, to a larger extent than was prudent; they were also largely connected with country bankers. I allude to the house of Messrs. POLE and Co., a house originally possessed of very great property, in the persons of the partners, but which fell with the circumstances of the times. The failure of that banking-house was the first decisive check to commercial and banking credit, and brought at once a vast number of country bankers, which were in correspondence with it, into difficulties. That discredit was followed by a general discredit throughout London and the interior."

Some of the other witnesses considered the panic to have arisen from an over-issue of notes on the part of the BANK OF ENGLAND and the country bankers. But whatever may have been the cause, the bank certainly acted with great liberality at the period of the alarm, even at the risk of its own stoppage of payment.

"Will you describe the manner in which the bank lent its assistance at that time? We lent it by every possible means, and in modes that we had never adopted before. We took in stock as security, we purchased exchequer bills, we made advances on exchequer bills, we not only discounted outright, but we made advances on deposit of bills of exchange to an immense amount; in short, by every possible means consistent with the safety of the bank; and we were not, upon some occasions over nice; seeing the dreadful state in which the public were, we rendered every assistance in our power.

"Did any communication take place between the bank and the government respecting an order in council to restrain payments in gold at that period? Yes; it was suggested by the bank.

"What answer did his Majesty's government give to that? They resisted it from first to last.

"The BANK OF ENGLAND issued one-pound notes at that period. Was that done to protect its remaining treasure? Decidedly; and it worked wonders, and it was by great good luck that we had the means of doing it; because one box containing a quantity of one-pound notes had been overlooked, and they were forthcoming at the lucky moment.

"Had there been no foresight in the preparation of these one-pound notes? None whatever, I solemnly declare.

“Do you think that issuing of the one-pound notes did avert a complete drain? As far as my judgment goes, it saved the credit of the country.”

Evidence of JEREMIAH HARMAN, Esq. (p. 154.)

On the last day of December, 1825, the coin and bullion in the bank amounted to only £1,260,890.

Dec. 13. The bank raised the rate of discount from four to five per cent. upon bills not having more than ninety-five days to run. This rate continued until July, 1827.

1826. Jan. 13. The government made a communication to the bank directors, stating their intention, in order to prevent a recurrence of panic, to propose to parliament the gradual abolition of country bank notes under £5; and also proposing to the bank,

“First, That the BANK OF ENGLAND should establish branches of its own body in different parts of the country.

“Secondly, That the BANK OF ENGLAND should give up its exclusive privilege as to the number of partners engaged in banking, except within a certain distance from the metropolis.”

The directors were at first unwilling to establish branches, but ultimately they acceded to both the above propositions.

The government also induced the bank to make advances upon the security of goods, and accordingly the bank established boards for this purpose at the following places, and advanced to the undermentioned amounts :

| | | | | |
|-----------------|-----------|----|-------------------|----------|
| Manchester..... | £ 115,490 | .. | Huddersfield..... | £ 30,300 |
| Glasgow..... | 81,700 | .. | Birmingham..... | 19,600 |
| Sheffield..... | 59,500 | .. | Dundee..... | 16,500 |
| Liverpool..... | 41,450 | .. | Norwich..... | 2,400 |

To carry these measures into effect several acts of parliament were passed, viz :

“An Act to facilitate the advancing of money by the governors and company of the BANK OF ENGLAND, upon deposits and pledges” (7 GEO. IV, c. 7). It was enacted that persons in possession of bills of lading, warrants, &c., should be deemed owners of the goods therein mentioned, so far as to make valid any contracts for the advance of money thereupon by the BANK OF ENGLAND.

“An Act to limit, and after a certain period to prohibit, the issuing of promissory notes, under a limited sum in ENGLAND” (7 GEO. IV, c. 6). By this act no further notes under £5 were allowed to be stamped, and those already stamped could not be issued or re-issued after the 5th of April, 1829, under a penalty of £20. The BANK OF ENGLAND were required to make monthly returns to the treasury, of the weekly amounts of their notes in circulation under £5, to be published in the *Gazette*, and laid before parliament. And after the 5th of April, 1829, all bankers' notes under £20 were to be made payable at the place of issue, though they might also be made payable at other places.

“An act for the better regulating co-partnerships of certain bankers in ENGLAND,” &c. (7 GEO. IV, c. 46). According to this act—

1. Banks having more than six partners might carry on business in ENGLAND at a greater distance than sixty-five miles from London, provided they have no establishment as bankers in London, and that all the partners are liable for the whole debts of the bank.

2. The banks shall not issue their notes at a place within sixty-five miles from London, nor draw any bills on London for a less amount than £ 50.

3. The banks may sue, and be sued, in the name of their public officers; and when judgment is obtained against any such public officers, execution may be issued against any member of the co-partnership.

4. Previous to issuing notes, the bank shall deliver to the Stamp Office, schedules containing the name or title of the bank—the names and places of abode of all the partners—the names of the places where the banks are established—and the names and descriptions of the public officers in whose name the bank wishes to sue and be sued.

5. These banks are allowed to compound for the stamp duties on their notes, at the rate of seven shillings per annum for every £ 100 in circulation.

By the fifteenth clause of this act, the BANK OF ENGLAND was expressly authorized to establish branches. This was enacted to “prevent any doubts that might arise” upon the subject. The bank accordingly opened branches this year at Gloucester, Manchester and Swansea.

1827. July 5. The bank reduced the rate of discount from five to four per cent.

The extension of the branches of the BANK OF ENGLAND this year occasioned great dissatisfaction among the country bankers. The establishment of rival banks in their own neighborhood, was a circumstance that the country bankers could not view with indifference. They declared the BANK OF ENGLAND, and not themselves, had been the cause of the previous spirit of speculation; that the BANK OF ENGLAND, by their advances to government and loans on mortgage, had made excessive issues, and that now to extend their influence, at the expense of the country bankers, was to reward the guilty and to punish the innocent. The country bankers had been accustomed to charge five per cent. on the bills they discounted, and at some places, five or six shillings commission besides the discount, but the branches of the BANK OF ENGLAND charged only four per cent. without any commission. The country bankers were of course compelled to do business on the same terms, or permit their customers to go to the branch. The chief advantage the country bankers possessed over the branch banks was, that they continued to allow interest on deposits, which the branch banks did not. But the additional confidence which was then possessed by the branch banks may, notwithstanding, have

induced some depositors to give them a preference to the country bankers.

On December 7, the country bankers held a meeting at the London Tavern, Bishopsgate Street, where they passed several resolutions, and appointed a deputation to wait upon Lord GODERICH, the first Lord of the Treasury, and Mr. HERRIES, the Chancellor of the Exchequer. Among other resolutions were the following:—

“That the late measures of the BANK OF ENGLAND in the establishment of branch banks have the evident tendency to subvert the general banking system that has long existed throughout the country, and which has grown up with, and been adapted to the wants and conveniences of the public.

“That it can be distinctly proved that the prosperity of trade, the support of agriculture, the increase of general improvement, and the productiveness of the national revenue, are intimately connected with the existing system of banking.

“That the country bankers would not complain of rival establishments, founded upon equal terms; but they do complain of being required to compete with a great company, possessing a monopoly and exclusive privileges.

“That should this great corporation, conducted by directors who are not personally responsible, succeed, by means of these exclusive advantages, in their apparent object of supplanting the existing banking establishments, they will thereby be rendered masters of the circulation of the country, which they will be enabled to contract or expand according to their own will, and thus be armed with a tremendous power and influence, dangerous to the stability of property and the independence of the country.”

At a meeting held at the same place, on the 16th of December, Sir JOHN WROTTESELEY, Bart., M.P., the chairman, reported to the meeting the result of the interview of the deputation with Lord GODERICH and the Chancellor of the Exchequer on that day, and read their answer as follows: “Lord GODERICH and the Chancellor of the Exchequer stated to the deputation that they were fully sensible of the great importance of the subjects which were brought before them by the deputation; and that, although it was obviously impossible that they could undertake, on the part of the government, to express upon that occasion any opinion upon the matters under consideration, they could assure the deputation that all that had been communicated should receive the most deliberate and serious attention.”

The country bankers complained, too that the branch banks, instead of meeting them on the footing of equality, had refused to take their notes, unless the bankers had previously opened accounts with the branch banks, and provided funds for the purpose.

1828. Another subject of complaint on the part of the country bankers.—The BANK OF ENGLAND had always issued their notes and post-bills unstamped, in consideration of paying, as a composition for the stamp duties, £ 3500 per annum on every £ 1,000,000 in circula-

tion. When the branches were established they issued bills, drawn upon the parent establishment in London, at twenty-one days after date, without being stamped, alleging that these were included in their composition. At the same time the country bankers could not draw bills upon London without paying the stamp duty. In a memorial, presented to the government by the bankers in the town and neighborhood of Birmingham, it was shown that the stamp duty on a bill drawn at twenty-one days on London, is three shillings and sixpence, while under the composition the BANK OF ENGLAND would pay but fivepence; and that a circulation throughout the year of £10,000, in bills of exchange of £20 each, would subject the BANK OF ENGLAND to a payment, in lieu of stamp duty, of only £35, while other banks would have to pay £650. An act of Parliament (9 GEO. IV, c. 23) was accordingly passed, to enable country bankers to compound for their stamp duties on the same terms as the BANK OF ENGLAND, and to include bills drawn upon London at twenty-one days' date in the composition. By this law the country bankers have the advantage of paying duty only on the amount of notes in circulation.

1828. May 9. "The humble memorial of the country bankers in ENGLAND and WALES," was presented to "the Lords Commissioners of his Majesty's Treasury," against the branch banks. It concludes thus:—

"Your memorialists therefore deeply regret that your lordships do not feel justified in adopting measures for the withdrawal of the branch banks, and they hope that your lordships will be pleased, as far as lies in your lordships' power, to prevent any interference with the business of your memorialists; and that your lordships will be pleased to institute an inquiry into the system of country banking, and take into your lordships' consideration the claims of the country bankers to be regarded as parties in the intended application for the renewal of the bank charter, and that no special privilege or monopoly be granted or continued to the governor and company of the BANK OF ENGLAND; but that they may be placed on a perfect equality with country bankers in the competition which, by means of their branches, they are now carrying on with your memorialists."

The government replied, "that the interests of the country bankers should not be neglected in any negotiation between the government and the BANK OF ENGLAND for the renewal of the bank charter.

1830. The government reduced the interest on the new four per cent. stock to three and a half per cent. This stock was formed in the year 1822, by the reduction of the navy five per cents. to four per cent. The holders had the option of receiving for every £100 new four per cents. either £100 stock at three and a half per cent., not redeemable until the year 1840, or £70 at five per cent., not redeemable until the year 1873. Most of the holders chose the former. This stock is called "*new three and a half per cent.*," and

amounts to above £ 139,000,000. The other stock, formed by those who chose the £ 70, is called the new five per cents., and amounts to little more than £ 466,000.

1831. "An account of the amount of silver coin melted; also the loss sustained by the BANK OF ENGLAND thereby, in 1831."

| | | | |
|---|-----------|-----|-----------|
| Amount of silver coin melted in bars..... | £ 565,000 | | |
| Ditto, melted and re-coined | 35,000 | | |
| | | | £ 600,000 |
| Loss on sixpenny pieces..... | £ 4,601 | 1s. | 3d. |
| Loss on other denominations..... | 62,982 | 19 | 2 |
| | £ 67,584 | 0 | 5 |

1832. May 22. A committee of secrecy was appointed by the House of Commons, to inquire into the expediency of renewing the charter of the BANK OF ENGLAND, and into the system on which banks of issue in ENGLAND and WALES are conducted.

The committee was composed of the following members:—

| | |
|--------------------------|------------------------|
| Lord Viscount ALTHORP. | Mr. POULETT THOMSON. |
| Sir R. PEEL, Bart. | Mr. COURTENAY. |
| Lord JOHN RUSSELL. | Colonel MABERLY. |
| Mr. GOULBURN. | Sir H. PARNELL, Bart. |
| Sir J. GRAHAM, Bart. | Mr. VERNON SMITH. |
| Mr. J. SMITH. | Mr. BARING. |
| Mr. ROBERTS. | Mr. IRVING. |
| Sir M. RIDLEY, Bart. | Mr. WARBURTON. |
| Mr. ATTWOOD. | Mr. G. PHILLIPS. |
| Mr. J. NEWPORT, Bart. | Mr. J. MORRISON. |
| Mr. HAYWOOD. | Lord Viscount MORPETH. |
| Lord Visct. EBRINGTON. | Mr. ALDERMAN WOOD. |
| Mr. LAWLEY. | Mr. STRUTT. |
| Sir J. WROTTESELY, Bart. | Mr. BONHAM CARTER. |
| Lord CAVENDISH. | Mr. E. J. STANLEY. |
| Mr. HERRIES. | Mr. ALD. THOMPSON. |

On the 11th day of August the committee delivered the following report:—

"The secret committee appointed to inquire into the expediency of renewing the charter of the BANK OF ENGLAND, and into the system on which banks of issue in ENGLAND and WALES are conducted, and to whom the petition of certain directors of joint-stock banking companies in ENGLAND was referred, and who were empowered to report the minutes of evidence taken before them, have agreed upon the following report:—

"Your committee have applied themselves to the inquiry which the House has committed to them, by calling for all the accounts which appeared to them necessary for the purpose of elucidating the affairs of the BANK OF ENGLAND, and have examined evidence for the purpose of ascertaining the principles on which it regulates the

issues of its notes, and conducts its general transactions. They feel bound to state that the directors of the BANK OF ENGLAND have afforded to them every facility in their power, and have most readily and candidly answered every question which has been put to them, and produced every account which has been called for. The committee have also examined such witnesses as appeared to them, from their practical knowledge and experience, most likely to afford information on the important subjects under their consideration, who have all been ready to give the committee the most ample information.

“The principal points to which they have directed their attention are :—

“*First*.—Whether the paper circulation of the metropolis should be confined, as at present, to the issues of one bank, and that a commercial company; or whether a competition of different banks of issue, each consisting of an unlimited number of partners, should be permitted.

“*Secondly*.—If it should be deemed expedient that the paper circulation of the metropolis should be confined, as at present, to the issues of one bank, how far the whole of the exclusive privileges possessed by the BANK OF ENGLAND are necessary to effect this object.

“*Thirdly*.—What checks can be provided to secure for the public a proper management of banks of issue, and especially whether it would be expedient and safe to compel them periodically to publish their accounts.

“With respect to the circulation of paper in this country, the committee have examined,—*First*, into the effect produced by the establishment of the branch banks of the BANK OF ENGLAND; and *secondly*, into the expediency of encouraging the establishment of joint-stock banks of issue in the country.

“On all these, and on some collateral points, more or less information will be found in the minutes of evidence; but on no one of them is it so complete as to justify the committee in giving a decided opinion.

“The period of the session at which the committee commenced their labors, the importance and extent of the subjects, and the approaching close of the session, will sufficiently account to the House for the limited progress of the inquiry, and for the incompleteness of the materials which have been collected for the purpose of forming an opinion; they have thought it better, therefore, to submit the whole of the evidence which they have taken, with a very few exceptions, to the consideration of the House.

“In their opinion, no public inconvenience will arise from this publication. The only parts of the evidence which they have thought it necessary to suppress, are those which relate merely to the private interests of individuals.

“The House will perceive that the committee have presented, as

part of the evidence which they have taken, the actual amount of bullion at different times in the hands of the BANK OF ENGLAND. This information has never before been given to the public; it is, however, very essential to a complete knowledge of the subject, and if it had been suppressed by the committee, many parts of the evidence would have been unintelligible, and a false impression would have been produced in the minds of the public, that the bank were not so well provided with bullion as is desirable, which might have a very injurious effect. The House will, however, observe that the bank is amply provided with bullion at the present time; and it does not, therefore, appear to the committee that this information being now given to the public can be productive of any injurious consequences.

“The committee, however, by no means wish it to be understood, from their having felt themselves called upon to include this evidence in their report, that they have formed any opinion as to the propriety of periodically publishing the affairs of this or of any other bank of issue. There appears to be a difference between a publication of the affairs of the bank when an inquiry is instituted for the purpose of deciding whether the bank charter shall be renewed or not, and a periodical publication during the course of its ordinary transactions.

“Of the ample means of the BANK OF ENGLAND to meet all its engagements, and of the high credit which it has always possessed and which it continues to deserve, no man who reads the evidence taken before this committee can for a moment doubt; for it appears that, in addition to the surplus rest in the hands of the bank itself, amounting to £ 2,880,000, the capital on which interest is paid to the proprietors, and for which the State is debtor to the bank, amounts to £ 14,553,000, making no less a sum than £ 17,433,000 over and above all its liabilities.”

The following years were remarkable for a great increase in the profits of the bank—1786, 1796, 1800, 1805, 1806, 1814, 1815, 1816, 1822.

1786. In the year ending February, 1786, the profits were £ 976,194; being an increase of £ 124,970 over that of the preceding year, and £ 122,540 over the following year. We find that between the last day of February, 1785 and 1786, the circulation of notes had increased from £ 5,923,090 to 7,581,960; this, no doubt, was the main cause of the profits; for the deposits, the public securities and the private securities had all decreased; and what was also unfavorable, a considerable increase had taken place in the stock of bullion. It seems likely that this increase of bullion did not occur till the latter end of the year, and the diminution of profits in the following years arose from keeping up this large amount of bullion.

1796. This year the profits had increased from £ 887,668, to £ 1,114,028. A great reduction had taken place in the circulation in the course of this year, but this decrease had probably been gradual, so that there was a profit for a good part of the year on the large amount; and, on the other hand, there was an increase of above £ 500,000 in the private securities or discounts, and a much larger

decrease in the stock of bullion. The diminution in the amount of bullion was about the same amount as the diminution of the circulation, and was no doubt occasioned by a demand for gold upon the bank, in consequence of the unfavorable state of the foreign exchanges. This issue of gold, while confined to the amount the bank had previously on hand, would not diminish their profits. The gold might as well be in circulation as be confined in the coffers of the bank.

1800. This year the profits increased from £ 942,568 to £ 2,129,048. By reference to Table II, we find there was a great increase in the circulation—the public securities and the private securities—and a diminution in the amount of bullion. All these are favorable to an increase of profits.

1805. In this year the profits were much larger than those of the preceding year, having increased from £ 1,109,938 to £ 1,371,038. This arose from a great increase in the deposits, and also in the public securities.

1806. The profits again increased from £ 1,371,038 to £ 1,674,038. The cause of this is not very evident. The circulation and the private securities, and the amount of bullion were about the same as the preceding year. A reduction of £ 2,000,000 had also taken place in the public securities. We should imagine there would be a reduction of profit, rather than an increase. Possibly, however, the public securities which were parted with were sold at a much higher price than they cost, and hence might arise a considerable profit.

1814. The profits advanced from £ 1,494,620 to £ 1,765,700, arising from an increase in the circulation, an increase in the deposits, and a considerable increase in the private securities.

1815. An increase of profits, arising from an increase in the circulation and in the public securities.

1816. An increase of profit, from £ 1,857,950 to £ 2,172,410. This profit seems to have risen chiefly from an increase in the private securities. Possibly some profit was also realized from the large reduction of the public securities. The profit on the increase in the deposits was not equivalent to the loss upon the increase of bullion.

1822. Here the profits rose from £ 1,092,780 to £ 1,971,880, while every source of profit appears diminished. The circulation, the deposits, the public and the private securities, were all considerably less than in the preceding year, and the average stock of bullion much increased. The only way of accounting for this extraordinary profit, is to suppose that it was realized by the sale of public securities. They were reduced from £ 16,010,990 to £ 12,478,133.

I shall now notice those years in which there was a diminution of profits.

1790. In this year the profits were only £ 671,438; and this, with an increase in the circulation, the deposits, and the public securities. But, on the other hand, there was a great falling off in the private securities, and an increase in the amount of bullion.

1798. The profits were only £ 841,068, while the preceding year they amounted to £ 924,988, and the following year to £ 942,568, while there was a great increase in the circulation and the deposits. But there was also a great increase of bullion; from £ 1,086,170 it was raised to £ 5,828,940. This year, it will be recollected, was the period of the Bank Restriction Act being passed, and no doubt the bank went to great expense in order to obtain gold.

1804. The profits fell from £ 1,359,828 to £ 1,109,938, notwithstanding an increase in the circulation, the deposits, and the public securities. There was, however, a diminution in the private securities.

1809. A fall in the profits from £ 1,481,670 to £ 1,156,600, in consequence, it would appear, of a fall in the deposits.

1817. A fall of profit from £ 2,172,410 to £ 1,316,780, in consequence of a fall in the deposits, and an immense fall in the private securities. There was also an increase in the amount of bullion. This was the first year after the termination of the war.

1818. In this year the profits fell still lower, being only £ 911,480. There was a further fall in the deposits, and a still greater fall in the private securities; also an increase in the average stock of bullion.

1819. The profits this year appear to be only £ 362,580, notwithstanding a considerable increase in the private securities, and a great reduction in the stock of bullion. The bank returns are not sufficiently minute to enable us to account for this falling off. It may have been occasioned by losses, expenditure on bank buildings, &c., but we have no *data* upon which to form any conjecture on the subject.

1820. The profits, though still below the average, were a considerable advance on the preceding year, notwithstanding a reduction in the deposits and in the private securities. It appears, however, that there was a considerable reduction in the average stock of bullion.

1828. The profits were reduced from £ 1,186,280 to £ 917,670, in consequence of a reduction in the private securities, and an increase of bullion.

1830. An apparent fall of profits from £ 1,209,490 to £ 930,790. This, however, is only apparent; as a portion of the losses by FAUNT-LEROY'S forgeries, amounting to £ 250,000, were passed to the debit of the profit and loss account this year.

The profits of the bank are derived from the following sources: First, The interest on their capital, which is lent to the public at three per cent. Secondly, the use of the rest, or surplus capital. Thirdly, the use of the capital raised by the circulation and the deposits. Fourthly, the allowance they receive as agents for transacting the business of the government. There is another source of profit, arising from the accidental destruction of notes that are in circulation. The amount cannot be ascertained, but it may be presumed, from the following account, that the sum is not inconsiderable:

An account of the amount of bank notes in circulation, of dates beyond five, ten, fifteen and twenty years respectively:

| | |
|---|-----------|
| Bank notes of £ 5 and upwards, and post bills outstanding, dated prior to 1st January, 1812 | £ 280,380 |
| Ditto, dated between 1st January, 1812, and 1st January, 1817..... | 95,600 |
| Ditto, dated between 1st January, 1817, and 1st January, 1822..... | 149,860 |
| Ditto, dated between 1st January, 1822, and 1st January, 1827..... | 511,490 |

Bank notes of £ 5 and upwards, and post bills..... 1,037,330

The bank are unable to state what amount of £ 1 and £ 2 notes is outstanding of the dates above specified, but the present amount is..... £ 297,000

An account of all distributions made by the BANK OF ENGLAND amongst the proprietors of bank stock, whether by money payments, transfer of five per cent. annuities, or otherwise, under the heads of bonus, increase of dividend, and increase of capital, betwixt the 25th February, 1797, and 31st March, 1832, in addition to the ordinary dividend of seven pounds per cent. on the capital stock of that corporation existing in 1797; including therein the whole dividend paid since June, 1816, on their increased capital, stating the period when such distributions were made and the aggregate amount of the whole:—

| | |
|--|-------------|
| In June, 1799, £ 10 per cent. bonus in Five per Cents. 1797, on £ 11,642,400 is..... | £ 1,164,240 |
| May, 1801, £ 5 ditto Navy Five per cents. ditto .. | 582,120 |
| Nov., 1802, £ 2½ ditto ditto .. | 291,060 |
| Oct., 1804, £ 5 ditto Cash ditto .. | 582,120 |
| Oct., 1805, £ 5 ditto ditto ditto .. | 582,120 |
| Oct., 1806, £ 5 ditto ditto ditto .. | 582,120 |
| From April, 1807, to Oct., 1822, both inclusive... { Increase of dividend at the rate of £ 3 per cent. per annum, on £ 11,642,400, is 16 years..... | 5,588,352 |
| From April, 1823, to Oct., 1831, both inclusive... { Increase of dividend at the rate of £ 1 per cent. per annum, on £ 11,642,400, is 9 years..... | 1,047,816 |
| In June, 1816, increase of capital at £ 25 per cent. is..... | 2,910,600 |
| From Oct., 1816, to Oct., 1822, both inclusive... { Dividend at the rate of £ 10 per cent. per annum, on £ 2,910,600, increased capital is 6½ years..... | 1,891,890 |
| From April, 1823, to Oct., 1831, both inclusive... { Dividend at the rate of £ 8 per cent. per annum, on £ 2,910,600, increased capital is 9 years..... | 2,095,632 |

Aggregate amount of the whole £ 17,318,070

Annual dividend payable on Bank Stock in 1797, on a capital of £ 11,642,400, at the rate of £ 7 per cent. per annum..... 814,968

Annual dividend payable since June, 1816, on a capital of £ 14,553,000, to October, 1822, inclusive, at the rate of £ 10 per cent. per annum..... £ 1,455,300

Annual dividend payable from April, 1823, to 31st March, 1832, both inclusive, on a capital of £ 14,553,000, at the rate of £ 8 per cent. per annum..... £ 1,164,240

1833. May 31. A meeting of the proprietors of bank stock was held at the BANK OF ENGLAND, to receive a communication from the court of directors, of the result of the negotiation with his

Majesty's government, respecting the renewal of the bank charter. The following letter from Lord ALTHORP, the Chancellor of the Exchequer, was read by the secretary :—

“ Downing Street, May 2, 1833.

“ GENTLEMEN,

“ After duly considering the conversation I have had with you, the substance of which I have reported to my colleagues, his Majesty's government have directed me to make the following proposals to you for the purpose of renewing the bank charter.

“ 1. We propose to renew the charter for twenty-one years, subject, however, to this condition :—that if at the end of ten years the then existing government should so think fit, they may give a twelve-month's notice to the bank that the charter shall expire at the end of eleven years.

“ 2. That no banking company consisting of more than six partners shall issue notes payable on demand within the metropolis, or within sixty-five miles from the metropolis. Banking companies, however, consisting of any number of partners established at a greater distance from the metropolis than sixty-five miles, shall have the right to draw bills on London without restriction as to their amounts, and to issue notes payable in London.

“ 3. BANK OF ENGLAND notes shall be a legal tender, except at the BANK OF ENGLAND, or at any of its branches.

“ 4. Bills not having more than three months to run before they become due, shall not be subject to the usury laws.

“ 5. An account, similar to that laid before the bank committee, of the amount of bullion and securities in the hands of the bank, and of the amount of notes in circulation, and of the deposits in the hands of the bank, shall be transmitted, as a confidential paper, weekly, to the Chancellor of the Exchequer ; these accounts shall be consolidated at the end of each quarter, and the average state of the bank accounts for the preceding quarter published quarterly in the *Gazette*.

“ A bill will also be introduced into Parliament, with the view of regulating country banks. The provisions of this measure will be such as to hold out an inducement to the establishment of joint-stock banks who will not issue their own notes.

“ His Majesty's government desire me to call your attention to the advantages which these different propositions are likely to confer upon the bank. Their tendency must be to extend the circulation of its notes, and by relieving bills at short dates from the usury laws to facilitate its operations. While, on the other hand, the only relaxation in its exclusive privileges, as they at present exist, which is required—is the permission given to joint-stock banks, established at a greater distance than sixty-five miles from the metropolis, to draw bills and to issue notes payable in London. His Majesty's government, therefore, think that they have a right to expect some considerable pecuniary advantages from the bank in the manage-

ment of the government business. They consequently propose that government should repay to the bank twenty-five per cent. of the debts of £14,500,000 now due, and that the banks should deduct from the payments made to them from the government for the transaction of the government business the annual sum of £120,000.

"I hope that this proposal will be satisfactory to the bank directors, and that by making this arrangement an end may be speedily put to the suspense now existing.

"I have the honor to be,

"Gentlemen,

"Your most obedient humble Servant,

"ALTHORP.

"To the Governor and Deputy-Governor
of the BANK OF ENGLAND."

After some discussion, the further consideration of this letter was adjourned to a future meeting.

In the same evening Lord ALTHORP brought forward the subject in the House of Commons. Besides the measures that were connected with the BANK OF ENGLAND, he announced the measures for regulating country banks. These were—

1. That government should have the power of granting charters to joint-stock banks issuing notes beyond sixty-five miles from London, and to joint-stock banks within the sixty-five miles, provided they issued only the notes of the BANK OF ENGLAND.

2. That the joint-stock banks which issued notes should be required to pay up one-half of their capital, and all the shareholders be answerable individually to the full extent of their property.

3. That the joint-stock banks which did not issue their own notes should be required to pay up only one-fourth of their capital, and the shareholders be responsible only to the amounts of their shares.

4. That the government when granting the charter should have the power to decide whether the amount of capital subscribed was a sufficient amount for the place in which the bank was situated.

5. That each private bank should be required to send a statement of its accounts to the government in London, as a strictly confidential paper, which was not to be published in a separate form, but, the accounts being added together, the total results should be given to the public periodically.

6. That to enable the government to know the total amount of notes in circulation, each private bank, as well as each joint-stock bank, should be compelled to compound for the stamp duties.

The BANK OF ENGLAND proprietors agreed, at a subsequent meeting, to the measures which had a reference to them. But the country bankers expressed great dissatisfaction; and on the 12th of June they presented a memorial to Earl GREY, the first Lord of the Treasury, and to Lord ALTHORP, the Chancellor of the Exchequer, upon the subject. In consequence of the opposition of the country

bankers, Lord ALTHORP postponed his measures for the regulation of the private and joint-stock banks, and carried forward his plan for the renewal of the charter of the BANK OF ENGLAND. The following bill was ultimately passed into a law :—

‘ An Act for giving to the corporation of the Governor and Company of the BANK OF ENGLAND certain privileges, for a limited period, under certain conditions, was passed August 29, 1833.

“ Whereas an Act was passed in the 39th and 40th years of the reign of his Majesty King GEORGE III, intituled, An Act for establishing an agreement with the Governor and Company of the BANK OF ENGLAND, for advancing the sum of £3,000,000 towards the supply for the service of the year 1800 : and whereas it was by the said recited act declared and enacted, that the said governor and company should be and continue a corporation, with such powers, authorities, emoluments, profits, and advantages, and such privileges of exclusive banking, as are in the said recited act specified, subject nevertheless to the powers and conditions of redemption, and on the terms in the said act mentioned : and whereas an Act passed in the 7th year of the reign of his late Majesty King GEORGE IV, intituled, an Act for the better regulating co-partnerships of certain bankers in ENGLAND, and for amending so much of an Act of the 39th and 40th years of the reign of his late Majesty King GEORGE III, intituled, an Act for establishing an agreement with the Governor and Company of the BANK OF ENGLAND for advancing the sum of £3,000,000 towards the supply for the service of the year 1800, as relates to the same : and whereas it is expedient that certain privileges of exclusive banking should be continued to the said governor and company for a further limited period, upon certain conditions : and whereas the said Governor and Company of the BANK OF ENGLAND are willing to deduct and allow to the public, from the sums now payable to the said governor and company for the charges of management of the public unredeemed debt, the annual sum hereinafter mentioned, and for the period in this act specified, provided the privilege of exclusive banking specified in this act is continued to the said governor and company for the period specified in this act.”

BANK OF ENGLAND to enjoy an exclusive privilege of banking upon certain conditions :—

“ May it therefore please your Majesty that it may be enacted, and be it enacted by the King’s most excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, that the said Governor and Company of the BANK OF ENGLAND shall have and enjoy such exclusive privilege of banking as is given by this act, as a body corporate, for the period and upon the terms and conditions hereinafter mentioned, and subject to termination of such exclusive privilege at the time and in the manner in this act specified.”

During such privilege, no banking company of more than six

persons to issue notes payable on demand, within London or sixty-five miles thereof :

“And be it further enacted, that during the continuance of the said privilege, no body politic or corporate, and no society, or company, or persons united or to be united in covenants or partnerships, exceeding six persons, shall make or issue in London, or within sixty-five miles thereof, any bill of exchange or promissory note, or engagement for the payment of money on demand, or upon which any person holding the same may obtain payment on demand, provided always, that nothing herein, or in the said recited act of the 7th year of the reign of his late Majesty King GEORGE IV contained shall be construed to prevent any body politic or corporate, or any society or company, or incorporated company or corporation, or co-partnership, carrying on and transacting banking business at any greater distance than sixty-five miles from London, and not having any house of business or establishment as bankers in London, or within sixty-five miles thereof (except as hereinafter mentioned), to make and issue their bills and notes, payable on demand or otherwise, at the place at which the same shall be issued, being more than sixty-five miles from London and also in London, and to have an agent or agents in London, or at any other place at which such bills or notes shall be made payable for the purpose of payment only, but no such bill or note shall be for any sum less than £ 5, or be re-issued in London, or within sixty-five miles thereof.”

Any company or partnership may carry on the business of banking in London, or within sixty-five miles thereof, upon the terms herein mentioned :

“3. And whereas the intention of this Act is, that the Governor and Company of the BANK OF ENGLAND should, during the period stated in this act (subject, nevertheless, to such redemption as is described in this act), continue to hold and enjoy all the exclusive privileges of banking given by the said recited Act of the 39th and 40th years of the reign of his Majesty King GEORGE III aforesaid, as regulated by the said recited Act of the 7th year of his late Majesty King GEORGE IV, or any prior or subsequent act or acts of parliament, but no other or further exclusive privilege of banking: and whereas doubts have arisen as to the construction of the said acts, and as to the extent of such exclusive privilege of banking; and whereas doubts have arisen as to the construction of the said acts, and as to the extent of such exclusive privilege; and it is expedient that all such doubts should be removed, *be it therefore declared and enacted, that any body politic or corporate, or society, or company, or partnership, although consisting of more than six persons, may carry on the trade or business of banking in London, or within sixty-five miles thereof, provided that such body politic or corporate, or society, or company, or partnership, do not borrow, owe, or take up in ENGLAND, any sum or sums of money on their bills or notes payable on demand, or at any less time than six months from the borrowing thereof, during the*

continuance of the privileges granted by this act to the said Governor and Company of the BANK OF ENGLAND."

All notes of the BANK OF ENGLAND, payable on demand, which shall be issued out of London, shall be payable at the place where issued, &c. :—

"4. Provided always, and be it further enacted, that from and after the 1st day of August, 1834, all promissory notes payable on demand of the Governor and Company of the BANK OF ENGLAND, which shall be issued at any place in that part of the UNITED KINGDOM called ENGLAND, out of London, where the trade and business of banking shall be carried on for and on behalf of the said Governor and Company of the BANK OF ENGLAND, shall be made payable at the place where such promissory notes shall be issued; and it shall not be lawful for the said governor and company, or any committee, agent, cashier, officer, or servant of the said governor and company, to issue, at any such place out of London, any promissory note payable on demand which shall not be made payable at the place where the same shall be issued, anything in the said recited Act of the seventh year aforesaid, to the contrary notwithstanding."

Exclusive privileges hereby given, to end upon one year's notice, given at the end of ten years after August, 1834; and what shall be deemed sufficient notice :—

"5. And be it further enacted, that upon one year's notice given within six months after the expiration of ten years from the 1st day of August, 1834, and upon repayment by parliament to the said governor and company, or their successors, of all principal money, interest, or annuities, which may be due from the public to the said governor and company at the time of the expiration of such notice, in like manner as is hereinafter stipulated and provided, in the event of such notice being deferred until after the 1st day of August, 1855, the said exclusive privileges of banking granted by this Act shall cease and determine at the expiration of such year's notice; and any vote or resolution of the House of Commons, signified by the Speaker of the said House in writing, and delivered at the public office of the said governor and company, or their successors, shall be deemed and adjudged to be a sufficient notice."

Bank notes to be a legal tender, except at the bank and branch banks :—

"6. And be it further enacted, that from and after the 1st day of August, 1834, unless and until parliament shall otherwise direct, a tender of a note or notes of the Governor and Company of the BANK OF ENGLAND expressed to be payable to bearer on demand, shall be a legal tender, to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount for all sums above £ 5 on all occasions on which any tender of money may be legally made, so long as the BANK OF ENGLAND shall continue to pay on demand their said notes in legal coin: provided always, that no such note or notes shall be deemed a legal tender of payment by the Governor and Company of the BANK OF ENGLAND, or any branch

bank of the said governor and company; but the said governor and company are not to become liable or be required to pay and satisfy, at any branch bank of the said governor and company, any note or notes of the said governor and company not made specially payable at such branch bank; but the said governor and company shall be liable to pay and satisfy at the BANK OF ENGLAND in London all notes of the said governor and company, or of any branch thereof."

Bills not having more than three months to run, not to be subject to usury laws:

"7. And be it further enacted, that no bill of exchange or promissory note made payable at or within three months after the date thereof, or not having more than three months to run, shall, by reason of any interest taken thereon or secured thereby, or any agreement to pay, or receive, or allow interest in discounting, negotiating, or transferring the same, be void, nor shall the liability of any party to any bill of exchange or promissory note be affected by reason of any statute or law in force for the prevention of usury, nor shall any person or persons drawing, accepting, indorsing, or signing any such bill or note, or lending or advancing any money, or taking more than the present rate of legal interest in GREAT BRITAIN and IRELAND respectively for the loan of money on any such bill or note, be subject to any penalties under any statute or law relating to usury, or any other penalty or forfeiture; anything in any law or statute relating to usury in any part of the UNITED KINGDOM to the contrary notwithstanding."

Accounts of bullion, &c., and of notes in circulation to be sent weekly to the Chancellor of the Exchequer, &c.:

"8. And be it further enacted, that an account of the amount of bullion and securities in the BANK OF ENGLAND belonging to the said governor and company, and of notes in circulation, and of deposits in the said bank, shall be transmitted weekly to the Chancellor of the Exchequer for the time being, and such accounts shall be consolidated at the end of every month, and an average state of the bank accounts of the preceding three months, made from such consolidated accounts as aforesaid, shall be published every month in the next succeeding *London Gazette*."

Public to pay the bank one-fourth part of the debt of £ 14,686,800:

"9. And be it further enacted, that one-fourth part of the debt of £ 14,686,800 now due from the public to the Governor and Company of the BANK OF ENGLAND, shall and may be re-paid to the said governor and company."

Capital stock of the bank may be reduced:

"10. And be it further enacted, that a general court of proprietors of the said Governor and Company of the BANK OF ENGLAND shall be held at some time between the passing of this act and the 5th day of October, 1834, to determine upon the propriety of dividing and appropriating the sum of £ 3,638,250, out of or by means of the sum to be repaid to the said governor and company as hereinbefore mention-

ed, or out of or by means of the fund to be provided for that purpose, amongst the several persons, bodies politic or corporate, who may be proprietors of the capital stock of the said governor and company on the said 5th day of October, 1834, and upon the manner and the time for making such division and appropriation, not inconsistent with the provisions for that purpose herein contained; and in case such general court or any adjourned general court, shall determine that it will be proper to make such division, then, but not otherwise, the capital stock of the said governor and company shall be, and the same is hereby declared to be reduced from the sum of £ 14,553,000, of which the same now consists, to the sum of £ 10,914,750, making a reduction or difference of £ 3,638,250 capital stock, and such reduction shall take place from and after the said 5th day of October, 1834; and thereupon out of or by means of the sum to be repaid to the said governor and company as hereinbefore mentioned, or out of or by means of the fund to be provided for that purpose, the sum of £ 3,638,250 sterling, or such proportion of the said fund as shall represent the same, shall be appropriated and divided amongst the several persons, bodies politic or corporate, who may be proprietors of the said sum of £ 14,533,000 bank stock on the said 5th day of October, 1834, at the rate of £ 25 sterling for every £100 of bank stock which such persons, bodies politic and corporate, may then be proprietors of, or shall have standing in their respective names in the books kept by the said governor and company for the entry and transfer of such stock, and so in proportion for a greater or lesser sum.”

Governor, deputy-governor, or directors, not to be disqualified by reduction of their share of the capital stock :

“ 11. Provided always, and be it enacted, that the reduction of the share of each proprietor of and in the capital stock of the said Governor and Company of the BANK OF ENGLAND, by the repayment of such one-fourth part thereof, shall not disqualify the present governor, deputy-governor, or directors, or any or either of them, or any governor, deputy-governor, or director who may be chosen in the room of the present governor, deputy-governor, or directors at any time before the general court of the said governor and company; to be held between the 25th day of March and the 25th day of April, 1835; provided that at the said general court, and from and after the same, no governor, deputy-governor, or director of the said corporation shall be capable of being chosen such governor, deputy-governor, or director, or shall continue in his or their respective offices, unless he or they respectively shall at the time of such choice have, and during such his respective office continue to have, in his and their respective names, in his and their own right, and for his and their own use, the respective sums or shares of and in the capital stock of the said corporation in and by the charter of the said governor and company prescribed as the qualification of governor, deputy-governor, and directors respectively.”

Proprietors not to be disqualified :—

“ 12. Provided also, and be it enacted, that no proprietor shall be disqualified from attending and voting at any general court of the

said governor and company, to be held between the said 5th day of October, 1834, and the 25th day of April, 1835, in consequence of the share of such proprietor of and in the capital stock of the said governor and company having been reduced by such repayment as aforesaid below the sum of £ 500 of and in the said capital stock ; provided such proprietor had in his own name the full sum of £ 500 of and in the said capital stock on the said 5th day of October, 1834 ; nor shall any proprietor be required, between the said 5th day of October, 1834, and the 25th day of April, 1835, to take the oath of qualification in the said charter."

Bank to deduct the annual sum of £ 120,000 from sum allowed for management of national debt :—

"13. And be it further enacted, that from and after the said 1st day of August, 1834, the said governor and company, in consideration of the privileges of exclusive banking given by this act, shall, during the continuance of such privileges, but no longer, deduct from the sums now payable to the said governor and company, for the charges of management of the public unredeemed debt, the annual sum of £ 120,000, anything in any act or acts of parliament or agreement to the contrary notwithstanding ; provided always that such deduction shall in no respect prejudice or affect the right of the said governor and company to be paid for the management of the public debt, at the rate and according to the terms provided in an act passed in the 48th year of his late Majesty King GEORGE III, intituled ' An act to authorize the advancing for the public service, upon certain conditions, a proportion of the balance remaining in the BANK OF ENGLAND, for payment of unclaimed dividends, annuities, and lottery prizes, and for regulating the allowances to be made for the management of the national debt."

Provisions of act 39 and 40 GEO. III to remain in force, except as altered by this act :—

"14. And be it further enacted, that all the powers, authorities, franchises, privileges, and advantages given or recognized by the said recited act of the 39th and 40th years aforesaid, as belonging to or enjoyed by the Governor and Company of the BANK OF ENGLAND, or by any subsequent act or acts of parliament, shall be and the same are hereby declared to be in full force and continued by the act, except so far as the same are altered by this act, subject, nevertheless, to such redemption upon the terms and conditions following : (that is to say), that at any time, upon twelve months' notice, to be given after the 1st day of August, 1855, and upon repayment by parliament to the said governor and company, or their successors, of the sum of £ 11,015,100, being the debt which will remain due from the public to the said governor and company after the payment of the one-fourth of the debt of £ 14,686,800 as hereinbefore provided, without any deduction, discount, or abatement whatsoever, and upon payment to the said governor and company and their successors of all arrears of the sum of £ 100,000 per annum, in the said act of the 39th and 40th years aforesaid mentioned, together with the interest or annuities payable upon the said debt or in respect thereof,

and also upon repayment of all the principal and interest which shall be owing unto the said governor and company and their successors upon all such tallies, exchequer orders, exchequer bills, or parliamentary funds which the said governor and company or their successors shall have remaining in their hands, or be entitled to at the time of such notice to be given as last aforesaid, then and in such case, and not till then (unless under the proviso hereinbefore contained, the said exclusive privileges of banking granted by this act shall cease and determine at the expiration of such notice of twelve months.’”

Act may be amended this session :—

“15. And be it further enacted, that this act may be altered, amended, or repealed by any act to be passed in this session of parliament.”

The government of the bank rests entirely with the court of directors, who may, if they please, change the whole system of management. The only check upon their proceedings consists in the publicity of their measures, the half-yearly meetings of their proprietors, and the communications between the court and the government. The directors are elected by the proprietors of bank stock at a general meeting. Eight directors go out and eight come in every year. The eight that come in are commended by the whole court—that is, a “house list” is sanctioned by the court; and though the proprietors are not required to vote for the names included in the list, yet these persons have always been elected. The qualification for governor is £4000 bank stock; deputy-governor, £3000; director, £2000. The directors are not usually large holders of bank stock; none of them hold more than the qualification. The governor and deputy-governor are appointed by the directors, and usually continue in office for a year. The senior directors of the bank, who have passed the chair, form a select committee; to these are added, the director immediately succeeding by rotation to the deputy chair. The governor and the select committee have the management of the bank in the intervals between the sittings of the court, but nothing of consequence is done without the knowledge and concurrence of the court of directors.

At the weekly meeting of the court of directors there is a statement read of the actual position of the bank in every department, of its securities, of its bullion, and of its liabilities. There is a committee of treasury, who may suggest any measure they think fit for the consideration of the court. The daily transactions of the bank are conducted by a committee of three, assisted by the governor or deputy-governor: no responsible action is taken by the committee without reference to the governor. All bills presented for discount are presented before that daily committee, and they determine upon the bills to be discounted. The bullion is purchased by the governor, who considers that he has no power to refuse the issue of notes for gold bullion brought to him at the bank. The purchasing price of gold has been fixed at £3 17s. 9d. per ounce. The price of silver is regulated by the course of the foreign exchanges.

FLUCTUATIONS IN STOCKS,

In 1869, 1870, 1871 and 1872.

The lowest and highest prices in the Philadelphia Stock Market, including Government and State Bonds and Railroad Shares and Bonds, Bank Shares, &c., monthly, 1869, 1872.

Prepared by BOWEN & FOX, Brokers, Merchants' Exchange, Philadelphia.

| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Philadelphia 6 per cent's | 93 | 9 $\frac{1}{2}$ | 93 $\frac{1}{2}$ | 102 $\frac{1}{2}$ | 97 | 103 | 95 | 99 $\frac{1}{2}$ |
| Do. 6's new | 98 $\frac{1}{2}$ | 102 $\frac{1}{2}$ | 99 $\frac{1}{2}$ | 103 | 99 | 103 $\frac{1}{2}$ | 99 $\frac{1}{2}$ | 102 $\frac{1}{2}$ |
| Do. 5's | 88 | 92 | 87 | 99 | 92 | 94 $\frac{1}{2}$ | ..... | ..... |
| Pennsylvania 5's, transferable .. | 95 | 100 | 99 | 103 $\frac{1}{2}$ | 92 | 92 | ..... | ..... |
| Do. 5's coupon bonds .. | 91 $\frac{1}{2}$ | 95 $\frac{1}{2}$ | 93 $\frac{1}{2}$ | 104 | 95 | 104 | 94 | 102 $\frac{1}{2}$ |
| Do. 6 per cent's | 100 | 103 $\frac{1}{2}$ | 100 $\frac{1}{2}$ | 106 | 99 $\frac{1}{2}$ | 102 | 100 $\frac{1}{2}$ | 100 $\frac{1}{2}$ |
| Do. 6's registered | 100 | 100 $\frac{1}{2}$ | 100 $\frac{1}{2}$ | 106 | 100 $\frac{1}{2}$ | 101 $\frac{1}{2}$ | ..... | ..... |
| Do. 6's 1st series | 101 | 105 $\frac{1}{2}$ | 102 | 106 $\frac{1}{2}$ | 100 | 105 $\frac{1}{2}$ | 100 | 103 |
| Do. 6's 2d " | 103 $\frac{1}{2}$ | 109 | 104 | 109 $\frac{1}{2}$ | 103 | 108 | 103 | 107 $\frac{1}{2}$ |
| Do. 6's 3d " | 104 $\frac{1}{2}$ | 113 | 106 | 112 $\frac{1}{2}$ | 105 | 109 | 106 $\frac{1}{2}$ | 109 $\frac{1}{2}$ |
| Do. Inclined Plane L'n .. | 105 | 105 | 105 | 111 | 104 | 107 | ..... | ..... |
| United States 6's 1881 | 112 $\frac{1}{2}$ | 124 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 117 $\frac{1}{2}$ | ..... | ..... | 92 $\frac{1}{2}$ | 92 $\frac{1}{2}$ |
| Do. registered | 109 | 124 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | 114 | 116 $\frac{1}{2}$ | 116 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 119 $\frac{1}{2}$ |
| Do. 5-20's, 1862 | 112 | 123 $\frac{1}{2}$ | 107 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | ..... | ..... |
| Do. 5-20's, " reg. | 111 | 121 $\frac{1}{2}$ | 108 $\frac{1}{2}$ | 108 $\frac{1}{2}$ | 111 | 113 $\frac{1}{2}$ | 110 $\frac{1}{2}$ | 110 $\frac{1}{2}$ |
| Do. 5-20's, 1864 & 1865 | 106 $\frac{1}{2}$ | 122 $\frac{1}{2}$ | 107 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 111 $\frac{1}{2}$ | 111 $\frac{1}{2}$ |
| Do. 5-20's, " reg. | 106 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 106 $\frac{1}{2}$ | 115 | ..... | ..... | 115 $\frac{1}{2}$ | 115 $\frac{1}{2}$ |
| Do. 5-20's, July, 1865 .. | 106 $\frac{1}{2}$ | 121 | 107 | 114 $\frac{1}{2}$ | 108 $\frac{1}{2}$ | 114 | 110 $\frac{1}{2}$ | 111 |
| Do. 5-20's, " reg. | 108 $\frac{1}{2}$ | 120 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | 111 | 111 | ..... | ..... |
| Do. 5-20's, July, 1867 .. | 107 | 122 $\frac{1}{2}$ | 107 $\frac{1}{2}$ | 114 $\frac{1}{2}$ | 110 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 113 |
| Do. 5-20's, " reg. | 108 $\frac{1}{2}$ | 120 | ..... | ..... | ..... | ..... | ..... | ..... |
| Do. 10-40's | 105 $\frac{1}{2}$ | 114 $\frac{1}{2}$ | 105 $\frac{1}{2}$ | 105 $\frac{1}{2}$ | 110 | 110 | ..... | ..... |
| Do. 10-40's, registered | 102 $\frac{1}{2}$ | 110 $\frac{1}{2}$ | 109 | 109 | 109 $\frac{1}{2}$ | 109 $\frac{1}{2}$ | ..... | ..... |
| Allegheny County Coupon 5's .. | 74 $\frac{1}{2}$ | 80 | 75 $\frac{1}{2}$ | 77 $\frac{1}{2}$ | 76 $\frac{1}{2}$ | 80 | 76 $\frac{1}{2}$ | 78 $\frac{1}{2}$ |
| Do. 5 per cent. scrip .. | 74 | 74 | 74 | 74 | 77 $\frac{1}{2}$ | 77 $\frac{1}{2}$ | 75 | 75 |
| Allegheny City 4 per cent's .. | 61 | 65 | 63 $\frac{1}{2}$ | 63 $\frac{1}{2}$ | ..... | ..... | ..... | ..... |
| Do. 6 " | 85 | 85 | 91 | 91 | ..... | ..... | 90 | 90 |
| Pittsburgh 4 per cent's | 55 | 60 | 57 | 57 | ..... | ..... | 60 | 60 |
| Do. 5 " | 70 | 73 | 70 | 75 | 73 | 76 | 73 | 77 $\frac{1}{2}$ |
| Do. 6 " | 90 | 95 | 90 | 98 | 90 | 97 | 90 | 100 $\frac{1}{2}$ |
| Do. scrip | 68 | 69 $\frac{1}{2}$ | ..... | ..... | ..... | ..... | 71 | 71 |
| New Jersey 6 per cent's .. | 100 $\frac{1}{2}$ | 104 | 102 | 105 | 103 | 107 $\frac{1}{2}$ | 100 $\frac{1}{2}$ | 105 $\frac{1}{2}$ |
| *Camden & Amboy R. R. Shares. | 117 | 131 $\frac{1}{2}$ | 113 $\frac{1}{2}$ | 122 $\frac{1}{2}$ | 116 | 136 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 129 |
| Do. 6's, 1875 | 89 | 92 $\frac{1}{2}$ | 92 $\frac{1}{2}$ | 98 $\frac{1}{2}$ | 95 | 98 $\frac{1}{2}$ | 93 | 98 |
| Do. 6's, 1883 | 83 $\frac{1}{2}$ | 89 $\frac{1}{2}$ | 83 $\frac{1}{2}$ | 95 $\frac{1}{2}$ | 89 | 97 | 90 | 98 |
| Do. 6's, 1889 | 82 | 86 $\frac{1}{2}$ | 92 | 92 $\frac{1}{2}$ | 88 | 94 | 89 | 92 |
| Cam. & Amboy R. R., mtg., 1889 | 91 $\frac{1}{2}$ | 96 $\frac{1}{2}$ | 92 $\frac{1}{2}$ | 97 $\frac{1}{2}$ | 93 $\frac{1}{2}$ | 98 | 93 $\frac{1}{2}$ | 99 |

* Ex. Dividend.

| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|--|---------|----------|---------|----------|---------|----------|---------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Pennsylvania Railroad shs., \$50.. | 53½ | 60½ | 54½ | 62½ | 55½ | 66½ | 55½ | 64½ |
| Do. 1st mortg. bonds... | 97 | 102 | 96½ | 105 | 97½ | 104 | 99 | 103½ |
| Do. 2d mortg. " | 94 | 98½ | 96½ | 103½ | 96½ | 103½ | 97 | 101 |
| Do. debent. bonds..... | 95 | 95 | 95½ | 95½ | 101 | 101 | ..... | ..... |
| Do. R. R. gen. mtg. 6 per cent. loan, 1910.. | ..... | ..... | ..... | ..... | 90½ | 95 | 92 | 97½ |
| Do. " " regis. .... | ..... | ..... | ..... | ..... | 90½ | 96½ | 92½ | 97½ |
| Do. allotments | 56 | 58½ | ..... | ..... | 58 | 61½ | 57 | 59½ |
| Reading Railroad Shares, \$50.... | 45½ | 50½ | 46½ | 54½ | 48½ | 59½ | 54½ | 62 |
| Do. 6's, 1880..... | 88 | 91½ | 88 | 100 | 90 | 97 | 90 | 99 |
| Do. 6's, 1886..... | 94½ | 97½ | 94½ | 100 | 98 | 103½ | 114½ | 114½ |
| Do. new 7's..... | 102 | 106 | 102 | 107 | ..... | ..... | 111½ | 106½ |
| Do. debent. bonds..... | 82 | 85 | 80 | 84½ | 79 | 84 | 81 | 85 |
| North Pennsylvania R. R. \$50.... | 33½ | 39½ | 36 | 47½ | 44½ | 51 | 47 | 51 |
| Do. 6's | 87 | 91 | 85½ | 101½ | 98 | 103 | 98 | 102½ |
| Do. 7's | 84 | 91 | 86 | 95 | 93½ | 100½ | 90½ | 97 |
| Do. 7 per cent. scrip.... | 80 | 85 | 83½ | 92 | ..... | ..... | ..... | ..... |
| Do. Chattel 10's | 109 | 109 | 108 | 112 | 110 | 112 | 110 | 110½ |
| Little Schuylkill Railroad, \$50.... | 41 | 45 | 40½ | 46 | 42½ | 47½ | 45½ | 48½ |
| Do. 7's | 95½ | 99 | 99 | 100½ | ..... | ..... | 99½ | 102 |
| Lehigh Valley R. E. Shares, \$50. | 52 | 57½ | 52½ | 60½ | 57½ | 62½ | 56½ | 63½ |
| Do. bonds, 6's, 1873.... | 92 | 96½ | 95½ | 101 | 98 | 100 | 101½ | 101½ |
| Do. new 6's..... | 92½ | 95½ | 92½ | 99 | 94 | 98 | 90 | 96½ |
| Do. new regis. | 93 | 97½ | 95 | 100 | 95½ | 100 | 94½ | 96½ |
| Philadelphia & Erie R. R., \$50.. | 25 | 33½ | 25½ | 30½ | 23 | 29½ | 25 | 29½ |
| Do. bonds, 6's..... | 85 | 90½ | 88 | 94 | 86 | 95 | 88½ | 92½ |
| Do. 7's, 2d mortg. | 79 | 90½ | 82½ | 93½ | 84 | 90½ | 86 | 95 |
| Phila. & Trenton R. R. Shares.... | 115 | 29½ | 115 | 118 | 115½ | 130 | 121 | 126½ |
| Elmira & Williamspt R. R., \$50. | 30 | 31 | 28 | 30 | 28½ | 46½ | 27½ | 31 |
| Do. preferred..... | 39 | 41½ | 38 | 40 | ..... | ..... | 40 | 42 |
| Do. bonds, 5's..... | 58 | 60 | 58½ | 60 | 60 | 60 | 59½ | 61 |
| Do. " 7's | 88 | 93 | 88 | 96 | 91½ | 97 | 91 | 99 |
| Catawissa Railroad Shares, \$50.. | 9 | 15 | 10 | 13 | 15 | 25½ | 16 | 23 |
| Do. preferred..... | 32½ | 40 | 34½ | 39 | 37½ | 50 | 41½ | 57 |
| Do. 5 per cent. bonds.... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Do. 1st m. 7 p. c. bonds.... | ..... | ..... | ..... | ..... | 95 | 95½ | 97 | 101 |
| Harrisburg Railroad Shares, \$50. | 55 | 55 | 56½ | 56½ | 52 | 55 | 50 | 52 |
| Do. 6's | 90 | 91½ | 89 | 95 | 92½ | 97½ | 91½ | 92 |
| Phil., Balt. & Wilm't'n R. R. \$50. | 51½ | 54 | 50 | 55½ | 50½ | 57 | 54½ | 57½ |
| Do. 6's | 93 | 93 | 93½ | 93½ | ..... | ..... | 109 | 109 |
| Camden & Atlantic R. R., preferred | ..... | ..... | ..... | ..... | 30 | 36 | 28 | 40½ |
| Do. 2d mortgage..... | ..... | ..... | 85 | 85 | 81 | 81 | 90 | 93 |
| Norristown R. R. Shares, \$50.... | 67 | 72 | 71 | 100 | 75½ | 86½ | 85 | 90 |
| North. Central R. R. Shares, \$50. | 43½ | 50 | 39½ | 49 | 38½ | 43½ | 37½ | 40½ |
| Do. bonds, 1900..... | 84½ | 84½ | 81 | 89 | 88½ | 99½ | 88 | 88 |
| Do. bonds, 1885..... | 83½ | 83½ | 90½ | 90½ | 92 | 93½ | ..... | ..... |
| Minehill Railroad Shares, \$50.... | 52½ | 56 | 50 | 54½ | 50½ | 54½ | 52 | 55 |
| East Pennsylvania R. R. Shares.. | 36 | 41 | 40 | 42½ | 38 | 40½ | 38½ | 42 |
| West Chester R. R. bonds, 7's .. | 97½ | 97½ | 94 | 97½ | 95 | 97 | 93½ | 103½ |
| Oil Creek & Allegh'y River, \$50. | 36 | 44½ | 38 | 47½ | 44½ | 53½ | 34 | 48 |
| Do. 7 per cent. bonds .. | 80 | 80 | 76 | 83½ | 78½ | 90 | 75 | 85½ |
| Indiana 1st mortgage bonds | 70½ | 76 | 72½ | 75 | 73 | 83 | ..... | ..... |
| Hnnt. & Broad Top R. R. Shs., \$50 | ..... | ..... | ..... | ..... | 9 | 10½ | 3½ | 13½ |
| Do. 1st mortg. bonds.... | 75 | 83 | 78 | 91 | 92½ | 103½ | 100 | 103 |
| Do. 2d " " ..... | ..... | ..... | ..... | ..... | 83 | 86½ | 85 | 86 |
| Do. consol | 25 | 25 | 27½ | 27½ | 46 | 49 | 47 | 61½ |
| Belvidere & Del. R. R. 2d mortg. | 80 | 83 | 82 | 87 | 82 | 89 | 81 | 85 |

Fluctuations in Stocks.

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| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|-------------------------------------|---------|----------|---------|----------|---------|----------|---------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Belvidere & Del. R.R. 3dmtg. bonds | 76½ | 80 | 83 | 86 | 81 | 87 | 80½ | 84 |
| Camden & Burlington R. R. 6's.. | 85 | 86 | 84 | 90 | 87 | 88 | 84½ | 87½ |
| Connecting Railroad bonds, 6's.. | 83 | 89 | 83 | 86½ | 80 | 89 | 86 | 89½ |
| Junction Railroad bonds, 6's | 89 | 95 | 89 | 89 | 88 | 88 | ..... | ..... |
| Junction Railroad, 2d mortg. | 90 | 92 | 88 | 90 | 90 | 90 | 91½ | 91½ |
| Penn. & New York Canal, 7's..... | 88 | 93 | 89 | 93½ | 91 | 98 | 94 | 99 |
| Phila. & Sunbury, 7 per cent's... | 90½ | 96 | 96½ | 100 | 97 | 101½ | 98 | 99½ |
| Sunbury & Erie R. R. bonds, 7's. | 95 | 100 | 96½ | 104 | 99½ | 102½ | 99½ | 101 |
| Warren & Franklin bonds, 7's... .. | 80 | 85 | 83 | 87½ | 84½ | 92 | 85½ | 91½ |
| West'n Pennsylvania, 6 per cent's. | 79 | 81½ | 80 | 82 | 82 | 82 | 80 | 83 |
| West Jersey R. R. shares | 58 | 64 | 62 | 65½ | 61 | 62 | 53 | 54 |
| Do. bonds, 6 per ct's.. | 88 | 93 | 88 | 93 | 89 | 93½ | ..... | ..... |
| Do. 6's, 1883..... | 82 | 83 | 85 | 85 | 86 | 93½ | 84 | 97½ |
| Do. 7 per cent's | 95 | 95½ | 92 | 97½ | 96½ | 103½ | 100½ | 103½ |
| Lehigh Navigation Co., \$ 50..... | 28½ | 38 | 30 | 36½ | 33 | 39 | 36 | 47½ |
| Do. bonds, 6's, 1884.. | 80½ | 84½ | 82 | 88½ | 82½ | 88½ | 84½ | 92 |
| Do. " 6's, 1897.. | 83 | 89½ | 87 | 92½ | 90 | 94½ | 92 | 97½ |
| Do. " conv't. P'n. | 76 | 84 | 76 | 81 | 78½ | 85½ | 80 | 96 |
| Do. gold loan..... | 88 | 100 | 87½ | 94½ | 85½ | 95 | 90 | 97 |
| Schnylkill Navigation Co., \$ 60.. | 9 | 10½ | 6 | 8½ | 7½ | 9½ | 7½ | 8½ |
| Do. preferred shares. | 15 | 21½ | 14 | 19 | 15 | 18½ | 13½ | 17½ |
| Do. Imp. loan..... | 63½ | 64 | 66 | 72 | 80 | 88 | ..... | ..... |
| Do. bonds 6's, 1872.. | 77 | 89 | 70 | 85 | 77 | 80 | 72 | 83 |
| Do. " 6's, 1876.. | 61½ | 67 | 50 | 70 | 74½ | 81½ | 77 | 77 |
| Do. " 6's, 1882.. | 51½ | 70 | 50 | 76½ | 72½ | 81 | 76½ | 81 |
| Do. boat 6 per cent's. | ..... | ..... | ..... | ..... | 75 | 80 | 77 | 78 |
| Do. boat 7 per cent's. | 70 | 74 | 75 | 75 | 77 | 86½ | 84½ | 86 |
| Morris Canal Co. shares..... | 29 | 30 | 25 | 33 | 34 | 53 | 48 | 52 |
| Do. preferred..... | 57½ | 72 | 58 | 72 | 75 | 125½ | 120 | 127½ |
| Do. 1st mortg. bonds. | 80 | 87 | 70 | 85 | 87 | 92½ | 90 | 95 |
| Do. 2d mortg. " ..... | ..... | ..... | 75 | 75 | ..... | ..... | 88½ | 93 |
| Do. boat loan | 77 | 85 | 76 | 82 | 80 | 86 | 91 | 95 |
| Do. scrip | 62 | 71 | 65 | 70 | 75 | 80 | 85 | 86½ |
| Susqueh'na Canal Co. shares, \$ 50 | 12 | 13½ | 4 | 6 | 5 | 10½ | 7½ | 8 |
| Do. bonds, 6 per ct's. | 55 | 58 | 45 | 48 | 48 | 63½ | 73 | 80 |
| Union Canal bonds, 6 per cent's . | 5 | 13 | 3 | 9½ | 11 | 16 | 15 | 15 |
| Chesap'ke & Delaware Canal, \$ 50 | 38 | 42 | 38½ | 42 | 36 | 39 | ..... | ..... |
| Do. 6 per cent's | 90 | 96 | 92 | 94½ | 93 | 97½ | 90 | 94½ |
| Delaware Division Canal shares . | 45 | 50 | 45 | 47 | 44½ | 47 | 46 | 50 |
| Do. bonds, 6's..... | 82 | 84 | 85 | 85 | 75½ | 75½ | ..... | ..... |
| Second & Third Sts. P. R. W., \$ 50 | 40 | 50½ | 39½ | 56 | 55½ | 66½ | 58½ | 66½ |
| Fourth & Eig'h Sts. P. R. W., \$ 50 | 27 | 33 | 27½ | 31 | 30½ | 33½ | ..... | ..... |
| Fifth & Sixth Sts. P. R. W., \$ 50. | 35 | 40 | 36 | 40 | 40 | 45 | 44 | 51 |
| Tenth & 11th Sts. P. R. W., \$ 50. | 68½ | 71 | 68½ | 68½ | 72 | 72 | 83 | 83 |
| 13th & 15th Sts. P. R. W., \$ 50.. | 16½ | 19½ | 19 | 25 | 21½ | 26½ | 20 | 22 |
| Union Pass R. R. | 42 | 43 | 40 | 44 | 52 | 70 | 75 | 75 |
| West Philadelphia R. R. | 60½ | 64 | 61½ | 65 | 68 | 74 | 90 | 90 |
| Spruce & Pine Sts. R. W. | 20 | 27 | 20 | 25 | 24 | 34½ | 31½ | 34 |
| Chestnut & Walnut Sts. R. R., \$ 50 | 45½ | 48½ | 43 | 45 | 44 | 54½ | 55 | 58½ |
| Girard College R. R., \$ 50..... | 27½ | 29 | 30½ | 35 | 33½ | 40 | 42½ | 44½ |
| Green & Coates Sts., \$ 50..... | 37 | 39½ | 37 | 39 | 43 | 47 | 45½ | 47 |
| Hestonville Railway, \$ 50 | 10½ | 13½ | 12 | 17 | 16 | 23 | 17½ | 22½ |
| Ridge Avenue R. R. shares, \$ 50. | 9 | 9 | 7½ | 12 | 7½ | 15 | 40 | 40 |
| Lombard & South Sts. R. R. b'ds. | 75 | 75 | ..... | ..... | ..... | ..... | ..... | ..... |
| Delaware Mutual Ins. Co., \$ 20 .. | 25 | 27½ | 27 | 27 | ..... | ..... | 31 | 31 |
| Ins. Co. of North America, \$ 10.. | 19 | 21 | 21 | 23 | 37½ | 37½ | 30½ | 34½ |
| Pennsylvania Annuity Co., \$ 200. | 160 | 175 | 165 | 165 | ..... | ..... | 203 | 212 |
| Germantown Gas Co., \$ 50 | 48 | 49 | ..... | ..... | 50 | 50 | ..... | ..... |

| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|--------------------------------------|---------|----------|---------|----------|---------|----------|---------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Washington Gas Co., \$20..... | 25½ | 25½ | ..... | ..... | 30 | 30 | 40 | 40 |
| Empire Transportation Co., \$50.. | 51 | 51 | 56 | 60½ | 57 | 59 | 50 | 55 |
| Philadelphia Exchange Co., \$100 | 75 | 75 | ..... | ..... | 62 | 65 | 75 | 75 |
| Academy of Music, par \$100... | 82 | 105 | 85 | 100 | 90 | 120 | 110 | 200 |
| Big Mountain Coal Co., " 10... | 5½ | 6½ | 5½ | 7½ | 6 | 6½ | 6½ | 6½ |
| Buck Mountain " " 50... | 36½ | 40 | 35½ | 35½ | 26 | 30 | 32½ | 32½ |
| Clinton " " 10... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Feeder Dam " " 1... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Fulton " " 5... | 4½ | 6 | 4½ | 4½ | 5 | 5½ | 5½ | 5½ |
| Locust Mountain " " 50... | 45 | 49 | 42½ | 42½ | ..... | ..... | ..... | ..... |
| New Creek " " 10... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| New York & Middle Coal Co., \$25 | 4½ | 7 | 4½ | 5½ | 4 | 5½ | 4½ | 4½ |
| Shamokin " par \$25.. | 4½ | 6 | 4½ | 5½ | 5½ | 7 | ..... | ..... |
| Shamokin " bonds | 71½ | 71½ | ..... | ..... | ..... | ..... | ..... | ..... |
| St. Nicholas " par \$10.. | 1 | 3½ | 2½ | 2½ | ..... | ..... | ..... | ..... |
| Allegheny Valley R. R. 7 3-10's.. | ..... | ..... | 91 | 91 | 91½ | 95½ | 91 | 98½ |
| Perkiomen R. R. 6 per cent's..... | ..... | ..... | 76 | 80 | 77 | 81 | 80 | 86 |
| Warren & Franklin R.R., 2d mtg. | ..... | ..... | 95 | 95 | 99 | 100½ | ..... | ..... |
| Wilmington & Reading R. R. 7's | ..... | ..... | 90½ | 94 | 94½ | 100 | 95½ | 104 |
| Central Transportation Co., \$50. | ..... | ..... | 49½ | 52 | 40 | 51 | 44½ | 50 |
| Southern Transportation Co., \$50 | ..... | ..... | 33 | 33 | 27½ | 27½ | 28 | 28 |
| American Fire Insurance Co., \$100 | ..... | ..... | 150 | 150 | ..... | ..... | 155 | 160 |
| Franklin Fire Insurance Co., \$100 | ..... | ..... | 402 | 500 | 495 | 500 | 450 | 450 |
| Girard Life & Trust Co., \$25..... | ..... | ..... | 31 | 31 | 34 | 34 | 39 | 39 |
| Insurance Co. of State of Penn \$200 | ..... | ..... | 229 | 229 | ..... | ..... | 240 | 244 |
| American Buttonhole Co., \$12.50 | ..... | ..... | 12½ | 20 | 16 | 32 | 14½ | 25 |
| BANKS:—* | | | | | | | | |
| Central National Bank..... | 124 | 125 | 120 | 125 | 123 | 131 | 128½ | 139 |
| City National Bank, \$50..... | 73 | 73½ | 73½ | 73½ | 73½ | 73½ | 75 | 75 |
| Commercial National Bank, \$50. | 53½ | 60 | 57½ | 61 | 60 | 62½ | 61 | 62½ |
| Commonwealth Nat. Bank, \$50.. | 58½ | 61 | 55 | 60 | 50 | 55½ | 41 | 50 |
| Corn Exchange Nat. Bank, \$50... | 68½ | 70 | 67½ | 71 | 70 | 70 | 70 | 70 |
| Consolidation Nat. Bank, \$30..... | 42 | 43½ | 45 | 45½ | 47 | 47 | ..... | ..... |
| Farmers & Mechanics' Nat. Bank | 117 | 125 | 117 | 124 | 122½ | 130 | 127 | 137 |
| Girard National Bank, \$40..... | 56 | 60 | 56½ | 62 | 61 | 70 | 61 | 65½ |
| Kensington National Bank, \$50... | 117 | 117 | 120½ | 129 | 90 | 121 | 85 | 93 |
| Manufacturers' Nat. Bank, \$25.. | 29½ | 31½ | 30 | 32½ | 29 | 31½ | 27 | 31½ |
| Mechanics' National Bank, \$20.. | 30½ | 34 | 31 | 33 | 31½ | 34 | 31½ | 33 |
| Bank of North America..... | 231 | 243 | 221½ | 232 | 230 | 237½ | 234 | 244 |
| N. B. Northern Liberties, \$50..... | 115 | 123 | 123 | 126 | 121 | 124 | 125 | 130 |
| Penn National Bank, \$35..... | 58½ | 60 | 60 | 60½ | 70 | 70 | 60 | 70 |
| Philadelphia National Bank..... | 155 | 163 | 155½ | 163 | 160 | 172 | 164 | 174½ |
| Southwark National Bank, \$60.. | 108 | 112 | 117 | 117 | 127 | 130 | 114 | 119 |
| Union National Bank, \$40..... | 53 | 58½ | 56 | 57 | 56 | 60 | 60½ | 60½ |
| Western National Bank, \$50..... | 71 | 87½ | 64 | 76 | 64½ | 70 | 64½ | 72 |
| Nat. Bank of Commerce, \$50..... | ..... | ..... | 62½ | 63 | ..... | ..... | 57½ | 57½ |
| National Bank of the Republic... | ..... | ..... | ..... | ..... | 90 | 100 | 89 | 92 |
| Nat. Bank of Germantown, \$50.. | ..... | ..... | 90 | 90 | ..... | ..... | 95 | 105 |
| First National Bank..... | ..... | ..... | ..... | ..... | ..... | ..... | 143 | 143 |
| Second National Bank..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Seventh National Bank..... | 99½ | 102 | 89½ | 107 | 103 | 110 | ..... | ..... |
| Eighth National Bank..... | ..... | ..... | ..... | ..... | 125 | 125 | ..... | ..... |
| Union Banking Company..... | ..... | ..... | 103 | 103 | ..... | ..... | ..... | ..... |
| Bank of Kentucky..... | 84½ | 84½ | 90 | 90 | 96 | 97 | 103 | 103 |
| Northern Bank of Kentucky..... | ..... | ..... | 118 | 119 | 125 | 125 | 121 | 121 |

* All bank shares are \$100 par value, unless otherwise expressed.

THE TREASURY FINANCES.

REPORT OF THE FINANCE COMMITTEE OF THE SENATE ON SECRETARY BOUTWELL'S ISSUE OF LEGAL TENDERS.

The Senate Finance Committee, January 14, presented to the Senate their report upon the action of the Secretary of the Treasury in issuing \$ 5,000,000 of legal tender over and above the maximum, which has so long been maintained. The Committee stood 5 to 2 upon the adoption of the report—Messrs. WRIGHT and FERRY dissenting, who will present a minority report. The report creates much private comment, and there is a great diversity of opinion upon the question. The following is a report in full:—

The Committee on Finance, in obedience to the resolution of the Senate of the 6th inst., as follows:—

Resolved, That the Committee on Finance be directed to inquire whether the Secretary of the Treasury has power under existing law, to issue United States notes in lieu of the \$ 44,000,000 of notes retired and canceled under the act of April 12, 1866:—

Be it left to report that a construction of the act of April 12, 1866, renders necessary the examination of the several acts authorizing legal-tender notes. The power of the Secretary of the Treasury to issue the notes described in the resolution, if it exists, must have been conferred by these acts. The authority of Congress to authorize their issue has been disputed, but may now be considered as settled by all departments of the Government. It was exercised by Congress only under the most pressing necessity, as an incident to the powers to borrow money, to coin money, to declare and maintain war, and to provide for the national defense and general welfare. It was first asserted and exercised by Congress Feb. 25, 1862, when to coin the public credit into money seemed the only expedient left to maintain the authority of the Government during a pressing war. This authority was again exercised July 11, 1862, and March 3, 1863. These several acts declared the UNITED STATES notes to be lawful money and a legal tender in payment of all debts, public or private, within the UNITED STATES, except for duties on imports and interest on the public debt, and were to be issued only if required by the exigency of the public service, for the payment of the army and navy and other creditors of the Government. The amount of each issue was carefully limited. The aggregate could not exceed \$ 450,000,000, and in fact never exceeded \$ 433,160,569. The power thus exercised was felt to be a dangerous one, liable to abuse, and was carefully

limited and guarded. Though the war continued two years and more after the passage of the act of March 3, 1863, and immense sums were borrowed upon various forms of security, the limit of UNITED STATES notes was not enlarged. By the proviso in section 2 of the act of June 30, 1864, under which the national debt was largely increased, it was provided among other limitations, "Nor shall the total amount of UNITED STATES notes issued, or to be issued, ever exceed \$ 400,000,000, and such additional sum not exceeding \$ 50,000,000, as may be temporarily required for the redemption of temporary loans." It is apparent that this provision in a loan act was not only a limitation upon previous acts authorizing UNITED STATES notes, but was a declaration of public policy and a pledge of the public faith to the national creditors that their securities should not ever thereafter be impaired by any increase in legal-tender notes. The UNITED STATES notes were regarded as a necessary medium or means to borrow money during war, and with full knowledge that in due time they were to be redeemed in coin, and that any increase would impair their value and affect the value of all public securities.

The close of the war was followed with measures, by both the executive and legislative branches of the Government, to still further limit and reduce the volume of legal-tender notes. All forms of temporary loan, including the legal-tender interest-bearing Treasury notes, were funded into bonds. For this purpose a portion of the \$ 50,000,000 of reserved UNITED STATES notes, under the act of June 30, 1864, was used for the redemption of temporary loans, but these notes were soon redeemed and canceled, and with the avowed policy of contracting the currency. The act of April 12, 1866, referred to in the resolution of the Senate, was passed in approval of, and in accordance with, the avowed policy of Mr. McCULLOCH, then Secretary of the Treasury, to retire all short-time liabilities by funding them into bonds and to reduce the volume of UNITED STATES notes so that those remaining outstanding should be, from their scarcity, at par with gold. The only limitation made to this power of contraction, was by the following proviso:

Provided, That of UNITED STATES notes not more than \$ 10,000,000 may be retired and canceled within six months from the passage of this act, and thereafter not more than \$ 4,000,000 in any one month.

It is clear that this act authorized the payment, cancellation, and destruction of "all obligations issued under any act of Congress, whether bearing interest or not," and the issue, in lieu thereof, of any description of bonds authorized by the act of March 3, 1865, the issue of the bonds necessarily involved the destruction and cancellation for all time of the obligations received in exchange for the bonds, for the act declared that it should not be construed to authorize any increase of the public debt. To hold that any of the obligations "whether drawing interest or not," received by the UNITED STATES, in exchange for its bonds could be re-issued again, is utterly inconsistent with the primary object of the act, the funding of the debt—and with the provision that the debt shall not be increased by the exchange. But for the provision limiting the cancellation of UNITED STATES

notes, all of them might have been canceled when received in exchange for bonds. Subject to this limitation, the act of April 12, 1866, treats UNITED STATES notes as one of the numerous forms of demand or short-time obligations, which it was public policy to fund and retire with a view to specie payments. If a bond was issued it must be solely to secure the cancellation and final payment of an equal amount of other indebtedness. UNITED STATES notes could be issued as a medium of the exchange, but if so they were to be used to retire other obligations. To a limited extent they could be canceled and retired, and to that extent their cancellation was as complete a payment and extinguishment as if a compound-interest note was canceled and retired. It was the desire of the Secretary of the Treasury to retire the UNITED STATES notes or to contract the currency more rapidly than Congress deemed prudent, and the object of the proviso was to limit the contraction, but at the same time to provide for a gradual reduction of the currency with a view to specie payments. To construe the act as permitting the re-issue of UNITED STATES notes canceled under it, would allow the Secretary to increase the debt in direct violation of the act. To evade the act, he would only have to receive the notes in payment of a bond issued, and then cancel the notes and issue others in their place. In this way both notes and bonds would be outstanding. The plain intent of this act was to reduce and contract the currency. To render this more apparent, we refer briefly to what preceded the passage of the act of the 12th of April, 1866. In December, 1863, after the passage of the acts authorizing the issue of legal-tender notes, and when the temporary deposits reached \$ 145,720,000, for meeting which \$ 50,000,000 of the \$ 450,000,000 UNITED STATES notes authorized was to be held as a reserve. Secretary CHASE, in his annual report, page 17, said: "The limit prescribed by law to the issue of the UNITED STATES notes has been reached, and the Secretary thinks it clearly inexpedient to increase the amount." Speaking of the purpose for which they were issued, he said: "Congress believed that four hundred millions would suffice for these purposes, and therefore limited the issues to that sum." He also recommended the increase of the limit for temporary deposits, then fixed, by act of July 11, 1862, at \$ 100,000,000, to \$ 150,000,000, and stated that \$ 10,000,000 of the \$ 50,000,000 reserve had been used in its redemption. (P. 16.) It was after these recommendations that the act of June 30, 1864, was passed, (13 Stat., p. 218,) which re-enacted this recognized limit, of \$ 400,000,000 of UNITED STATES notes "issued or to be issued," and increased the limit of temporary deposits to \$ 150,000,000. This act provides the same reserve, not exceeding \$ 50,000,000, to be temporarily used for the redemption of such temporary loan. After this act, in his annual report in December, 1864, Secretary FESSENDEN again twice (pp. 3 and 18,) recognizes that even prior to its passage, the limit of intended circulation was \$ 400,000,000 of U. S. notes.

Secretary McCULLOCH, in his annual report in December, 1865, (p. 11), says: "That the circulating medium of the country is altogether excessive," and proceeds to combat objections urged to a

reduction of the currency. After making various recommendations, all tending to diminish the volume of circulating notes, he adds, (p. 14): "It is the opinion of the Secretary, as has been already stated, that the process of contraction cannot be injuriously rapid, and that it will not be necessary to retire more than \$ 100,000,000, or at most \$ 200,000,000, of UNITED STATES notes, in addition to the compound notes, before the desired result will be attained. But neither the amount of reduction nor the time that will be required to bring up the currency to the specie standard can now be estimated with any degree of accuracy. The first thing to be done is to establish *the policy of contraction.*" The first act in response to this recommendation was the following resolution, introduced into the House of Representatives 15th March, 1866, and passed by the very decided vote of 144 yeas, 6 nays.

Resolved, That this House cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of a contraction of the currency, with a view to as early a resumption of specie payments as the business interests of the country will permit, and we hereby pledge co-operative action to this end as speedy as practicable.

Afterward the bill was introduced in the House of Representatives, which finally passed and was approved April 12, 1866. It was discussed at length, and during the whole debate its purpose was avowed to be contraction of the currency and resumption of specie payments as a consequence. Objections to the great power conferred upon the Secretary of the Treasury, under which he could call in and retire the whole of the legal-tender notes, resulted in a recommittal of the bill to the Committee of Ways and Means; and in reporting it back, the Chairman stated that the recommittal was considered an instruction to place a limit upon the power of contraction. Hence the proviso which limits the contraction to \$ 10,000,000 in the first six months, and \$ 4,000,000 per month afterward. If the power to reissue had been a power co-existing with that of retiring, it is evident that the act of February 4, 1868, was unnecessary; for the evil to be arrested by that act could as well have been arrested by the reissue of the notes. That act passed when it was alleged contraction was too rapid, and not passed to relieve the stringency by authorizing a reissue, but, on the contrary, only suspended the power exercised after the passage of the act of 1866. From this review of the several acts relating to UNITED STATES notes, we may fairly conclude that the intent and legal effect of these acts, when fairly construed, was to reduce the maximum of legal-tender notes to \$ 356,000,000. No one appears to have asserted that the Secretary had power to increase that sum. The care with which a maximum was always prescribed indicates the intention of Congress to preserve one. The only contingency for an excess was to "temporarily" meet "temporary loan," and by the act of April, 1866, the temporary loan was funded. When the policy of contraction was entered upon, the words used—"retired and canceled"—as clearly expressed a permanent payment and contraction as any words could do. If possible, the words were made

stronger by forbidding an increase of the public debt. The issue of a new bond was to be accompanied by the permanent payment and cancellation of an equal amount of the old debt. The general understanding of the business community was that the maximum of UNITED STATES notes was \$356,000,000, subject only to the limited power to use a part or all of the \$50,000,000 reissue for payment of "temporary loan," and that only to be used temporarily. To overthrow this construction and establish the authority of the Secretary of the Treasury to issue \$44,000,000, at his discretion, would require some clear and unequivocal expression of the legislative will, and ought not to be inferred. It is claimed that under a clause of section 3 of the act of March 3, 1863, the Secretary of the Treasury was granted the power to issue new UNITED STATES notes in place of those "canceled and destroyed," and, therefore, may at his discretion issue the \$44,000,000 "retired and canceled" under the act of April 12, 1866. The clause of the act of March 3, 1863, is as follows:

"And in lieu of any of said notes, or any other UNITED STATES notes, returned to the Treasury and canceled or destroyed, there may be issued equal amounts of UNITED STATES notes, such as are authorized by this act."

Does this authority, conferred in 1863, authorize the reissue of notes "retired and canceled" under the act of April 12, 1866? Your committee think not. Such a construction overlooks the object and legal effect of the acts of June 30, 1864, April 12, 1866, and February 4, 1868, already cited. The act of 1863 provides for an issue and reissue of UNITED STATES notes for Treasury notes. Treasury notes bearing interest were issued and UNITED STATES notes received in payment. When the Treasury notes became due they were paid in UNITED STATES notes. Under that act UNITED STATES notes to the amount of \$150,000,000 were issued and reissued, canceled, destroyed, or mutilated notes were replaced by new ones. They were exchanged at par for Treasury notes. This process often led to the cancellation and destruction of UNITED STATES notes, and the law provides for the issue of new notes in their place. This cancellation and destruction of notes, authorized by the act of March 3, 1863, is a very different process from retiring and canceling notes under a law which provides explicitly for a reduction of the currency at the rate of four millions a month. The words of the two acts are different, all the provisions are different, the *res gestae* are different. One provides for an exchange of securities, the other provides for "retiring and canceling" a specified sum each month. Again, this clause in the act of 1863 must be construed in connection with the limit of circulation authorized by law. The limit, it is clear, had been fixed at \$400,000,000 by the act of 1864, and we find in the act of March 3, 1865, a proviso that it should not be construed to authorize the issue of legal-tender notes *in any form*. That limit being kept in mind, the purpose of the act of 1866 was to reduce that outstanding amount. As originally introduced, the power of reduction extended to the whole legal-tender circulation then issued. Had it passed in that form, as it was urged upon the House, if the right to

reissue existed, it would have presented the anomaly of Congress announcing the policy of contraction as necessary and salutary, and leaving the power in the Secretary's hands of defeating that policy as fast as it operated, by reissuing the notes whenever received in exchange for interest-bearing bonds. That power is totally at war with the avowed purpose of the act, and it cannot stand with it to the extent of \$44,000,000 any more consistently than it could if it had sage of the act of February 4, 1868, large sums of UNITED STATES been applicable to the whole \$400,000,000. It is said that since the notes have been held by the Treasury Department as a surplus fund in excess of the \$356,000,000 in circulation for the purpose of meeting any sudden demand upon the Treasury. This was necessarily so, as large quantities came in daily for redemption as mutilated, defaced, or endangered by successful counterfeiting. But no issue in excess of \$356,000,000 was made, except in two instances. In one of these one million and a half was issued after the Chicago fire, to replace that amount burned and destroyed in the office of the Depository at Chicago during the fire. This is scarcely an exception, for the new notes were issued only in advance of the formal proof and allowance for the destroyed notes, but not in advance of the certainty of their destruction. The other case is stated by the Secretary of the Treasury, in his letter of December 13, 1872, to the House of Representatives, as follows:

"In reply thereto I have to say that the amount of UNITED STATES notes in circulation was increased in October last upon the order of Assistant Secretary RICHARDSON, then Acting Secretary of the Treasury, in the absence of the Secretary of the Treasury, in the sum of about \$5,000,000 over the amount outstanding when the act of Feb. 4, 1868, became a law. The object of the issue was the relief of the business of the country, then suffering from the large demand for currency employed in moving the crops from the South and West. The condition of affairs then existing in the country seems to me to have warranted the issue upon grounds of public policy."

The circumstances under which this issue of \$5,000,000 was made were such as would clearly have justified its exercise, if, as was honestly and confidently claimed by the officer who made the issue, he had the legal authority to make it. It was his plain duty to exercise every power he possessed to protect the public in the emergency stated, and your committee are unanimously of the opinion that the Assistant Secretary acted according to what he conceived to be his legal power and public duty. But believing that under the law he could not issue legal-tender notes in excess of \$356,000,000, we must regard the precedent as a bad one. No sooner was this power claimed than it was at once contested. It is scarcely possible that, if such a power existed, it would not have been exercised before, in times of greater stringency. It may be an argument why some power ought to be granted to issue UNITED STATES notes to meet an emergency, and it is based not so much upon a construction of law as "upon grounds of public policy," which control the action of legislative and not executive authorities.

We are referred to two decisions of the Supreme Court (*Bank v. Supervisors*, 7 WALLACE, 26; *VEAZIE v. FENNO*, 8 WALLACE, 537,) as sustaining the power of the Secretary of the Treasury to issue UNITED STATES notes in excess of \$356,000,000. A careful examination of these cases shows that they have no bearing on the question before us. The Chief-Justice says "That under the act of March 3, 1863, another issue was authorized, making the whole amount authorized \$450,000,000, and contemplating a permanent circulation until resumption of payment in coin of \$400,000,000." The Chief-Justice was not called upon by the case before him to pass upon the subsequent acts, and did not do so. In point of fact, there never was in circulation \$450,000,000 of UNITED STATES notes, and it is safe to say that no one expected to resume specie payments in coin with so large a sum as \$400,000,000 UNITED STATES notes outstanding. A power over the currency, so wide reaching as the power to issue \$44,000,000 of new legal-tender notes, is one that ought not to rest upon implication. It should not rest upon a doubtful construction of words in a law passed three years before and used in regard to loans negotiated under widely different circumstances. Congress might well grant a power during war that it would not confer in peace. The full exercise of such a power would undoubtedly affect the nominal value of all property in the UNITED STATES to the extent of at least ten per cent. and the real value or burden, as between debtor and creditor, of at least ten per cent. on all contracts to be performed *in futuro*. Such a power, if given, would be by clear and unambiguous language, and should not be inferred by subtle reasoning, or depend upon the pressure of interested parties or changing views of public policy. In all questions of construction as to the extent of power conferred by law, in matters which affect the public credit or public securities, a reasonable doubt as to a grant of power should be held to exclude it.

After a careful review of the subject, your committee are of the opinion that the Secretary of the Treasury has not the power to issue UNITED STATES notes in excess of \$356,000,000 outstanding, when the act of Feb. 4, 1868, took effect, but he may replace, with new notes, all mutilated or defaced notes, and within the limit of \$356,000,000 may exchange or replace new notes for old ones, and your committee report the following resolution:

Resolved, That in the opinion of the Senate, the Secretary of the Treasury has not the power, under existing law, to issue UNITED STATES notes for any portion of the \$44,000,000 of the UNITED STATES notes retired and canceled under the act approved April 12, 1866.

(The Senate Committee on Finance consists of Senators JOHN SHERMAN, of OHIO, (Chairman); JUSTIN S. MORRILL, of VERMONT; JOHN SCOTT, of PENNSYLVANIA; ADELBERT AMES, of MISSISSIPPI; GEORGE G. WRIGHT, of IOWA; THOMAS W. FERRY, of MICHIGAN; THOMAS F. BAYARD, of DELAWARE.)

CONGRESS AND THE CURRENCY.

RESUMPTION OF SPECIE PAYMENTS.—The following is the text of the bill introduced by Mr. HOOPER, of MASSACHUSETTS, in the House of Representatives U. S., and referred to the Committee on Banking and Currency :

Be it enacted, &c., That on and after May 1, 1874, United States notes not bearing interest payable to bearer at the Treasury of the UNITED STATES shall be redeemed in coin on presentation at the office of the Treasurer of the UNITED STATES or of the Assistant Treasurer at the city of New York, and the duties on imports may thereafter be paid in United States notes.

SEC. 2. That from and after the passage of this act the Secretary of the Treasury, under such rules and regulations as he may prescribe, is hereby authorized to receive deposits of United States notes, and issue therefor certificates payable on demand in United States notes after thirty days from date and ten days' notice, and bearing interest at the annual rate of three and sixty-five hundredths per centum ; but the amount of certificates so issued and not redeemed shall not exceed at any one time the aggregate sum of one hundred million dollars. National banks may hold such certificates as part of the reserve as prescribed by section 31 of the national currency act, but not in a larger proportion than one half of the required amount of the reserve.

SEC. 3. That the Secretary of the Treasury may, whenever, in his opinion, it shall be necessary to provide additional coin in the treasury to redeem United States notes promptly on presentation, issue bonds, payable in twenty years, bearing interest payable semi-annually, at such rate, not exceeding six per centum per annum, as he shall deem expedient, but the aggregate amount of such bonds shall not exceed two hundred and fifty million dollars, and he shall negotiate and dispose of the same at not less than par in exchange for coin of the UNITED STATES, and the proceeds of said bonds shall be used only for the redemption of United States notes. All notes so redeemed may be reissued at the discretion of the Secretary of the Treasury in payment of any dues of the UNITED STATES, except bonds of the UNITED STATES and interest on the public debt.

Mr. SHERMAN reported, from the Senate Committee on Finance, the following substitute for the BUCKINGHAM bill :

That on the first day of January, 1874, the Secretary of the Treasury is authorized and required to pay on demand, at the office of the Assistant Treasurer, in the city of New York, to any holder of United States notes to the amount of \$ 1,000, or any multiple thereof, in exchange for such notes an equal amount of the gold coin of the UNITED STATES, or in lieu of coin, he may at his own option issue in exchange for said notes an equal amount of coupon or registered bonds of the UNITED STATES, in such form as he may prescribe, and of denominations of \$ 50 or some multiple of that sum, redeemable in coin of the present standard value at the pleasure of the UNITED STATES after ten years from the date of this issue, and bearing interest, payable quarterly, in such coin at the rate of five per cent. per annum, and the Secretary of the Treasury may reissue the United States notes so received as if they were canceled, may issue United States notes to the same amount either to purchase or redeem the public debt, or to meet the current payments for the public service, and the said bonds and the interest thereon shall be exempt from the payment of all taxes in any form by or under State, municipal or local authority, and the said bonds shall have set forth and depicted upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the UNITED STATES.

SEC. 2. That from and after the 1st day of January, 1874, the limit of the aggregate circulation of national banks now prescribed by law is repealed, and all banks thereafter organized shall deposit as security for their circulating notes bonds of the UNITED STATES issued under this act, or under the act entitled an act to authorize the refunding of the national debt, approved July 14th, 1870.

SEC. 3. That all banking associations which shall, on and after July 1st, 1874, redeem their circulating notes at such localities as are now or as may hereafter be designated by law, either in coin or United States legal-tender notes, shall be exempt from the requirement under the existing law as to holding a reserve of lawful money of the UNITED STATES. Provided, that nothing herein contained shall authorize any national gold bank established under an act entitled an act to provide for the redemption of three per cent. temporary loan certificates, and for an increase of national bank notes, approved July 12th, 1870, or to redeem their circulating notes in anything but gold coin of the UNITED STATES.

SEC. 4. That section C of an act, entitled an act to provide for the redemption of the three per cent. temporary loan certificates, and for an increase of national bank notes, approved July 12th, 1870, be, and is hereby repealed.

SEC. 5. That banks without circulation may be organized under the provisions of an act to provide a national currency, secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved June 3d, 1864, upon the deposit with the Treasurer of the UNITED STATES of not less than \$10,000 of UNITED STATES registered bonds, as provided in section XVI of that act.

SEC. 6. That it shall be the duty of the Comptroller of the Currency to cause to be examined each year the plates, dies, bed pieces, and other material from which the national bank circulation is printed, in whole or in part, and file in his office annually a correct list of the same, and such material as shall have been used in the printing of the notes of the national banks which are in liquidation or have closed business shall be destroyed, under such regulations as shall be prescribed by the Comptroller of the Currency, and approved by the Secretary of the Treasury, and the expense of such examination and destruction shall be paid out of any appropriation made by Congress for the special examination of national banks and bank plates.

The bill reported by Mr. SHERMAN from the Finance Committee was a carefully prepared measure, and has been the subject of a month's debate in the committee. When the subject was first broached in committee the views of members, while tending to the same object of specie payments, were as opposite as could be. The majority favored a gradual and moderate contraction, and others had adroit arguments in favor of expansion as a means of reaching specie payments. Finally the bill as reported by Senator SHERMAN (who is understood to be its chief author) was agreed to in full without a dissenting vote in the committee.

THE CURRENCY.

A great and good thing has been accomplished by the Senate Finance Committee. The country owes our Senator SCOTT thanks for the determined stand he took from the first in opposition to the assumption of right in the Secretary of the Treasury to reissue any part of the \$ 44,000,000 of retired legal-tender notes, supposed to be now in the Treasury. The sub-committee of SCOTT and SHERMAN, to whom the matter of the legality of the act of RICHARDSON'S disbursement of some five or six millions last October was referred, were clear and outspoken against it, and were successful in bringing almost the entire committee to their views. The report which has been submitted is most overwhelming in its force of reasoning against the Secretary's pretensions in the matter, as every man intelligent on the subject knew it would be. The committee believe that all the clauses which have been pointed out as giving support to Mr. BOUTWELL'S view are overruled by the fact that that view is inconsistent with the intent of the act of 1866, and with the circumstances under which it was passed. The committee say, in brief, that the act of 1866 directed the retiring of the notes in order to fund them, and the assumption of the power of reissue could not consist with the direction contained in the law, that the public debt should not be increased by the process. This view of the case is a strong one, and is severely conclusive. The sum and substance of the case is best expressed in the committee's compact statement that if the Secretary desired to evade the laws which limit the maximum of legal-tender notes to

\$356,000,000, he would only have to receive the notes in payment of a bond issued, cancel those notes, and then issue others in their place. In this way, it is clear, both notes and bond would be outstanding. Every discreet and honest man must be glad to see the Finance Committee insisting that the spirit and intent of the several acts which relate to the currency are to restrict the maximum of legal-tender notes to \$356,000,000. The committee sharply say, that such vast power over the values of the country should not rest on mere implications or strained construction of a law of long standing. While many are disposed to give Assistant, U. S. Treasurer RICHARDSON credit for acting in good faith in his illegal act, there is still the positive fact of an attempted concealment of what had been done, the real truth of which did not become public until weeks afterwards, when an analyzation of the figures of the monthly debt statement brought the truth to light. The report is very decided, and fully sustains the ground taken by this paper, that the enormous power claimed and exercised by the Treasury Department was not and should not be given to any official, either explicitly or by implication. No man has ever been intrusted with such absolute control over the fortunes and happiness of his fellow citizens in this country, and none ever ought to be. The committee truly observe that "the full exercise of such a power would affect the nominal value of all property in the UNITED STATES to the extent of at least ten per centum, and the real value or burden as between debtor and creditor of at least ten per cent. on all contracts to be performed in future." The pretension to such a power is monstrous, and has been none too soon rebuked and discarded.—*Philad. Ledger*.

FINANCIAL EXPEDIENTS.

In the present state of our financial affairs, it would be difficult to propose two measures more mischievous in their character than the bills of Mr. HOOPER of MASSACHUSETTS and Mr. BUCKINGHAM of CONNECTICUT. We need not attempt to discover the precise object of the former, but we may rest assured that if his bill should unhappily become law, the resulting crisis of 1874 would eclipse any similar catastrophe which even its author can remember, unless indeed the process he contemplates should be stopped in time. The whole question turns upon the actual depreciation of our paper currency. If this is fairly represented by the premium on gold, it might be possible to equalize it with coin within a year and a quarter, though only by an amount of contraction and pressure which in the present temper of our people would hardly be submitted to. But if the actual depreciation of our paper currency to-day be at least one-third, that is to say, if the average prices of commodities are one-half higher in paper dollars than they were before the rebellion, and one-half higher than they will again be when fairly measured by specie—and the proof of this proposition is to our minds satisfactory—how can such a gulf be possibly bridged over within twenty or even thirty months, without dis-

aster? We may confidently predict that within thirty days the experiment would prove a failure.

On the other hand, Senator BUCKINGHAM, whose honesty of purpose cannot be doubted, has, unwittingly, we may be sure, struck out a path which, if pursued, must make a return to the specie standard impossible. In a word, he proposes to obliterate the distinction between the temporary forms of credit which furnish a medium of exchange, and those loans on interest which represent a permanent investment of capital. The true measure of value recognized by the law is the gold coin, which possesses intrinsic value and can only be obtained by labor, or in exchange for the products of labor. Any paper currency redeemable in coin will not only be a correct measure of values, but by the necessary operation of demand and supply will be as elastic in quantity as the various commodities are for which it is exchanged. So long as our paper currency is irredeemable the only elasticity it can have depends upon the reserves held by the National banks and the Treasury. Take these away, or seriously diminish them, and to that extent you deprive the currency of what little elasticity it possesses. Allow further issues of irredeemable paper in exchange for United States bonds, and you open a door which may never be shut until the famous proposition of Mr. PENDLETON is realized, and the whole interest on the national debt is wiped out by a final act of national bankruptcy. When once this downward road is commenced there can be no hope of return.

That the resumption of specie payments throughout the country may be attained within five or six years without severe pressure or any more stringent contraction than is constantly occurring under the present system, we fully believe, and hope in due time to show.
—*Boston Daily Advertiser.*

NEW YORK.—The Committees on Banks, &c., in the legislative assembly at Albany, consists of the following representatives:

1. Banks—Messrs. BURRITT of Monroe, MOORE of St. Lawrence, LEWIS of Delaware, PELL of New York, WORTH of Kings, COSTELLO of Oneida, COPE of Otsego, C. G. CORNELL of New York, VAN VALKENBURGH of Albany.

2. On Trade and Commerce—Messrs. WELLS of Wayne, COSTELLO of Oneida, LANDFIELD of Tioga, HEACOCK of Fulton, YOUNG of Chenango, CLEARY of Rensselaer, CUMMINGS of Ulster.

3. On Commerce and Navigation—Messrs. ALBERGER of Erie, MARCY of Suffolk, WEST of Saratoga, SNYDER of Rensselaer, YEOMANS of Wayne, J. N. BROWN of Ulster, BIGLIN of New York, VOORHEES of Rockland, and CARPENTER of Dutchess.

4. On Railroads—Messrs. HEACOCK of Fulton, PIERSON of Albany, PELL of New York, LYNDE of St. Lawrence, LANDFIELD of Tioga, SUYDAM of Kings, MCQUEEN of Schenectady, WEED of Clinton, and MACKIN of Dutchess.

5. On Insurance—Messrs. TOBEY of Essex, MARCY of Suffolk, BURRITT of Monroe, OPDYKE of New York, WRIGHT of Westchester, VAN COTT of Kings, SMITH of New York, JACOBS of Kings, and WEED of Clinton.

6. On Ways and Means—Messrs. FORT of Oswego, KENNEDY of Livingston, HUSTED of Westchester, WHALEN of Orleans, A. L. VAN DUSEN of Ontario, CLARKE of New York, BREWER of Chautauqua, JACOBS of Kings, and BEEBE of Sullivan.

A FOREIGN REVIEW OF THE YEAR 1872.

From the London Times, December 30, 1872.

A summary of the principal events of the year 1872 bearing upon commercial and financial interests:—

JANUARY.

- 1.—Consols 92½; French Rentes 54½; Bank bullion £24,914,822; rate of discount 3 per cent.
- 2.—Hungarian 5 per cent. Loan, for £3,000,000 nominal, introduced by Messrs. R. RAPHAEL & SON, at 81.
- 7.—Assassination of JAMES FISK, of the Erie Railway, at N. Y.
- 9.—Subscriptions invited by Messrs. SELIGMAN for £300,000, City of Washington Bonds, at 87½.
- 10.—Subscriptions invited by Messrs. M'CALMONT BROTHERS & Co. for £443,500, Massachusetts 5 per cents., at 93. Subscriptions invited by Messrs. JAY COOKE, M'CULLOCH & Co. for £4,000,000, Northern Pacific Railroad Bonds, at 85.
- 20.—Bolivian 6 per cent. Loan for £1,700,000 nominal, introduced by Messrs. LUMB, WANKLYN & Co., at 68.
- 23.—Loan of £3,000,000 in 6 per cent. bonds of the City of New York, at £104 1s. 3d., introduced by Messrs. ROTHSCHILD.
- 24.—Loan of £226,800 in 7 per cent. bonds of the Province of ENTRE-RIOS, (ARGENTINE REPUBLIC), introduced by Messrs. MURRIETA at 90.

FEBRUARY.

- 6.—Subscriptions invited by Messrs. STERN BROTHERS for £1,225,000 Argentine Internal 6 per cent. Stock, at about 75.
- 7.—Opening of Parliament. Declaration in Queen's Speech of dissent from the terms of reference assumed by the UNITED STATES as contemplated in the Alabama Treaty.
- 12.—News of the assassination of Lord MAYO, Governor-General of INDIA.
- 27.—National Thanksgiving at St. Paul's for the recovery of the Prince of WALES.
- 29.—Attack on the Queen by O'CONNOR, an Irish lunatic boy.

MARCH.

- 12.—News of the break-up of the Erie Ring at New York, in consequence of movement arranged by Mr. M'HENRY and Messrs. BISCHOFFSHEIM & GOLDSCHMIDT, and conducted by General SICKLES.
- 20.—Peruvian 5 per cent. Loan of £21,800,000 for cancelment of existing debt and £15,000,000 for railway works, issued at 77½.

(or 75, reckoning allowances) by Messrs. J. H. SCHRÖDER & Co. and Messrs. STERN BROTHERS.

25.—Mr. LOWE, the Chancellor of the Exchequer, brought forward the Budget, and showed that the estimate of revenue for the coming year was £ 73,915,000, and the expenditure £ 71,313,000, leaving a surplus of £ 3,602,000. Dealing with this, he remitted £ 230,000 of the duties on coffee and chicory, £ 50,500 of the house-tax, £ 310,000 of income-tax by an abatement of £ 80 on incomes under £ 300, and £ 2,700,000 by reducing the poundage from 6d. to 4d. The total remission of taxation was £ 3,290,000, leaving still a surplus of £ 312,000.

APRIL.

- 4.—BANK OF ENGLAND rate of discount raised to $3\frac{1}{2}$ per cent.
- 9.—Subscription for £ 1,000,000 5 per cent. New Zealand Government Debentures, at average net price of £ 100 10s. 5d.
- 11.—Bank rate raised to 4 per cent.
- 16.—Russian 5 per cent. Railway Loan for £ 15,000,000 nominal, at 89, introduced by Messrs. ROTHSCHILD.
- 23.—Attempted Carlist rising in SPAIN.

MAY.

- 4.—COSTA RICA 7 per cent. Loan of £ 2,400,000 nominal, introduced by Messrs. KNOWLES & FOSTER, at 82.
- 9.—Bank rate raised to 5 per cent.
- 23.—Prospectus issued of Loan of 15 millions sterling for Honduras Ship Railway at 80. Withdrawn four days afterwards.
- 30.—Bank rate reduced to 4 per cent.

JUNE.

- 13.—Bank rate reduced to $3\frac{1}{2}$ per cent.
- 20.—Bank rate reduced to 3 per cent.
- 26.—Announcement by the Geneva Arbitrators against the Indirect Claims of the UNITED STATES under the Treaty on the Alabama question.

JULY.

- 18.—Bank rate raised to $3\frac{1}{2}$. Attempted assassination of the King and Queen of SPAIN at Madrid.
- 15.—News from MEXICO of the death of President JUAREZ from apoplexy.
- 29.—Subscription opened for French 5 per cent. Loan of 120 millions sterling at $84\frac{1}{2}$ (or $80\frac{1}{2}$, reckoning allowances), payable $14\frac{1}{2}$ per cent. on allotment and the balance in 20 monthly instalments, and yielding about $6\frac{1}{8}$ per cent.

AUGUST.

- 3.—Turkish 9 per cent. Loan of £ 11,126,200 introduced by Messrs. RAPHAEL & SONS, at $98\frac{1}{2}$, or $97\frac{1}{2}$ net. Principal repayable in series during six years.

12.—News of the assassination of President BALTA, of PERU, by GUTIERREZ, Minister of War, and of subsequent hanging of GUTIERREZ from a lamp-post by the people of Lima; also of the restoration of order and of the assumption of government by CAVALLO, Vice-President.

22.—Suspension of Messrs. GLEDSTANES & Co, in the East India and China Trade, with liabilities of about a million and a half or two millions, of which the unsecured portion was £ 600,000.

26.—News of pretended discovery of ruby and diamond mines in ARIZONA capable of yielding £ 200,000 in value per month to party of twenty-five men. Announced in December following to be an "infamous fraud."

SEPTEMBER.

14.—Award of the Geneva Arbitration Court. £ 3,200,000 to be paid by ENGLAND to the UNITED STATES within twelve months. This amount included interest at 6 per cent. for eight years.

18.—Bank rate advanced from $3\frac{1}{2}$ to 4 per cent. Death of the King of SWEDEN.

26.—Bank rate raised to $4\frac{1}{2}$.

OCTOBER.

3.—Bank rate raised to 5 per cent.

10.—Bank rate raised to 6 per cent.

21.—Telegraphic communication established with AUSTRALIA.

NOVEMBER.

6.—General GRANT re-elected President of the UNITED STATES by a large majority over Mr. HORACE GREELEY, whose death was announced twenty-three days afterwards.

9.—Bank rate raised to 7 per cent., and 8 and 9 per cent. charged for special advances. Great fire at Boston—959 buildings destroyed; 35 persons killed; 2,043 firms and individuals suffered heavily; insurances estimated at £ 9,600,000; first loss reported equal to 60 millions sterling; ultimately admitted to be under 20 millions.

13.—Reopening of the French Assembly at Versailles. Message of M. THIERS.

23.—Arrest of JAY GOULD at New York on charge of having robbed the Erie Railway, during his connection with the company, of nearly two millions sterling. Immediately admitted to bail by the New York Judge in £ 200,000, two of the principal railway directors and financiers of the city being his securities.

28.—Bank rate reduced to 6 per cent.

30.—Prospectus issued of the Bessemer Saloon Steamboat Company (Limited) with a capital of £ 250,000.

DECEMBER.

2.—Strike of 2,400 gas stokers to put London in darkness defeated by prompt measures of the various Gas Companies.

9.—Spanish 3 per cent. Loan for a net amount of £10,625,000 sterling introduced by the Spanish Financial Commission, at 28½.

12.—Bank rate reduced to 5 per cent.

13.—News of restitution of about two millions sterling to the Erie Railway Company, at New York, by JAY GOULD, to stay prosecution against him for that amount. Rise in Erie shares from about 42 to 50.

30.—Opening of direct telegraphic communication with SPAIN. Consols 91½. French Rentes, 52f. 97c. Bank bullion, £23,666,857. Rate of discount, 5 per cent.

A RUSSIAN FINANCIAL PANIC.—The Prussian correspondent of the *London Times*, at Berlin, explains that the financial crisis which broke out some weeks ago at St. Petersburg, and rapidly spread to all the commercial cities in the empire, arose from the NATIONAL BANK abruptly informing all private financial institutions indiscriminately that fresh bills would be discounted only in proportion to the amount of old ones falling due. It appears that the private banks, having only a very limited supply of capital, mainly rely for support on the NATIONAL BANK, which, under ordinary circumstances, acts as a kind of paymaster in advancing or reimbursing a considerable portion of the bills discounted by those establishments. In the present instance the NATIONAL BANK, finding its *portefeuille* had increased in the last three months from 10,000,000 to 15,000,000 roubles, while deposits had simultaneously diminished from 37,000,000 roubles to 33,000,000, suddenly determined to put a stop to the whole thing and refuse further credit. The measure was more unexpected and less justifiable as the private banks had not of late exceeded their usual demands on the coffers of their common patron. The inevitable result of the decree announced by the NATIONAL BANK was to create a panic from St. Petersburg to Moscow, Riga and Odessa. Discount rose in a few days to fifteen per cent., private banks offering to borrow money at something like ten per cent. for a year or so. Universal consternation ensued. Deputations went in hot haste from Moscow, Riga, and other commercial emporiums to St. Petersburg, and, upon representing to the Minister of Finance the distress into which they had been plunged, obtained at least some temporary assistance, though a recall of the terrible edict was refused. Subsequently the rate of discount went down to ten per cent., but it is expected that it will remain at that figure until a more effective remedy can be applied.

BANKS AND BANKERS.—The 'BANKER'S ALMANAC for 1873 is now ready for distribution. In this volume the names of National banks and State banks are combined in one table, for more convenient reference of readers. The publisher desires a critical examination of the work by bankers, that any errors or omissions may be made known for correction in the second edition to be issued in a few weeks. Suggestions for this work, from practical bankers, will be duly appreciated. The names of newly organized banks and banking firms, are solicited for the new edition, and for publication in the BANKER'S MAGAZINE.

NEW YORK BANK DIVIDENDS.—Payable January, 1873.

The capital and profits of each, October, 1872.

| | Capital. | Profits. Oct. 1872. | Jan. 1873. |
|----------------------------------|---------------|------------------------|---------------|
| National Bank of Commerce | \$ 10,000,000 | \$ 3,287,900 | 4 |
| Fourth National Bank | 5,000,000 | 1,243,200 | 4 |
| Metropolitan National Bank | 4,000,000 | 2,109,400 | 5 |
| Central " " | 3,000,000 | 194,600 | 4 |
| Merchants' " " | 3,000,000 | 870,700 | 4 |
| Bank of New York N. B. A. | 3,000,000 | 1,068,300 | 5 |
| Bank of America | 3,000,000 | 1,984,400 | 5 |
| National Park Bank | 2,000,000 | 1,481,900 | 6 |
| Mechanics' National Bank | 2,000,000 | 951,400 | 5 |
| Continental " " | 2,000,000 | 162,700 | 3½ |
| Phenix " " | 1,800,000 | 276,500 | 3½ |
| Importers & Traders' Nat. Bank. | 1,500,000 | 1,292,000 | 7 |
| Ninth National Bank | 1,500,000 | 236,000 | 4 |
| Merchants' Exchange Nat. Bank. | 1,235,000 | 125,200 | 3 |
| Market " " | 1,000,000 | 424,300 | 5 |
| Hanover " " | 1,000,000 | 201,600 | 3½ |
| National Shoe & Leather Bank. | 1,000,000 | 720,800 | 6 |
| Third National Bank | 1,000,000 | 267,000 | 4 |
| National Broadway Bank | 1,000,000 | 1,894,400 | 12 |
| Tradesmen's National Bank | 1,000,000 | 564,500 | 6 |
| Tenth National Bank | 1,000,000 | 103,800 | None. |
| Bank of North America | 1,000,000 | 155,100 | 4 |
| Dry Goods Bank | 1,000,000 | 38,300 | 3½ |
| National Butchers & Drovers' B. | 800,000 | 324,400 | 5 |
| Nat. Bank of Commonwealth | 750,000 | 112,100 | 4 |
| Leather Manufacturers' Nat. B. | 600,000 | 668,900 | 6 |
| Irving National Bank | 500,000 | 138,900 | 4 |
| First National Bank | 500,000 | 405,600 | 10 |
| Seventh Ward National Bank | 500,000 | 50,500 | 3 |
| N. Y. National Exchange Bank | 500,000 | 31,000 | 3 |
| Manufacturers & Merchants' N. B. | 500,000 | 69,000 | 4 |
| Security Bank | 500,000 | 600 | None. |
| Chatham National Bank | 450,000 | 225,500 | 6 |
| People's Bank | 412,500 | 230,600 | 5 |
| North River Bank | 400,000 | 46,500 | 3½ |
| National Citizens' Bank | 400,000 | 265,900 | 5 |
| Marine National Bank | 400,000 | 179,500 | 6 |
| East River " " | 350,000 | 160,400 | 4 |
| Second " " | 300,000 | 262,700 | 5 |
| Oriental Bank | 300,000 | 323,300 | 6 |
| Chemical National Bank | 300,000 | 2,824,500 | *10 |
| Atlantic " " | 300,000 | 65,100 | None. |
| Grocers' Bank | 300,000 | 102,300 | 5 |
| Bewery National Bank | 250,000 | 224,400 | — |
| Sixth " " | 200,000* | 64,800 | 5 |
| N. Y. County National Bank | 200,000 | 290,200 | 7 |
| Ball's Head Bank | 200,000 | 92,000 | *4 |
| West Side " " | 200,000 | 32,200 | 4 |
| Eleventh Ward Bank | 200,000 | 19,200 | 3½ |
| Fifth National " " | 150,000 | 97,100 | *3½ |
| Mutual " " | 106,200 | 2,400 | None. |
| Manufacturers & Builders' N. B. | 100,000 | 16,400 | 5 |

* Quarterly.

Farmers' Trust Co., 5 per cent.; Union Trust Co., 5 per cent.;
National Trust Co., 5 per cent.; Guaranty & Indemnity Co., 5 per cent.

THE DAILY PREMIUM ON GOLD AT NEW YORK IN THE YEAR 1872.

Those quotations in full-face type indicate the lowest and highest rates of each month.

| | January. | February. | March. | April. | May. | June. | July. | August. | September. | October. | November. | December. |
|----|----------|---------------|---------------|---------------|----------------|---------------|---------------|-----------------|-----------------|---------------|-----------------|---------------|
| 1 | Hol ay. | 9 1/2 @ 10 | 10 @ 10 1/4 | 10 @ 10 1/4 | 9 1/2 @ 10 1/2 | 14 @ 14 1/4 | 13 1/2 @ 14 | 15 1/2 @ 15 1/2 | Sunday. | 14 @ 14 1/2 | 11 1/2 @ 12 1/2 | Sunday. |
| 2 | 9 1/4 | 9 1/4 | 10 1/4 10 1/2 | 9 1/2 10 | 12 1/2 12 1/2 | Sunday. | 13 1/2 13 1/2 | 15 1/2 15 1/2 | 13 1/2 @ 13 1/2 | 13 1/2 14 1/2 | 12 1/2 12 1/2 | 12 1/2 12 1/2 |
| 3 | 9 1/4 | 9 1/2 | Sunday. | 9 1/2 | 12 1/2 13 1/2 | 14 1/4 14 1/4 | Holiday. | 15 1/2 15 1/2 | 13 13 1/2 | 14 1/2 15 1/2 | Sunday. | 12 1/2 12 1/2 |
| 4 | 9 1/4 | 9 1/2 | 10 60 1/2 | 10 10 1/2 | 13 13 1/2 | 14 1/4 14 1/4 | 13 1/2 13 1/2 | Sunday. | 13 13 1/2 | 14 1/2 15 1/2 | Holiday. | 12 1/2 12 1/2 |
| 5 | 9 1/4 | 10 1/4 | 10 10 1/2 | 10 10 1/2 | 14 14 1/2 | 14 1/4 14 1/4 | 4 3/4 13 1/2 | 15 1/2 15 1/2 | 9 1/2 13 1/2 | 13 1/2 14 1/2 | Sunday. | 12 1/2 12 1/2 |
| 6 | 8 1/2 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 14 14 1/2 | 14 1/4 14 1/4 | 4 3/4 13 1/2 | 15 1/2 15 1/2 | 9 1/2 13 1/2 | 13 1/2 14 1/2 | Holiday. | 12 1/2 12 1/2 |
| 7 | Sunday. | 9 1/4 10 1/4 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | Sunday. | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 11 1/2 12 1/2 | 12 1/2 13 1/2 |
| 8 | 9 1/4 | 10 1/4 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 13 1/2 13 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 12 1/2 13 1/2 | 12 1/2 13 1/2 |
| 9 | 8 1/2 | 10 1/4 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 13 1/2 13 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 12 1/2 13 1/2 | 12 1/2 13 1/2 |
| 10 | 8 1/2 | 10 1/4 10 1/2 | Sunday. | 10 10 1/2 | 13 14 | 13 1/4 14 | 13 1/2 13 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | Sunday. | 12 1/2 13 1/2 |
| 11 | 8 1/2 | Sunday. | 10 10 1/2 | 10 10 1/2 | 14 14 1/2 | 13 1/4 14 | Sunday. | Sunday. | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 12 | 8 1/2 | 10 1/4 10 1/2 | 10 10 1/2 | 10 10 1/2 | 14 14 1/2 | 13 1/4 14 | 13 1/2 13 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 13 | 8 1/2 | 10 1/4 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 14 | Sunday. | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | Sunday. | 14 14 1/2 | 13 13 1/2 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 15 | 8 1/2 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 16 | 8 1/2 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 12 1/2 13 1/2 |
| 17 | 8 1/2 | 10 10 1/2 | Sunday. | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | Sunday. | 11 1/2 12 1/2 |
| 18 | 8 1/2 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 19 | 8 1/2 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 20 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 21 | Sunday. | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | Sunday. | Sunday. | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 22 | 9 1/4 | Holiday. | 9 1/2 9 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | Sunday. | 14 14 1/2 | 13 14 1/2 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 23 | 8 1/2 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 24 | 8 1/2 | 10 10 1/2 | Sunday. | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 25 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 26 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 13 13 1/2 | 11 1/2 12 1/2 |
| 27 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | Sunday. | 11 1/2 12 1/2 |
| 28 | Sunday. | 10 10 1/2 | 10 10 1/2 | 10 10 1/2 | 13 14 | 13 1/4 14 | Sunday. | 14 14 1/2 | 12 13 | 12 1/2 13 1/2 | Holiday. | 11 1/2 12 1/2 |
| 29 | 9 1/4 | 10 10 1/2 | Good Fri. | 12 1/2 12 1/2 | 13 14 | 13 1/4 14 | 14 14 1/2 | 15 1/2 15 1/2 | 12 13 | 12 1/2 13 1/2 | 12 1/2 13 1/2 | 11 1/2 12 1/2 |
| 30 | 9 1/4 | 10 10 1/2 | 10 10 1/2 | 12 1/2 12 1/2 | 14 14 1/2 | Sunday. | 15 15 1/2 | 12 12 1/2 | 13 14 1/2 | 12 1/2 13 1/2 | 12 1/2 13 1/2 | 11 1/2 12 1/2 |

↑ Highest of the year.

* Lowest of the year, 81.

PUBLIC DEBT OF THE UNITED STATES.
Abstract of the Official Statements, January, 1869, to January, 1873.

| | Jan. 1, 1869. | July 1, 1870. | January 1, 1871. | January 2, 1872. | December 1, 1872. | January 1, 1873. |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,589,300 | \$ 221,589,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent..... | ..... | ..... | ..... | 96,997,660 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1861..... | 283,677,400 | 283,678,100 | 283,678,100 | 283,681,200 | 283,681,260 | 283,681,350 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,602,683,300 | 1,437,099,300 | 1,258,610,560 | 1,061,453,700 | 1,058,402,800 |
| | \$ 2,107,836,350 | \$ 2,107,950,700 | \$ 1,936,342,700 | \$ 1,853,866,700 | \$ 1,759,702,250 | \$ 1,756,651,450 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-ct. Bonds Pacific Railroad..... | \$ 50,097,000 | \$ 64,457,320 | \$ 64,618,832 | \$ 64,618,832 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 45,545,000 | 43,550,000 | 22,025,000 | 4,030,000 | 2,780,000 |
| 4-per-cent. Certificates..... | ..... | ..... | 678,362 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent..... | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 124,002,320 | \$ 122,847,194 | \$ 101,321,832 | \$ 83,331,512 | \$ 82,081,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 3,647,367 | \$ 7,315,822 | \$ 1,739,938 | \$ 4,210,440 | \$ 4,084,220 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 356,021,073 | \$ 356,106,256 | \$ 356,101,086 | \$ 357,592,801 | \$ 358,135,643 | \$ 358,642,295 |
| Fractional Currency..... | 34,215,715 | 39,878,684 | 39,996,089 | 40,767,877 | 43,726,689 | 45,722,063 |
| Gold Certificates of Deposit..... | 27,036,020 | 34,547,120 | 26,149,000 | 38,049,700 | 20,276,900 | 23,263,000 |
| Currency, do. do..... | ..... | ..... | ..... | ..... | 24,465,000 | 25,370,000 |
| | \$ 417,272,808 | \$ 430,532,060 | \$ 422,245,175 | \$ 434,419,378 | \$ 446,604,232 | \$ 452,997,356 |
| Aggregate Debt..... | \$ 2,652,533,662 | \$ 2,666,132,447 | \$ 2,487,750,892 | \$ 2,391,328,848 | \$ 2,293,848,434 | \$ 2,295,814,538 |
| Coin and Currency in Treasury.. | 111,826,461 | 141,721,115 | 138,086,572 | 127,294,320 | 103,186,752 | 109,605,849 |
| Debt, less coin and currency.. | \$ 2,540,707,201 | \$ 2,524,411,332 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,190,661,682 | \$ 2,186,208,689 |

Coin in the Treasury, January, 1873, \$ 74,359,275; Currency, \$ 35,246,574; total, \$ 109,605,849.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

OCTOBER, NOVEMBER AND DECEMBER, 1872.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.*(Continued from page 575, January No.)*

| STOCKS. | OCT., 1872. | | NOV., 1872. | | DEC., 1872. | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> |
| U.S. Six per cts. of 1881, Coupon Bds. | 115 $\frac{3}{4}$ | 117 | 116 $\frac{1}{2}$ | 117 $\frac{1}{2}$ | 117 $\frac{1}{2}$ | 118 |
| “ Five-Twenty of 1862, “ | 115 $\frac{1}{2}$ | 116 $\frac{1}{2}$ | 111 $\frac{3}{4}$ | 113 | 112 $\frac{1}{2}$ | 113 $\frac{1}{2}$ |
| “ “ 1864, “ | 114 $\frac{3}{4}$ | 116 | 111 $\frac{3}{4}$ | 113 $\frac{1}{2}$ | 112 $\frac{3}{4}$ | 113 $\frac{1}{2}$ |
| “ “ 1865, “ | 115 $\frac{1}{2}$ | 116 $\frac{3}{4}$ | 112 | 113 $\frac{1}{2}$ | 112 $\frac{1}{2}$ | 113 $\frac{1}{2}$ |
| “ “ 1865, New, “ | 113 $\frac{1}{2}$ | 114 $\frac{1}{2}$ | 114 $\frac{3}{4}$ | 115 $\frac{1}{2}$ | 115 | 116 $\frac{1}{2}$ |
| “ “ 1867, “ | 113 $\frac{3}{4}$ | 115 $\frac{1}{2}$ | 114 | 116 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 117 $\frac{1}{2}$ |
| “ “ 1863, “ | .. | .. | 114 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 115 $\frac{1}{2}$ | 116 $\frac{1}{2}$ |
| “ Ten-Forty Coupon Bonds..... | 107 $\frac{3}{4}$ | 108 $\frac{3}{4}$ | 107 $\frac{3}{4}$ | 108 $\frac{1}{2}$ | 108 $\frac{1}{2}$ | 109 $\frac{1}{2}$ |
| “ Five per cent. of 1881..... | 111 | 111 $\frac{3}{4}$ | 110 | 111 | 111 | 111 $\frac{1}{2}$ |
| “ Six per cent. Currency..... | 111 | 114 | 113 $\frac{1}{2}$ | 114 $\frac{1}{2}$ | 112 | 113 $\frac{1}{2}$ |
| Tenn. Six per cent. Bonds, Old..... | 72 $\frac{1}{2}$ | 75 $\frac{1}{2}$ | 74 | 76 | 76 | 82 $\frac{1}{2}$ |
| “ “ “ New..... | .. | .. | 73 $\frac{1}{2}$ | 76 $\frac{1}{2}$ | 76 | 83 |
| Virginia Six per cent. Bonds, Old.. | 44 $\frac{1}{2}$ | 44 $\frac{1}{2}$ | .. | .. | 48 | 48 |
| “ “ “ New..... | .. | .. | 52 | 52 | .. | .. |
| “ “ “ Consol.. | 50 | 54 $\frac{1}{2}$ | 54 $\frac{1}{2}$ | 56 | 54 | 60 |
| N. Carolina Six per ct. Bonds..... | 33 | 33 $\frac{1}{2}$ | 33 $\frac{1}{2}$ | 36 | 34 | 35 |
| “ “ “ New..... | 20 | 20 | .. | .. | 22 | 22 |
| “ “ “ Special Tax | 11 | 14 | 13 $\frac{1}{2}$ | 14 $\frac{1}{2}$ | 13 | 14 $\frac{1}{2}$ |
| S. C. Six per ct. Bds. Jan. & July.. | 23 $\frac{1}{2}$ | 27 | 23 $\frac{1}{2}$ | 26 | 22 | 24 $\frac{1}{2}$ |
| “ “ “ April & Oct.. | 24 $\frac{1}{2}$ | 24 $\frac{1}{2}$ | 25 $\frac{1}{2}$ | 30 | 25 | 27 |
| Missouri Six per cent. Bonds..... | 92 | 93 $\frac{1}{2}$ | 93 | 95 $\frac{1}{2}$ | 94 $\frac{1}{2}$ | 96 |
| Canton Company of Maryland..... | 93 | 106 $\frac{1}{2}$ | 100 | 106 | 101 $\frac{3}{4}$ | 107 |
| Delaware and Hudson Canal Co.... | 115 | 118 | 115 | 117 $\frac{1}{2}$ | 116 $\frac{1}{2}$ | 120 |
| Consolidated Coal Co. of Maryland.. | 41 | 45 $\frac{3}{4}$ | 43 | 48 $\frac{1}{2}$ | 47 | 48 |
| Quicksilver Mining Company..... | 43 | 49 | 44 | 48 $\frac{1}{2}$ | 43 | 48 $\frac{1}{2}$ |
| “ “ “ Preferred | 54 | 59 | 52 | 57 $\frac{1}{2}$ | 53 | 56 $\frac{1}{2}$ |
| Mariposa Mining Company..... | 1 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 1 $\frac{1}{2}$ |
| “ “ “ Preferred | 2 | 4 $\frac{1}{2}$ | 1 $\frac{1}{2}$ | 4 $\frac{1}{2}$ | 2 $\frac{1}{2}$ | 3 |
| Western Union Telegraph Co..... | 69 $\frac{3}{4}$ | 81 $\frac{1}{2}$ | 73 $\frac{1}{2}$ | 80 | 75 $\frac{3}{4}$ | 82 $\frac{1}{2}$ |
| Pacific Mail Steamship Company.. | 74 $\frac{1}{2}$ | 102 $\frac{1}{2}$ | 83 $\frac{3}{4}$ | 95 $\frac{1}{2}$ | 71 | 89 $\frac{1}{2}$ |
| Adams Express Company..... | 91 $\frac{1}{2}$ | 95 $\frac{1}{2}$ | 91 | 95 | 92 $\frac{1}{2}$ | 94 |
| Wells, Fargo & Co. Express Co.... | 85 | 88 $\frac{1}{2}$ | 80 | 88 | 86 | 90 |
| American Merchants' Union Express | 67 $\frac{1}{2}$ | 71 $\frac{1}{2}$ | 64 | 71 $\frac{1}{2}$ | 66 $\frac{1}{2}$ | 72 |
| United States Express..... | 75 $\frac{1}{2}$ | 81 $\frac{1}{2}$ | 72 | 79 $\frac{1}{2}$ | 79 | 82 |
| N. Y. Cent. and Hudson River R. R. | 92 | 96 $\frac{1}{2}$ | 91 $\frac{1}{2}$ | 96 $\frac{1}{2}$ | 95 $\frac{1}{2}$ | 100 $\frac{1}{2}$ |
| Eric Railroad, Common..... | 47 $\frac{1}{2}$ | 54 $\frac{1}{2}$ | 48 | 57 | 52 $\frac{1}{2}$ | 62 $\frac{1}{2}$ |
| “ “ “ Preferred | 70 | 74 $\frac{1}{2}$ | 71 | 74 $\frac{1}{2}$ | 73 | 80 |
| Harlem Railroad, Common Shares. | 110 | 115 $\frac{1}{2}$ | 111 | 116 $\frac{1}{2}$ | 113 | 118 $\frac{1}{2}$ |
| Reading Railroad Shares..... | .. | .. | .. | .. | .. | .. |

| STOCKS. | OCT., 1872. | | NOV., 1872. | | DEC., 1872. | |
|--|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| N. York & New Haven R. R. Shares.. | 115 | 117 | 113½ | 115½ | 114½ | 117 |
| Michigan Central Railroad Co. | 86½ | 93½ | 86½ | 95½ | 93½ | 96½ |
| Lake Shore & Mich. Southern R.R. . | 140 | 150 | 130 | 143 | 124 | 133 |
| Panama Railroad Company Shares.. | 37½ | 40½ | 32½ | 39½ | 36½ | 38½ |
| Union Pacific Railroad " .. | 122 | 129 | 119 | 127½ | 125 | 129 |
| Illinois Central Railroad " .. | 87 | 90 | 86½ | 90 | 87½ | 89½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 88 | 91½ | 88 | 91½ | 90 | 93 |
| " Col., Cinn. & Ind. R.R. . | 106 | 112½ | 105 | 111½ | 109 | 115 |
| Chicago, Rock Island & Pacific R.R. | 133½ | 140 | 132 | 135 | 137 | 138½ |
| " Burlington & Quincy " .. | 109 | 113 | 108 | 113 | 110 | 113 |
| " & Alton Railroad Shares.. | 114 | 115 | 113 | 113 | 113 | 113 |
| " " " Pref. | 68½ | 82½ | 80 | 190 | 81½ | 88 |
| " & Northwestern R.R. Shares | 84½ | 90 | 83½ | 95½ | 84½ | 91½ |
| " " " Pref. | 93½ | 99½ | 94 | 99 | 91 | 96 |
| Del., Lackawanna & West. R.R. Co. | 93 | 96 | 92 | 94½ | 93 | 94 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 68 | 74½ | 66½ | 77½ | 69 | 75½ |
| Toledo & Wabash R.R. Co. Shares. | 88½ | 90 | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 42½ | 48½ | 42 | 48½ | 46½ | 48½ |
| Hannibal & St. Joseph R.R. " .. | 31½ | 38 | 29 | 35½ | 34 | 49½ |
| " " " Pref. | 50 | 56 | 48 | 51½ | 52 | 70 |
| Milwaukee & St. Paul R.R. Shares | 53½ | 58½ | 51½ | 56½ | 53½ | 55½ |
| " " " Pref. | 74½ | 77½ | 72½ | 76 | 75 | 77½ |
| Boston, Hartford & Erie R.R. Shares | 7½ | 9½ | 6½ | 8½ | 7½ | 9½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 33½ | 37 | 29½ | 36½ | 33 | 37½ |
| Dubuque & Sioux City Railroad... | .. | .. | 62 | 64 | .. | .. |
| New Jersey Central Railroad Shares | 98½ | 104 | 100 | 104 | 100 | 103½ |
| Morris & Essex Railroad Shares... | 90 | 92½ | 91½ | 92½ | 89½ | 94 |
| N. Y. Central Six p. ct. Bds. of 1883 | 92 | 92½ | 89 | 91 | 90½ | 92½ |
| Erie First Mortgage Bonds of 1868.. | 103½ | 104 | 101½ | 102 | 101 | 102 |
| Long Dock Bonds..... | 95½ | 96 | 96 | 96 | 90½ | 93½ |
| Mich. Southern Sinking Fund Bonds | 102 | 104½ | 100 | 101½ | 100½ | 102 |
| " " Seven p. ct. 2d Mtge. | 100 | 100 | 95 | 97½ | 97 | 98 |
| Central Pacific 1st Mortgage Bonds | 99 | 101½ | 99½ | 101 | 100½ | 102½ |
| Union " " " " | 86½ | 89½ | 86 | 88½ | 88½ | 91½ |
| " " Land Grant Bonds.. | 75 | 77½ | 73½ | 77½ | 77½ | 79½ |
| " " Income Bonds..... | 78 | 80½ | 76 | 86 | 80 | 82½ |
| Alton & Terre Haute 1st Mtge. Bds. | 101 | 101 | 101 | 101 | 100½ | 101 |
| " " " 2d " Pref. | 90 | 90 | 90 | 90 | 87½ | 90 |
| " " " Income Bds. | 80½ | 83 | 78½ | 80½ | 80 | 80 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | .. | .. | 96 | 96 |
| Chic. & N. W. Consol'n S. F. Bonds | 94 | 94½ | 93 | 93 | 89½ | 92½ |
| " " 1st Mortgage Bonds.. | 96½ | 99 | 98 | 100 | 98 | 99 |
| Cleveland & Tol. Sinking Fund Bds. | .. | .. | 102½ | 102½ | 102½ | 103½ |
| " & Pittsb'gh Consol'n Bds. | .. | .. | 92 | 95 | 94 | 95 |
| " " Second Mtge. | 98 | 98 | .. | .. | 100 | 100 |
| " " Third " .. | .. | .. | 98½ | 98½ | 97 | 98 |
| " " Fourth " .. | 82½ | 83½ | 83½ | 84 | 86½ | 86½ |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101 | 101½ | 101½ | 102 | 102½ | 104 |
| Milwaukee & St. Paul 1st Mortgage | 92½ | 93 | 91½ | 91½ | 93 | 94 |
| St. Louis & Iron Mountain R.R. Bds. | 93½ | 95 | 92 | 92 | 94½ | 96½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 85½ | 88 | 86½ | 88 | 86½ | 88½ |
| " " " 2d " .. | 73 | 73½ | 72½ | 73½ | 73 | 73½ |
| Toledo, Peoria & Warsaw 1st, E.D. | 91 | 92 | 94 | 94 | .. | .. |
| " " " 1st, W.D. | 88½ | 88½ | 87½ | 89 | 88 | 89½ |
| " " " 2d, W.D. | 81 | 81½ | 81 | 81½ | 80 | 80 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 82 | 83 | .. | .. | 81 | 81½ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 39 | 42 | 36 | 42½ | 41½ | 43½ |

Canadian Stocks and Bonds.

CANADIAN STOCKS AND BONDS.

December, 1872.

| <i>Names.</i> | <i>Shares.</i> | <i>Capital</i> | <i>Dividend</i> | <i>Per Cent.</i> | |
|--|----------------------------|--------------------|-----------------------|------------------------|------|
| <i>BANKS.</i> | <i>starting.</i> | <i>subscribed.</i> | <i>last 6 Months.</i> | <i>Per cent.</i> | |
| | | <i>\$</i> | <i>Per cent.</i> | | |
| British North America..... | £50 | 4,866,666 | 8 b ½ p. c. | 110 | 111 |
| Canadian Bank of Commerce.. | \$50 | 5,800,000 | 4 | 116 | 116½ |
| City Bank, Montreal..... | 80 | 1,200,000 | 8 | 80 | 83 |
| Du Peuple..... | 50 | 1,600,000 | 8 | 108 | 108½ |
| Eastern Townships..... | 50 | 750,000 | 4 | 115 | 116 |
| Exchange Bank..... | .. | .. | .. | 99 | 100½ |
| Hamilton..... | .. | .. | .. | 99 | 100 |
| Jacques Cartier..... | 50 | 2,000,000 | 4 | 107½ | 108 |
| Mechanics' Bank..... | 50 | 1,500,000 | 4 | 81 | 88 |
| Merchants' Bank of Canada., | 100 | 7,200,000 | 4 | 108 | 108½ |
| Metropolitan..... | .. | 1,000,000 | .. | 108 | 105 |
| Molson's Bank..... | 50 | 1,500,000 | 4 | 109 | 111 |
| Montreal..... | 200 | 8,000,000 | 6 & b 2 | 178½ | 179 |
| Maritime..... | .. | .. | .. | 98 | .. |
| Nationale..... | 50 | 1,250,000 | 4 | 105 | .. |
| Dominion Bank..... | 50 | 8,880,000 | 4 | 108 | 116 |
| Ontario Bank..... | 40 | 2,500,000 | 4 | 98 | 99 |
| Quebec Bank..... | 100 | 2,000,000 | 4 | 105. | 112 |
| Royal Canadian..... | 40 | 2,000,000 | 4 | 98 | 99 |
| Toronto..... | 100 | 1,500,000 | 4 | 190 | 198 |
| Union Bank..... | 100 | 2,000,000 | 4 | 96 | 101 |
| <i>MISCELLANEOUS.</i> | | | | | |
| Canada Landed Credit Company | 50 | 500,000 | 4 | 104 | 107 |
| Canada Perman. Building Soc'y | 50 | 1,500,000 | 5½ | 156 | 156 |
| Canadian Navigation Co..... | 100 | .. | .. | 104 | 105 |
| Canada Rolling Stock Co..... | 100 | .. | .. | 100 | 108 |
| Farmers' & Mechanics Bldg Scty | .. | 250,000 | .. | .. | .. |
| Freehold Building Society..... | 100 | 500,000 | 5 | 128½ | 130 |
| Huron Copper Bay Co..... | .. | .. | 25 | 85 | 50 |
| Huron & Erie Svcs & Loan Socy. | 50 | 520,000 | 4½ | .. | .. |
| Montreal Telegraph Co...? | 40 | 1,250,000 | 5 | 210 | 215 |
| " City Gas Co..... | 40 | .. | 4 | .. | .. |
| " City Passenger Rail. Co. | 50 | .. | 4 | .. | .. |
| Quebec Gas Co..... | 200 | .. | 4 | .. | .. |
| Richelleu Navigation Co..... | 100 | .. | .. | 195 | 200 |
| Dominion Telegraph Co..... | 50 | .. | 5 12 m. | 112 | 115 |
| Provincial Building Society.... | 100 | 350,000 | 4½ | 109½ | 105 |
| Imperial Building Society..... | 50 | 200,000 | 4 | 100 | .. |
| Building and Loan Association. | 25 | 200,000 | 4 | 105 | 106 |
| Toronto Consumer's Gas Co.... | 50 | 400,000 | 2 8 m. | 181 | .. |
| Union Permanent Bldg Socy. | 50 | 125,000 | 5 | 110 | 112 |
| Western Canada Bldg Society. | 50 | 500,000 | 5 | 130 | 181 |
| <i>Securities.</i> | | | | | |
| | | | | <i>Closing Prices.</i> | |
| Canadian Government Debentures, | 6 per cent stg..... | 104½ | 105 | | |
| " " " " " | 5 per cent cur..... | 97 | .. | | |
| " " " " " | 5 per cent stg., 1885..... | 97 | 99 | | |
| " " " " " | 7 per cent cur..... | .. | .. | | |
| Dominion 5 per cent Stock..... | .. | 109 | 109½ | | |
| " Bonds..... | .. | .. | .. | | |
| Montreal Harbor Bonds, 6½ per cent. | .. | 101 | 108 | | |
| " Corporation 6 per cent, 1891. | .. | 95 | 97½ | | |
| " 7 per cent Stock..... | .. | 108 | 113 | | |
| Quebec Water Works, 6 per cent..... | .. | .. | .. | | |
| Toronto Corporation, 6 per cent, 20 years. | .. | 96½ | 97 | | |
| Kingston City, 6 per cent, 1872..... | .. | .. | .. | | |
| County Debentures, Toronto..... | .. | 100 | 101 | | |
| Township Debentures..... | .. | 94½ | 95 | | |

Savings Banks of New Jersey and Baltimore.

THE SAVINGS BANKS OF NEW JERSEY.

Years 1870, 1871, 1872.

| Location. | Name. | Deposits. | | |
|----------------------------------|---------------------------|----------------------|----------------------|----------------------|
| | | Jan., 1870. | Jan., 1871. | Jan., 1872. |
| Bridgeton..... | Bridgeton Savings Inst. | — | \$ 2,488 | \$ 3,291 |
| Burlington..... | Burlington Savings Inst. | \$ 62,311 | 66,912 | 72,558 |
| Bergen City..... | Bergen City " " | — | 7,040 | 28,115 |
| Bricksburg..... | Ocean County Sav. Inst. | — | 1,301 | 2,005 |
| Elizabeth..... | Elizabethtown " " | 306,853 | 320,738 | 345,465 |
| Elizabeth..... | Dime " " | 137,085 | 212,180 | 310,105 |
| Elizabethport..... | Elizabeth Savings Bank. | 7,912 | 15,492 | 20,561 |
| Gloucester..... | United Mutual Loan Bk. | — | 95,533 | — |
| Hudson..... | Dime Savings Bank..... | 11,357 | 29,006 | 45,270 |
| Hudson..... | Hudson City Savings B. | 88,460 | 61,993 | 113,978 |
| Hackensack..... | Bergen County Sav. Bk. | — | — | — |
| Jersey City..... | Provident Inst. for Sav. | 2,702,018 | 2,978,756 | 3,406,586 |
| Jersey City..... | Fifth Ward Savings Bk. | 330,134 | 385,437 | 530,127 |
| Jersey City..... | Central Savings Bank.. | — | New. | 5,471 |
| Morristown..... | Institution for Savings.. | 176,801 | 263,561 | 369,406 |
| Newark..... | Howard Savings Inst... | 1,847,801 | 2,303,042 | 2,752,628 |
| Newark..... | Newark " " | 8,315,715 | 9,592,043 | 12,022,841 |
| Newark..... | Dime Savings Inst..... | 940,391 | 1,456,807 | 2,200,570 |
| New Brunswick. | New Brunswick Sav. Ins. | 433,720 | 550,066 | 709,670 |
| Orange..... | Orange Savings Bank... | 198,172 | 264,226 | 358,156 |
| Orange..... | Half-Dime Savings Bk.... | — | 34,882 | 91,011 |
| Paterson..... | Paterson Savings Inst... | 85,226 | 167,011 | 338,233 |
| Perth Amboy..... | Perth Amboy " " | — | 26,758 | 63,467 |
| Plainfield..... | Dime Savings Inst..... | 51,052 | 92,008 | 152,167 |
| Rahway..... | Dime Savings Bank..... | 21,268 | 29,170 | 40,021 |
| Rahway..... | Rahway Savings Inst... | 579,326 | 584,472 | 689,896 |
| Raritan..... | Raritan Savings Bank... | 2,457 | 20,976 | 36,375 |
| South Amboy... | South Amboy Sav. Bk.... | 3,902 | 2,260 | — |
| Somerville..... | Dime Savings Bank..... | — | New. | 6,595 |
| Trenton..... | Trenton Sav. Fund Soc... | 387,715 | 482,997 | 616,200 |
| Trenton..... | State Savings Bank..... | 30,227 | 79,485 | 69,900 |
| Trenton..... | People's Savings Bank... | New. | 4,680 | — |
| Woodbridge.... | Dime Savings Inst..... | — | New. | 5,440 |
| Totals, State New Jersey, | | \$ 16,719,898 | \$ 20,062,090 | \$ 25,349,568 |

The statements made by the banks do not uniformly report the number of depositors (or accounts open). Hence the aggregate number of depositors in the State is not known.

THE SAVINGS BANKS OF BALTIMORE.

| Founded. | Jan. 1868. | Jan. 1870. | January 1872. | |
|---------------------------------|--------------|---------------------|----------------------|---------------|
| | | | Depositors. | Deposits. |
| 1818. Savings Bank of Baltimore | \$ 7,010,660 | \$8,152,820 | .. 27,151 | \$ 10,034,714 |
| 1846. Eutaw Savings Bank..... | 2,541,318 | .. 2,969,526 | .. 10,805 | .. 3,791,337 |
| 1854. Central Savings Bank..... | 196,207 | .. 205,520 | .. 4,459 | .. 343,741 |
| 1869. Beneficial Savings Bank.. | — | — | .. 1,315 | .. 168,492 |
| 1868. German Savings Bank.... | — | .. 264,777 | .. .. | .. 798,509 |
| Totals, | | \$ 9,748,185 | \$ 11,612,643 | — \$ — |

BANKING AND FINANCIAL ITEMS.

NEW COINS OF THE WORLD.—The **BANKER'S ALMANAC** for 1873, illustrated with engravings of thirty-three new coins of England, France, Germany, Russia, Sweden, Denmark, Canada, Spain, Austria, Mexico, Portugal, Italy, Wurtemberg, Frankfort and Japan, with a description of each coin, and engravings of new bank buildings in New York, Chicago, Baltimore, etc., is now ready for delivery. It contains a list of all the National and State banks in operation to date, 2,500 in number; the location, names of officers, capital, and New York correspondent of each. A list of the private bankers in the UNITED STATES; 2,200 in number; with population of each place. A list of chartered Savings banks in NEW ENGLAND, NEW YORK, MARYLAND, NEW JERSEY, CALIFORNIA, and PENNSYLVANIA; 500 in number. An alphabetical list of cashiers in the UNITED STATES; with a new list of assistant cashiers; with other details of value to bankers, and to merchants abroad and at home. The names of other assistant cashiers throughout the U. S., should be made known immediately to this office for the second edition of this volume.



SAVINGS BANKS.—The **SEAMEN'S SAVINGS BANK**, Wall Street, New York, with deposits in January, 1872, amounting to over ten million of dollars, has recently declared a semi-annual dividend at the rate of six per cent. per annum on all sums under \$500, and at the rate of five per cent. on larger sums; also, an extra dividend at the same rates; making 9 per cent. for twelve months on the smaller sums, and 7½ per cent. on the larger. This extra dividend is made by numerous savings banks every three or five years, and enures to the benefit of those only who keep their deposits undisturbed for that period.

UTTERING FORGED CHECKS.—**ANTON AUER**, of No. 15 Stanton Street, was arrested in January, on a charge of uttering forged checks. It was alleged that he had presented at the **SEVENTH WARD NATIONAL BANK**, corner of Pearl Street and Burling Slip, a check for \$400, purporting to be drawn by **JOHN HARPER, Jr.**, of No. 69 South Street. The check appeared to be good, and was paid without question; but afterwards it was discovered that the signature of **Mr. HARPER** was a forgery. It is alleged **AUER** appeared at the bank again and presented another check for \$380, also bearing the name of **Mr. HARPER**. He was detained in conversation while the cashier of the bank sent out for an officer who arrested him. **AUER** was committed at the Tombs for trial.

RAISED CHECKS.—We were informed a few days ago of a loss at bank through the medium of an altered or raised check, and learn that frauds of this character are much more frequent than those reported and which meet the public eye. They are sometimes small in amount, and the injury of publicity in giving the particular case notoriety is considered more injurious than a quiet pocketing of the loss. In other cases the criminals are young men of reputable connections for whose sake quiet is observed. This species of fraud is one of the most dangerous with which the commercial community has to contend. The true remedy is the devising of some means rendering the fraud impossible, or, what is next to it, detection so certain that escape is the exception and not the rule. No way is now known by which an alteration can be discovered, although it is said that the application of a certain kind of chemical will determine whether other agents

have been previously employed to extract the original writing. The process, however, is difficult, and is not likely to come into general use. If it were of the slightest service the public might be continually warned of the existence of an organized gang of villains who are studying the habits and bank accounts of our merchants, private bankers and brokers, and by purchase of a gun in one place, a watch in another, or any other article, procure a check for some balance out of a hundred dollar bank note, on the pretense of sending the check to an out-of-town friend. The writing upon the check is then extracted, the sum originally recited is largely increased, and the work is so well done as almost to defy detection. If these manipulators of checks could be stopped at this point the crime would not be so serious. But they go a step further. They seek some stranger who has something to sell, and he accepts a check of which he knows the signature. Assuming that the amount is correct, he endorses it, sends it to his bank, deposits it, and congratulates himself that he has made a good bargain, forgetting, and, perhaps, not knowing, that he is responsible for the amount written—a fact already ascertained by some of the victims, who have resisted such claims until they have been carried to the highest courts, to be mulcted in damages and costs. A single incident will illustrate the skillful manner in which these nefarious operators do their work, and also the difficulty of detection. Recently a well dressed young man bought a few pieces of ribbon at a well-known millinery store, and by means of a very plausible story succeeded in getting a check for twelve dollars. The proprietor, suspecting a fraud, drew a check upon his bank putting the words "twelve dollars" in six different places on the check, and, not satisfied with all these precautions, at once informed the officers of the bank that he had drawn this one check and no other upon them. A day or two after it was presented for payment, with the six different entries of "twelve dollars" taken out and the amount of \$1610 inserted. In this case precautions were of no avail, and yet this is but one of many.—*Philad. Ledger.*

ALTERING CHECKS.—The fraudulent raising of checks from small to larger amounts has become so frequent as to threaten all bankers with serious danger of loss. A recent invention, however, seems effectually to baffle this form of rascality. The IMPROVED EUREKA STAMP perforates the check plainly and indelibly with figures, the ink penetrating the fibre of the paper. Many of our bankers are already using this stamp with entire satisfaction. Price, \$20. Orders received at the office of the BANKER'S MAGAZINE.

NEW YORK.—Mr. THOMAS A. VYSE, Jr., was on the 14th January re-elected President of the NINTH NATIONAL BANK, of New York. Mr. JOHN T. HILL, hitherto Cashier, was at the same time made Vice-President. Mr. H. H. NAZRO was appointed Cashier.

New York.—At the annual meeting of the Hanover National Bank Board, Mr. WILLIAM H. JOHNSON declined to be a candidate for the office of President, and Mr. WILLIAM H. SCOTT was appointed President *pro tem.*

ILLINOIS.—THE HIDE AND LEATHER BANK, of Chicago, has commenced business at the corner of La Salle and Randolph streets, with a capital of \$300,000, under a State charter. President, CHARLES F. GREY; Cashier, THOMAS L. FORREST. Their New York correspondent is the GERMAN-AMERICAN BANK.

Chicago.—The GERMAN SAVINGS BANK, of Chicago, was subjected to a slight run on the 14th January, in consequence, its officers state, of malicious and unfounded reports concerning its stability, and that of the GERMAN NATIONAL BANK, which is controlled by the same parties. The president of these banks, Mr. HENRY GREENEBAUM, states that both are on a perfectly sound basis, and will meet any runs on them without trouble.

The savings banks (so called) of ILLINOIS, OHIO, MISSOURI, PENNSYLVANIA, and some other States, are institutions organized for the benefit of the owners or shareholders, and thus differ essentially from those in New England and NEW YORK, whose accumulations are for the exclusive use of depositors.

KENTUCKY.—The AMERICAN-GERMAN NATIONAL BANK, (No. 2070), was organized in December, at Paducah, McCracken County, with a capital of \$50,000. President, QUINTUS Q. QUIGLEY; Cashier, REZIN D. STEELE. The

FIRST NATIONAL BANK is also in operation at Paducah; also the BRANCH COMMERCIAL BANK of Kentucky, and the BRANCH BANK of Louisville.

Kentucky Dividends.—BANK OF KENTUCKY, 5 per cent; FARMERS' BANK OF KENTUCKY, 4 per cent; NORTHERN BANK OF KENTUCKY, 5 per cent; BANK OF LOUISVILLE, 3 per cent.

LOUISIANA.—LOUISIANA has just been added to the list of Southern States in default on their interest. The BANK OF AMERICA has received a telegram from New Orleans to the effect that the payment of interest will be discontinued for the present in consequence of the delay in collecting taxes. This telegram expresses the hope that the interest payment will be renewed at an early day. LOUISIANA went to protest in October last on the principal of her Orphan Asylum bonds. The default of LOUISIANA is not surprising in view of the condition of political affairs in the State. Following close in the wake of LOUISIANA, some counties in MISSOURI have also gone to protest. The announcement is made that the interest on the bonds of Buchanan and Lafayette counties, and also that of the Knob Noster School bonds will not be paid at present.

MAINE RAILROADS.—A meeting of the stockholders of the Boston and Maine Railroad Company was held at Lawrence, MASS. It was voted to issue six per cent. gold-bearing bonds to an amount not exceeding \$1,500,000, payable within twenty years, for the purpose of completing the road to Portland and funding the floating debt. A proposition to lease the Lowell and Andover Railroad was referred to the directors.

MARYLAND.—Application has been made to the proper court in Maryland, at the instance of Boston creditors on the bonds of the Maryland and Delaware Railroad Company, for the sale of the same. The debts of the company amount to \$1,140,350, with two and a half years' interest. The complaint charges that the company is hopelessly involved, and that a speedy sale of the road, with its equipments and franchises, is necessary to save the first mortgage bondholders from irreparable loss. The Court set down the motion for an injunction and the appointment of a receiver for hearing to-day.

Bank Fraud.—HOOPER, REESE & Co., bankers, of Baltimore, were swindled to the amount of \$4,900 on Saturday, January 11th, by the payment of a bogus draft for that amount, purporting to be drawn by GIBSON, CASANOVA & Co., bankers, of New York, and payable to the order of R. S. KNOX. The Baltimore firm had received a telegram the same day, bearing the name of the New York firm, advising them of the draft and stating the amount, and the draft was paid on presentation. The fraud was successful, owing to the fact that the same party had, a short time previously, presented two genuine drafts from the same firm in New York, of each of which they advised the Baltimore firm by telegraph. This is another caution to bankers not to deal with strangers.

Blank Indorser.—An interesting case was decided in the Superior Court involving the liability of a blank indorser of a promissory note, and the admissibility of parol testimony to explain the intention of the respective parties. The case grew out of the indebtedness of J. M. PURNELL to the firm of DAVIDSON & MCELHENEY, of which firm he was an employee, and in liquidation of his indebtedment passed his promissory note for \$338.49 to G. W. P. SMITH, who indorsed it in blank to said firm, on condition that said PURNELL be retained in the employ of said firm until said note was paid, by the firm retaining half of his salary each month. After due protest of said note suit was instituted by said firm against SMITH, whose defense was a failure of consideration, as the firm had failed to perform the conditions under which he signed it, in having discharged the said PURNELL from its employ. Held by the court a *nudum pactum*, the consideration having failed. Judgment for defendant.

Judge CHARLES G. LANE, a wealthy and influential citizen of Hagerstown, Washington County, MD., for many years Chief Judge of the Orphans' Court of that county, and at the time of his death President of the FIRST NATIONAL BANK of Hagerstown, committed suicide on Saturday morning, January 4th, by hanging. He was found in his garret with a rope around his neck attached

to a beam. It is supposed that he was laboring under temporary mental aberration, superinduced by a suit for breach of promise of marriage pending against him, and which was compromised a few days since by the payment of \$3,000. He leaves a large estate.

MASSACHUSETTS.—Mr. MAHLON D. SPAULDING was unanimously elected President of the ATLAS NATIONAL BANK, of Boston, on 17th of December last, in place of Mr. JOHN H. FOSTER.

Boston.—Mr. E. C. DANIELL has been released from Dedham Jail. We are told that his bonds as cashier of the WEBSTER BANK, where he defaulted as cashier, have never been paid. The unreliability of bank officers' bonds is shown in the fact that in a large proportion of the defaulting cases which have happened on State street the bonds of the defaulting bank officers have been contested. Were we to select bank officers, we should pay the closest attention to their antecedents, and obtain a careful insight into their surroundings, and assure ourselves that in character they were worthy of the fullest confidence. We should not rely so much upon the character of their securities as upon their own integrity. For, bonds or no bonds, any evil-disposed bank officer can half ruin his bank.—*Commercial Bulletin.*

Boston.—Mr. JOHN K. FULLER retires from the cashiership of the MERCHANTS' NATIONAL BANK of Boston, after serving that institution in various capacities for over twenty-five years. He must experience a lively sense of relief in cutting loose from the cares and responsibilities incident to his position, and may be congratulated that his long and weary labors at the task of caring for other people's money is at an end. The cashier of a large bank who has for years been tied down to keys, combination locks, and cart-loads of cash books, must feel somewhat like an escaped prisoner when he throws off forever his cashiership, and steps out into the world a free and untrammelled individual. Troubles and cares are incident to all occupations, but there are times when every cashier feels that few situations are so burdensome as his own. One who stands near us, who has at different periods of his life been a cashier of a bank and a farmer on his own land, giving practical demonstration of what he knew about agriculture, says he would rather drive a slow-moving ox team than help to run a national bank in the average of times. Mr. GEORGE R. CHAPMAN, the newly appointed cashier of the MERCHANTS' NATIONAL is a gentleman of ability. For a quarter of a century he has been connected with various manufacturing companies. His past occupation cannot, of course, give him a close acquaintance with the intricacies and complications of banking under the national system, but he will find associated with him at the MERCHANTS' some very competent officers who have, from long practical experience, the most thorough acquaintance with the details of banking. Mr. CHAPMAN has been for a long time a director in the NEW ENGLAND NATIONAL BANK.—*Com. Bulletin.*

MICHIGAN.—The NATIONAL BANK OF LYONS is discontinued, and the assets removed to Ionia, Ionia County, as the SECOND NATIONAL BANK OF IONIA. W. C. PAGE, (of the banking firm of PAGE & WILSON), President; G. W. WEBBER, Vice President; VIRGIL VAN VLECK, Cashier.

MINNESOTA.—FIRST NATIONAL BANK OF NORTHFIELD, Rice County, Minn., (No. 2073), was organized in December, with a capital of \$50,000, limited to \$200,000. President, FREDERICK GOODSSELL; Cashier, GEORGE M. PHILLIPS.

Saint Paul.—Mr. W. R. MERRIAM was in December last elected Cashier of the MERCHANTS' NATIONAL BANK OF SAINT PAUL, in place of Mr. CHARLES NICHOLS. Mr. RICHARD J. BOND was at the same time elected Assistant Cashier. Mr. MAURICE AUERBACH remains President; Mr. WALTER MANN Vice-President.

MISSISSIPPI.—The MISSISSIPPI VALLEY BANK, at Vicksburg, has changed their Philadelphia account to the COMMERCIAL NATIONAL BANK. Their correspondents in other cities are as follow: Boston, THE MASSACHUSETTS NATIONAL BANK; Cincinnati, THE FIRST NATIONAL BANK; Louisville, THE SECOND NATIONAL BANK; New Orleans, THE GERMANIA NATIONAL BANK; St. Louis, THE COMMERCIAL BANK; Memphis, THE FIRST NATIONAL BANK; London, THE ALLIANCE BANK. (See their card on the cover of this work.)

MISSISSIPPI.—The interest falling due January 1st, 1873, on all bonds issued by the City of Vicksburg, having been provided for, will be paid on maturity at the **MANHATTAN BANK**, New York, or at the **MISSISSIPPI VALLEY BANK**, in Vicksburg, MISS. The City of Vicksburg will purchase twenty-five thousand dollars of her outstanding bonds with the sinking fund now on hand.

MISSOURI.—The **MISSOURI LOAN AND TRUST COMPANY**, of St. Joseph, transacts a general banking business and offers to capitalists facilities for investments at ten per cent. First mortgages on improved farms are its speciality. Its New York correspondents are Messrs. **DONNELL, LAWSON & CO.**

NORTH CAROLINA.—The Circuit Court of the **UNITED STATES** have decreed the foreclosure of a mortgage given by the **Western North Carolina Railroad Company**, at Salisbury, on Saturday, February 22d. The length of the road from Salisbury to Asheville, N. C., is 142 miles—of which 115 is completed, and running to Old Fort, McDowell County, at the eastern base of the Blue Ridge. The remainder of the road, twenty-seven miles, is mostly graded. The cash cost and valuation of the property is about \$4,000,000; the floating debt, \$350,000; upon the road is a first mortgage of \$1,400,000. When the Western connections of this road are completed it will be one of the most important and profitable railroad properties in the South.

Bonds. A meeting of the holders of North Carolina State bonds resident in Baltimore was held at the office of Mr. W. A. DEAN, corner of Charles and Lexington streets, the object being to devise some means to give increased value to the bonded issue of the State. The meeting was organized by the election of **WILLIAM A. HOOPER** as President and **R. W. COX** as Secretary. A general interchange of views was had, extending through some two hours. Mr. HOOPER stated that two propositions had been presented to him. One was that the State impose a larger tax levy in order to cover the State debt, and receive say one-third or one-quarter of the taxes in bonds at par value, and all persons surrendering bonds be entitled to the State's right in railroads, and thus reduce the bonded debt. Another was to fund the entire debt and issue new bonds, say at fifty years to run, the State paying two per cent. on the first five years, two and a half the next five, and so on up to six per cent., at the same gradual increase, until the bonds matured. He opposed any idea looking like repudiation and believed from information received that the State was now able to pay three per cent. The whole debt was now about \$35,000,000, and if it could be reduced to say \$20,000,000 he believed that the State could pay its interest promptly. If, on the other hand, the interest alone was funded, the debt remained. A series of resolutions were finally adopted to memorialize the Legislature of the State to fund the debt, to issue new bonds to mature in thirty years, and to pay three per cent. the first five years, four per cent. the second five years, five per cent. the third five years and six per cent. thereafter until the bonds matured. The bondholders of Philadelphia and New York were also invited to co-operate with Baltimore.

NEW YORK.—Mr. J. U. ORVIS, formerly President of the **NINTH NATIONAL BANK** and of the **SECURITY BANK**, has established himself as a banker at No. 96 Broadway. The firm will negotiate commercial paper, railroad and municipal bonds. (See their advertisement in the *Banker's Almanac*, 1873.)

THE CENTRAL BANK.—The affairs of the **CENTRAL BANK**, Brooklyn, which failed a few years ago, owing to a defalcation on the part of one of the officers, are in process of settlement, and it is expected that a report will be made within a week or two. The City of Brooklyn lost \$147,000 by the failure, and it is expected that when affairs are cleared up the losses will not be as heavy as they are now thought to be.

NEW YORK CENTRAL RAILROAD.—The directors of the company have adopted a resolution authorizing the issue of bonds to the amount of \$40,000,000 in currency, \$10,000,000 of which may be in sterling bonds. The proceeds of this loan are to be expended in laying two additional tracks in addition to the two already in use.

NEW YORK AND ERIE RAILROAD.—The directors have authorized the issue of \$10,000,000 convertible seven per cent. gold bonds, payable either in New

York or London. These bonds cannot be negotiated under par in our currency, and are convertible into the stock of the company only at par. The money for which these bonds will be sold is wanted to lay a third rail and for other purposes. No action was taken at the meeting in regard to the February dividend on the preferred stock, further than to appoint a committee to report whether the earnings will justify its payment.

OHIO.—The Third National Bank of Urbana, Champaign County, OHIO, (No. 2071), was organized in December with a capital of \$100,000, limited to \$300,000. President, JOHN H. YOUNG; Cashier, E. G. WILEY.

Canton.—Mr. L. L. MILLER was in December last elected Cashier of the FIRST NATIONAL BANK of Canton, Stark County, in place of Mr. H. C. FOGLE, resigned. Mr. CORNELIUS AULTMAN remains president.

Columbus.—Mr. JOSEPH HUTCHESON having retired from the firm of HAYDEN, HUTCHESON & Co., Columbus, OHIO, and from active business, on account of failing health, Messrs. PETER HAYDEN of New York City, and WM. B. HAYDEN have entered into a partnership and will continue to do a general banking business, under the firm name of P. HAYDEN & Co. Their New York correspondent is the National Park Bank.

PENNSYLVANIA.—A bank robbery in Lancaster, PA., was a bold outrage, being perpetrated at mid-day in the banking house of STEHMAN, CLARKSON & Co., North Queen Street. The robbers appear to have operated in the following manner: While one of them attracted Mr. CLARKSON'S attention by selling him the specie at the west end of the counter, thus compelling him to keep his back towards the rear door of the bank, the man with the creaking boots made as much noise as possible by walking up and down the floor, while an accomplice softly raised the sash of the rear door, entered and crept quietly to the vault, which was open, and after having robbed it of the bonds and mortgages above named, left by the same way he had entered, and escaped through a back alley leading into Christian Street. The stolen bonds were principally United States fifties and Northern Pacific Railroad, and most of them belonged to depositors who had placed them there for safe keeping. The loss to the bankers, it is thought, will not be more than \$1,700, they not being responsible for the bonds deposited with them.

Philadelphia.—The death is announced of JOHN A. BROWN, Esq., late banker, who died at his residence in Philadelphia at the venerable age of eighty-five years. But it is not as the successful business man, nor as the wealthy banker, that Mr. BROWN'S decease will be most regretted by those who knew his sterling character. His high title to the grateful recollection of those he leaves behind him is the memory of his abounding charity and the hearty good-will with which he promoted every good work. His helping hand has been felt in every direction, among the poor, the lowly, the distressed; but the charitable work which will hereafter stand most conspicuously before the public is his munificent gift of three hundred thousand dollars to endow the Presbyterian Hospital. He was of that noble type of men who derive the highest satisfaction in doing good to their fellow men, and who find the highest value of money in the ability it gives them to help, to encourage, to relieve their fellow men who need such aid.—*Ledger*.

SOUTH CAROLINA.—The NATIONAL BANK OF ANDERSON, Anderson County, S. C., (No. 2072), was organized in December with a capital of \$50,000, limited to \$200,000. President, JOSEPH N. BROWN; Cashier, J. A. BROCK.

TENNESSEE.—An important lawsuit, involving about a million dollars, is now on trial in TENNESSEE before Judge EMMONS, of the United States Circuit Court, the facts connected with which are substantially as follows: Previous to the war a large number of the stockholders in two of our banks, the PLANTERS' and the UNION, resided in the North, considerable stock being owned by business men of Philadelphia. During the war, either by a vote of the directors or by a vote of the stockholders, a large part of the capital of both these banks was invested in Confederate credits, which, of course, became worthless at the close of the war; and now suit is brought by northern stockholders against the southern directors, to recover the amount of capital which was lost by having been invested in Confederate funds and stocks.

VERMONT.—The UNION TRUST COMPANY of New York, as trustee, offers to sell in behalf of creditors, on the 20th of January, 1873, the railroad, with its privileges, appurtenances, premises, rights, and property formerly known as the Vermont and New York Railroad, and now the property of the Harlem Extension Railroad Company, extending from the State line between the States of NEW YORK and VERMONT at Hoosic, in the County of Rensselaer and State of NEW YORK, to the village of Bennington, in the said County of Bennington, a distance of five miles, more or less, connecting the railroad formerly known as the Lebanon Springs Railroad, in the State of NEW YORK, and the Bennington and Rutland Railroad, in the State of VERMONT, and forming with those roads as consolidated the Harlem Extension Railroad, as now used and operated. Together with all the franchises for owning, maintaining, and operating the said Vermont and New York Railroad derived under the laws of the State of VERMONT by said Lebanon Springs and Harlem Extension Railroad Companies, or now held or enjoyed by either of them.

ANTWERP.—Further details of the failure of the firm of JACOBS, FRERES & Co., of Brussels, with branches at Antwerp and Liege, more generally known as the UNION BANK OF ANTWERP, are reported. Three of the bank's managers have been arrested on criminal charges at the bank's office in Brussels, which caused the managers at the Antwerp branch, where seven-eighths of the business was done, to suspend payment out of sheer excitement. It is stated that the outstanding acceptances of the UNION BANK usually ranged from 20,000,000 to 25,000,000 francs. It is calculated that they may now amount to as much as 30,000,000 francs. The amount and nature of securities held against them is not known, but it is supposed that the managers who have been arrested had made away with some of them. Of the nominal capital of 30,000,000 francs, only 8,500,000 are yet paid up; so that the stockholders are still liable to be called on for 21,500,000. Thirty days' notice has to be given of any assessment, and this, it is presumable, explains the four weeks' extension which the bank has secured. Meantime, its affairs have been placed in the hands of FOULD & Co., of Paris, and JOHN HENRY SCHROEDER & Co., of London. The failure has caused a great deal of comment among the foreign bankers in this city. It is not supposed that the embarrassment will result in serious loss to American creditors. Less than one-third of the capital of the bank of JACOBS had been called up when they failed, and most of the stockholders are believed to be fully responsible for further calls. At the same time, the cable reports that several parties, including one of the partners connected with the bank, are now under arrest.

CANADA.—The BANK OF ARCADIA, organized at LIVERPOOL, NOVA SCOTIA, commenced business on the 20th December under the presidency of THOMAS E. PATTILO.

CHANGE OF GAUGE.—We have reason to believe that it is the settled policy of the Grand Trunk directors to change the gauge of their line to 4 ft. 8½ in., as soon as the condition of their finances will admit of that step. In five or six weeks the Buffalo and Lake Huron line will be thus reduced, and the portion of the main line between Stratford and Sarnia will be supplied with a third rail. This will allow the transit of cars, without unloading, from the American lines centering in Detroit, through CANADA to the eastern roads running to New York &c. The cars will be ferried across from Port Huron to Sarnia. There can be no doubt that important advantages will flow from this improvement. It is also rumored that the line from Sarnia to Belleville, or thereabouts, will be dealt with next summer; and should this prove correct, the remaining sections must receive similar treatment in due course. Our informant intimates that arrangements have been made with an American railway company, for the supply of narrow gauge rolling stock, temporarily, no doubt. So large a proportion of the traffic consisting, necessarily, of through freight, it is impossible to operate the line in connection with United States roads as satisfactorily as could be wished with the present disparity of gauges.

NEW BANKS, BANKERS AND SAVINGS BANKS.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the Second edition of the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC.

The cards of Banks and Bankers are inserted in the BANKER'S MAGAZINE (monthly) at thirty dollars per annum, and in the BANKER'S ALMANAC, annually at twenty-five dollars, and will thus reach every bank and banker in the UNITED STATES.

NEW YORK.

| | |
|-------------------------------|--------------------------------------|
| Comstock & Gould, 26 New. | Lapsley & Bazley, 47 Exchange Place. |
| Haskins & Braine, 11 Broad. | Newcombe & Co., J. B. |
| Brayton, Ives & Co., 4 Broad. | Sterrett, Colbron & Co., 17 New. |
| King & Robb, 56 Wall. | W. M. Whittemore & Co, 62 Broadway. |
| | Worthington & Massett, 35 Broad. |

| <i>Place and State.</i> | <i>Names of Bank.</i> | <i>N. Y. Correspondent.</i> |
|-------------------------|-----------------------------------|-----------------------------|
| Eufaula, ALA..... | John McNab..... | Lawrence Brothers & Co. |
| Wolcottville, CONN.. | Brooks Brothers..... | Howes & Macy. |
| New Haven, " .. | Bunnell & Scranton..... | ..... |
| Carmi, ILLS.... | Hay & Webb..... | Importers & Traders'. |
| Delavan, " .. | S. P. Flint..... | Allen, Stephens & Co. |
| Earlville, " .. | A. J. Grover..... | Bank of North America. |
| Mendota, " .. | Price & Eilenborn..... | Howes & Macy. |
| Streator, " .. | W. S. Jackson & Co..... | Third National Bank. |
| Painesville, " .. | Auten & Aller..... | Alleu, Stephens & Co. |
| Chicago, " .. | Hide & Leather Bank..... | German-American Bank. |
| Carbondale, " .. | H. B. Schuler..... | Merchants' Exch. Nat. Bk. |
| Marshall, " .. | Eagle Insurance Co. | National Trust Co. |
| Morrisonville, " .. | Townsend & Co. | Importers & Traders' N.B. |
| Monticello, " .. | Houston, Moore & Dighton..... | Ninth National Bank. |
| Seneca, " .. | A. F. Jackson & Co..... | ..... |
| Pittsfield, " .. | Bank of Pike County..... | German-American Bank. |
| Decatur, " .. | Rucker, Hammer & Co..... | Ninth National Bank. |
| Chicago, " .. | Union Park Bank..... | Allen, Stephens & Co |
| " .. | Union Trust Co..... | Chemical National Bank. |
| " .. | City Savings Bank..... | ..... |
| Portland, IND..... | People's Bank..... | Henry Clews & Co. |
| Shenandoah, IOWA .. | Moore & Webster..... | Allen, Stephens & Co. |
| Waterloo, " .. | National Savings Bank..... | H. Clews & Co. |
| Boone, " .. | A. K. Welles..... | Jay Cooke & Co. |
| Waterville, " .. | Burtis, Powell & Burtis..... | Brown, Wadsworth & Co. |
| Bedford, " .. | Crum, Moore & Van Fleet | Allen, Stephens & Co. |
| Mt. Vernon, " .. | Mount Vernon Savings Bank..... | Allen, Stephens & Co. |
| Nevada, " .. | Otis Briggs..... | Allen, Stephens & Co. |
| Newton, " .. | D. L. Clark..... | German-American Bank. |
| Fredonia, KAN..... | Wilson County Savings Bank.. | Northrup & Chick. |
| Atchison, " .. | Atchison National Bank..... | Northrup & Chick. |
| Garnett, " .. | Citizens' Bank..... | Northrup & Chick. |
| Paducah, KY..... | German-American National Bk. .... | ..... |
| Louisville, " .. | Stock & Bond Board..... | ..... |
| Paris, " .. | Brent & Pullin..... | Importers & Traders'. |
| Baltimore, MD..... | Francis B. Loney..... | ..... |

| <i>Place and State.</i> | <i>Name of Bank.</i> | <i>N. Y. Correspondent.</i> |
|-------------------------|-----------------------------|-----------------------------|
| Bangor, MICH | Bank of Bangor | Importers & Traders'. |
| Hillsdale, " | J. C. Wyllis | H. Clews & Co. |
| Humboldt, " | Humboldt Bank | |
| Muskegon, " | Lumberman's National Bank | Central National Bank. |
| Wenona, " | Bank of Wenona | Metropolitan Nat. Bank. |
| Concord, " | Wetmore & Co | Howes & Macy. |
| Ionia, " | Second National Bank | N. Bk. of Commonwealth. |
| Winona, MINN. | Winona Deposit Bank | H. Clews & Co. |
| Lanesboro, " | J. C. Easton | Ninth National Bank. |
| Rushford, " | Carpenter & Stevens | Ninth National Bank. |
| Minneapolis, " | Sparks, McPherson & Co. | Donnell, Lawson & Co. |
| Waseca, " | George W. Newell & Co. | Importers & Traders'. |
| Macon, MISS. | Bush, Patty & Co. | Walsh, Smith & Co. |
| Kansas City, MO | Farmers & Drovers' Sav. Bk. | Northrup & Chick. |
| Forest City, " | Frazer & McDonald | Donnell, Lawson & Co. |
| Savannah, " | Farmers' Bank | Donnell, Lawson & Co. |
| Macon, " | National Savings Bank | Northrup & Chick. |
| Gallatin, " | Armstrong & Thomson | Northrup & Chick. |
| St. Joseph, " | Missouri Loan & Trust Co. | Donnell, Lawson & Co. |
| Paterson, N. J. | Merchants' Loan & Trust Co. | Fourth National Bank. |
| Trenton, " | State Savings Bank | H. Clews & Co. |
| Kearney Junc., NEB. | St. Clair & Co. | Saunders, H. & King. |
| Niagara Falls, N. Y. | Van Husen & Delano | White, Morris & Co. |
| Rochester, " | Rochester Loan & Trust Co. | H. Clews & Co. |
| Sag Harbor, " | Buck & Hunting | Importers & Traders' N. B. |
| " | S. B. French | Allen, Stephens & Co. |
| Delhi, " | S. H. White | Turner Brothers. |
| Hobart, " | F. W. Foote | Turner Brothers. |
| Poland, " | Bank of Poland | Howes & Macy. |
| Yonkers, " | Citizens' National Bank | |
| Bluffton, OHIO. | Exchange Bank | |
| Dayton, " | Citizens' Bank | H. Clews & Co. |
| Martin's Ferry, " | Commercial Bank | H. Clews & Co. |
| Painesville, " | Savings Association | Importers & Traders'. |
| Seville, " | Exchange Bank | Importers & Traders'. |
| Lebanon, " | C. A. Smith | First National Bank. |
| Urbana, " | Third National Bank | Importers & Traders'. |
| Ravenna, " | Ravenna Savings Association | H. Clews & Co. |
| Cushocton, " | John G. Stewart | Brown, Wadsworth & Co. |
| Delhi, " | Ramsey & Teeple | Howes & Macy. |
| Toledo | C. A. King & Co. | Lawrence Brothers & Co. |
| Columbus, | P. Hayden & Co. | National Park Bank. |
| Philadelphia, PA. | Darlington & Marshall | |
| Great Bend, " | S. B. Chase & Co. | H. Clews & Co. |
| Altoona, " | Altoona Bank | Jay Cooke & Co. |
| Bonham, TEXAS. | Planters' Bank | Northrup & Chick. |
| Brenham, " | Breedlove & Chadwick | Howes & Macy. |
| Fort Worth, " | G. S. Van Winkle & Co. | Northrup & Chick. |
| Longview, " | C. Chambers | Swenson, Perkins & Co. |
| Wellsburg, W. VA. | Bank of Wellsburg | H. Clews & Co. |
| Milwaukee, WIS. | Wisconsin Savings Bank | Vermilye & Co. |
| Eau Claire, " | Clark & Ingram | P. M. Myers & Co. |

Envelopes addressed to all the banks, bankers, and savings banks in the UNITED STATES, including all organizations to date, may be had at the office of the BANKER'S MAGAZINE.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from January No., page 586.)

Changes of president and cashier of National and State banks should be promptly reported, for announcement in the *BANKER'S MAGAZINE*. No charge is made for such announcements.

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of.</i> |
|---|--|---------------------|
| Grocers' Bank, N. Y. City..... | Samuel B. White, <i>Pres.</i> | Edward Rowe. |
| “ “ “ “..... | R. E. Watson, <i>Cash.</i> | Samuel B. White. |
| Ninth N. B., “ “..... | John T. Hill, <i>Vice-Pres.</i>..... | ..... |
| “ “ “ “..... | H. H. Nazro, <i>Cash.</i> | John T. Hill |
| Hanover Bank, “ “..... | William H. Scott, <i>Pres.</i> | William H. Johnson. |
| | | |
| Vincennes Nat. Bank, IND..... | Wilson J. Williams, <i>Pres.</i> | John Ross. |
| First N. B., Clarinda, IOWA... A. B. Cramer, <i>Cash.</i> | J. S. McIntyre. | |
| German N. B., Louisville, KY. A. N. Struck, <i>Pres.</i> | H. G. Van Seggorn. | |
| Atlas Nat. Bk., Boston, MASS. M. D. Spaulding, <i>Pres.</i> | * John H. Foster. | |
| Merchants' N. B., Boston, “ George B. Chapman, <i>Cash.</i> | John K. Fuller. | |
| First N. B., St. Joseph, MICH. James Baley, <i>Cash.</i> | Francis Jordan. | |
| Second N. B., Lausing, “ .. H. H. Smith, <i>Pres.</i> | James L. Mead. | |
| National Bank, Lyons, “ .. W. C. Page, “ .. | Adam L. Roof. | |
| “ “ “ “ .. Virgil Van Vleck, <i>Cash.</i> | Josiah E. Just. | |
| Merchants' N. B., St. Paul, MINN. W. R. Merriam, <i>Cash.</i> | Charles Nichols. | |
| First N. B., Canton, OHIO. L. L. Miller, <i>Cash.</i> | H. C. Fogle. | |
| “ “ New Richmond, “ .. J. G. Moore, <i>Pres.</i> | N. M. Preble. | |
| “ “ New Berlin, N. Y. .. Solomon L. Morgan, <i>Pres.</i> | Tracy S. Knap. | |

* Deceased.

OLD CHECKS.—In January, 1865, MATTHEW MORGAN & SON gave a check for \$5,000 gold on the BANK OF NEW YORK to MEYER & GREVE. This check was certified by the bank. On the 4th of February this check was stolen and was stopped by the drawers. After a short time, MEYER & GREVE having indemnified the drawers, a new check was given for the money. In the spring of 1866 Mrs. LOUISA J. NOLAN bought the stolen check in New Orleans from a stranger for \$4,000, in ignorance of the fact that it was stolen, and now brings suit on it against the bank. The case was tried yesterday before Mr. Justice LEONARD, in the Supreme Court Circuit. On the part of the plaintiff it was contended that the certification of the bank made the check “negotiable paper,” and was, therefore, good in the hands of any innocent holder. On the part of the defense it was argued that the certification did not create a permanent negotiability, and that the length of time since its date was such as to put the plaintiff on her guard and place it in the position of an overdue note, subject to all defences that would be good as against the previous holder. The Court took this view of the case, and directed a verdict for the defendant.

DISSOLVED OR DISCONTINUED.

(Monthly List, continued from January Number, page 587).

NEW YORK.—Dimock & Myers; E. A. Des Marets; Robert Baile; E. K. Willard & Co.; James Robb, King & Co., (succeeded by King & Robb); Cammack & Trask.

CALIFORNIA.—Pioche & Bayerque, *San Francisco*.

FLORIDA.—Denny & Brown, *Jacksonville*.

ILLINOIS.—Van Vechten & Co., *Lanark*; Butler & Co., *Chicago*; R. M. Patrick & Co., *Marengo*; Farmers' Savings Bank, *Carbondale*.

IOWA.—John L. Switz, *Davenport*; Chariton Deposit Bank; Hall, Finch & Co., *Nevada*.

KANSAS.—W. L. Hull, *Fort Scott*; J. C. Fuller, *Winfield*.

KENTUCKY.—Trice & Brother, *Hopkinsville*; Commercial Bank, *Harrodsburg*; Traders' Bank and Warehouse Co., *Louisville*.

MICHIGAN.—T. J. Rand, *Muskegon*, (deceased): National Bank of Lyons, (removed to Ionia.)

MINNESOTA.—Carpenter & Easton, *Rushford*; J. C. Easton & Co., *Lanesboro*.

MISSOURI.—Monroe Savings Association, *Paris*, (succeeded by First National Bank); Jefferson City Savings Bank, (succeeded by the National Exchange Bank); Melone & Epperson, *Macon*.

OHIO.—Hayden, Hutchison & Co., *Columbus*, (succeeded by P. Hayden & Co.)

PENNSYLVANIA.—J. B. Long & Co., *Lancaster*.

TEXAS.—Adams & Leonard, *Calvert*; T. H. McMahon & Co., *Galveston*; A. T. Headley & Co., *Lavacca*.

WISCONSIN.—Bank of Eau Claire; Spafford & Clark, *Eau Claire*

NEW YORK.—S. F. Gould, *Aron*; John D. Decker, *Brockport*.

The *London Times*, noticing the introduction upon the London market of a railroad mortgage, the property lying in the State of IOWA, makes the following comment: Whether this prosperity on the part of a young community is likely to afford any guarantee against the influence of such an example as is furnished by the still triumphant social and financial career of Mr. JAY GOULD in New York, is a point which investors must determine for themselves. At the same time it is to be mentioned that, whatever may be the business qualities or honesty of the people of IOWA, it is only a few months since the people of the adjoining State of MINNESOTA, upon being polled as to whether they would prefer to pay their debt or repudiate, decided by a large majority in favor of repudiation. Here are two severe hits, and it is not easy to get away from them. The conduct of MINNESOTA, in refusing to settle its old indebtedness, has received fitting rebuke at home and abroad. And the manner in which it is quoted by the *London Times*, shows, what we have heretofore asserted on this head, that MINNESOTA injures her neighbors no less than herself.

NOTES ON THE MONEY MARKET.

NEW YORK, JANUARY 21, 1873.

Ex change on London, at sixty days' sight, 109³/₈ @ 109¹/₂ for gold

The prolonged stringency in the money market has given place to a condition which may be called comfortable. The condition of the banks is much more favorable to the wants of the business community here and elsewhere, the rate for call loans in Wall street during the past week having been seven per cent. currency to seven per cent. gold. Speculation in stocks is for the present inactive, and an entire absence of excitement prevails.

Upon the legality of any reissue of the retired legal-tender notes the Finance Committee of the Senate thus reports:

Resolved, That in the opinion of the Senate the Secretary of the Treasury has not the power, under existing law, to issue United States notes for any portion of the \$44,000,000 of United States notes retired and canceled under the act approved April 12, 1866.

Though but one step in the direction of stability, this is a re-assuring one, and its influence on the business interests of the country must be for good.

Propositions to take one hundred millions of the United States five per cent. bonds have been made to the Secretary of the Treasury by two parties: Messrs. Jay Cooke & Co., who are reported to be associated with the Rothschilds, and Mr. L. P. Morton, representing Messrs. Morton, Bliss & Co. and Drexel, Morgan & Co., New York Baring Bros. & Co., J. S. Morgan & Co., and Morton, Rose & Co., London—the latter being for either one hundred million or all of the remaining three hundred million dollars of bonds.

In Government bonds the market continues steady and firm, with offerings below the demand. We annex the latest quotations:

| | Offered. | Asked. | | Offered. | Asked. |
|-------------------------------------|----------|--------|--------------------------------------|----------|--------|
| U. S. Currency 6s | 114 | 114½ | U. S. 5-20, '65, Coup., Jan. & July. | 114½ | 114½ |
| U. S. 6s. 1861, Registered | 115½ | 115½ | U. S. 5-20, '67, Coup., Jan. & July. | 115½ | 115½ |
| U. S. 6s. 1861, Coupon | 117½ | 117½ | U. S. 5-20, '68 Coup., Jan. & July. | 115½ | 115½ |
| U. S. 5-20 Reg., May and Nov. | 114 | 114½ | U. S. 10-40, Registered | 111½ | 112½ |
| U. S. 5-20, '62, Coupon, Nov. | 114½ | 114½ | U. S. 10-40 Coupon | 112½ | 112½ |
| U. S. 5-20, '64, Coupon, Nov. | 114½ | 114½ | U. S. 5s of '81, Registered | 111½ | 111½ |
| U. S. 5-20, '65, Coupon, Nov. | 115½ | 115½ | U. S. 5s of '81, Coupon | 112½ | 113 |
| U. S. 5-20, '67, Reg., Jan. & July. | 114½ | 115 | | | |

The latest quotations for loans in Wall street are as follows:

| | Per Cent. |
|---|---------------------|
| Loans on call—Government collaterals..... | 7 |
| “ “ Miscellaneous collaterals, first-class..... | Gold 7 |
| Commercial first-class indorsed paper, sixty days..... | 7 $\frac{1}{2}$ @ 8 |
| Commercial first-class indorsed paper, four months..... | 7 $\frac{1}{2}$ @ 8 |
| Commercial first-class indorsed paper, six months..... | 7 $\frac{1}{2}$ @ 8 |
| Commercial first-class, single names, sixty days..... | 9 @ 10 |
| Commercial first-class, single names, four to six months..... | 10 @ 10 |
| Bankers' first-class domestic, three to four months..... | 10 @ 12 |

Higher rates have prevailed in gold, and an active business in it has been done during the last week. The premium has reached $13\frac{1}{4}$, and is not unlikely to advance further under the renewed shipments of specie, the firmness of exchange, and heavy importations. For miscellaneous coin the price in gold is thus quoted:

American silver, large, $96\frac{1}{2}$ a $98\frac{1}{2}$; American silver, small, $95\frac{1}{2}$ a $97\frac{1}{2}$; Mexican dollars, old stamp, $104\frac{1}{2}$ a $105\frac{1}{2}$; Mexican dollars, new stamp, $102\frac{1}{2}$ a 104 ; English silver, 480 a 485; Five francs, 95 a 97; Thalers, $70\frac{1}{2}$ a 72 ; English sovereigns, 486 a 489; Twenty francs, 383 a 386; Spanish doubloons, 16.00 a 16.25; Mexican doubloons, 15.55 a 15.70.

Foreign Exchange has ruled strong and rates are steadily maintained at $109\frac{3}{4}$ a $109\frac{1}{4}$ for bankers' 60 days sterling bills, notwithstanding an increased supply drawn against shipments of cotton. We quote:

Bills at 60 days on London, $109\frac{3}{4}$ a $109\frac{1}{4}$ for commercial; $109\frac{3}{4}$ a $109\frac{1}{2}$ for bankers'; do. at short sight, $110\frac{1}{4}$ a $110\frac{1}{2}$; Paris at 60 days, $5.27\frac{1}{2}$ a $5.22\frac{1}{2}$; do. at short sight, $5.12\frac{3}{4}$ a $5.17\frac{1}{2}$; Antwerp, $5.23\frac{3}{4}$ a $5.18\frac{3}{4}$; Swiss, $5.23\frac{3}{4}$ a $5.18\frac{3}{4}$; Hamburg, 4 Reichsmark, $95\frac{1}{2}$ a $96\frac{1}{2}$; Amsterdam $40\frac{1}{4}$ a $40\frac{3}{8}$; Frankfurt, $40\frac{7}{8}$ a $41\frac{1}{4}$; Bremen, 4 Reichsmark, $95\frac{1}{2}$ a $96\frac{1}{2}$; Prussian thalers, $71\frac{3}{4}$ a $72\frac{1}{4}$.

Rates for the three preceding months compare as follows:

| <i>Sixty days' Bills.</i> | <i>Oct. 21.</i> | <i>Nov. 23.</i> | <i>Dec. 23.</i> | <i>Jan. 21.</i> |
|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| On London, bankers'..... | $108\frac{1}{2}$ @ 109 | $108\frac{1}{2}$ @ $108\frac{1}{2}$ | $109\frac{1}{2}$ @ $109\frac{1}{2}$ | $109\frac{1}{2}$ @ $109\frac{1}{2}$ |
| “ commercial..... | $108\frac{1}{2}$ a $108\frac{3}{4}$ | $107\frac{1}{2}$ @ 108 | $108\frac{1}{2}$ @ $109\frac{1}{2}$ | $108\frac{1}{2}$ @ $109\frac{1}{2}$ |
| Paris, francs, per dollar..... | $5.32\frac{1}{2}$ a $5.27\frac{1}{2}$ | $5.37\frac{1}{2}$ a $5.31\frac{1}{2}$ | $5.27\frac{1}{2}$ a $5.23\frac{1}{2}$ | $5.27\frac{1}{2}$ @ $5.22\frac{1}{2}$ |
| Amsterdam, per guilder..... | 40 @ $40\frac{1}{2}$ | $39\frac{1}{2}$ @ $39\frac{1}{2}$ | 40 @ $40\frac{1}{2}$ | $40\frac{1}{2}$ @ $40\frac{1}{2}$ |
| Frankfort, per florin..... | $40\frac{1}{2}$ @ $41\frac{1}{2}$ | $40\frac{1}{2}$ @ $40\frac{1}{2}$ | $40\frac{1}{2}$ @ $41\frac{1}{2}$ | $40\frac{1}{2}$ @ $41\frac{1}{2}$ |
| Hamburg, per marc-banco..... | $35\frac{1}{2}$ @ $35\frac{1}{2}$ | per 4 R'mark..... | $95\frac{1}{2}$ @ 96 | $95\frac{1}{2}$ @ $96\frac{1}{2}$ |
| Prussian thalers..... | $71\frac{1}{2}$ @ 72 | $70\frac{1}{2}$ @ 71 | $71\frac{1}{2}$ @ 72 | $71\frac{1}{2}$ @ $72\frac{1}{2}$ |
| Bremen, per 4 Reichsmark..... | $95\frac{1}{2}$ @ $95\frac{1}{2}$ | $93\frac{1}{2}$ @ $94\frac{1}{2}$ | $95\frac{1}{2}$ @ 96 | $95\frac{1}{2}$ @ $96\frac{1}{2}$ |

The shipments of specie from New York, from January 1st to January 18th, amount to \$3,023,888, which is, for the season, heavy. The comparison with previous years is given below:

| | | | | | |
|----------------|------------|----------------|--------------|----------------|--------------|
| Year 1872..... | \$ 572,827 | Year 1865..... | \$ 1,640,604 | Year 1858..... | \$ 3,444,174 |
| “ 1871..... | 977,370 | “ 1864..... | 1,791,523 | “ 1857..... | 305,990 |
| “ 1870..... | 716,593 | “ 1863..... | 1,051,784 | “ 1856..... | 42,642 |
| “ 1869..... | 745,628 | “ 1862..... | 1,477,169 | “ 1855..... | ..... |
| “ 1868..... | 5,537,400 | “ 1861..... | 15,799 | “ 1854..... | 1,452,202 |
| “ 1867..... | 1,662,340 | “ 1860..... | 173,662 | “ 1853..... | 529,159 |
| “ 1866..... | 1,192,530 | “ 1859..... | 1,270,607 | “ 1852..... | 1,874,762 |

Exports, exclusive of specie, from the port of New York to foreign ports since January 1st compare thus:

| | | | |
|-----------------------|--------------|--------------|--------------|
| | 1871. | 1872. | 1873. |
| (Currency value)..... | \$ 8,961,926 | \$ 5,409,162 | \$ 7,962,329 |

Imports of foreign dry goods and merchandise for the week ending January 18th, were \$11,292,162. Since the beginning of the year they have been as follows:

| | 1871. | 1872. | 1873. |
|--------------------|--------------|--------------|--------------|
| (Gold value) | \$11,231,326 | \$12,383,939 | \$16,630,268 |

During this month the New York Banks have gained materially in deposits and in specie, and also in legal tenders. Their proportionate reserve is much strengthened. The aggregate capital of the fifty-one National banks is \$71,785,000, and of the twenty-six State banks, \$15,570,500; and their returns are given below:

| 1867. | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. | Weekly Clearings. |
|------------|---------------|--------------|----------------|--------------|---------------|-------------------|
| Jan. 5 | \$257,852,460 | \$12,794,892 | \$65,026,121 | \$32,762,779 | \$202,533,564 | \$466,977,787 |
| Jan. 4 '68 | 249,741,297 | 12,724,614 | 62,111,201 | 34,131,391 | 187,070,786 | 483,266,304 |
| Jan. 4 '69 | 259,090,057 | 20,736,122 | 48,896,421 | 34,379,609 | 180,490,445 | 585,304,739 |
| Jan. 3 '70 | 250,406,387 | 31,166,908 | 45,034,608 | 34,150,887 | 179,129,384 | 399,355,375 |
| July 4 | 276,496,503 | 31,611,330 | 56,815,254 | 33,070,365 | 219,083,428 | 562,736,404 |
| Jan. 2 '71 | 263,417,418 | 20,028,846 | 45,245,358 | 32,153,514 | 188,228,995 | 467,692,982 |
| July 3 | 296,237,959 | 16,526,451 | 71,348,828 | 30,494,457 | 243,308,693 | 561,366,458 |
| Jan. 1 '72 | 270,534,000 | 25,049,500 | 40,282,800 | 28,542,800 | 200,409,800 | 531,802,964 |
| July 1 | 289,002,800 | 22,795,500 | 54,951,400 | 27,416,100 | 232,387,900 | 485,973,837 |
| Dec. 30 | 274,572,400 | 17,241,800 | 41,119,600 | 27,573,000 | 198,529,600 | 608,815,756 |
| Jan. 6 '73 | 277,720,900 | 19,478,100 | 41,165,400 | 27,613,800 | 203,808,100 | 642,834,841 |
| " 13 | 275,552,800 | 22,539,100 | 40,876,700 | 27,441,600 | 207,441,600 | 716,203,119 |
| " 20 | 278,209,600 | 21,110,800 | 44,420,900 | 27,542,200 | 212,588,200 | 706,763,521 |

A comparison with the returns at the same period in a series of years shows the following:

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------|---------------|--------------|----------------|--------------|---------------|
| 1872 | \$279,032,900 | \$27,693,309 | \$45,419,500 | \$28,371,200 | \$220,361,500 |
| 1871 | 270,853,791 | 28,520,495 | 49,774,557 | 31,988,274 | 211,690,030 |
| 1870 | 259,590,756 | 39,451,003 | 54,619,433 | 33,806,721 | 207,479,823 |
| 1869 | 264,954,619 | 28,864,197 | 51,022,119 | 34,265,946 | 197,101,163 |
| 1868 | 258,392,101 | 25,106,800 | 67,154,161 | 34,082,762 | 210,093,064 |
| 1867 | 251,674,808 | 16,014,007 | 63,422,559 | 32,957,198 | 197,952,076 |
| 1866 | 240,407,836 | 13,106,709 | 70,319,146 | 20,965,883 | 195,012,454 |
| 1865 | 169,502,630 | 18,174,816 | — | 2,906,194 | 143,242,230 |
| 1864 | 162,296,896 | 24,203,632 | — | 5,913,558 | 130,665,419 |
| 1863 | 179,328,501 | 38,894,840 | — | 9,906,110 | 169,951,376 |

We present the statements of the Philadelphia banks and the returns in January for the five previous years. Their condition is but little changed. The aggregate capital of the twenty-seven National Banks is \$16,235,000.

| | Loans | Specie. | Legal Tenders. | Circulation. | Deposits. |
|--------------|--------------|-----------|----------------|--------------|--------------|
| Jan. 4, 1868 | \$52,002,304 | \$235,912 | \$16,782,432 | \$10,639,000 | \$36,621,274 |
| " 4, 1869 | 50,716,999 | 252,463 | 13,210,397 | 10,593,719 | 38,121,023 |
| " 3, 1870 | 51,662,662 | 1,290,096 | 12,670,198 | 10,568,681 | 38,890,001 |
| " 2, 1871 | 51,861,827 | 1,071,528 | 12,653,166 | 10,813,212 | 38,660,403 |
| " 1, 1872 | 55,631,723 | 1,069,585 | 11,228,988 | 11,348,851 | 42,049,757 |
| July 1, | 59,659,334 | 228,338 | 13,952,002 | 11,345,808 | 50,021,793 |
| Dec 23, | 55,024,867 | 210,127 | 9,734,201 | 11,396,630 | 39,503,844 |
| " 30, | 54,594,641 | 309,514 | 10,116,197 | 11,405,101 | 39,290,999 |
| Jan. 6, 1873 | 55,370,011 | 424,458 | 10,576,155 | 11,331,579 | 40,861,114 |
| " 13, | 55,214,883 | 456,644 | 10,628,324 | 11,412,185 | 41,054,742 |
| " 20, | 55,643,230 | 387,479 | 10,537,880 | 11,381,180 | 41,370,791 |

At Boston the banks are still enlarging their liabilities and their discount lines. The amount due to country banks is about twenty millions of dollars. The fifty-one Boston Banks have a combined capital of \$49,000,000, and surplus funds, \$12,872,000. We annex the returns for 1867-1872:

| | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|---|---------------|----------------|-----------------------|---------------------|------------------|
| Jan. 6. 1868.... | \$ 94,969,249 | \$ 1,466,246 | \$ 15,543,169 | \$ 24,626,559 | \$ 40,856,022 |
| Jan. 4. 1869.... | 98,423,644 | 2,203,401 | 12,938,342 | 25,151,340 | 37,538,767 |
| Jan. 3. 1870.... | 105,985,214 | 3,765,347 | 11,374,559 | 25,280,893 | 40,007,225 |
| Jan. 2. 1871.... | 111,190,173 | 2,484,536 | 12,872,917 | 24,662,209 | 46,927,971 |
| July 3 | 119,152,159 | 1,441,500 | 13,117,482 | 24,816,012 | 50,693,067 |
| Jan. 1, 1872.... | 115,878,481 | 4,469,483 | 9,602,748 | 25,715,976 | 46,994,488 |
| July 8 | 112,164,800 | 2,740,100 | 9,471,800 | 24,877,000 | 48,875,500 |
| Dec. 23 | 119,985,200 | 1,037,300 | 10,918,000 | 25,442,500 | 50,422,000 |
| " 30 | 120,166,500 | 1,417,200 | 11,445,000 | 25,597,500 | 51,184,000 |
| The deposits (after this date) include the amount due to other banks. | | | | | |
| Jan. 6, 1873.... | 122,872,700 | 2,075,400 | 11,122,500 | 25,614,400 | 74,113,500 |
| " 13 | 123,528,700 | 2,738,700 | 10,860,800 | 25,590,300 | 75,565,900 |
| " 20 | 124,415,800 | 2,798,900 | 11,054,500 | 25,568,400 | 75,441,900 |

In London money is easy at $4\frac{1}{2}$ per cent., to which point the rate of interest was reduced on the 9th instant by the BANK OF ENGLAND. Bullion is increasing at Paris as well as at London. We append the latest quotations by mail for money on the Continent:

| | Bank Rate. Per Cent. | | Bank Rate. Per Cent. |
|----------------|-------------------------|---------------------|-------------------------|
| Amsterdam..... | 5 | Hamburg..... | 5 |
| Bremen..... | 5 | Leipsic..... | 5½ |
| Berlin..... | 5 | Paris..... | 5 |
| Brussels..... | 5 | St. Petersburg..... | 7 |
| Frankfort..... | 5 | Vienna..... | 6 |

As the week closes it is announced that the Secretary of the Treasury has arranged with the parties already mentioned to take the remaining \$300,000 U. S. five per cent. bonds. They are to be exchanged into U. S. six per cents., now subject to redemption, or for gold coin at par.

DEATHS.

In LOUISVILLE, KY., on Monday, December 30th, aged sixty-one years, HENRY A. GRISWOLD, President of the BANK OF KENTUCKY, a native of Bristol, R. I.

In PORTLAND, ME., on Saturday, December 28th, aged fifty-nine years, RENSSELAER CRAM, President of the MERCHANTS' NATIONAL BANK OF PORTLAND.

In PHILADELPHIA, Tuesday, December 31st, aged eighty-five years, JOHN A. BROWN, of the banking firms of JOHN A. BROWN & Co., Philadelphia, and BROWN BROTHERS & Co., New York.

In MERCHANTVILLE, N. J., on Monday, January 13, aged forty-six years, JOHN W. TORREY, Cashier of the CORN EXCHANGE NATIONAL BANK, of Philadelphia, in the years 1866-1867.

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

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MARCH, 1873.

No. 9.

INVESTMENTS BY SAVINGS BANKS.

BONDS AND MORTGAGES—RAILROAD SHARES—BANK STOCKS.

Too much caution cannot be exercised by the managers of savings banks in the investment of deposit funds, which are in fact, trust funds. In the seven States of NEW ENGLAND and NEW YORK, these deposits amount to over six hundred millions of dollars; and their increase from year to year is rapidly invested in fresh securities. In some of these States, the investments are confined to specified classes of securities; in others there is a wider margin allowed by law. Thus the railroad enterprises of the West have been largely aided by the above mentioned banks in the purchase of railroad bonds, and also by loans on bond and mortgage, in counties where new railroads are in progress.

In the State of NEW YORK the savings banks are, by special enactment, allowed to invest in State bonds, and in bonds guaranteed by any one State; and in the stock or bonds of incorporated cities and of counties of this State.

Of the aggregate investments by the savings banks of this State, thirty-four per cent. consists of bonds and mortgages; U. S. stocks, seventeen per cent.; three and a-half per cent. in NEW YORK State stocks; thirty-six per cent. in stocks of other States; twenty-five per cent. in bonds of cities, counties, towns and villages of this State.

The loans upon personal securities are fortunately small, being in all \$1,367,000. Their loans on railroad bonds include in part, those of WISCONSIN and other Western States. Their funds are not invested in bank shares to any extent.

In MASSACHUSETTS the savings banks avail themselves largely of their privilege of investing in bank stocks, \$16,000,000; in loans on mortgage of real estate, \$74,000,000; loans on personal security, \$25,000,000, or fifteen per cent.; loans to towns, cities and counties, \$14,000,000, or nine per cent.; railroad bonds, \$2,260,000. In one instance, the savings bank holds \$1,193,000 in bank shares, besides loans on the hypothecation of other bank shares.

In CONNECTICUT, where the savings deposits amount to sixty-five millions of dollars, the banks have invested \$3,100,000 in bank shares. They have loaned sixty per cent. of their deposits in loans on real estate; \$5,300,000 in U. S. bonds; \$6,200,000 in town, city and state bonds; and \$4,014,000 on personal security.

In the State of NEW HAMPSHIRE, the deposits of savings banks are twenty-five millions; which are invested to the extent of fifty per cent. in commercial paper; in railroad stocks and bonds in the State, \$500,000; out of the State, \$2,986,000; in bank shares in the State, \$568,000; out of the State, \$424,000. The savings banks have a wider margin for their investments; viz: Chicago, St. Louis and Cincinnati, Detroit, Cleveland, Peoria and other city bonds; railroad shares in MICHIGAN, PENNSYLVANIA, OHIO, and other Western States.

The savings deposits of MAINE are nearly eleven millions of dollars; of which the investments on mortgages are only \$2,400,000; United States bonds \$1,766,000; State, county and municipal securities, \$2,325,000; commercial paper, \$1,700,000.

We think the investments by savings banks in railroad bonds, should be strictly confined to first mortgage bonds; without the privilege of investments on railroad shares. The losses on the latter by individuals and capitalists have been large in late years, and suggest that all such investments be forbidden.

GRAIN CROP.—The cereal crops of the UNITED STATES for 1871 aggregated 1,650,000,000 bushels, valued at \$1,000,000,000. About 125,000,000 bushels reached the seaboard. Of the latter quantity, New York received about 80 per cent., and Boston, Philadelphia, and other ports the remainder. These crops are mainly transported by canal, but the tendency is toward more extensive transportation by rail. It is estimated that, during the present year, 18,000,000 bushels will be moved entirely and 35,000,000 bushels partly by rail, leaving, on the basis of last year's crops, about 82,000,000 bushels to be moved wholly by water.

UNITED STATES FIVE PER CENT. FUNDED LOAN.

Principal redeemable at par after 1st May, 1881, in U. S. gold coin of the present standard; interest payable quarterly in U. S. gold coin, and both principal and interest exempt from taxation, whether under federal, state, municipal or local authority. As authorized by acts of Congress, approved July 14, 1870, and January 20, 1871. The proceeds of these bonds are to be applied to the redemption and cancellation of United States five-twenty bonds, as provided in said acts.

The Secretary of the Treasury having concluded with Messrs JAY COOKE & CO., representing Messrs. N. M. ROTHSCHILD & SONS, JAY COOKE, McCULLOCH & CO., and themselves; and Messrs. MORTON, BLISS & CO., and DREXEL, MORGAN & CO., representing Messrs. BARING BROS. & CO., J. S. MORGAN & CO., MORTON, ROSE & CO., and themselves, a contract for the negotiation of the remaining five per cent. bonds of the Funded Loan of the UNITED STATES; the undersigned are prepared to receive applications at par and accrued interest for any part of \$ 300,000,000 United States five per cents. of 1881, issued under the acts of Congress above mentioned.

Applications may be made payable either in cash (in gold) or in five-twenty bonds of any issue—in the latter case interest being adjusted to February 1.

The bonds now offered are all that remain of the \$ 500,000,000 five per cents. authorized by Congress, and it is hardly necessary to say that the combination entrusted with the management of this negotiation embraces connections in EUROPE and AMERICA, which practically insure the placing of the entire amount and the redemption of \$ 300,000,000 of five-twenty bonds, after which only four and one-half and four per cent. bonds will remain for holders of five-twenties declining this last opportunity to exchange for five per cents.

The coupon bonds are in denominations of \$ 50, \$ 100, \$ 500, \$ 1,000, \$ 5,000 and \$ 10,000. The registered bonds are in like amounts with the addition of denominations of \$ 20,000 and \$ 50,000. Interest, payable quarterly, will commence from 1st February, the first interest payment being May 1st, 1873. The bonds may, at the option of the holder, be registered, and United States Treasury Checks, for interest thereon, will be sent from Washington to the Post-Office address of the holder in any part of AMERICA or EUROPE.

Applications will be received at the office of either of the undersigned, and must be accompanied by the required deposit.

Payment will be made as follows: five per cent. on application, five per cent. on allotment, forty per cent. on May 1st, fifty per cent. on June 1st.

When preferred, the deposit, upon application, may be made in currency or any U. S. bonds. Interest at 5 per cent. (gold) per annum will be added from February 1st to the date of the several payments.

Books for applications will be opened simultaneously in EUROPE and AMERICA on the 4th February, and remain open until the evening of the 7th inst., and the allotments will be made as soon as possible thereafter. Provisional receipts (scrip) will be given for the deposits. The bonds will be furnished at as early date as practicable against corresponding amounts of five-twenty bonds or payment in full. Should the allotment of bonds not equal the subscription, the preliminary deposit in each case will be returned forthwith to the extent of the excess. When desired we will furnish the coin (without commission) and make settlement in currency, and will also receive, at current market price, any bonds of UNITED STATES other than five-twenties.

JAY COOKE & CO., MORTON, BLISS & CO., DREXEL, MORGAN & CO.

AN ACT TO AUTHORIZE THE REFUNDING OF THE NATIONAL DEBT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate two hundred million dollars, coupon or registered bonds of the UNITED STATES, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the UNITED STATES, after ten years from the date of their issue, and bearing interest payable semi-annually in such coin at the rate of five per cent. per annum; also a sum or sums, not exceeding in the aggregate three hundred million dollars of like bonds, the same in all respects, but payable at the pleasure of the UNITED STATES, after fifteen years from the date of their issue, and bearing interest at the rate of four and a-half per cent. per annum; also a sum or sums not exceeding in the aggregate one thousand million dollars of like bonds, the same in all respects, but payable at the pleasure of the UNITED STATES, after thirty years from the date of their issue, and bearing interest at the rate of four per cent. per annum; all of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the UNITED STATES, as well as from taxation in any form by or under state, municipal or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the Treasury of the UNITED STATES. But nothing in this act, or in any law now in force, shall be construed to authorize any increase whatever of the bonded debt of the UNITED STATES.

SEC. 2. And be it further enacted, That the Secretary of the Treasury is hereby authorized to sell and dispose of any of the bonds issued under this act at not less than their par value for coin, and to apply the proceeds thereof to the redemption of any of the bonds of the UNITED STATES outstanding, and known as five-twenty bonds, at their par value, or he may exchange the same for such five-twenty bonds par for par; but the bonds hereby authorized shall be used for no other purpose whatsoever. And a sum not exceeding one-half of one per cent. of the bonds herein authorized is hereby appropriated to pay the expense of preparing, issuing, advertising, and disposing of the same.

SEC. 3. And be it further enacted, That the payment of any of the bonds hereby authorized after the expiration of the said several terms of ten, fifteen, and thirty years, shall be made in amounts to be determined from time to time by the

Secretary of the Treasury at his discretion, the bonds so to be paid to be distinguished and described by the dates and numbers, beginning for each successive payment with the bonds of each class last dated and numbered, of the time of which intended payment or redemption, the Secretary of the Treasury shall give public notice, and the interest on the particular bonds so selected at any time to be paid, shall cease at the expiration of three months from the date of such notice.

Sec. 4. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized, with any coin in the Treasury of the UNITED STATES which he may lawfully apply to such purpose, or which may be derived from the sale of any of the bonds, the issue of which is provided for in this act, to pay at par and cancel any six per cent. bonds of the UNITED STATES of the kind known as five-twenty bonds, which have become or shall hereafter become redeemable by the terms of their issue. But the particular bonds so to be paid and cancel[le]d shall in all cases be indicated and specified by class, date, and number, in the order of their numbers and issue, beginning with the first numbered and issued, in public notice to be given by the Secretary of the Treasury, and in three months after the date of such public notice, the interest on the bonds so selected and advertised to be paid shall cease.

SEC. 5. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized, at any time within two years from the passage of this act, to receive gold coin of the UNITED STATES on deposit for not less than thirty days, in sums of not less than one hundred dollars, with the Treasurer or any Assistant Treasurer of the UNITED STATES authorized by the Secretary of the Treasury to receive the same, who shall issue therefor certificates of deposit, made in such form as the Secretary of the Treasury shall prescribe, and said certificates of deposit shall bear interest at a rate not exceeding two and a-half per cent. per annum; and any amount of gold coin so deposited may be withdrawn from deposit at any time after thirty days from the date of deposit, and after ten days' notice, and on the return of said certificates: *Provided*, That the interest on all such deposits shall cease and determine at the pleasure of the Secretary of the Treasury. And not less than twenty-five per cent. of the coin deposited for or represented by said certificates of deposits shall be retained in the Treasury, for the payment of said certificates; and the excess beyond twenty-five per cent. may be applied, at the discretion of the Secretary of the Treasury, to the payment or redemption of such outstanding bonds of the UNITED STATES, heretofore issued and known as the five-twenty bonds, as he may designate under the provisions of the fourth section of this act; and any certificates of deposit issued as aforesaid, may be received at par with the interest accrued thereon, in payment for any bonds authorized to be issued by this act.

SEC. 6. *And be it further enacted*, That the United States bonds purchased and now held in the Treasury in accordance with the provisions relating to a sinking fund, of section five of the act entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the UNITED STATES," approved February twenty-fifth, eighteen hundred and sixty-two, and all other United States bonds which have been purchased by the Secretary of the Treasury with surplus funds in the Treasury, and now held in the Treasury of the UNITED STATES, shall be cancel[le]d and destroyed, a detailed record of such bonds so cancelled and destroyed, to be first made in the books of the Treasury Department. Any bonds hereafter applied to said sinking fund, and all other United States bonds redeemed or paid hereafter by the UNITED STATES, shall also in like manner be recorded, cancel[le]d, and destroyed, and the amount of the bonds of each class that have been cancel[le]d and destroyed shall be deducted respectively from the amount of each class of the outstanding debt of the UNITED STATES. In addition to other amounts that may be applied to the redemption or payment of the public debt, an amount equal to the interest on all bonds belonging to the aforesaid sinking fund shall be applied as the Secretary of the Treasury shall from time to time direct, to the payment of the public debt as provided for in section five of the act aforesaid. And the amount so to be applied is hereby appropriated annually for that purpose, out of the receipts for duties on imported goods.

Approved, July 14, 1870.

**AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO AUTHORIZE
THE REFUNDING OF THE NATIONAL DEBT."**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the amount of bonds authorized by the act approved July fourteen, eighteen hundred and seventy, entitled "An act to authorize the refunding of the national debt," to be issued bearing five per centum interest per annum, be, and the same is, increased to five hundred millions of dollars, and the interest of any portion of the bonds issued under said act, or this act may, at the discretion of the Secretary of the Treasury, be made payable quarter-yearly: Provided, however, That this act shall not be construed to authorize any increase of the total amount of bonds provided for by the act to which this act is an amendment.

Approved, January 20, 1871.

THE SAVINGS BANKS OF CANADA.

| <i>Location.</i> | <i>Name.</i> | <i>Amount Deposits.</i> |
|-------------------------------|--|-----------------------------|
| Cobourg, ONTARIO | Burns' & Co. Savings Bank | 1867. \$ 156,603 |
| Kingston, " | Frontenac Loan & Investment Soc. " | 63,337 |
| London, " | Huron & Erie Loan & Savings Soc. " | 50,755 |
| Toronto, " | Canada Permanent Building Society " | 316,938 |
| " " | Commercial Bldg. & Investment Soc. " | 33,738 |
| " " | Farmers & Mechanics' Building Soc. " ..... | ..... |
| " " | Home District Savings Bank | 209,526 |
| " " | Freehold Building Society | 80,152 |
| " " | Provincial Building Society | 1,165 |
| " " | Toronto Savings Bank | 114,552 |
| " " | Union Building Society | 10,136 |
| " " | West'n Canada Permanent Bldg. Soc. " | 73,162 |
| " " | Government Savings Bank | 1872. 81,740 |
| Halifax, NOVA SCOTIA | Government Savings Bank | 1872. 1,028,241 |
| Montreal, QUEBEC | City and District Savings Bank | 1867. 1,042,758 |
| Quebec, " | Caisse d'Economie Savings Bank | " 799,069 |
| " " | Provident and Savings Bank | " 619,253 |
| Bathurst, NEW BRUNSWICK | Government Savings Bank | 1872. 33,402 |
| Chatham, " | " " | " 91,498 |
| Dalhousie, " | " " | " 84,004 |
| Fredericton, " | " " | " 27,895 |
| Moncton, " | " " | " 1,040 |
| Newcastle, " | " " | " 87,493 |
| Richibuctoo, " | " " | " 27,348 |
| St. Andrews, " | " " | " 85,288 |
| Woodstock, " | " " | " 11,168 |
| Winnipeg, MANITOBA | Government Savings Bank | 1872. 10,240 |

THE HISTORY AND PRINCIPLES OF BANKING.

By JAMES W. GILBART.

(Continued from the February No., page 688.)

CHAPTER 1. The Origin and Progress of Banking. 2. The Rise of Banking in England. 3. The History of the Bank of England. 4. The London Bankers. 5. Country Banks. 6. Joint-Stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks.

CHAPTER FOURTH.—THE LONDON BANKERS.

After the establishment of the BANK OF ENGLAND, the goldsmiths or "new-fashioned bankers" continued their business in the same manner as before. In the year 1705 they obtained greater facilities, from an alteration in the laws respecting promissory notes. It had been held that promissory notes, whether issued by bankers or others, could not be legally transferred to a third party, and that no action at law could be sustained against the issuer, unless brought by the person to whom the note was originally granted. But, by 3 and 4 ANNE, c. 9, all doubts were removed; and it was enacted, that after the 1st of May, 1705, all notes in writing made and signed by any person or persons, bodies politic or corporate, or by the servant or agent of any corporation, banker, goldsmith, merchant or trader, who is usually entrusted to sign such promissory notes, shall be assignable or endorsable over, in the same manner as inland bills of exchange.

In the year 1714, the legal interest of money was reduced from six to five per cent. The reduction of the rate of interest was probably the effect of the abundance of money produced by the issue of BANK OF ENGLAND notes, and the increase of deposits with the private bankers. The various small sums of money which had remained idle in the hands of individuals were collected into large deposits in the hands of the bankers. Hence the supply of capital was increased, and the rate of interest consequently fell.

About the year 1775, the London bankers who lived in the city, established what is called "the Clearing House," for the purpose of facilitating their exchanges with each other. By this means each banker is enabled to pay the cheques drawn upon himself by the cheques he holds upon other bankers. And hence he is not under the necessity of keeping so large an amount of money unemployed in his till.*

* A full account of the operation of *Clearing*, and of the London bankers' system of book-keeping, will be found in the previous portion of this "Practical Treatise on Banking."

The London banks have long ceased to be banks of circulation : they are now banks of deposit, banks of discount, and banks of agency to country bankers.

The oldest banking houses in London are Messrs. CHILD & Co., of Temple Bar, and Messrs. HOARES, of Fleet Street ; these were established previous to the BANK OF ENGLAND. The others are comparatively of recent date. In the year 1810 the number of banking houses who settled their accounts with each other at the Clearing House was forty-six.

CHAPTER FIFTH.

COUNTRY BANKS.

We have no authentic details of the rise and progress of country banking. It is generally understood that very few country banks existed previous to the American war ; that they rapidly increased after the termination of that war ; that they received a severe check in the year 1793, when twenty-two became bankrupt ; and that they increased with wonderful rapidity after the passing of the Bank Restriction Act.

The country banks are banks of deposit, banks of discount, and banks of remittance ; many of them are also banks of circulation.

As banks of deposit, they allow interest upon deposits ; as banks of discount, they discount for parties who do not keep with them a current account ; as banks of remittance, they conduct their business through the agency of the London bankers ; they also receive through the London agents the dividends on the public funds, on account of the stockholders in the neighborhood. The holders of stock grant, in the first instance, to the London banker a power of attorney to receive the dividends, which, when received, are placed to the credit of the country banker, by whom they are paid to the holders. This facility of receiving dividends in all parts of the country, has, no doubt, induced many persons to become holders of government securities, and thus the country banks have assisted in supporting public credit.

The country banker pays his London agent either by a *balance*, by a *commission*, or by an *annual fixed amount*. In the case of a balance, the country banker agrees to keep in the hands of the London banker a certain sum, for which he is to receive no interest. The amount of this deposit varies, according to the extent of the business. If the country banker keeps less than the stipulated amount, he is charged interest for the deficiency, as upon an overdrawn account. If he keeps more than this amount, he is usually allowed interest at a rate per cent. which is agreed upon by the parties. In the case of a com-

mission, the country banker pays at the end of each year a certain rate of commission on the transactions of the year; the charge is made upon the amount of the debit side of his account. Some country bankers, instead of a commission, prefer paying a fixed sum per annum. In this case the charge does not vary with the amount of transactions as in the case of commission, but whether the transactions be great or small the payment remains the same.

By 3 and 4 WILLIAM IV, c. 83, passed in 1833, banks issuing promissory notes are required to make returns to the Stamp Office of the average amount of notes in circulation in the quarters ending the first day of January, April, July, and October in each year. The quarterly average is to be formed from the amount in circulation at the end of each week.

In the memorial presented by the committee of country bankers to Earl GREY and Lord ALTHORP, June 12, 1833, they make the following observations upon the circulation of the country banks:—

“Your memorialists are prepared to prove that the issues of country bankers have less tendency to promote fluctuations in the country than those of the BANK OF ENGLAND; and that their effect in throwing the exchanges against the country is comparatively insignificant. The slightest attention to facts would indicate the truth of these positions. It has been established by parliamentary evidence that the issues of country bankers fluctuated much less between the years 1817 and 1826 than those of the BANK OF ENGLAND; and it is indisputable that adverse exchanges, which endanger the bank, always succeed great importations of foreign produce, and that they never can be occasioned by large exportations of domestic productions. Now it is notorious that the circulation of country bankers acts almost exclusively in promoting these productions; and that, when it is in an extended state, the direct and proper influence even of an alleged excess of that circulation, would be to provide the means of paying for the importations of foreign produce without causing so great an export of gold as to derange and endanger the monetary system of the country. This is looking at the separate and distinctive character of the issues of country bankers; if regarded as a part of a whole, any excess in which must bear its relative proportion of effect in producing derangement, that proportion can never exceed one-tenth; because, assuming that all paper currency has an equal bearing upon depreciation and appreciation, the issues of country bankers never amounted to one-tenth part of that which is used for effecting the interchanges of commodities and property in the country. All experience shows that great fluctuations have originated in the speculations of influential merchants, and never originated in the channels to which the issues of country bankers are confined; their source is in great mercantile cities, and they are promoted by the issues of the BANK OF ENGLAND. That this is the invariable course which fluctuations resulting in excess and derangement take, is proved by the evidence of Mr. WARD and others, before the bank charter committee, and is fully explained by the speeches of the king's ministers in the year 1826. The debts of

a few speculative merchants who failed in a single year in the town of Liverpool, where country bankers' notes never circulated, amounted to between seven and eight millions sterling, and their bills were either lodged in the BANK OF ENGLAND for loans, or were current in all parts of the country, stimulating circulation and promoting excess.

"Then, with regard to the alleged tendency of many sources of issue to promote fluctuation—the rivalry of numerous banks of issue was set up by the government of 1826 as a principle which insures solidity and equability to the circulation, 'from the constant exchange of notes between the different banks, by which they become checks upon each other, and by which any over-issue is subject to immediate observation and detection.' That was the report of the lords' committee, after full and complete investigation. The government of 1833 is proceeding with a measure founded on the principle that rival banks of issue promote fluctuation; this, however, is before investigation. Deposits and cash credits were declared by the witnesses from SCOTLAND to be absolutely dependent on local bank issues, and the government of 1826 admitted the validity of the plea; the government of 1833 concludes that the system of deposits and cash credits may be maintained in ENGLAND without local issues, but this conclusion is adopted without any inquiry into the case. It would be fruitless to dwell on this contradictory conduct in two administrations professing to be guided, in dealing with the currency, by the same policy. Admitting that by one source of issue, the actual amount of notes payable on demand might be kept more equal than by many, it does not follow that their distribution would not be infinitely more unequal—every man possessed of practical information who understands the subject knows that by giving the exclusive circulation of notes to the BANK OF ENGLAND abundance will be created in the money market, and in the great commercial emporiums—raising the price of public securities, and stimulating the produce markets—while unexampled scarcity will be the consequence in the country, producing embarrassment and discontent among the cultivators of the soil and all who are dependent upon them.

"Therefore, the real practical point to be determined concerning the tendency of different issues is, whether £2,000,000, or any given sum, laid out in purchasing French rentes in Paris, and indigo in Calcutta, or in replenishing with stock the exhausted corn and pasture fields of ENGLAND, have the most effect in drawing gold out of the country. It is hardly possible to imagine any measure of greater danger than the projected plan of government. The present bank directors may be men of unimpeachable integrity; but others less scrupulous may succeed them, and it is within the range of possibility for a man of influence who had obtained a seat at their board, to make a speculation by purchasing indigo in Calcutta, and then proceed to stimulate the market for that commodity in London, just before the sale at the East India House, by discounting the bills of favored connections; then, at nearly the same period, he might cause instructions to be given to the manager of the branch bank in Manchester to contract the customary and stipulated discounts; which

would have the effect of depressing the market for cotton twist and piece goods, which are the principal commodities transmitted to India in exchange for the produce of that country. By this double operation the produce of a director's capital employed in HINDOSTAN might be temporarily raised in price in the London market, and the produce of English capital and labor sunk to favor the interests of one bank director or of several. The same result might be produced by the importer of Baltic produce: indeed, the importation of corn in 1831 probably created the state of things, which suggested to the government the plan of suppressing all local issues as the remedy for an alleged evil in the country bank system. It is hardly necessary to disclaim all personal imputation in this illustration. The Chancellor of the Exchequer has taken the self-interest of country bankers to be an element of so much danger, from its tendency to induce them to extend their issues, as to adopt it as a principle in framing a legislative measure of the most hazardous character. Is the danger of the operation of the same principle to be disregarded when it might be exercised, not in a manner where it would be open to 'immediate operation and correction,' but in secret, where it could not be detected and challenged? The history of national banks proves that their funds may be applied by their directors to far more daring private speculations than is described by this supposititious case.

"If all bankers should be compelled to supply their customers with the notes of the BANK OF ENGLAND, at a charge of seven per cent. for the interest of loans to graziers, farmers, and dealers in agricultural produce, would not remunerate the country bankers so well as four or five per cent. does now upon the present system. The contemplated change in the usury laws, which if intended to afford to your memorialists some advantage for that which it is intended to deprive them, would give them some satisfactory compensation, because its tendency is to disorder or change that system upon which loans are made by country bankers with promptitude, facility, and comparative uniformity and cheapness; the distinctive characteristics of their business are regularity and the absence of extortionary charges. In the event of the subversion of that system it would be impossible for a great corporation, forming rules of conduct in London, and thence directing their application, to appoint agents competent to conduct the pecuniary affairs of the productive portion of the community. Those affairs, as far as banks are concerned with them, always demand peculiar local knowledge, and are in a great measure based on the confidential intercourse of fellowship and neighborhood; they frequently require personal knowledge of the circumstances and character of individuals, and the closest sympathy with feelings arising from family difficulties, or family expectations and prospects. The governing principles, therefore, for conducting those important pecuniary affairs are totally incompatible with any that can govern the conduct of an hired agent in attempting to conduct the same. From these premises it results that the free application of labor to land would be prevented, the cost of cultivation enhanced, markets and the sale of produce impeded, and the pursuits of agriculture deeply injured.

“Then with respect to miners and manufacturers, any system which would bring them into immediate contact with the operation of the bank for regulating the foreign exchanges, without that protection and defense from those convulsive changes which the local circulations afford, would be a system pregnant with indescribable hazard. Many of the bank directors are connected by friendship or commercial dealings with the great speculators in London and the populous towns, whose transactions mainly cause excess of circulation and an adverse state of the exchanges. In this class any contraction of the paper currency for the rectification of derangement, upon the present system, acts; but upon the projected plan, parliamentary evidence, as well as the nature of things, shows that the contracting force will be put into operation by the branch bank managers at a distance from London, and produce confusion in the affairs of mining and manufacturing industry, and discontent among a dense and excitable population. It may, under such a state of things, be rationally apprehended that occasions will arise when workmen will be suddenly dismissed for the want of the power to pay them their wages, shopkeepers deprived of their weekly receipts, and the regular custom at markets for the supply of agricultural produce, impaired.”

In reply to a question, “What effect do you suppose that an increase or decrease of London bank notes has upon the issues of country bankers?” J. HORSLEY PALMER, Esq., replied:

“A material increase of the bank in London tends, in the first instance, to reduce the value of money, and, consequently, the rate of interest, upon all negotiable securities. That abundance of money renders it difficult for the country bankers to find beneficial investment for that part of the country money sent up to the capital for employment, consequently they are forced to resort to their immediate neighborhoods for new channels for investing their surplus money; and which tends to create additional issues in the country at an early period after the London increase had taken place. But it does not follow that a diminution of issues has an equally rapid effect in reducing the issues of the interior.”

CHAPTER SIXTH.

JOINT-STOCK BANKS.

In the year 1708, a clause was inserted in the charter of the **BANK OF ENGLAND**, prohibiting the establishment of any other bank having more than six partners. This clause prevented the formation of any other joint-stock bank; and, as the increasing wealth and commerce of the nation occasioned a demand for banks, a great number, each having no more than six partners, rose into existence, as they were successively required by the wants of the country. The charter of the **BANK OF ENGLAND** had no reference to **SCOTLAND**, which, at the period of the grant of the charter, was a separate kingdom. Hence, with the increasing wealth of **SCOTLAND**, joint-stock banking companies were formed; and at present they conduct nearly the whole of the banking business of that country. But with every renewal of the charter of the **BANK OF ENGLAND**, this clause was retained, and hence has arisen the difference which subsists between the Scotch and the English systems of banking. In the year 1826, an act of parliament was passed to permit the formation of banks having more than six partners, at a greater distance than sixty-five miles from London; with a provision, however, that such banks should not make their notes payable in London, nor draw bills upon London for a less amount than £50. By an act passed in 1833, these banks have the privilege of drawing bills on their London agents, either on demand or otherwise, and for sums less than £50.

The advocates of joint-stock banks allege that they possess the following advantages over private banks:

1. Joint-stock banks possess greater security than private banks.

Security is of the first importance to a bank. One branch of the business of a banker is to take charge of money committed to his care. But who will entrust money to a banker who is not known to be, or, at least, supposed to be rich? And if a banker be rich, but afterwards, by mismanagement or misfortune, become poor, and fail, what dreadful misery is inflicted upon those who have money in his hands. How many respectable individuals may be suddenly bereft of their whole dependence. How many industrious tradesmen may become bankrupts. What distrust, what inconvenience, what interruption of business is occasioned, even to those who can bear the loss. But by a joint-stock bank all these evils are avoided. Another branch of the business of a bank is to remit money from one part of the country to another; but who will trust them with money to remit when they may fail before they have executed their trust? Banks, too, issue their own notes, and thus supply the circulating medium of the country. Here wealth and security are more necessary than ever.

In the former cases, the creditors of the banker may have had some opportunity of judging of his safety, and would probably make previous inquiries upon the subject. But when the notes of a banker have become the circulating medium of a neighborhood, they are readily taken without any inquiries about his solvency. And, indeed, in some cases, if the notes were suspected, they could not be refused. If a tradesman will not deliver goods to his customers for such notes as they offer him, they will take the notes to some other tradesman. Men who receive wages must receive them in such notes as the master chooses to pay. Since then, each banker supplies the circulating medium of a large district, and the notes are thus circulated among all classes, some of whom have not the option of refusing them, nor the ability to judge of their value, it is of the utmost importance that banks should be established on those principles which will prevent their failure.

That a bank having a great number of partners should be more secure than a bank consisting of only a few partners, seems a very obvious proposition; and it has received abundant confirmation from the numerous failures that have occurred among the bankers in ENGLAND, and the few failures that have occurred in SCOTLAND. This is a fact that demonstrates the superior security of joint-stock banks. If a bank of this kind has a charter, it must previously possess a large fund, which forms a guarantee for the punctual payment of its notes or deposits. If the bank have no charter, then every individual shareholder is answerable for all the debts of the bank to the whole extent of his property, as fully as though he had incurred those debts himself. In either case the security is greater than can be offered by any one individual, or by any four or five individuals, however respectable they may be.

2. A joint-stock bank is less liable to runs.

A run is a sudden and general demand for the payment of notes or deposits. It is not sufficient that a banker be safe: it is also necessary that he should be believed to be safe. He derives the larger portion of his gains from the confidence which is placed in him by others. Confidence is money. However wealthy or respectable a banker may be, he may not always be believed to be so. The misfortunes of others may cause him to be suspected. But no banker has always in his coffers all the sums necessary to pay all the claims that may be made upon him. If he were to do this, from what quarter would he obtain his profits? What, then, is he to do in case of a run? He must, at all events, obtain money to meet the demands made upon him; for if he once suspend his payments, all his credit is destroyed, and his business is broken up. Hence he may be compelled to borrow money at a high rate of interest, or to sell stock or estates below their value, and to incur great expense, in order that the money may arrive in time to meet the demand. But the effects of a run are not confined to the banker himself. One run is over, but another may come. He will be anxious to be better provided next time. He will be more cautious. He will call in the money he has lent. He will lend no more. He will discount fewer bills. Those

tradesmen and others who have been accustomed to obtain from the banker facilities for carrying on their business, can obtain them no longer. Some have depended on these facilities, and will now fail; others will circumscribe their business; laborers will be thrown out of work, and trade will be obstructed and depressed.

Such are the effects of a run when the banker is solvent, and the run is met with promptitude. But the banker may be good, and yet the run may cause him to stop payment. In this case, though the banker may ultimately pay the whole of his debts, yet this stoppage will produce for a while the same effects as though he were insolvent. But it is possible that he might have been solvent before the run, and have been rendered insolvent by the run. The sacrifices he may have been compelled to make for the purpose of raising the money in time to meet the demand, may have absorbed the whole of his property.

Now, what is it that causes a run? It is merely an apprehension that the banker cannot discharge the whole of his obligations, and hence each creditor tries to be first, that he may secure the full amount of his own claim. But no apprehension of this kind can exist in reference to a joint-stock bank. Everybody knows that all the partners are liable for the debts of the bank to the full extent of their property; and each creditor feeling assured that even should the bank fail his property is secure, abstains from engaging in a run whereby he can gain no advantage.

3. Another advantage which joint-stock banks are alleged to possess, consists in the prudence of their management.

A joint-stock bank is managed by a board of directors, men of character and ability, who are chosen to fill the office from their superior knowledge of mercantile and banking business. The united knowledge and wisdom of a number of individuals must be greater than that of two or three individuals. They are not so liable to be imposed upon by false representations, to be deluded by false reasonings, or to be biassed by personal attachments. As among many persons there is sure to be a difference of opinion on almost every question brought before them, it is certain that no measure will be adopted without having first received a full discussion.

On the other hand, the management of a private bank is too frequently intrusted to one or two of the partners; men who cannot be expected to act with the caution and prudence of an elected body, answerable for their conduct to the great body of proprietors; men, too, who have their prejudices to indulge, their friends to please, and their partialities to gratify. Not so with the directors of a joint-stock bank, where the follies of an individual would be checked, and his deficiencies supplied by his colleagues. It often happens, too, that the partners of a private bank are engaged in some branch of manufactures or commerce; and in this case the bank will be made subordinate to the trading concern. The banking merchant or manufacturer will extend his business, or engage in speculation, under the consciousness of being able to make good his purchases. The trading concern will have an account at the bank, and will always be

overdrawn. The money which ought to be employed by the bank in discounting bills for their customers, will be absorbed by the trade of the partners. If the trading concern fails, the bank too must fail: the one involves the ruin of the other. Perhaps, indeed, the bank, by supplying money in the first instance for the parties to speculate with, may have been the cause of the ruin. Even when the partners of a private bank are not themselves engaged in any other employment, the bank often becomes connected with some large manufacturing or commercial establishments. Such establishments are useful to the bank, by enabling them to circulate a considerable amount of their notes. Hence the bank is induced to make large advances to them. Afterwards a further advance is necessary. A run upon the bank compels them to call in the money they have advanced. The money cannot suddenly be replaced. Hence all the parties become bankrupts. From all these evils joint-stock banks are alleged to be free.

Whatever the opinion, whether for or against, that may be entertained respecting joint-stock banks, the fact is undeniable that competition is, in most cases, good for the public. And hence, perhaps, the best system of banking is, when private banks and joint-stock banks are intermingled with each other. The rivalry of the private banks may induce the public banks to act with promptness and liberality; while the rivalry of the public banks may induce the private banks to guard against any measure that might shake their credit, and tend to weaken the public confidence in their stability.

CHAPTER SEVENTH.

BRANCH BANKS.

The establishment of branch banks may be considered as the effect of the formation of joint-stock banks. A bank consisting of only ix partners is seldom sufficiently well known over a great extent of country, to be able to open many branches. The credit of such a bank would be liable to be shaken at one or other of its branches, and this might throw a suspicion on the whole establishment. But a joint-stock bank, possessing undoubted credit, may extend its branches with confidence wherever adequate business can be obtained. The comparative merits of an independent private bank, and a branch of a joint-stock bank, and the effects they are adapted to produce in any town in which they may be introduced, form a useful subject of inquiry.

In the first place, the branch bank may be supposed to possess greater security. The branch, however small, would possess all the security that belonged to the whole establishment. The notes issued at the branch, would be as valid as notes issued at the head office;

and deposits made at the branch would be recoverable from all the partners in the whole bank. In case a run were upon even the smallest branch, the directors would be as anxious to meet the demand as though the run were directed against the largest. A small private bank, on the other hand, would have its only resource within itself. Its own capital would form its only guarantee; and, in case of a sudden demand, it must expect but little assistance from its neighbors.

Secondly, A branch bank would command the use of greater capital.

Every joint-stock bank would call upon its shareholders for a supply of capital equal to the carrying on of the business. This capital would be kept in a disposable form, and, not like the capital of some private banks, locked up in loans upon inconvertible security. The confidence the bank possessed would create more banking capital, by attracting deposits and facilitating the issue of notes. Some banks create more capital than they can employ; such is the case when the amount of notes and deposits is greater than that of the loans and discounts. Others employ more than their banking capital. And some banks employ more at one season of the year, and less at another. In such cases a branch bank would be fed with capital from the parent bank, as its wants might demand. If it yielded more capital than it required, the parent bank would employ it elsewhere. If it wanted capital the parent bank would grant an ample supply. But in these cases a private bank would be troubled with an excess of capital which it might not be able to employ advantageously for a short period, or it might be distressed to raise capital to meet the wants of its customers.

Thirdly, A branch bank would probably do business with the public on lower terms.

A bank having many branches usually charges the same rate of interest at all the branches. The BANK OF ENGLAND discounts at all its branches on the same terms as in London. This cheapness of discount occasioned a great reduction of profits to the private bankers. A branch bank, too, conducted on the principle of allowing interest on deposits, will probably allow a higher rate, because the money can always be employed at some one or other of the branches, and it will return the deposits at a shorter notice, because the funds of the whole bank are ready to meet the call. In the transmission of money, a system of branch banks has a decided advantage, because the branches draw direct upon each other, and discount bills, payable at all the branches respectively. In a system of independent banks the transmission of money from one to another is usually effected by a bill on London; and bills drawn by one town on another are obliged to be made payable in London.

Branch banks are enabled to charge less than private bankers, from their expenses and their expected profits being less. If a country bank, having many branches, employs a London agent, the charge for agency will be much less than though the branches were all independent banks. A branch bank is not under the necessity of keeping in its coffers so large a stock of gold as though it were an independent

bank, because, in case of emergency, it is sure of obtaining supplies. The rate of profit, too, expected from a branch bank is much less than would be expected by a private banker. A banking company would be induced to establish a branch, could they be assured of obtaining a clear profit of one or two per cent. on their capital above the market rate of interest. But a private banker, who may be supposed already a wealthy man, would not consider that amount a sufficient remuneration for his own trouble and superintendence. Hence, his charges must be higher, to meet this increased rate of profit. Were the profits of a private banker, in proportion to the amount of capital employed, to be reduced to the average rate of profit of joint-stock banks, he would very soon think of retiring from business.

A branch bank may thus be established in a place where a private bank could not exist. It may also be opened in places not sufficiently wealthy to furnish capital for a joint-stock bank, and, where the people have no banking facilities; branches being opened in such places, prevent the formation of banks with insufficient capital. For, to be without a bank is felt to be so great an inconvenience that, if a good bank cannot be obtained, a bad one will, for a while, be supported. Hence shopkeepers and others have become bankers; and having but a small capital, and being unacquainted with their business, they have, ultimately, involved themselves and others in irretrievable ruin.

I have hitherto only compared a branch bank with an independent private bank. I will now compare it with an independent joint-stock bank. Several of the advantages already specified will apply as justly in this case as in the other. The branch may in this case also be supplied with a greater amount of capital if it could be profitably employed, or it may have better means of disposing of its surplus capital. The charges of the branch, especially for the transmission of money by letters of credit, or by discounting bills, may also be less at the branch. In point of security, the two banks may be considered as on an equality; though, perhaps, in some cases, the advantage may be in favor of the branch.

The expense of managing a branch must be less than that of managing an independent bank, as a less number of directors would be necessary. The directors or managers of a branch, too, acting under the direction of a superior board, are less liable to be involved by indiscreet advances of loans from personal friendship or imperfect information. The transactions are more thoroughly sifted, and no important measure adopted without full discussion. The very circumstance of being accountable to a superior board would render the agents at the branch more scrupulous and cautious than they might otherwise be. And the periodical returns made to the head office would constantly bring all the business of the branch under the notice of experienced and unbiased inspectors.

There are, however, some disadvantages attending a branch bank. As a branch bank is a mere colony, the agents must be directed by the commands they receive from the seat of government. And

the branch may be directed, in some cases, to adopt measures more adapted to promote the welfare of the whole establishment than to advance the interest of that particular branch. The BANK OF ENGLAND, for instance, may engage to lend, on advantageous terms, a certain sum of money to the government; and, for the purpose of raising this money, they may direct their agents at the branches to limit their discounts. As it is the duty of the directors to consult the interest of the whole establishment, they might consider themselves justified, as commercial men, in adopting this line of conduct. At the same time, it would be a great inconvenience to the persons resident at the places where the branches are established to be deprived of their usual discounts.

Another possible inconvenience to a branch arises from the circumstance, that most cases of importance are necessarily referred for the consideration of the head office; not that these cases are more difficult than ordinary cases, but because they are deviations from the usual course of business, or they belong to a class of transactions which is reserved for the decision of the highest authority. Hence, persons who have dealings with the branch may be obliged to wait the return of post, or a still longer term, before they can obtain answers to important inquiries. This inconvenience may, however, be largely diminished by giving to the managers or agents a high degree of discretionary power, reserving as few cases as possible for the decision of the board of directors, and by recourse to the telegraph.

The respective claims of these three different kinds of banks as far as regards any particular place, must depend on local circumstances. It is easy to imagine cases wherein a private bank of undoubted wealth and judicious management is superior to either a branch bank or an independent joint-stock bank. But private banks depend entirely upon the persons by whom they are managed. And these persons, whatever other endowments they may possess, are not endowed with immortality, nor with the power of bequeathing their good qualities to their successors. Leaving private banks out of the question, a branch bank seems best adapted for a small town: and an independent joint-stock bank for a large one. When banking is left perfectly free, the natural force of competition will soon enable each town to provide itself with that kind of bank which is best adapted to its own wants and circumstances.

The BANK OF ENGLAND has several branches. The business of the branches consists in discounting bills; in receiving deposits; in issuing bills on the London bank, at seven, fourteen, and any greater number of days after date; and in the transmission of money to and from London. Each branch issues its own notes, which are payable at the place of issue, and in London. The rate of discount is the same as in London; no interest is allowed on deposits; no charge is made for a fourteen-day bill on the parent establishment: but if money be lodged at the branch, to be received the following day in London, or lodged in London, to be received at the branch, a charge is made for commission. The charge to parties who have accounts at a branch, or in London, is at a reduced rate.

CHAPTER EIGHTH.

BANKS OF DEPOSIT.

Banking is a kind of trade carried on for the purpose of getting money. The trade of a banker differs from other trades, inasmuch as it is carried on chiefly with the money of other people.

The trading capital of a bank may be divided into two parts: the invested capital, and the banking capital. The invested capital is the money paid down by the partners for the purpose of carrying on the business. This may be called the real capital. The banking capital is that portion of capital which is created by the bank itself in the course of its business, and may be called the borrowed capital.

There are three ways of raising a banking or borrowed capital—First, by receiving deposits; secondly, by the issuing of notes; thirdly, by the drawing of bills. If a person will lend me £100 for nothing, and I lend that £100 to another person at four per cent. interest, then in the course of a year, I shall gain £4 by the transaction. Again, if a person will take my “promise to pay,” and bring it back to me at the end of the year, and pay me four per cent. for it, just the same as though I had lent him 100 sovereigns, then I shall gain £4 by that transaction; and again if a person in a country town brings me £100 on condition that, twenty-one days afterwards, I shall pay the same amount to a person in London, then whatever interest I can make of the money during the twenty one days, will be my profit. This is a fair representation of the operations of banking, and of the way in which a banking capital is created by means of deposits, notes, and bills.

The profits of a banker are generally in proportion to the amount of his banking or borrowed capital. If a banker employ only his real or invested capital, it is impossible he should ever, in the ordinary course of business, make any profits. Bankers can seldom attain more upon their advances than the market-rate of interest; and that may be obtained upon real capital, without the expense of maintaining a banking establishment. If, after deducting the expenses, the profits amount to nothing more than the market-rate of

interest upon the invested capital, the bank may be considered to have made no profits at all. The partners have received no higher dividend upon the capital invested in the bank than they would have received if the same money had been laid out in government securities. To ascertain the real profit of a bank, the interest upon the invested capital should be deducted from the gross profit, and what remains is the banking profit.

A bank that receives lodgments of money is called a bank of deposit. A bank that issues notes is called a bank of circulation. Each bank attempts to procure a banking capital, but by different means. When a bank of deposit is opened, all the people in the district who have money lying idle in their hands will place the money in the bank. This will be done by the merchants and tradesmen, who are in the habit of keeping by them a sufficient sum of money to answer daily demands; by the gentry and others out of business, who receive their rents, dividends, or other moneys periodically, and disburse them as they have occasion. The various small sums of money which were lying unproductive in the hands of numerous individuals, will thus be collected into one sum in the hands of the banker. The banker will retain a part of this sum in his till, to answer the cheques the depositors may draw upon him; and with the other part he will discount bills, or otherwise employ it in his business. But if, instead of a bank of deposit, a bank of circulation *only* be established, then the several small sums of money will remain unproductive as before in the hands of various individuals; and the banker, in discounting bills, will issue his own promissory notes.

Now, it is obvious that these two kinds of banking are adapted to produce precisely the same effects. In each case a banking capital is created, and each capital is employed in precisely the same way; namely, in the discounting of bills. To the parties who have their bills discounted it matters not from what source the capital is raised—the advantage is the same to them—the mode in which they employ the money is the same—and the effects upon trade and commerce will be the same. Let us suppose that in each case the banking capital created is £ 50,000. Now, the bank of circulation will have increased the amount of money in the country by £ 50,000. The bank of deposit will not have increased at all the amount of money in the country, but it will have put into motion £ 50,000 that would otherwise have been idle. Here, then, is a proof, that to give increased rapidity to the circulation of money has precisely the same effects as to increase the amount. Here, too, is a proof of the ignorance of banking, on the part of those writers who consider that the banks which issue notes are the sole cause of high prices, over-trading and speculation; whereas it is obvious, that if those effects are to be attributed to banking at all, they may as fairly be ascribed to banks of deposit as to banks of circulation.

Even those bankers who do not issue notes, create a banking capital by the discounting of bills. They render their discounts subservient to the increase of their deposits. The London bankers will not

discount except for those persons who have deposit accounts with them. A party who has had bills discounted, and has paid interest on the whole amount, must leave some portion of that amount in the hands of the banker without interest. By this means the banker obtains more than the current rate of interest on the money actually advanced, and raises a banking capital to the amount of the balance left in his hands. "A good account," in the language of the London bankers, is an account on which there is a large deposit—a bad account is that on which the sum deposited is small. A person who keeps a good account may have his bills discounted readily, but a person who keeps a bad account will have his bills more severely scrutinized. The depositors are aware of this; and therefore they endeavor to keep a fair account with the banker, that they may at all times be able to obtain such accommodation in the way of discounts as they may require. This mode of raising a banking capital by means of discounts, without allowing interest on the deposits, appears to be less advantageous to the borrower than by means of notes. In the one case, the borrower has to lodge some portion of his money in the hands of the banker, but in the other case he has only to take the banker's notes, which are probably as serviceable to him as gold. Hence, such banks appear adapted for the service of the rich rather than the poor—a young tradesman who is commencing business with a slender capital, will hardly find it worth his while to open an account at a banker's unless he has always by him a certain portion of his capital, which he is obliged to keep unemployed.

The London private bankers usually grant no interest for money placed in their hands, nor charge any commission upon the amount of the transactions. Their customers pay them for the trouble of conducting their accounts by keeping a certain balance to their credit. The amount of the balance is never definitely fixed, but is regulated very much by the good sense and proper feeling of the parties. The number of cheques a party draws—the degree of accommodation he receives by discount or otherwise, these and other circumstances are taken into consideration; and though the amount of the balance is not expressly stipulated, yet few people of business habits are at a loss to judge whether the average balance of their account throughout the year is sufficient to remunerate the banker.

By the Scotch banks, deposit accounts are divided into two classes—"accounts current," and "deposit receipts;" the "accounts current" are similar to the "current accounts" kept by merchants, traders, and others in the English banks. The party pays his money into the bank, and makes all his payments by cheques upon the bank. The deposit receipts are similar to what the English bankers call "dead accounts." The depositor pays his money into the bank, and there it lies "dead" until he has occasion for it, and then he produces his receipt and withdraws the whole amount, or takes a new receipt for any part he wishes to leave. The deposit receipts are chiefly for the use of those who lodge their money in the bank merely for the purpose of security and interest. The accounts current are for those who, in addition to security and interest, wish to

make use of the bank as a means of facilitating their pecuniary transactions. As far as regards the circulation of the bankers' notes, each kind of account has the same effect; but as the operations on the current accounts are more frequent, they put into circulation a larger amount.

When a banker's own notes are lodged on a deposit account, they do not diminish the amount of his banking capital. The banking capital raised by his notes is diminished, but that raised by his deposits is in the same proportion increased. If, however, the interest he allows upon the deposits is greater than the expense of the wear and tear of his notes, then will his banking capital be diminished in the more profitable, and increased in a less profitable direction. But when a deposit consists of notes of other banks, his banking capital is increased by that amount. Hence, if a banker could know that all the money deposited in his hands would consist chiefly of his own notes, it might not be for his advantage to allow any interest on deposits. It would be better for him that his notes should remain in circulation.

It will be observed that the amount of notes issued on deposit accounts depends not on the banker, but upon the depositors. They lodge money in his bank, and draw it out when they please. The deposit system, therefore, cannot place in circulation any additional amount of money. The depositors cannot draw out of the bank more money than they had deposited. After the deposits are made, the amount of money in existence is precisely the same as before. The only difference is, that what was previously in the hands of many individuals, is now in the hands of the banker—and until he has made use of this money in the way of discounts or loans, or in some other mode, no effect whatever can be produced upon the trade and commerce of the district. All the advantage the people of the neighborhood obtain by the deposit system, considered by itself, consists in having a place of security in which they may lodge their money—in receiving interest for the sums thus deposited—and in the saving of time and trouble in effecting their pecuniary transactions. But although the deposit system does not effect the amount of the currency, it changes its character. As the lodgments will be made in the previously existing currency—whether gold, or silver, or notes of other banks—and all the issues will be in the banker's own notes—the effect will be, that in course of time all the previous currency will have passed into the bank, and all the existing currency will consist exclusively of the banker's own notes—and the more frequent and heavy are the operations on the deposit accounts, the more rapidly will this effect be produced.

Banks of deposit serve to economize the use of the circulating medium. This is done upon the principle of transfer. The principle of transfer was one of the first which was brought into operation in modern banking. The BANK OF AMSTERDAM was founded upon this principle. Any person who chose, might lodge money in the bank, and might then transfer it from his own name to that of another per-

son. All foreign bills of exchange were required, by law, to be paid by such transfers. Although the money might at any time be drawn out, either by the original depositor or by the party into whose name it had been transferred, yet, in fact, this was seldom done, because the bank money was more valuable than the money in common use, and consequently bore a premium in the market. The transfer of lodgments is extensively practised in our own times. If two persons, who have an account in the same bank, have business transactions with each other, the debtor will pay the creditor by a cheque upon the bank. The creditor will have this cheque placed to his credit. The amount of money in the bank remains the same, but a certain portion is transferred into a different name in the banker's books. The cheque given by the debtor is an authority from the debtor to the banker to make this transfer.

Here the payment between the creditor and debtor is made without any employment of money. No money passes from one to the other; no money is paid out or received by the banker. Thus it is that banks of deposit economize the use of the circulating medium, and enable a large amount of transactions to be settled with a small amount of money. The money thus liberated, is employed by the banker in making advances, by discount or otherwise, to his customers. Hence the principle of transfer gives additional efficiency to the deposit system, and increases the productive capital of the country. It matters not whether the two parties who have dealings with each other, keep their accounts with the same banker or with different bankers; for, as the bankers exchange their checks with each other at the clearing-house, the effect, as regards the public, is the same. The deposit system might thus, by means of transfers, be carried to such an extent as wholly to supersede the use of a metallic currency. Were every man to keep a deposit account at a bank, and make all his payments by cheques, money might be superseded, and cheques become the sole circulating medium. In this case, however, it must be supposed that the banker has the money in his hands, or the cheques would have no value.

Since the year 1825, the following facilities have been granted by the BANK OF ENGLAND to those who have deposit accounts; or, as they are called, "drawing accounts" at the bank:—

1. The bank receives dividends, by power of attorney, for all persons having drawing accounts at the bank.
2. Dividend warrants are received at the drawing office for ditto.
3. Exchequer bills and other securities are received for ditto—the bills exchanged, the interest received, and the amount carried to their respective accounts.
4. Cheques may be drawn for £5 and upwards, instead of £10 as heretofore.
5. Cash boxes taken in, contents unknown, for such parties as keep accounts at the bank.
6. Bank notes are paid at the counter, instead of drawing tickets for them on the pay clerks as heretofore.

7. Cheques on city bankers, paid in by three o'clock, are received and passed to account the same evening.
8. Dividend warrants taken in at the drawing office until four in the afternoon, instead of till three as heretofore.
9. Credits paid into account are received without the bank book, and are afterwards entered therein without the party claiming them.
10. Bills of exchange, payable at the bank, are paid with or without advice; heretofore with advice only.
11. Notes of country bankers, payable in London, are sent out the same day for payment.
12. Cheques are given out in books, and not in sheets as heretofore.

. CHAPTER NINTH.

BANKS OF REMITTANCE.

In the infancy of commerce, all trade was carried on with ready money. Before good roads are formed, and posts are established, trade between distant places is carried on by merchants, who associate together in considerable numbers, and meet at fixed times at particular places, whence they commence their journey to the country with which they intend to traffic. When arrived at the place where the market is held, they dispose of their goods for ready money; they then lay out their money in the purchase of other goods, with which they return. Such was the practice with the merchants of the East, who formed the immense caravans that formerly traded between EUROPE and INDIA; and such is the practice of similar caravans that now trade between EGYPT and MECCA. In such cases all the transactions are carried on with ready money. The bankers, if such they may be called, are mere money changers, who exchange the money of the country in which they live, for the money of other countries.

The labor of carrying money from one country to another was considerably diminished by the invention of bills of exchange; but the same mode of remittance was continued even in ENGLAND, until a very recent period, with regard to the transmission of money through the provinces. When a country is considerably improved, good roads are established, and places hitherto obscure become seats of manufacturing and agricultural industry; an interchange of commodities will take place between the provinces; the produce of one district be transported to another, hence will arise the necessity of having some means of transmitting money in payment of these respective commodities, and banks will consequently be established. It is not the banks that give rise to the trade, it is the trade that gives rise to the banks: though, after the trade is established, the introduction of a bank extends the trade.

The most effectual means of transmitting money throughout a country is by an extensive establishment of banks; banks transmit money by means of their agencies, by means of their branches, and by means of the circulation of notes.

First.—Banks transmit money by means of their agencies. This is the way in which it is carried on by the country bankers. Each country banker employs a London agent to pay his notes or bills, and to make payments in London; and, on the other hand, to receive sums that may be lodged by parties residing in London for the use of parties residing in the country. As each country bank is thus connected with London, it is virtually connected with all the other banks in the country; as far, at least, as concerns the transmission of money.

Money is remitted from London to a country town, by being paid into a London bank, to the credit of the country bank, for the use of the party who resides in the country. Money is remitted from a country town to London, by being paid into a country bank, to the credit of their London agents, for the use of the party who resides in London, or by remitting to the party a bill drawn by the country upon the London bank. Money is remitted from one country town to another by paying the money into the country bank, to be paid by their London agents to the London agent of the country bank established in the town to which the money is to be remitted, or by sending direct to the party a bill drawn by the country upon the London bank, which will be discounted by the bank established in the place to which the bill is sent.

Secondly.—Banks remit money from one place to another by means of their branches. Money is received at the head office for the credit of any branch; and money is received at each of the branches for the credit of the head office; and letters of credit are also granted at every branch upon all the other branches. The BANK OF ENGLAND transmits money from London to a branch; and *vice versa*, for only the charge of postage. The branches also draw bills upon the parent establishment at fourteen days' date, without any charge.

Thirdly.—Banks remit money from one place to another by means of their circulation. Every bank of circulation will necessarily become a bank of remittance, whether it carry on the remitting of money as a branch of business or not. Some of the notes which are issued will be sent as payments from one place to another. This will be more frequently the case if the notes are payable at any place besides the place of issue, or if the bank that issues them has credit over a great extent of country: thus BANK OF ENGLAND notes serve the purpose of remittance all over the kingdom. They are usually cut in halves and sent by post, one half being retained till the receipt of the first is acknowledged. The issue of bank post bills, payable seven days after sight, and granted in favor of the party to whom the payment is made, has still farther increased the efficiency of the BANK OF ENGLAND as a bank of remittance.

The extent of the remittance of any place must depend in a great

degree upon its trade—that is, upon its exports and its imports. Money must be sent *from* a place to pay for its imports, and money must be *received* in exchange for exports. Both these branches of remittance, as far as regards provincial towns, are effected through the banks. Exporters and importers, residing in a city or town, do not meet together, like the merchants engaged in foreign trade, and traffic from their bills, but both parties go to the bank. The exporter draws bills, which he discounts with the bank; the importer obtains from the bank bills or letters of credit, which he remits in payment of his imports. The amount of this kind of business must, of course, depend upon the amount of the trade. Where the imports are great, there will be demand for bills, or other modes of remittance, upon the banker. When the exports are great, bills will be brought to him for discount, or lodgments will be made to his credit at his agents. By comparing the sums which are thus transmitted in different directions, a banker can, merely by a reference to his own books, ascertain the balance of trade between the place in which he resides, and any other place with which it may have commercial intercourse. If he finds his exchanges with the neighboring bankers are unfavorable, he may infer that the balance of trade is against the place in which his bank is established. And if, on the other hand, the exchanges are in his favor, he may infer the balance of trade is favorable. It will generally be found, that the trade between seaport and inland towns is always in favor of the former. Manufacturing towns and large cities have usually the balance in their favor. It may be observed, however, that the balance of remittances will not *always* show the balance of trade. With regard to places of fashionable resort, for instance, there must be a great consumption of commodities imported from other places, and at the same time there is no commodity exported—here the balance of trade is unfavorable; at the same time there must be great remittances, in money, to the parties residing there, to enable them to pay for the commodities they consume. Thus, too, when large sums are remitted from ENGLAND to absentee landlords, or as loans to foreign powers, the balance of remittance may be against ENGLAND, while the balance of trade may be in her favor.

The remitting of money to London by a country bank diminishes the currency to that amount in the place where the bank is established. If a person at Birmingham takes one hundred sovereigns to the branch of the BANK OF ENGLAND, and obtains a bill at fourteen days on the parent establishment in London, then there is a banking capital created for fourteen days. If, when the bill becomes due, the BANK OF ENGLAND pay the bill in gold, the banking capital is destroyed. The currency of Birmingham is now one hundred sovereigns less, and that of London is one hundred sovereigns more. During the existence of the bill there were one hundred sovereigns less in circulation, and these one hundred sovereigns were represented by the bill. Some country bankers, instead of drawing bills upon their London agents, remise the bills they have discounted. By this means the banker saves the expense of remitting the discounted bill to London, and the person taking it saves the expense of the stamp for a new bill.

Banks of remittance encourage the trade of a district in two ways: *First*, by diminishing the prices of commodities. The facility of conveying money has the same effect upon trade as a facility of conveying commodities. The opening of good roads diminishes the expense of the conveyance of goods. This cheapness in the conveyance causes the commodities to be sold at a lower price. As the imports into the town are sold at a cheaper rate, and the exports are also sold at a lower price at the place of consumption, the increased cheapness in both cases increases the demand, and hence trade is advanced. The cheapness of conveying money operates in the same way as cheapness in the conveyance of goods. After the goods are sold, the money must be transmitted. The expense of remitting the money, like the expense of conveying the goods, must be regarded as an item in the cost of production, and be taken into account in fixing the price at which the goods must be sold. Banks remit money at a less expense than it can be remitted in any other way. Hence the merchants are enabled to sell their merchandise at a lower price, and thereby consumption is increased and trade is extended.

The second way in which banks of remittance promote trade, is by enabling capital to revolve more rapidly. They cause money to be remitted in a shorter space of time. For instance—an Irish butter merchant may purchase of a farmer a quantity of butter, and ship it for London. He may, on the same day, draw a bill for the value of the butter, and have it discounted at the bank. With this money he may purchase a further quantity of butter, against which he may draw another bill, and have it discounted. This operation, if he be in good credit, may be repeated as often as he pleases. Now, if there be no bank in the district, he could not get the money for the first shipment of butter until the return of post from London, and then he would receive large BANK OF ENGLAND notes, which he might not easily be able to get changed. During this interval he can make no purchases for want of money, and the farmer has no sale for his butter. Thus the banks enable the merchants' capital to revolve several times more rapidly than it could otherwise do. To increase the rapidity of the returns of capital has the same effect as to increase its amount. If any given amount of capital, that now revolves once in a year, be made to revolve twice in a year, it will have the same effect upon trade as if the amount of capital were doubled, and its progress remained the same.

Banks of deposit encourage the trade and wealth of a district by collecting together the various small amounts of money that previously lay idle in the hands of the depositors, and employing this sum in advances, by way of loan or discount, to the productive classes of the community. The commodities thus produced are remitted to a distant place for sale. But in the interval, between the transmission of the goods and the return of the money for which they may be sold, the manufacturer is deprived of the use of this amount of capital. Banks of remittance guard against this inconvenience, and advance immediately to the manufacturer the value of the goods, by

discounting his bill upon the party to whom they are consigned. By this means he has all the advantage to be gained from the higher prices of a distant sale, in connection with that prompt payment he would obtain from a home market. Thus it is, that while banks of deposit enable the capital of any district to revolve more rapidly *within the district*, banks of remittance enable it to revolve more rapidly with reference to other places. Both produce the same effect as that positive increase of capital which is introduced by banks of circulation.

SILVER MINES IN INDIA.—The “Silver country of the Vazeers,” or, as the Indian Survey maps have it, “Vazeeri Rupi,” consists of 677 square miles in “Kulu,” which was visited by the late Lord MAYO last November, and he expressed a wish for a large piece of serpentine, of which there is a quarry here, to make an urn or vase four feet high by two feet, and proposed having it carved at Agra. These silver mines, of which the true number is not yet known, have been hid and planted over for hundreds of years by the natives, to prevent the compulsory labor ordained by the native rajahs. Fearless of such exactions under British rule now, no opposition has been made to their rediscovery and opening, and with the consent of the Punjab government the rajah has disposed of all his rights for minerals in Vazeeri Rupi to an European of experience and enterprise, who is now in ENGLAND, with a view to meet with capitalists to open the numerous and valuable lodes. Dr. OLDFHAM, the Superintendent of the Geological Survey of INDIA, has had several specimens assayed. No. 2 gave 89 ozs. 16 dwts. 16 grs. of silver to the ton; but, he remarks, not one half of the silver is in the galena, but in the ore generally, which contained also 3.8 per cent. of copper, and the silver contained gold. Other assays have been made in London, giving 120 ozs., and native assays make some specimens as high as 1-16th silver. Considering that lead sells in the Punjab at £28 to £33 per ton, and produces nearly, if not quite as much in silver, the profit offered is at least £40 per ton, and the sales made on the spot. Besides these—at least twenty mines—there are as many of copper, which sells there for £120, affording an ample profit, the lowest price at Delhi being £112. There is also a lode of antimony, fifteen feet wide; solid metallic ore of greatest purity cropping out of the surface of a high hill by the road. Added to these mines of wealth are salt—a mine of which, in Mundi, yields the rajah 300,000 rs. per annum, or £30,000 a year profit. Sulphur, manganese, bismuth and iron are in plenty, and there are hundreds of miles covered with forests of immense pine trees one hundred feet high for fuel. Labor is plentiful at 4½d. per day; and the roads and bridges are the great highway to the north. Gold is washed in the river, and diamonds have been found on the road. The climate is most lovely, and Kulu is annually visited by hundreds of officers on leave. Such a property needs only to be known to be immediately taken in hand.—*London Mining Journal*.

THE PRODUCTION OF GOLD AND SILVER.

From a Special Report of Examination of Branch Mints on the Pacific Coast. By Professor JOHN TORREY and H. R. LINDERMAN, November, 1872.

The amount of silver bullion annually produced from the mines of the UNITED STATES has been increasing during the last three years, and now amounts to about twenty millions per annum, exclusive of the gold it contains; and a further increase in this product being quite certain, the future value of silver, as compared with gold is a matter of national importance.

The fluctuations in the relative value of gold and silver during the last hundred years have not been very great, but several causes are now at work, all tending to an excess of supply over demand for silver, and its consequent depreciation. Among these causes may be stated the increasing production, its demonetization by the German empire, and continued disuse in this country, except to a limited extent, as a part of the circulating medium.

It has also been demonetized by JAPAN, while in some other countries silver coin has been wholly or partially expelled from circulation by paper money, the effect of which will be to bring to the market as bullion large amounts hitherto used as coin. The amount of silver coin in the German empire at the date of the enactment of the recent coinage law, (December, 1871,) which changed the standard from silver to gold, is estimated by competent authority at \$350,000,000, being equal to five years' total production of the globe.

Even if silver should be adopted by GERMANY, for subsidiary coinage, not more than \$50,000,000 will be required for that purpose, which will leave \$300,000,000, or about 9,000 tons, to be disposed of as bullion. A market for this immense supply of silver can only be found in such of the European States as maintain the single standard of silver, or the double standard of gold and silver, and in CHINA and the Indies.

The facts above stated indicate the gradual but eventually certain adoption of the gold standard, and consequent demonetization of silver by all commercial countries. Not only is the tendency to adopt gold as the sole standard and measure of value, but to use paper money redeemable in gold, as the bulk of the circulating medium.

The true policy of this country under these circumstances is to seek a market in CHINA for its silver bullion; and to do this it must be put in form to meet a favorable reception in that empire.

The United States silver dollar of 412½ grains has never been well received in CHINA, nor amounted to much as a coin of commerce, for the reason that its bullion value is less than that of the old Spanish dollar, and its successor, the Mexican dollar, both of which have played an important part in the commerce of the world. The standard aimed at when the United States silver dollar was first authorized to be issued was the Spanish dollar. The act of 1792 provided that *the dollar should be of the value of the Spanish milled dollar, as the same was then current in the UNITED STATES.* The act also provided that it should contain 371½ grains of pure silver. The content of pure silver should have been within a fraction of 377½ grains. The mistake made in specifying 371½ instead of 377½ grains, was due to an error in determining the quantity of pure silver in the Spanish dollar, the art of assaying being then imperfectly understood in this country. Dr. RITRENHOUSE, the first Director of the Mint, must have recognized the error, because the earlier issues of the mint corresponded very closely to the Spanish dollar. His successor, however, caused the standard to be conformed to law, so that the dollar would contain 371½ grains, which proportion of fine silver has never since been altered.

Had the United States dollar been issued to correspond in content of fine silver to the old Spanish dollar, as was originally intended, it would no doubt long since have become an important agent of commerce.

The silver dollar being a useless coin, both as respects circulation and commerce, should be abolished, and we should inquire whether some new medium may not be substituted, approximating in general character and value, which will meet certain commercial requirements becoming daily more pressing, without giving rise to any of those perplexing questions or complications resulting from the varying values of the precious metals, under a double standard, and at the same time afford some relief to our mining industries, from the serious decline and further apparent depreciation in the value of silver.

It appears that the successful inauguration of the China steamship line by the Pacific Mail Company, in connection with the oceanic cables, which now nearly encompass the globe, is producing rapid and highly important changes in the course of exchange.

From the great advantages in rates and time, the vast business of *remittances* with CHINA and JAPAN, which was formerly done by *direct remittances*, is now transacted to a large extent by a *cross exchange* through San Francisco, and will undoubtedly increase as her advantages for arbitrating such exchanges shall become better known.

For a long time much of the business both of EUROPE and this country with CHINA and JAPAN has been done in Mexican dollars, (formerly the Spanish dollar). Indeed this coin has now practically become the money of account in those countries and of commerce with foreign nations, and so necessary has it become for this purpose that it readily commands about 8 per cent. premium both in London and San Francisco, *though intrinsically* worth only 1½ per cent. more than our dollar of 412½ grains.

This is a serious tax upon our commerce, while our own silver is being exported from the country at a *heavy discount*, and to the serious detriment of both our commerce and mining interests.

The Japanese are a highly progressive people, and readily adopt the usages and customs of other nations. They have already adopted a gold standard, and the exchanges with them will be hereafter principally transacted in this metal. The opposition of the Chinese, however, to all innovations is well known, but the magnitude of our present commerce and increasing intercourse with them, together with the inadequate and decreasing supply of Mexican dollars, are rapidly producing a condition of things highly favorable to the introduction of our own dollar, or some other corresponding medium of exchange.

After consulting with some of the leading business men of San Francisco, as well as with some of the most prominent and intelligent Chinese merchants as to its probable success, I do not hesitate to recommend, in lieu of our old dollar, a new coin or disk, which shall be slightly more valuable than the Mexican dollar, to be made only upon the request of the owner of the bullion, and to be paid for by him.

It is not proposed to make the new coin or disk a legal tender in payment of debt, but simply a stamped ingot with its weight and fineness indicated. Its manufacture can therefore in no wise give rise to any complication with our monetary system, and neither in theory or principle differ in any respect from the manufacture of unparted or refined bars now authorized by law, except in being of *uniform* weight and fineness.

If this new coin should be accepted at all as a medium in our trade with CHINA, it will doubtless very soon supersede the Mexican dollar, and there is no reason why it should not in a short time command a premium of 6 or 8 per cent.

As the product of our silver mines is at present being exported abroad at an average discount of at least 2 per cent, it will be seen at once that such a result would be of immense advantage to our commerce, but also to our mining industries. A stage not only would also be a most desirable form for use in the arts, this new coin probably put a stop to the melting of our subsidiary silver coins, now so extensively carried on by silversmiths in certain localities.

As the trade of San Francisco with CHINA direct, and by exchange for account of the eastern cities and EUROPE, would readily receive the entire production of silver, it will be seen that a safe outlet for our commodity would be thus secured, and the perplexing proposition, as to the decline in price of this metal, and its increasing production, as at once solved in a most satisfactory manner.

The proposed coin or disk should weigh 420 grains, and contain 378 grains of pure silver, and the weight and fineness be stamped on the reverse of the coin.

There is certainly sufficient inducement to issue such a coin, and the proposition does not appear to be open to any objection. It will

not be a coin of circulation, or legal-tender in payment of debts, but simply an agent in our commerce with foreign countries.

COMPARISON OF VALUES.

The Mexican dollar exceeds in value both the Japanese yen and the United States dollar, as will be seen by the following statement:

| | Weight. | Fineness. | Pure Silver. |
|-------------------|-------------------------------|-------------------|--------------------------------|
| Mexican dollar | 417 $\frac{1}{4}$ grains troy | 902 $\frac{1}{2}$ | 377 $\frac{1}{4}$ grains troy. |
| Japanese yen | 416 grains troy | 900 | 374 $\frac{1}{8}$ grains troy. |
| American dollar | 412 $\frac{1}{2}$ grains troy | 900 | 371 $\frac{1}{2}$ grains troy. |
| Proposed new coin | 420 grains troy | 900 | 378 grains troy. |

The value of these coins and the proposed commercial dollar may be stated as follows:

| | | | |
|----------------------|---------------------------|-------------------|---------------------------|
| United States dollar |\$ 1.00 | Mexican dollar | 1.01 $\frac{1}{16}$ |
| Japanese yen | 1.00 $\frac{1}{16}$ | Proposed new coin | 1.01 $\frac{1}{16}$ |

or, say, about 2 $\frac{1}{16}$ mills more valuable than the Mexican dollar.

In the event of the issue of the proposed coin, it will be well to give it a title, as for instance "silver union," differing from the coins representing our subsidiary and dollar of account.

| | | |
|---|-------|------------------------|
| Intrinsic value of Mexican dollar as to gold is as | ..... | 16 $\frac{1}{16}$ to 1 |
| At 8 per cent. premium its market price is as | ..... | 15 $\frac{1}{16}$ to 1 |
| American dollar | ..... | 15 $\frac{1}{16}$ to 1 |
| Fine silver at 1 $\frac{1}{4}$ per cent. premium, San Francisco market rate | ..... | 15 $\frac{1}{16}$ to 1 |
| In London, fine silver at 80d. per (present market rate) standard ounce is | ..... | 15 $\frac{1}{16}$ to 1 |
| Yen of Japan | ..... | 16 $\frac{1}{16}$ to 1 |
| Proposed silver union | ..... | 16 $\frac{1}{16}$ to 1 |
| Five franc, by law | ..... | 15 $\frac{1}{16}$ to 1 |

The average price of standard silver in London in 1853 was 61 $\frac{1}{2}$ pence. The present price is 60 pence per ounce; being a decline of 1 $\frac{1}{2}$ pence, or 2 $\frac{1}{2}$ per centum.

The price of bar silver, (Dore silver, containing gold,) five years ago, was from 1 to 1 $\frac{1}{2}$ per cent. premium in San Francisco. The present price of the same is from 1 $\frac{1}{4}$ to 1 $\frac{1}{2}$ per cent. discount, being a decline of about 2 $\frac{1}{2}$ per cent.

While the average decline in silver in the last twenty years has been about 2 $\frac{1}{2}$ per cent., the increased weight of the proposed coin, as compared with the silver dollar, is only 1 $\frac{1}{8}$ per cent.

VALUATION OF FOREIGN COINS.

The correct valuation of foreign coins is a subject which should receive consideration in connection with the revision of the coinage laws, and I venture to suggest, for reasons hereinafter stated, that provision be made by law, to the effect that in all customs transactions the pound sterling and other foreign gold coins be computed and stated according to the intrinsic value in our money of account of the fine gold contained.

The importance of this subject will be seen by reference to the existing mode of computing and adjusting exchanges between the

UNITED STATES and GREAT BRITAIN. The sovereign, which represents the pound sterling, contains 113.05 grains pure gold, and is of the value of \$ 4.86 $\frac{9}{10}$ in our money of account, but this is not the value at which it is computed in settlement of accounts between the two countries, and in estimating at the custom houses the duties to be paid on imports. In both cases it is undervalued more than two cents.

The undervaluation of the sovereign entails a loss not only on the American exporter, but on the Government. If the exporter has £ 20,000 placed to his credit in London, he has there the equivalent of \$ 97,300—each pound containing \$ 4.86 $\frac{1}{2}$, and assuming exchange on London to be at par, he ought to receive the sum stated.

But such is not the case, as when he makes a draft against the sum to his credit, he must, in accordance with commercial custom, compute the pound sterling at \$ 4.84 $\frac{4}{10}$, and consequently receive only \$ 96,800, subjecting himself to a loss of \$ 420 on the transaction.

The banker, however, who cashes his draft, remits it as cover to his own exchange, and receives the full pound in London.

In the other case, an invoice of British merchandise amounting to £ 20,000, and subject to duty, being received, is converted into United States money at the rate of \$ 4.84 to the pound sterling, (instead of \$ 4.86 $\frac{1}{2}$;) and the duty levied on \$ 96,800 instead of \$ 97,300:

The valuation of the pound sterling at \$ 4.84 instead of \$ 4.86 $\frac{9}{10}$ may be claimed to be proper, in view of the fact that to actually convert a sovereign into United States coin entails a deduction of nearly 2 $\frac{1}{2}$ cents in consequence of the $\frac{1}{2}$ per cent. coinage charge. If the United States coinage charge be the real cause of the undervaluation of the pound sterling, no time should be lost in abrogating it, our commerce and monetary transactions with GREAT BRITAIN being too extensive to admit of such a disadvantage.

With proper legislation the disadvantage referred to would be removed and the complicated mode of computing exchange with GREAT BRITAIN simplified. The par of the pound sterling would be \$ 4.86.5, and quoted at that rate.

The present fictitious par of exchange is arrived at by adding 9 per cent. to the old custom-house valuation of \$ 4.444 for the pound sterling, and when exchange is at par it is quoted at 109. This complicated system also leads to a fictitious quotation of our bonds in the London market, which, when at par, are quoted at a deduction corresponding to the percentage added here to the old valuation above referred to.

That a system so fictitious as this should have been adhered to for nearly a century after the coins and their content of fine metal on which it was originally based have passed away, shows the tenacity with which mankind adhere to monetary terms and customs.

The following section is respectfully suggested :

“That in converting invoices of foreign merchandise received at the several custom-houses, and subject to duty, into United States

money of account, the monetary unit in which such invoices are stated shall be estimated at the intrinsic value of the fine gold contained in the coins representing such units respectively, and it shall be the duty of the Director of the Mint to cause assays to be made annually of such foreign coins as are known to our commerce and present a statement thereof in his annual report."

The following extracts from the report made by Senator SHERMAN in 1868, on the subject of international coinage, strongly present the disadvantage under which we labor in connection with our foreign exchanges :

Every advance toward a free exchange of commodities is an advance in civilization. * * * Every obstruction to commerce is a tax upon consumption; every facility to a free exchange cheapens commodities, increases trade and production, and promotes civilization.

* * * No single measure will tend in this direction more than the adoption of a fixed international standard of value by which all products may be measured, and in conformity with which the coin of a country may go with its flag into every sea and buy the products of every nation without being discounted by the money-changer.

* * * * *

Gold with us is like cotton—a raw product. * * * Every obstruction to its free use, such as the necessity of its recoinage when passing from nation to nation, diminishes its value, and that loss falls on the UNITED STATES, the country of production.

* * * * *

The UNITED STATES is a new nation, and therefore a debtor nation. By placing ourselves in harmony with the money units of creditor nations we promote the easy borrowing of money and payment of debts without the loss of recoinage or exchange, always paid by the debtor. * * *

The technical rate of exchange between the UNITED STATES and GREAT BRITAIN, growing out of the different nominal values of coin, is a standing reproach which can only be got rid of by unifying the coinage of the two countries, when both the real and technical rates of exchange will be at par, &c.

ACCOUNT AND DISPOSITION OF GAINS FROM DEPOSIT MELTING-ROOM.

An important reform has been accomplished since you became Secretary of the Treasury in connection with the operations of the mints, and resulting from the periodical examinations originated by you in 1869.

I refer to the keeping of accurate account of the bullion recovered from the residue, fluxes, &c., in the deposit melting-room, and which do not admit of being returned to depositors. Before 1869 the practice had always been to turn these residues over to the melter and refiner without charge and without knowing how much bullion they contained.

Nearly all deposits of bullion are taken to the deposit melting-room and there melted with protective and sometimes refining fluxes, and the weight after such melting is that with which the melter and refiner is charged and the depositor credited. All the grains that can be recovered are gathered up for his account, but the utmost care and skill cannot recover all the bullion.

As the loss is not a matter of account, it is very important that the residuum, flux, sweepings, &c., should be kept separate, and the bullion contained therein ascertained at the annual settlement, as a check on the operations of the deposit melting-room.

At San Francisco, about \$2,500 is thus recovered; at Carson, \$25,000 to \$30,000; at Philadelphia, about \$1,200. The amount depends, to a great extent, on the number and character of the deposits. This regulation has not yet gone into operation at the United States assay office, New York.

STANDARD WEIGHTS.

During the last two years the standard weights at the branch mints and assay offices, and the weights ordinarily used in the transactions of these institutions, have, pursuant to your instructions, all been examined, tested, and placed in exact conformity with the legal standards.

The diminution in the weight of the standards in one instance proved the importance of this precautionary measure.

In concluding this report, I beg to congratulate the Department and the officers of the mints and assay offices on the favorable results of our minting operations during the last few years, not a single de-falcation or serious error having occurred. And I also desire to express my appreciation of the action of the Department in uniformly sustaining all measures having for their object the efficiency and economy of the Mint Establishment, and in which the officers of the mint, branch-mints, and assay offices have, to the extent of their power, co-operated.

With great respect, your obedient servant,

H. R. LINDERMAN.

STOCKS IN 1872.—Mr. JOSEPH G. MARTIN, Broker, No. 10 State Street, Boston, has published his annual review of the Stock market of Boston, showing the lowest and highest prices of Boston National Bank shares, Boston Insurance shares, Railroad shares, New England Manufacturing Companies, City bonds, Copper Mining shares, and miscellaneous securities in that market in the year 1872. Out of twenty-two Insurance Companies quoted in the year, three were reported over 300 per cent.; seven were reported over 200 per cent.; six were reported over 150 between January and November. Bank shares in January, 1873, are reported a little higher than in January, 1872, notwithstanding the fires of November last.

SCIENTIFIC ROGUERY AND ITS ANTIDOTE.

BY C. H. C.

Crime, of specific grades, at times appears to become epidemic. The dull routine of petty larcenies or sidewalk pilferings form the ordinary background to set forth the more brilliant exploits of dashing villainy, during its season of "star performances." Murders of various degrees of atrocity will follow one another so closely that one would think the demon of violence had broken loose and there was no safety for human life. Again the public quiet will be startled by a succession of boldly planned and well executed burglaries which appear to set at defiance all sense of security against the wily cunning of the rogue, followed, perhaps by a record of dashing forgeries which appall the numerous custodians of our valuables and evince the acuteness of the perpetrators.

"The means to do ill deeds
Makes ill deeds done."

Roguery has lately assumed a higher phase, TAKING a more enlarged view of the horizon and DRAWN science to its aid. It is no longer mere brute force wrestling with our treasure boxes, but the cunning skill of the chemist and artisan, alert with brain work, is brought to bear in weaving schemes to rob us of our treasured effects.

Following in the train of epidemical crime, among other methods which have lately come in vogue, evidences of value, by means of chemical agents skillfully applied, are raised to represent much larger amounts than their honest drawers ever intended them to convey. This is accomplished either by the delicate manipulation of the eraser, which takes off the lines of the writing, so perfectly that by again polishing or burnishing over the surface, it may be easily written upon, or as most generally is the case, by the use of some chemical agent, acid or alkali, removing all traces of the ink and leaving the space ready for the operations of the rogue. This *modus operandi* covers a large field for criminal enterprise—take for instance the idea of a certificate of deposit with a substantial banking house. The party contemplating the villainy takes a hundred or so good virtuous greenbacks to the bank, or what is better, manages to have it done through a more responsible third party, and gets a certificate of that amount having been so deposited. These certificates are equal to money and negotiable in any place. The rogue then applies his skill as above alluded to, preserves everything about the document intact and perfect, but changes the amount to represent a much larger sum, which he negotiates wherever he pleases and comfortably pockets the result of his knavish skill.

To circumvent and estop these operations is most desirable—to

detect them in good season appears almost impossible, unless some method is devised whereby any tampering with the original document would be made apparent at first sight. The range of opportunities in this way opened up to the skillful and alert rogue are vast [and be *very* generally reasonably safe against arrest]. There are always moving about the world so many written vouchers of value, in the transaction of the world's business, every one of which is an allure-ment and opportunity for the skillful rascal to make his adventure, that it is really a matter of serious import how to place a barrier against the wide facility which this species of rascality presents to roguish enterprise.

Several years ago an English invention was presented to the public, consisting of a groundwork or tint *printed* with sensitive ink, which appeared fully to cover the purpose and was esteemed highly valuable as affording a means of security. It was very largely adopted by leading banks and others, and for a length of time appeared to answer the full purpose. Eventually, however, some cunning rogues discovered a means of removing the writing without changing or disturbing the tint. They found that the manufacture of any color into the requisite consistency for printing by impression, required other ingredients to be incorporated with it, which in a measure destroys its sensitiveness as a fugitive tint. They experimented by delicate chemical agents until they found one which would act upon the writing without moving the *printed* base color. The result was, that the barrier was broken down and the *printed* tint no longer relied upon with a confident sense of its security.

Various schemes were then devised to attain the desired end. Different kinds of writing inks were introduced claiming to be unalterable, but on trial each was found to have its chemical antagonist, which nullified their usefulness. Besides which the difficulty of mechanical erasure was not covered by their use. Another method was by puncturing the paper, and also by perforating the figures upon the document, but all these devices failed before the skillful manipulations of the roguish scientist, and there appeared to be no MECCA of safety for the troubled holder of values to repose in quiet confidence.

Finally a busy brain devised a tint to be formed of *diluted writing ink* to be placed upon the surface of the paper. The Homœopathic theory "*similia similibus curantur*" was the basis upon which the invention was intended to operate. It is absolutely making the thief catch the thief, for whenever any attempt is made to change or alter the writing upon such paper, it so disfigures it as to make the intention evident and so far frustrates the fraud, and even to forfeit the original value of the document. No rogue of course would dare to offer a plainly defaced original, when his efforts at fraud would be so palpably apparent—his only course after being so thoroughly frustrated in his attempt would be to hide the evidences of his rascality by destroying it entirely.

This invention consists in its embracing a base color, upon which the writing is to be placed, being of *exactly the same material* as the

ink used for filling up the document, made even more sensitive by diluting the body of the fluid and thus develop any attempt to change the denser body of color placed upon it in writing. By this means any chemical agent used to obliterate the writing would act at once upon the lesser and more delicate body of the same material comprising the safety tint. To accomplish the purpose it is indispensable that the tint should be a *flowing* color of the same limpidity as comes from the pen and placed upon the paper in a nearly similar way though done in mass over the entire surface. The writing ink is diluted sufficiently to give the proper shade of color, so that the writing upon it may be properly clear and distinct, and yet be so incorporated with the base color that with the removal of the one the other will certainly be affected and thus develop any attempt to tamper with the document.

The *surface* of the paper being the only portion receiving the tint, leaves the body of the original whiteness, and by that means secures it from any attempt to erase by scraping, as by such effort the surface tint would be removed, developing the white material of the body of the paper wherever the process had been attempted.

It is claimed that no *printed* tint can possess the same sensitiveness as a *flowing* color. A *printing* ink must be mixed with glycerine or other mucilaginous material to attain the requisite and indispensable quality to fit it for printing purposes. It cannot take a permanent hold upon the surface of the paper and yet retain the proper sensitiveness. The unavoidable use of some material as an admixture, to give it sufficient consistency for printing and yet retain its fugitive character under the action of chemical agents, would render it so delicate that it would be affected by any moisture, such as a perspirable hand touching it. It could be entirely washed off without removing the writing, and the alterations of value made, and a new tint of similar character printed again over the surface, thereby affording facilities for fraud instead of a hindrance.

By the method of the *diluted writing ink* tint, its affinity to the paper gives it exactly the required durability to avoid changing by any ordinary moisture, and yet being of exactly the same character as the writing, and of same material, the one cannot be removed without displacing the other.

During the series of experimental attempts for producing this paper, different methods were devised for the purpose, finally resulting in an ingenious device, by which the sheet is taken immediately from the cylinder, and passed through a bath of the liquid producing the tint.

Whilst experimenting in this way it was requisite to put the sheets through two compressing rollers, to remove the surplus moisture. One of these rollers was an old wooden one, the fibre in the strongest parts slightly projecting by long rise. In manipulating the paper it was found that each sheet as it came from the machine contained a delicate and perfect printing of the lines from this roller, which led to

further experiment, and developed the fact that any device or form, however elaborate or intricate, could be clearly impressed upon the tint in process of manufacture. By utilizing this chance discovery, the surface, instead of being merely a plain shade of color, can be formed of any varied style of design which has been engraved upon the roller.

This method opens up a wide field for embellishment to the tinted surface, and of course renders it entirely impossible, when it has been once removed, to renew or repair it. It also produces such different shades that a duplicate by photography could not be produced.

It must be borne in mind that ink is not placed upon the paper with the shade it afterwards assumes; a portion of its intensity is received by exposure to the atmosphere. This fact renders it utterly impossible, if no other difficulty was in the way, of repairing or renewing a part when the tint has been taken off. If it was possible, (which it is not,) to match the shade of color, the new part would soon change by exposure, and become darker than the surrounding portion. Let any person, however, attempt to match such a color, and bring them in close proximity, and it will soon be discovered that it is entirely out of the question. *It cannot be done.*

NATTY BUMPO, one of COOPER'S heroes in his novel of *The Prairie*, when out with his party on one of those vast fields of waving grass covering the prairies of the far West, descried a wide expanse of lurid flames and smoke sweeping rapidly towards them, from which there appeared no avenue of escape. It came onward crackling and hissing, hiding the sky with the red glare of the fire and heavy pall of the smoke. A general consternation prevailed amid the little group, when NATTY, taking his faithful rifle in his hands and snapping the trigger upon the priming by which he held some dry grass, soon saw it blaze up. Touching it to the ground the flames spread around, soon forming a space upon which they could stand and view their own fire sweeping rapidly forward far away to meet the oncoming conflagration, and leave no material for it to feed upon in their vicinity. NATTY laughed quietly as he turned to his panic-stricken companions and exclaimed, "See the fire fight fire!" Upon such principle, this invention may truly be said to be "ink fighting ink," and it affords a similar protection to those also who stand within the pale of its use.

The simplicity of the invention and its self-evident effectiveness, as well as the many satisfactory tests to which it has been submitted, manifest its entire success. It is certain that the many other methods so far devised have as yet failed to accomplish the entire purpose. *Printed tints*, for the reasons named, have not attained the end; and as this method is apparent in reason as a secure one, both against chemical agents or erasure by scraping, its merits entitle it to be regarded as a valuable means of detecting fraud and avoiding losses. It has been patented both in this country and in EUROPE under the auspices of a company organized for its manufacture and development.

THE PRODUCTION OF COAL IN PENNSYLVANIA.

| <i>Year.</i> | <i>Total tonnage for the year.</i> | <i>Increase or decrease over the previous year in tons.</i> | <i>Per centage of in- crease or decrease over previous year.</i> |
|-------------------|--|---|--|
| 1820..... | 365 | Inc. | |
| 1821..... | 1,073 | " | 708 |
| 1822..... | 3,720 | " | 2,647 |
| 1823..... | 6,951 | " | 3,231 |
| 1824..... | 11,108 | " | 4,157 |
| 1825..... | 34,893 | " | 23,785 |
| 1826..... | 48,047 | " | 13,154 |
| 1827..... | 63,434 | " | 15,387 |
| 1828..... | 77,516 | " | 14,082 |
| 1829..... | 112,083 | " | 34,567 |
| 1830..... | 174,734 | " | 62,651 |
| 1831..... | 176,820 | " | 2,086 |
| 1832..... | 363,271 | " | 186,451 |
| 1833..... | 457,749 | " | 124,478 |
| 1834..... | 376,636 | Dec. | 111,113 |
| 1835..... | 560,758 | Inc. | 184,122 |
| 1836..... | 684,117 | " | 123,359 |
| 1837..... | 869,441 | " | 185,324 |
| 1838..... | 738,697 | Dec. | 130,744 |
| 1839..... | 818,402 | Inc. | 79,705 |
| 1840..... | 864,379 | " | 45,977 |
| 1841..... | 959,773 | " | 95,394 |
| 1842..... | 1,108,412 | " | 148,639 |
| 1843..... | 1,263,598 | " | 155,186 |
| 1844..... | 1,630,850 | " | 367,252 |
| 1845..... | 2,013,013 | " | 382,163 |
| 1846..... | 2,344,005 | " | 330,992 |
| 1847..... | 2,822,309 | " | 538,404 |
| 1848..... | 3,089,238 | " | 206,929 |
| 1849..... | 3,242,966 | " | 153,728 |
| 1850..... | 3,358,899 | " | 115,923 |
| 1851..... | 4,443,916 | " | 1,090,017 |
| 1852..... | 4,993,471 | " | 544,555 |
| 1853..... | 5,195,151 | " | 201,680 |
| 1854..... | 6,002,334 | " | 807,183 |
| 1855..... | 6,606,567 | " | 606,273 |
| 1856..... | 6,927,590 | " | 319,303 |
| 1857..... | 6,644,941 | Dec. | 282,639 |
| 1858..... | 6,839,369 | Inc. | 194,428 |
| 1859..... | 7,808,255 | " | 968,886 |
| 1860..... | 8,513,123 | " | 704,868 |
| 1861..... | 7,954,264 | Dec. | 558,859 |
| 1862..... | 7,869,407 | " | 84,857 |
| 1863..... | 9,566,006 | Inc. | 1,696,599 |
| 1864..... | 10,177,475 | " | 611,469 |
| 1865..... | 9,652,391 | Dec. | 525,084 |
| 1866..... | 12,703,882 | Inc. | 3,051,491 |
| 1867..... | 12,988,725 | " | 284,843 |
| 1868..... | 13,834,132 | " | 845,407 |
| 1869..... | 13,723,030 | Dec. | 111,102 |
| 1870..... | 15,849,899 | Inc. | 2,126,869 |
| 1871..... | 15,113,407 | Dec. | 736,492 |
| 1872 (est'd)..... | 18,400,000 | Inc. | 3,286,593 |

The production of anthracite coal in PENNSYLVANIA in 1872 was about 18,400,000 tons, being an increase of about 3,300,000 tons over that of the preceding year. The foregoing table will show the annual aggregate production of anthracite coal in PENNSYLVANIA since the beginning of the trade, and the yearly increase or decrease, and will be valuable for future reference.

The largely increased production of last season was all disposed of, however; the market was better during the past two months than at any other period of the year, and it is believed that the stock of coal on hand at the close of the shipping season of 1872 was no larger than that held at the close of the previous year. The consumption of 1872 may, therefore, be safely set down at more than 3,000,000 of tons over that of 1871. In making an estimate of the consumption of the season of 1873, the following facts are relied upon to warrant the belief that the increase of demand above that of 1872 will be very nearly as great as was that of last season over the previous year.

First. The average annual increase during the last ten years has been about nine and a half per cent. of the consumption of the previous year.

Second. The great activity of the iron trade during the last twelve months has induced the erection of a larger number of new blast furnaces than were ever before put up in a single year. Nearly all of these new furnaces, which were in process of erection during the past year, will go into blast early in the coming season. In the regions dependent upon the roads and canals of the company for a supply of fuel there were, during the last season, sixteen new stacks being built, but five of which are yet in blast. Throughout all the iron districts of the country new furnaces are being erected, and it is believed that at least three-quarters of a million of tons of coal will be required during the present year to supply the demand of new iron-manufacturing establishments alone.

Third. The extension of new railroads into the interior of the country, especially to the lake ports, which has been prosecuted with great activity during the last two or three years, has opened new markets for anthracite coal by introducing it into regions of country hitherto inaccessible, and where wood had been chiefly relied upon for fuel. The statistics of the trade show that for the ordinary purposes of domestic life it requires one ton of coal per annum for each member of the community using it as fuel, but where the centre of manufacturing industry, or lake shipping ports are opened by new lines of railway, the consumption per inhabitant generally exceeds that quantity.

Fourth. The very high prices of coal in ENGLAND will, it is believed, induce the owners of steamships plying between EUROPE and the UNITED STATES to draw a larger proportion of the supply of coal for their vessels from AMERICA than they have heretofore obtained.

Fifth. The exceptionally low price in AMERICA during the past year has introduced coal in competition with wood into the districts where it never had been sent before, and it is well known that when the appliances for burning anthracite coal are once introduced, and the advantages of that fuel once understood, it is never displaced by any other.

If the above facts justify the belief that nearly 3,000,000 of tons more coal will be required in 1873 than were sent to market in 1872, and if by twelve months of steady work during 1872 the increased production of coal over that of seven months' work during the previous year was only about 3,300,000 tons, it is not unreasonable to suppose that it will be difficult to produce this year any quantity so greatly in excess of the demand as to depress the market to any considerable degree. Anticipating, therefore, a very large increase of trade, the managers have thought it wise to provide in time for its transportation, and it will be seen by reference to the statement of items added to capital account, that 1,000 eight-wheeled coal cars and 472 eight-wheeled freight and passengers cars have been built at the car shops of the company and added to its rolling stock during the year; and should the demand require it, the company will be in a position to transport from 180,000 to 200,000 tons of coal per week during the coming season.—*Philad. and Reading R. R. Report.*

ACCIDENTS ON RAILWAYS.—According to Captain TYLER'S annual report on railway accidents to the Board of Trade, the number of passenger journeys last year on railways in the UNITED KINGDOM was estimated at 375,000,000, and as the number of passengers killed from all causes beyond their own control was 12, this gives an average of one killed to every 31,250,000 passenger journeys. The statistics compare very favorably with preceding years. In 1870 the passengers killed were 66, the journeys being 336,545,000, giving an average of 1 in 5,099,000; in the four years ending 1869 the number killed was 91, the passenger journeys being 1,177,646,000, giving an average of 1 in 12,941,000; in the five years 1856-59 the number killed was 64, the journeys being 557,338,326, giving an average of 1 in 8,708,000; and in the three years 1847-49 the number killed was 36, the journeys being 173,159,000, giving an average of 1 in 4,782,000. These statistics confirm what is otherwise known as to the remarkable freedom of English railways from accidents in 1871, but we fear that the present year will show a far less favorable result. Almost unconsciously the railway companies are doing all they can to postpone repairs during the present high range of wages and prices, and whether they are pushing this action too far or not, there is, to say the least, a singular coincidence in the crop of accidents which we now read of. We look for accidents when a strain is put on to keep up high dividends, but the result is really more expensive to the shareholder than proper repairs would be, even at the present high prices.

ANNUAL LIST OF NEW PUBLICATIONS.

List of new works on Banking, Finance, Commerce, Trade,
Political Economy, &c.

* Those marked * are published in London.

** Those marked ** are public documents issued by order of the British Parliament.

* Alcock, Colonel. Remarks upon some of the movements of the present time, as they affect the religious, political, and social progress of the nation. 8vo. 1s. Williams & Norgate.

American Annual Cyclopaedia, and register of important events of the year. 1871, embracing political, civil, military and social affairs; public documents; biography, statistics, commerce, finance, literature, science, agriculture and mechanical industry. Vol. XI. 8vo. \$5; sheep, \$6; hlf. Turkey, \$6.50; Russia, \$9. N. Y., D. Appleton & Co.

* Australian (The) Hand Book and Almanack, and Shippers' and Importers' Directory, for 1872. 8vo. with map, 1s. 6d., clo. 2s. and 2s. 6d. Gordon & Gotch.

* Banking Almanac, Directory, &c., for 1872. 8vo. 1s. 6d. Groombridge.

* Bartlett & Chapman's Handy Book for Investors; comprising the rise, progress, and present position of every species of investment. 2d edition. 8vo. 10s. 6d. The Authors.

* Bastiat, M. F. *Provost Essays on Political Economy.* (People's edition.) Fcap. 8vo. 1s.

* Beeton's Hand Book of the Law relating to Debtors and Creditors, Compositions, Liquidations and Bankruptcy. (Beeton's Legal Hand Books.) 12mo. 1s. Ward & Lock.

* Berkley, Bishop. On Money. Being extracts from his celebrated "Querist," to which is added Sir John Sinclair on the Return to Cash Payments in 1819, and Mr. Cobden on the Evils of Fluctuation in the Rate of Discount. 8vo. sewed. 1s. Provost.

Bigelow, M. M. Reports of all the published Life and Accident Insurance Cases determined in the American Courts prior to January, 1871. With notes to English cases. Law sheep, 820 pages. \$7.50. Boston.

* Blewert, Wm. Tables for Calculating the Value of the Public Stocks and Annuities. 7th edition. Square 16mo. 7s. 6d. Causton.

Bless, George. A Treatise on the Law of Life Insurance; with Chapters on Accident and Guarantee Insurance. 8vo. \$7.50. N. Y., Baker, Voorhis & Co.

Brougham. Autobiography. 3 vols. 12mo. \$6. New York, Harper.

Brown, W. Thoughts on Paper Currency and Lending on Interest, as affecting the Prosperity of Labor, Commerce and Manufacture. 16mo. \$1 Philadelphia, J. B. Lippincott & Co.

* Browne, W. A. The Merchant's Hand Book of the Money, Weights and Measures of all Nations, with their British equivalent. 2d ed. 12mo. 5s. Stanford.

* Butt, I. A Practical Treatise on the New Law of Compensation to Tenants in Ireland. Royal 8vo. 25s. Butterworths.

Byles, Sir John. The Sophisms of Free Trade and Popular Political Economy Examined. 12mo. \$1.25. Phila., H. C. Baird.

Carey, H. C. *The Unity of Law; as exhibited in the relations of Physical, Social, Mental and Moral Science.* 8vo. \$3. Phila., H. C. Baird.

* Cobden Club Essays, second series, 1871-72. By Emile de Laveleye, Hon. Geo. C. Brodrick, W. Fowler, T. E. Cliffe Leslie, Julius Fancher, John Prince Smith, Joseph Gostick, J. E. Thorold Rogers, Hon. David A. Wells. 8vo. 15s. Cassell & Co.

* Commercial (The) Law Annual for 1872. 8vo. 3s. 6d. Cate.

* Copinger, W. A. *Index to Precedents in Conveyancing, and to common and commercial forms.* Royal 8vo. 28s. Stevens & Haynes.

* Crump, A. *The Key to the London Money Market.* 4to. 12s. 6d. Longmans & Co.

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THE BULLION PRODUCT OF 1872.

REVIEW OF THE YEAR.

From the Mercantile Gazette of San Francisco.

BULLION PRODUCTION.

The value of all the refined and base bullion, including ore of the precious metals, being the product of the regions west of the Missouri River, passing through WELLS, FARGO & CO'S Express during the year 1872, amounted, as appears by the statement of their agent, to \$62,236,913. This must fall considerably short of the entire amount of these values produced, as less than \$20,000,000 were so transmitted on California account, whereas the entire yield of this State must have been several millions more. NEVADA is accredited with \$25,548,811, though that State must have produced at least twenty-seven or eight millions. UTAH sent through the express ores and bullion to the value of \$3,521,623. The Salt Lake papers claim that the Territory produced \$10,000,000, though this is probably an over-estimate, seven or eight being near the mark. Estimating a like proportional increase for the other countries named, the total yield of bullion for the year must have approximated \$80,000,000. Assuming this to be nearly correct, we may safely count upon a production of nearly \$100,000,000 for the current year, certain authorities setting the amount at a somewhat higher figure. We shall clearly add several millions to the CALIFORNIA quota, while NEVADA is talking of \$35,000,000, twenty for the Comstock alone; and it is not probable that UTAH would like to be set down for less than ten or twelve millions and may possibly aspire to a much larger sum. A hundred millions is at any rate a very moderate computation for the whole country west of the Missouri. As the net profits on the product of 1872 exceeded those of the year before, so will accruing gains on the production of this be in still greater excess of those realized last year.

TREASURE EXPORTS.

The treasure exports from San Francisco for 1872 and the past two years have been as follows, exclusive of shipments through United States mail:

| | 1870. | 1871. | 1872. |
|---------------------|----------------------|----------------------|----------------------|
| To New York | \$ 13,443,295 | \$ 8,057,279 | \$ 4,055,565 |
| To England | 9,790,631 | 3,184,841 | 2,262,302 |
| To France | 190,408 | ..... | ..... |
| To China | 5,496,856 | 3,443,208 | 7,476,862 |
| To Japan | 1,383,669 | 738,412 | 10,212,949 |
| To Panama | 255,497 | 115,146 | 56,679 |
| To other countries. | 2,422,782 | 1,714,458 | 5,266,075 |
| Totals | \$ 32,983,140 | \$ 17,253,347 | \$ 29,330,435 |

The comparative description of exports of treasure by the above table were as follows :

| | 1870. | 1871. | 1872. |
|---------------------|----------------------|----------------------|----------------------|
| Gold Bars..... | \$ 8,345,549 | \$ 3,566,535 | \$ 11,910,565 |
| Silver Bars..... | 11,968,477 | 8,663,944 | 7,913,391 |
| Gold Coin..... | 9,131,923 | 3,023,100 | 7,883,620 |
| Mexican Dollars... | 3,492,606 | 1,872,184 | 1,427,441 |
| Gold Dust..... | 30,801 | 37,514 | 37,007 |
| Legal Tender..... | 13,284 | | |
| Silver Coin..... | 500 | 85,070 | 153,412 |
| Totals | \$ 32,983,140 | \$ 17,253,347 | \$ 29,330,436 |

The following table shows the value and destination of treasure shipments from San Francisco during the past sixteen years, from 1857 to 1872, inclusive :

| Years. | Eastern Ports. | England. | China. | Panama. | Other Ports. | Totals. |
|---------------------|-----------------------|-----------------------|----------------------|---------------------|----------------------|-----------------------|
| 1857.. | \$ 35,581,778 | \$ 9,347,748 | \$ 2,993,264 | \$ 410,929 | \$ 692,978 | \$ 48,976,693 |
| 1858.. | 35,891,288 | 9,265,739 | 1,916,007 | 299,265 | 175,779 | 47,548,026 |
| 1859.. | 40,146,487 | 3,910,980 | 3,100,756 | 279,949 | 202,390 | 47,640,462 |
| 1860.. | 35,719,296 | 2,872,936 | 3,374,680 | 800,819 | 253,165 | 42,825,916 |
| 1861.. | 32,628,011 | 4,061,779 | 3,541,279 | 849,769 | 95,920 | 40,876,758 |
| 1862.. | 26,194,085 | 12,950,140 | 2,660,754 | 484,500 | 322,324 | 42,561,761 |
| 1863.. | 10,389,380 | 28,467,256 | 4,206,370 | 2,508,296 | 505,687 | 46,977,930 |
| 1864.. | 13,316,122 | 34,436,423 | 7,888,973 | 378,795 | 636,883 | 56,707,201 |
| 1865.. | 20,583,390 | 15,432,639 | 6,963,522 | 1,224,845 | 1,103,832 | 45,303,227 |
| 1866.. | 29,244,891 | 6,532,208 | 6,527,287 | 511,550 | 1,548,457 | 44,864,393 |
| 1867.. | 28,355,903 | 5,841,184 | 9,081,504 | 372,152 | 3,075,149 | 41,876,722 |
| 1868.. | 21,468,800 | 5,812,979 | 6,193,995 | 640,000 | 1,828,621 | 35,444,395 |
| 1869.. | 12,459,813 | 11,841,812 | 6,487,445 | 668,182 | 5,889,565 | 27,287,117 |
| 1870.. | 13,448,295 | 9,790,681 | 5,496,856 | 255,497 | 3,996,861 | 32,988,140 |
| 1871.. | 8,057,279 | 3,184,842 | 3,443,209 | 115,146 | 2,452,371 | 17,253,347 |
| 1872.. | 4,055,665 | 2,262,302 | 7,476,868 | 56,680 | 15,479,026 | 29,330,436 |
| Totals | \$ 362,485,181 | \$ 165,811,543 | \$ 81,802,764 | \$ 8,791,782 | \$ 88,259,818 | \$ 656,151,088 |

COMBINED EXPORTS.

The combined exports, treasure and merchandise, exclusive of Overland Railroad, during the past twelve months, as compared with the same time in 1870 and 1871, were as follows :

| | 1870. | 1871. | 1872. |
|---------------------------|----------------------|----------------------|----------------------|
| Treasure Exports..... | \$ 32,983,140 | \$ 17,253,347 | \$ 29,330,436 |
| Merchandise Exports | 17,848,160 | 13,951,149 | 23,793,530 |
| Totals | \$ 50,831,300 | \$ 31,204,496 | \$ 53,123,966 |

TREASURE PRODUCT, IMPORTS, ETC.

The receipts of Treasure from all sources, through WELLS, FARGO & Co's Express, during the past twelve months, as compared with the same period in 1871, have been as follows :

| | 1871. | 1872. |
|--|----------------------|----------------------|
| From Northern and Southern Mines | \$ 35,608,395 | \$ 28,000,270 |
| Coastwise, North and South | 3,245,431 | 2,477,978 |
| Imports, Foreign | 4,108,724 | 8,060,412 |
| Totals | \$ 42,962,540 | \$ 38,538,660 |

THE PRODUCT OF SIXTEEN YEARS.

In sixteen years CALIFORNIA has added to the world's wealth, in coin and bullion, through the port of San Francisco, the enormous amount of \$656,000,000, in round numbers, and wholly exclusive of what has been carried by individuals. A country capable of such stupendous achievements must command the attention of business men in all parts of the globe. We shall close this short retrospect with the assurance that up to the middle of January, 1873, everything indicates a continuance of the high prosperity we have experienced throughout 1872. It is a fact that cannot be gainsaid or distorted that no land under the sun presents so many inducements for immigration. Labor of every description receives a higher reward in this State than anywhere else. The cost of tilling the soil is from fifteen to twenty per cent. less than in the Western States, and the profits of our farmers are far larger. The average to each depositor in our savings banks is nearly three times more than is placed to the credit of depositors in the most thriving institutions of New England. Owners of British vessels are disturbed to know with what they shall load their ships seeking this port for grain freights. If they will but fit up their between decks for passengers, as they formerly did in behalf of AUSTRALIA, and bring them here at low rates, they will probably find a quick solution of the problem.

FINANCIAL AND COMMERCIAL SUMMARY FOR 1872.

While many other sections of our own favored land have been subjected to sharp trials and discouraging vicissitudes, and portions of other countries have been desolated by floods, storms and pestilence, the Pacific Coast has enjoyed a degree of prosperity unsurpassed by that of any former year. The various industries of this side have flourished and progressed, have been extended and improved. Commerce has been largely increased, and all lines of domestic production been augmented in the most gratifying manner. Our harbor has been visited by 3,695 vessels, with an aggregate tonnage of 1,240,376 registered tons, and bearing the flags of all maritime nations, including that of JAPAN. Foreign demand for our unparalleled crop of wheat was active and sustained. By reason of deficient tonnage at the commencement of the harvest season, and the unusual requirement or shipping all over the world, freights were at one time higher than ever before experienced in CALIFORNIA, and the amount of money paid to market our domestic products was very large, while the price paid to vessels for importing merchandise reached the high figure of \$5,334,665. Probably not less than twelve millions were expended as freight money during the year. With such a statement to contemplate it is certainly strange that no greater efforts have been put forth to build and own a merchant fleet with which to transact at least a fair proportion of our growing maritime commerce. Our treasure exports for 1872 reached \$29,330,435, exclusive of what was forwarded through the United States mails. The Sub-Treasurer

transferred \$7,150,000 to banks, and sent East \$2,000,000. The movement of coin to interior points amounted to over \$18,000,000, while the receipts from the interior and coastwise were in the neighborhood of only \$8,000,000. The value of our merchandise exports was \$23,793,530, or nearly \$10,000,000 more than in 1871.

STOCK SALES AT SAN FRANCISCO, FOUR YEARS:

| | | | | |
|-------------|---------------|-------|-------------|-----------------|
| Year 1869.. | \$ 69,089,000 | ..... | Year 1871.. | \$ 127,887,000. |
| " 1870.. | 51,186,000 | ..... | " 1872.. | 189,193,000. |

The foregoing table is very suggestive, demonstrating, as it does, the immense volume of stock transactions in this city. It also indicates that out of a population of about 170,000 souls, a very large proportion must have engaged in stock operations to a considerable extent. The month of April, 1872, was particularly noteworthy for the amount involved, the excitement at that period having reached its highest pitch, good stocks selling far above their intrinsic value, as they do nearly always, while wild-cat shares floated into California Street with the force of a tidal wave, and buried many beneath its widespread flow.

WEALTH OF NEW STATES.

The estimated bullion product of NEVADA for the last year is between \$22,000,000 and \$23,000,000. The product for the first nine months is set down at \$17,814,176. The increase in bullion produced over the preceding year is about \$4,000,000. The same authority estimates the product for the coming year at \$26,000,000.

A writer in the Salt Lake *Tribune* shows that there are two hundred and seventy-seven miles of irrigating canals in UTAH Territory, and that the assessed value of property in 1872 was \$17,590,560, or more than five millions more than was taxed in NEVADA. UTAH, with more wealth and nearly double the population, remains a Territory, while NEVADA for many years has been raised to the dignity of a State, and has had the reflected glory of Senator NYE and other shining political lights.

If WYOMING is added to COLORADO Territory that will be the next to ask admission into the Union. UTAH, we presume, is destined to stay out in the cold until the Mormon question is settled. In the meantime the development of wealth in that Territory will be one of the marvels of the times.

CAPITAL AND ENTERPRISE IN GREAT BRITAIN.

INVESTMENTS OF THE YEAR 1872.

According to elaborate tables communicated to the *London Times* by Messrs. SPACKMAN & SONS, brokers, the accumulations of capital throughout GREAT BRITAIN continue very heavy every year, and contribute largely in fostering mercantile, manufacturing and financial schemes, on a most extended scale. This firm contributes a copious list of new enterprises started in the year 1872, and of additional capital supplied to former undertakings.

The capital authorized for new companies amounts to sixty millions sterling, of which 44 millions have been offered for subscription, and the deposits thereon amount to fourteen millions. The analysis shows the number of and capital required for each class of companies. The larger proportion are manufacturing, trading, and mining companies. Out of a total of 234 companies there are 88 manufacturing and trading, with a total capital of 16 millions; 81 mining, with a total capital of 8 millions; and 10 banking, with a capital of 12½ millions sterling.

The new issues of capital in behalf of previously existing companies amount to 31½ millions, of which the amount actually called up is 23½ millions.

The foreign loans negotiated in London for the year 1872, amount to 227 millions nominal capital, and the amount actually called up, to 95 millions. Included in this is the French National Loan of 160 millions, (45½ millions called up) which was not all issued in ENGLAND.

The extensive accumulations of a single year are, in part only, illustrated by the following analysis of two hundred and thirty-four companies organized mainly through the aid of London capital. There were, no doubt, numerous other organizations for banking, manufacturing, insurance, telegraphs, &c., besides the following:

ANALYSIS OF NEW COMPANIES IN THE YEAR 1872.

| | No. of Companies. | Capital authorized. | Capital offered. | Deposits. |
|----------------------|----------------------|------------------------|---------------------|-------------|
| Manufact'g & Trading | 88 | £ 16,210,000 | £ 12,327,170 | £ 3,809,044 |
| Banking Companies | 10 | 12,520,000 | 8,100,000 | 1,010,000 |
| Mining | 81 | 8,195,000 | 6,281,900 | 2,596,375 |
| Financial | 8 | 5,000,000 | 4,840,000 | 2,695,000 |
| Shipping | 6 | 3,850,000 | 3,300,000 | 1,112,500 |
| Railway | 8 | 5,813,500 | 2,961,000 | 917,850 |
| Gas | 6 | 2,300,000 | 1,620,000 | 362,500 |

| | | | | | | | | |
|---------------------|-----|----|--------------|-----------|--------------|-----------|--------------|---------|
| Telegraph Compan's. | 4 | .. | 1,855,500 | .. | 1,336,000 | .. | 525,200 | |
| Water | " | 4 | .. | 1,535,000 | .. | 1,135,000 | .. | 350,500 |
| Insurance | " | 4 | .. | 1,050,000 | .. | 900,000 | .. | 182,500 |
| Tramway | " | 7 | .. | 975,000 | .. | 735,000 | .. | 171,000 |
| Asphalt & Paving... | 1 | .. | 150,000 | .. | 150,000 | .. | 75,000 | |
| Hotels..... | 1 | .. | 60,000 | .. | 60,000 | .. | 24,000 | |
| Miscellaneous..... | 6 | .. | 685,000 | .. | 435,000 | .. | 172,750 | |
| <i>Totals</i> .. | 234 | .. | £ 60,199,000 | .. | £ 44,181,070 | .. | £ 14,004,219 | |

The contributions of fresh capital in behalf of seventy previously existing companies for the year, were twenty-three millions sterling, of which the major part were railways; viz:—

ANALYSIS OF NEW CAPITAL TO EXISTING COMPANIES.

| | <i>Capital offered.</i> | <i>Capital called up.</i> |
|------------------------------|-------------------------|---------------------------|
| Railway Companies | £ 22,641,300 | .. £ 17,951,558 |
| Financial " | 4,450,000 | .. 3,555,000 |
| Insurance " | 1,170,000 | .. 495,000 |
| Telegraph " | 1,090,000 | .. 603,500 |
| Manufacturing & Trading..... | 768,455 | .. 266,423 |
| Mining Companies | 607,880 | .. 520,995 |
| Banking " | 320,000 | .. 257,500 |
| Hotel " | 39,000 | .. 34,125 |
| Miscellaneous " | 800,000 | .. 160,000 |
| <i>Totals</i> | £ 31,886,625 | .. £ 23,844,101 |

In addition to the contributions of sixty millions for new organizations, and twenty-three millions for old ones in GREAT BRITAIN, the enormous sum of ninety-five millions sterling was raised for new loans to foreign nations. The following is an analysis of the loans negotiated.

NEW FOREIGN LOANS NEGOTIATED IN THE YEAR 1872.

| <i>Loans.</i> | <i>Issue Price.</i> | <i>Amount of Stock.</i> | <i>Paid up.</i> |
|----------------------------------|---------------------|-------------------------|-----------------|
| Argentine, 6 per cent..... | 76 | .. £ 1,225,000 | .. £ 931,000 |
| Arkansas, 7 per cent..... | 65 | .. 487,125 | .. 316,615 |
| Bolivian, 6 per cent..... | 68 | .. 1,700,000 | .. 1,156,000 |
| Boston City, 5 per cent..... | 97½ | .. 400,000 | .. 300,000 |
| Canada (Quebec), 6 per cent..... | 100 | .. 100,000 | .. 100,000 |
| Costa Rica, 7 per cent..... | 82 | .. 2,400,000 | .. 1,968,000 |
| French National, 5 per cent..... | 84½ | .. 160,000,000 | .. 45,600,000 |
| Hungarian, 5 per cent..... | 81 | .. 3,000,000 | .. 2,430,000 |
| Massachusetts, 5 per cent..... | 93 | .. 443,500 | .. 412,455 |
| New York City, 6 per cent..... | 92½ | .. 3,375,000 | .. 3,121,575 |
| Ottoman, 9 per cent..... | 98½ | .. 11,126,200 | .. 10,959,307 |
| Paraguay, 8 per cent..... | 85 | .. 2,000,000 | .. 1,400,000 |
| Peruvian, 5 per cent..... | 77½ | .. 15,000,000 | .. 11,625,000 |
| Russian, 5 per cent..... | 89 | .. 15,000,000 | .. 13,350,000 |
| Spanish, 3 per cent..... | 28½ | .. 10,625,000 | .. 743,750 |
| Washington City, 6 per cent..... | 87½ | .. 900,000 | .. 787,500 |
| <i>Total</i> | .. | .. £ 227,781,825 | .. £ 95,201,502 |

The numerous negotiations and enterprises of the year were accompanied by numerous fluctuations and panics, whereby the rates of

interest ranged at one time over seven per cent., while at other periods the rate was reduced to three per cent.

Statement showing the fluctuations in the value of money during the year 1872. Amount of bullion held by the Bank of England, notes in circulation and reserve, and price of consols at date of each alteration of bank minimum rate of discount:—

| <i>Minimum Bank Rate of Discount.</i> | <i>Bullion held by the Bank.</i> | <i>Notes held by the Public.</i> | <i>Reserve of Notes.</i> | <i>Price of Consols.</i> |
|--|----------------------------------|----------------------------------|--------------------------|--------------------------|
| Jan. 1st, Bank Rate stood at 3 per cent. from Dec. 14, 1871. | £ 24,636,575 | £ 25,645,410 | £ 13,991,166 | — |
| April 4, 3½ per cent. . . | 21,760,515 | 26,022,035 | 10,738,780 | 92½ 3½ |
| April 11, 4 per cent. . . | 20,830,275 | 26,011,470 | 9,818,805 | 92½ 3½ |
| May 9, 5 per cent. | 20,330,715 | 25,860,780 | 9,469,935 | 92½ 3½ |
| May 30, 4 per cent. . . | 20,632,055 | 24,908,940 | 10,723,115 | 93½ 3½ |
| June 13, 3½ per cent. . . | 22,105,980 | 24,864,285 | 12,241,695 | 92½ 3½ x.d. |
| June 20, 3 per cent. . . | 22,884,230 | 24,994,050 | 12,890,180 | 92½ 3½ |
| July 18, 3½ per cent. . . | 22,145,500 | 26,165,235 | 10,960,265 | 92½ 3½ |
| Sept. 18, 4 per cent. . . | 21,439,605 | 25,785,765 | 10,653,840 | 92½ 3½ |
| Sept. 26, 4½ per cent. . . | 21,038,625 | 25,690,830 | 10,347,795 | 92½ 3½ |
| Oct. 3, 5 per cent. | 20,624,405 | 27,134,755 | 8,489,650 | 92½ 3½ |
| Oct. 10, 6 per cent. . . | 19,734,460 | 26,651,960 | 8,062,500 | 92½ 3½ |
| Nov. 9, 7 per cent. . . . | 19,151,480 | 25,830,180 | 8,321,300 | 92½ 3½ |
| Nov. 28, 6 per cent. . . | 21,999,515 | 24,614,945 | 12,384,570 | 92½ 3½ |
| Dec. 12, 5 per cent. . . | 22,451,795 | 24,410,560 | 13,041,235 | 91½ 3½ x.d. |

The variations in the bank rate of discount were fourteen in number during the year 1872; the lowest rate being 3 per cent., on June 20, and the highest 7 per cent., on November 9.

THE PHILADELPHIA CLEARING HOUSE.

Aggregate Operations from March 22, 1858, to January, 1873.

THE CLEARING-HOUSE ASSOCIATION OF PHILADELPHIA was organized January 15, 1858, and commenced operations March 22, the same year.

Mr. JOSEPH B. MITCHELL, now deceased, was President of the Association from March, 1858, till September 5, 1868. Mr. JOSEPH PATTERSON, of the WESTERN NATIONAL BANK, was made President of this Association in January, 1869. Mr. THOMAS ROBINS, of the PHILADELPHIA NATIONAL BANK, is President of the BOARD OF PRESIDENTS.

The present officers of the Clearing-House Association are as follow :

President, JOSEPH PATTERSON, President of the WESTERN NATIONAL BANK. *Secretary*, WILLIAM H. RHAWN, President of the NATIONAL BANK OF THE REPUBLIC.

CLEARING HOUSE COMMITTEE.—*Chairman*, CHARLES H. ROGERS, President TRADESMEN'S NATIONAL BANK; EDWIN M. LEWIS, President FARMERS AND MECHANICS' NATIONAL BANK; THOMAS SMITH, President BANK NORTH AMERICA; BENJAMIN B. COMEGYS, Vice-President and Cashier PHILADELPHIA NATIONAL BANK; GEORGE PHILLER, Vice-President FIRST NATIONAL BANK; JAMES V. WATSON, President CONSOLIDATION NATIONAL BANK.

COMMITTEE OF ARBITRATION.—*Chairman*, DANIEL B. CUMMINS, President GIRARD NATIONAL BANK; ELIJAH DALLETT, President PENN NATIONAL BANK; WILLIAM GUMMERE, Cashier NATIONAL BANK OF THE NORTHERN LIBERTIES; GEORGE M. TROUTMAN, President CENTRAL NATIONAL BANK; JAMES L. CLAGHORN, President COMMERCIAL NATIONAL BANK; FRANCIS P. STEEL, President SOUTHWARK NATIONAL BANK.

CLEARING-HOUSE DEPOSITORY.—The FARMERS AND MECHANICS' NATIONAL BANK. *Manager*, GEORGE E. ARNOLD.

OPERATIONS OF FIFTEEN YEARS.

| | <i>Exchanges.</i> | <i>Cash Balances.</i> | <i>Average Daily Exchanges.</i> |
|-----------------------------|-------------------------|-----------------------|---------------------------------|
| March 22 to Jan. 1, 1859 .. | \$ 663,707,303 .. | \$ 44,773,131 .. | \$ 2,742,592 |
| One year to Jan. 1, 1860 .. | 1,026,715,542 .. | 64,213,066 .. | 3,322,704 |
| “ Jan. 1, 1861 .. | 1,099,817,007 .. | 72,395,749 .. | 3,559,278 |
| “ Jan. 1, 1862 .. | 771,071,475 .. | 69,863,049 .. | 2,511,656 |
| “ Jan. 1, 1863 .. | 965,684,302 .. | 82,874,087 .. | 3,125,191 |
| “ Jan. 1, 1864 .. | 1,285,910,085 .. | 118,969,363 .. | 4,188,632 |
| “ Jan. 1, 1865 .. | 2,037,729,220 .. | 148,180,902 .. | 6,594,592 |
| “ Jan. 1, 1866 .. | 1,908,500,018 .. | 160,897,767 .. | 6,257,377 |
| “ Jan. 1, 1867 .. | 1,765,682,747 .. | 156,401,271 .. | 5,732,736 |
| “ Jan. 1, 1868 .. | 1,641,019,118 .. | 161,698,267 .. | 5,327,984 |
| “ Jan. 1, 1869 .. | 1,740,641,117 .. | 165,289,731 .. | 5,651,464 |
| “ Jan. 1, 1870 .. | 1,856,079,822 .. | 160,057,524 .. | 6,026,233 |
| “ Jan. 1, 1871 .. | 1,803,941,184 .. | 163,481,564 .. | 5,856,822 |
| “ Jan. 1, 1872 .. | 2,165,245,830 .. | 191,840,918 .. | 7,007,268 |
| “ Jan. 1, 1873 .. | 2,004,469,537 .. | 194,554,050 .. | 6,486,956 |
| | .. \$ 22,736,214,314 .. | .. \$ 1,955,490,440 | |

The largest exchange in any one day was January 3, 1872, viz : \$ 12,951,548.

MANUFACTURES.—According to the ninth census, the number of manufactories in the UNITED STATES in the year ending June 1, 1870, was 252,148, with 40,191 steam engines, having 1,215,711 horse power, and 51,017 water wheels, having a horse power of 1,130,416. The average number of hands employed was 2,053,988. The amount of capital invested was \$ 2,118,247,069, and of wages paid \$ 775,621,593. The value of the materials used was \$ 2,488,291,952, and the value of productions \$ 4,232,625,892. Of the production, NEW YORK returned \$ 785,194,651, and PENNSYLVANIA \$ 712,178,944.

RESUMPTION OF SPECIE PAYMENT.

SUGGESTIONS BY A NEW YORK BANKER.

47 Exchange Place, New York, January 22, 1873.

Hon. THOMAS W. FERRY, *Washington, D. C.*

Dear Sir : The bill of the Finance Committee, presented by Senator SHERMAN, is perhaps the most practical step towards specie payments yet proposed. As a contribution to the current discussion of the subject, permit me to suggest one or two points referred to in our recent conversation.

The bill in section 2 removes the limit of circulation of National banks. Banks now in existence are, therefore, to be allowed to increase their circulation by depositing government bonds, and new banks are to be authorized whenever applied for.

The suggestion that I make is, that banks wanting currency be required to subscribe for a new five per cent. bond as the basis of circulation, and pay for same in legal tenders at par, and that the Secretary of the Treasury be required to cancel and destroy all legal tenders so paid in to him, with no power to reissue them.

This course would be a step towards specie payments, by reducing gradually the amount of greenbacks, which would make resumption a thing more easily compassed. The retirement of legal tenders in this manner would not produce the money pressure which other forms of contraction entail, because for every greenback retired a National bank-note would be set afloat. This would not be a process of inflation. It would be a transferring of the currency from one form into another.

The question whether a National bank-note is not as great an impediment to resumption as a legal-tender note almost answers itself. A bank-note is payable in legal tenders or coin, and if the government reduces its currency and thereby increases its power to resume, it brings nearer the day of resumption by the banks. A bank-note represents property in existence pledged to the bank for the payment of the note, but a legal tender represents a war debt, arms, clothing and powder wasted, or wages paid, and is only good, not in itself, but because its issuer—that is, the government—is in good credit. A legal-tender note is a confession of weakness on the part of the government, while a National bank-note is a legitimate medium of exchange, called

into existence by the demands of trade. So that the substitution of a bank-note for a legal tender is a conservative move, and in every way desirable and beneficial to the country.

It is in this way that the country can grow up, as the expression is, to the amount of currency afloat.

If this plan of retiring greenbacks, as bank currency is put out, should prevail for any length of time, we can easily imagine that it would happen that the increase of banking capital throughout the whole country would absorb a large portion of the present legal tenders, and that a time would come when the five per cents. would be paid for in coin by banks who would not be able to find legal tenders in the market. By this plan an agency would be set at work which sooner or later would effect resumption, and in a perfectly quiet and unobtrusive manner. The process would be gradual, for there is no warrant to expect any large and sudden increase of banking capital, and it is best that it is so. If the exchange of greenbacks for National bank-notes is gradual, it would be attended by no upheaval of values and credits. It would go on without reference to the price of gold, and would regulate the price of gold rather than be regulated by it. But as surely as the country increases in wealth and banking capital, so surely would resumption come.

Another suggestion is, that while the banks are relieved from the duty of keeping reserves, they should be required to retain their gold interest and not sell it. This would work in the same direction as the other provision in reference to the retirement of greenbacks by the government. While the government would be lessening its outstanding promises to pay, the banks, by hoarding gold, would be increasing their ability to pay their promises. This course would gradually withhold gold from export, and yet not in such quantities as to affect trade. The gold so accumulated could be used in various ways, so that the interest on it would not be lost. The amount on hand would prove a powerful adjunct in promoting specie payments, and would make the transition easier by increasing the number of gold transactions.

Thus in the course of a few years the banks would find that nearly all the legal tenders had disappeared, but their own vaults would be full of gold.

It remains to be said that the fixing of a time for resumption of specie payments is not so logical a method of procedure as to set at work those agencies which will, in their own time, bring about such a result. Therefore, the principles are what should engage us, and not a legal enactment, for that will not bind the laws of trade.

I have the honor to be your obedient servant,

THEODORE GILMAN.

PUBLIC DEBT OF THE UNITED STATES.
Abstract of the Official Statements, January, 1869, to February, 1873.

| | Jan. 1, 1869. | July 1, 1870. | January 1, 1871. | January 2, 1872. | January 1, 1873. | February 1, 1873. |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,589,300 | \$ 221,589,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent..... | ..... | ..... | ..... | 96,997,650 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1881..... | 283,677,400 | 283,678,100 | 283,678,100 | 283,681,200 | 283,681,350 | 283,681,350 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,602,683,300 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,057,767,350 |
| | \$ 2,107,835,350 | \$ 2,107,950,700 | \$ 1,935,342,700 | \$ 1,853,856,700 | \$ 1,756,651,450 | \$ 1,756,016,000 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-ct. Bonds Pacific Railroad..... | \$ 50,097,000 | \$ 64,457,320 | \$ 64,618,832 | \$ 64,618,832 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 45,545,000 | 43,550,000 | 22,025,000 | 2,780,000 | 1,930,000 |
| 4-per-cent. Certificates..... | ..... | ..... | 678,362 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent..... | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 124,002,320 | \$ 122,847,194 | \$ 101,321,832 | \$ 82,081,512 | \$ 81,231,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 3,647,367 | \$ 7,315,822 | \$ 1,739,938 | \$ 4,084,220 | \$ 3,533,420 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 356,021,073 | \$ 356,106,256 | \$ 356,101,056 | \$ 357,592,801 | \$ 358,642,295 | \$ 358,098,138 |
| Fractional Currency..... | 34,215,715 | 39,878,684 | 39,995,089 | 40,767,877 | 45,722,063 | 46,057,694 |
| Gold Certificates of Deposit..... | 27,036,020 | 34,547,120 | 26,149,000 | 36,049,700 | 23,263,000 | 24,246,500 |
| Currency, do. do..... | ..... | ..... | ..... | ..... | 25,370,000 | 25,935,000 |
| | \$ 417,272,808 | \$ 430,532,060 | \$ 422,245,175 | \$ 434,419,378 | \$ 452,997,356 | \$ 457,337,332 |
| Aggregate Debt..... | \$ 2,652,533,662 | \$ 2,666,132,447 | \$ 2,487,750,892 | \$ 2,391,328,848 | \$ 2,295,814,538 | \$ 2,298,118,264 |
| Coin and Currency in Treasury..... | 111,826,461 | 141,721,115 | 138,086,572 | 127,294,320 | 109,605,849 | 98,285,058 |
| Debt, less coin and currency.. | \$ 2,540,707,201 | \$ 2,524,411,332 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,186,208,689 | \$ 2,199,833,206 |

Coin in the Treasury, January, 1873, \$ 62,342,604; Currency, \$ 35,942,454; total, \$ 98,285,058.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

NOVEMBER AND DECEMBER, 1872, AND JANUARY, 1873.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 663, February No.)

| STOCKS. | NOV., 1872. | | DEC., 1872. | | JAN., 1873. | |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> | <i>Lowest.</i> | <i>Highest.</i> |
| U.S. Six per cts. of 1881, Coupon Bds. | 116½ | 117½ | 117½ | 118 | 114½ | 119½ |
| “ Five-Twenty of 1862, “ | 111½ | 113 | 112½ | 113½ | 112½ | 115½ |
| “ “ 1864, “ | 111½ | 113½ | 112½ | 113½ | 113½ | 115½ |
| “ “ 1865, “ | 112 | 113½ | 112½ | 113½ | 113½ | 116 |
| “ “ 1865, New, “ | 114½ | 115½ | 115 | 116½ | 112½ | 115½ |
| “ “ 1867, “ | 114 | 116½ | 115½ | 117½ | 113½ | 116½ |
| “ “ 1868, “ | 114½ | 115½ | 115½ | 116½ | 113½ | 117 |
| “ Ten-Forty Coupon Bonds..... | 107½ | 108½ | 108½ | 109½ | 109½ | 115½ |
| “ Five per cent. of 1881..... | 110 | 111 | 111 | 111½ | 112 | 115½ |
| “ Six per cent. Currency..... | 113½ | 114½ | 112 | 113½ | 112½ | 115½ |
| Tenn. Six per cent. Bonds, Old..... | 74 | 76 | 76 | 82½ | 79½ | 82½ |
| “ “ “ New..... | 73½ | 76½ | 76 | 83 | 79½ | 82½ |
| Virginia Six per cent. Bonds, Old.. | .. | .. | 48 | .. | .. | .. |
| “ “ “ New..... | 52 | 52 | .. | .. | .. | .. |
| “ “ “ Consol.. | 54½ | 56 | 54 | 60 | 54 | 56½ |
| N. Carolina Six per ct. Bonds..... | 33½ | 36 | 34 | 35 | 33½ | 34½ |
| “ “ “ New..... | .. | .. | 22 | 22 | 17½ | 19 |
| “ “ “ Special Tax | 13½ | 14½ | 13 | 14½ | 10 | 14 |
| S. C. Six per ct. Bds. Jan. & July.. | 23½ | 26 | 22 | 24½ | 21½ | 25 |
| “ “ “ April & Oct.. | 25½ | 30 | 25 | 27 | 25 | 25½ |
| Missouri Six per cent. Bonds..... | 93 | 95½ | 94½ | 96 | 92½ | 93½ |
| Canton Company of Maryland..... | 100 | 106 | 101½ | 107 | 100½ | 102½ |
| Delaware and Hudson Canal Co.... | 115 | 117½ | 116½ | 120 | 115½ | 119½ |
| Consolidated Coal Co. of Maryland. | 43 | 48½ | 47 | 48 | 43 | 48 |
| Quicksilver Mining Company..... | 44 | 48½ | 43 | 48½ | 43½ | 48½ |
| “ “ “ Preferred | 52 | 57½ | 53 | 56½ | 53 | 55½ |
| Mariposa Mining Company..... | 1½ | 2½ | 1½ | 1½ | 1 | 1 |
| “ “ “ Preferred | 1½ | 4½ | 2½ | 3 | 2 | 2 |
| Western Union Telegraph Co..... | 73½ | 80 | 75½ | 82½ | 78½ | 85½ |
| Pacific Mail Steamship Company.. | 83½ | 95½ | 71 | 89½ | 69½ | 75½ |
| Adams Express Company..... | 91 | 95 | 92½ | 94 | 94 | 100½ |
| Wells, Fargo & Co. Express Co.... | 80 | 88 | 86 | 90 | 83 | 86 |
| American Merchants' Union Express | 64 | 71½ | 66½ | 72 | 68 | 71 |
| United States Express..... | 72 | 79½ | 79 | 82½ | 75½ | 82 |
| N. Y. Cent. and Hudson River R. R. | 91½ | 96½ | 95½ | 100 | 99½ | 106½ |
| Eric Railroad, Common..... | 48 | 57 | 52½ | 62½ | 58½ | 67 |
| “ “ “ Preferred..... | 71 | 74½ | 73 | 80 | 75 | 80½ |
| Harlem Railroad, Common Shares. | 111 | 116½ | 113 | 118½ | 114½ | 122½ |
| Reading Railroad Shares..... | .. | .. | .. | .. | .. | .. |

| STOCKS. | Nov., 1872. | | Dec., 1872. | | Jan., 1873. | |
|--|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| N. York & New Haven R.R. Shares.. | .. | .. | .. | .. | 139 | 142 |
| Michigan Central Railroad Co.... | 113½ | 113½ | 114½ | 117 | 104 | 110 |
| Lake Shore & Mich. Southern R.R.. | 86½ | 95½ | 93½ | 96½ | 91½ | 97 |
| Panama Railroad Company Shares.. | 130 | 143 | 124 | 133 | 125 | 130 |
| Union Pacific Railroad " .. | 32½ | 39½ | 36½ | 38½ | 34 | 39½ |
| Illinois Central Railroad " .. | 119 | 127½ | 125 | 129 | 120 | 126½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 84½ | 90 | 87½ | 89½ | 89 | 90½ |
| " Col., Cinn. & Ind. R.R. " .. | 88 | 91½ | 90 | 93 | 89½ | 93½ |
| Chicago, Rock Island & Pacific R.R. | 105 | 111½ | 109 | 115 | 109½ | 114½ |
| " Burlington & Quincy " .. | 132 | 135 | 137 | 138 | 114 | 138½ |
| " & Alton Railroad Shares.. | 108 | 113 | 110 | 113½ | 112½ | 115 |
| " " " Pref. | 113 | 113 | 113 | 113 | 116 | 116 |
| " & Northwestern R.R. Shares | 80 | 190 | 81½ | 88 | 80½ | 84 |
| " " " Pref. | 83½ | 95½ | 84½ | 91½ | 87½ | 92 |
| Del., Lackawanna & West R.R. Co. | 94 | 99 | 91 | 96 | 93 | 101½ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 92 | 94½ | 93 | 94 | 91½ | 93½ |
| Toledo & Wabash R.R. Co. Shares. | 66½ | 77½ | 69 | 75½ | 71½ | 75½ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 42 | 48½ | 46½ | 48½ | 45½ | 49½ |
| Hannibal & St. Joseph R.R. " .. | 29 | 35½ | 34 | 49½ | 46 | 50½ |
| " " " Pref. | 48 | 51½ | 52 | 70 | 70 | 71½ |
| Milwaukee & St. Paul R.R. Shares | 51½ | 56½ | 53½ | 55½ | 51½ | 54½ |
| " " " Pref. | 72½ | 76 | 75 | 77½ | 76½ | 79½ |
| Boston, Hartford & Erie R.R. Shares | 6½ | 8½ | 7½ | 9½ | 6½ | 9½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 29½ | 36½ | 33 | 37½ | 36½ | 41½ |
| Dubuque & Sioux City Railroad... | 62 | 64 | .. | .. | .. | .. |
| New Jersey Central Railroad Shares | 100 | 104 | 100 | 103½ | 100 | 105½ |
| Morris & Essex Railroad Shares... | 91½ | 92½ | 89½ | 94 | 89½ | 91½ |
| N. Y. Central Six p. ct. Bds. of 1853 | 89 | 91 | 90½ | 92½ | 92 | 93½ |
| Erie First Mortgage Bonds of 1868.. | 101½ | 102 | 101 | 102 | 101 | 101½ |
| Long Dock Bonds | 96 | 96 | 90½ | 93½ | 92 | 93 |
| Mich. Southern Sinking Fund Bonds | 100 | 101½ | 100½ | 102 | 103 | 104 |
| " " Seven p. ct. 2d Mtge. | 95 | 97½ | 97 | 98 | 97 | 99½ |
| Central Pacific 1st Mortgage Bonds | 99½ | 101 | 100½ | 102½ | 99 | 102 |
| Union " " " " | 86 | 89½ | 88½ | 91½ | 85 | 88 |
| " " Land Grant Bonds.. | 73½ | 77½ | 77½ | 79½ | 74 | 80 |
| " " Income Bonds..... | 76 | 86 | 80 | 82½ | 71½ | 83½ |
| Alton & Terre Haute 1st Mtge. Bds. | 101 | 101 | 100½ | 101 | 99 | 100 |
| " " 2d " Pref. | 90 | 90 | 87½ | 90 | 89 | 89 |
| " " " Income Bds. | 78½ | 80½ | 80 | 80 | 80 | 81 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | 96 | 96 | 95 | 95 |
| Chic. & N. W. Consol'n S. F. Bonds | 93 | 93 | 89½ | 92½ | 91 | 92½ |
| " " 1st Mortgage Bonds.. | 98 | 100 | 98 | 99 | 98½ | 100 |
| Cleveland & Tol. Sinking Fund Bds. | 102½ | 102½ | 102½ | 103½ | 99½ | 102 |
| " & Pittsb'gh Consol'n Bds. | 92 | 95 | 94 | 95 | 97 | 97 |
| " " Second Mtge. " .. | .. | .. | 100 | 100 | .. | .. |
| " " Third " .. | 98½ | 98½ | 97 | 96 | 97½ | 98½ |
| " " Fourth " .. | 83½ | 84 | 86½ | 86½ | 83 | 84 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101½ | 102 | 102½ | 104 | 100 | 102 |
| Milwaukee & St. Paul 1st Mortgage | 91½ | 91½ | 93 | 94 | 90½ | 92 |
| St. Louis & Iron Mountain R.R. Bds. | 92 | 92 | 94½ | 96½ | 96½ | 99 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 86½ | 88 | 86½ | 88½ | 88 | 90½ |
| " " " 2d " .. | 72½ | 73½ | 73 | 73½ | 72½ | 76½ |
| Toledo, Peoria & Warsaw 1st, E. D. | 94 | 94 | .. | .. | 91½ | 92 |
| " " " 1st, W. D. | 87½ | 89 | 88 | 89½ | 90 | 91 |
| " " " 2d, W. D. | 81 | 81½ | 80 | 80 | .. | .. |
| Cedar Falls & Minn. 1st Mtge. Bds. | .. | .. | 81 | 81½ | 79½ | 82 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 36 | 42½ | 41½ | 43½ | 40½ | 45 |

THE DAILY PRICE OF GOLD AT NEW-YORK.

(Continued from page 660, February No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of January, 1873, compared with the same period in the years 1868-72. The figures in full-face denote the lowest and highest quotations of the month:

| Jan. | 1873. | 1872. | 1871. | 1870. | 1869. | 1868. |
|-----------------|----------|----------|----------|----------|----------|----------|
| 1 Wednesday | Holiday. | Holiday. | Sun. | Holiday. | Holiday. | Holiday. |
| 2 Thursday.. | 11½ 12½ | 9½ 9½ | Holiday. | Sun. | 34½ 35½ | 32½ 33½ |
| 3 Friday | 11½ 11½ | 9 9½ | 10½ 10½ | 19½ 20½ | Sun. | 33½ 34 |
| 4 Saturday ... | 11½ 11½ | 9 9½ | 10½ 10½ | 19½ 19½ | 35 35½ | 33½ 34½ |
| 5 Sunday. | Sun. | 9½ 9½ | 10½ 10½ | 19½ 20 | 34½ 35½ | Sun. |
| 6 Monday .. | 11½ 11½ | 8½ 9½ | 10½ 10½ | 20½ 20½ | 34½ 35½ | 34½ 35½ |
| 7 Tuesday ... | 11½ 11½ | Sun. | 10½ 10½ | 21½ 21½ | 35½ 35½ | 35½ 37½ |
| 8 Wednesday | 11½ 12½ | 9½ 9½ | Sun. | 21½ 23 | 34½ 35½ | 36½ 37½ |
| 9 Thursday.. | 12½ 12½ | 8½ 9½ | 10½ 10½ | Sun. | 35½ 35½ | 35½ 36½ |
| 10 Friday | 12½ 12½ | 8½ 9 | 10½ 10½ | 22 23½ | Sun. | 37 37½ |
| 11 Saturday ... | 12½ 12½ | 8½ 8½ | 10½ 11½ | 21½ 22½ | 35½ 35½ | 37½ 38½ |
| 12 Sunday. | Sun. | 8½ 8½ | 10½ 11 | 22 22½ | 35½ 35½ | Sun. |
| 13 Monday ... | 12 12½ | 6½ 9½ | 10½ 11 | 21½ 21½ | 35½ 35½ | 38½ 40½ |
| 14 Tuesday ... | 11½ 12½ | Sun. | 10½ 10½ | 21½ 21½ | 36½ 36½ | 40½ 42½ |
| 15 Wednesday | 12 12½ | 8½ 9½ | Sun. | 21½ 21½ | 36½ 36½ | 38½ 40½ |
| 16 Thursday.. | 12½ 12½ | 8½ 9 | 10½ 10½ | Sun. | 36½ 36½ | 39½ 40½ |
| 17 Friday | 12½ 12½ | 8½ 9½ | 10½ 10½ | 21½ 21½ | Sun. | 38½ 39½ |
| 18 Saturday .. | 12½ 13½ | 8½ 9 | 10½ 10½ | 21½ 21½ | 35½ 36½ | 38½ 38½ |
| 19 Sunday. | Sun. | 8½ 9½ | 10½ 10½ | 21½ 21½ | 35½ 35½ | Sun. |
| 20 Monday ... | 12½ 13½ | 9 9½ | 10½ 10½ | 21 21½ | 35½ 35½ | 37½ 39½ |
| 21 Tuesday .. | 13½ 13½ | Sun. | 10½ 10½ | 20½ 21 | 35½ 35½ | 38½ 39½ |
| 22 Wednesday | 13½ 13½ | 9 9½ | Sun. | 20½ 20½ | 35½ 35½ | 39 39½ |
| 23 Thursday.. | 13½ 13½ | 8½ 9 | 10½ 10½ | Sun. | 35½ 36½ | 39½ 40½ |
| 24 Friday | 13½ 14½ | 8½ 9 | 10½ 10½ | 20½ 21½ | Sun. | 40 40½ |
| 25 Saturday .. | 13½ 14½ | 9 9½ | 10½ 10½ | 21 21½ | 36½ 36½ | 39½ 40½ |
| 26 Sunday. | Sun. | 9 9½ | 10½ 10½ | 21½ 22 | 36½ 36½ | Sun. |
| 27 Monday ... | 13½ 14 | 9½ 9½ | 10½ 10½ | 21½ 22½ | 36½ 36½ | 40½ 41½ |
| 28 Tuesday ... | 13½ 14½ | Sun. | 10½ 10½ | 21½ 21½ | 36½ 36½ | 41 41½ |
| 29 Wednesday | 13½ 14 | 9½ 10 | Sun. | 21½ 21½ | 36½ 36½ | 41½ 41½ |
| 30 Thursday.. | 13½ 14 | 9½ 9½ | 10½ 11½ | Sun. | 36½ 36½ | 40½ 41 |
| 31 Friday | 13½ 13½ | 9½ 10½ | 11 11½ | 21½ 21½ | Sun. | 40½ 40½ |

MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1867-72.

| DATE. | 1867. | 1868. | 1869. | 1870. | 1871. | 1872. |
|---------------|---------|---------|---------|---------|---------|---------|
| January ... | 32 37½ | 33½ 42½ | 34½ 36½ | 19½ 23½ | 10½ 11½ | 8½ 10½ |
| February ... | 35½ 40½ | 39½ 44 | 30½ 36½ | 15 21½ | 10½ 12½ | 9½ 11 |
| March | 33½ 40½ | 37½ 41½ | 30½ 32½ | 10½ 16 | 10½ 11½ | 9½ 10½ |
| April | 32½ 41½ | 37½ 40½ | 31½ 34½ | 11½ 15½ | 10½ 11½ | 9½ 13½ |
| May | 34½ 38½ | 39½ 40½ | 34½ 44½ | 13½ 15½ | 11 12½ | 12½ 14½ |
| June | 36½ 38½ | 39½ 41½ | 37 39½ | 10½ 14½ | 11½ 13½ | 13 14½ |
| July | 38 40½ | 40½ 45½ | 34 37½ | 11½ 22½ | 11½ 13½ | 13½ 15½ |
| August | 39½ 42½ | 43½ 50 | 31½ 36½ | 14½ 22 | 11½ 13½ | 12½ 15½ |
| September . | 40½ 46½ | 41½ 45½ | 33½ 62½ | 12½ 16½ | 12½ 15½ | 12½ 15½ |
| October | 40½ 45½ | 33½ 40½ | 28½ 31½ | 11½ 14½ | 11½ 15 | 12½ 15½ |
| November ... | 37½ 41½ | 32½ 37 | 21½ 28½ | 10 13½ | 10½ 12½ | 13½ 14½ |
| December.. | 33 37½ | 34½ 36½ | 19 24 | 10½ 11½ | 8½ 10½ | 11½ 13½ |

For the daily price of gold from January, 1862, to December 1871, see the *Banker's Almanac*, for 1872.

SPECIAL DEPOSITS.

A Lancaster paper, alluding to the recent robbery of bonds from the LANCASTER BANK, says most of them belonged to depositors who had placed them there for safe keeping, and that the loss to the bank, it is thought, will not be more than \$1,700, it not being responsible for the bonds deposited with it. This responsibility depends very much on circumstances. On the face of the matter the bank is undoubtedly liable for every dollar of money or valuables that it can be shown it received from its depositors and has not returned or made good in value. Any circumstances changing this *prima facie* responsibility, it behooves the bank to show; if it acknowledges that it has received any amount of valuables, but ought not to be required to return the same, it should explain why. It is no sufficient answer that valuables are held by the bank without direct money consideration for the service, and that, therefore, non-responsibility is to be inferred. There is consideration generally in some shape. The banks do not receive and hold everybody's box of valuables, but usually only those of their customers and depositors, who requite the obligation in the profits of their business intercourse with the bank. The banks holding box deposits ought to take pay for the service and risk, or not receive them at all. There is the less excuse for this accommodation at bank now than formerly, for there are several companies whose especial purpose it is to safely keep at a very low charge all such deposits. Besides, the Comptroller of the Currency has formally called attention to this matter, and expressly denied the right in any national bank to receive and hold boxes and bundles on deposit. If there is no responsibility on the part of banks in such matters, few careful men would be willing to entrust their valuables to them, especially if the officer was thought to be so careless as to open his vault and safe to all out-of-doors, and then turn his back on any depredator who might choose to enter, as is reported was the case on the occasion of this Lancaster bank robbery. The losses by robberies of boxes belonging to individuals from banks and other institutions in our own city, as well as elsewhere, show carelessness quite as great as that reported at Lancaster, and, all things considered, should prove a caution to banks as well as to depositors. The boxes are the bait that in most cases provoke the assault on the banks robbed. The bank's own funds are not always a sufficient inducement to burglars, who closely count chances, to incur the risk.—*Phila. Ledger.*

THE COTTON CROP OF 1872.—Over 2,500,000 bales have already been brought to market; about half a million of bales are now stored in the shipping ports; while nearly a million and a half have been shipped to EUROPE.

THE CASE OF BOWLES BROTHERS.

On the 6th February, the case of Mr. ROBERT BOWLES came up before the Recorder's Court, London, by whom Mr. BOWLES was released. The Recorder remarked,

CHARLES BOWLES was the founder, and superintended other of the establishments, as well as that in London; and there being a claim by the London house against the Paris house of £ 54,000, and against the Boston house of £ 80,000, it was probable that the establishment here had been dragged down by losses incurred by the other houses. Under these circumstances, if he were to sum up the case, he would not be able to find any evidence against the defendant on which to lay stress. It was one of those cases on which he could not ask the jury to draw any inference of guilt, and he therefore did not think there was any necessity for troubling them with the case. Under these circumstances, although he deeply regretted the great wrong that had been done to the prosecutors, he held that it was not a case to go to the jury.

The jury then formally returned a verdict of not guilty, and the defendant was discharged.

THE CASE OF BOWLES BROTHERS & Co.—The first meeting of the creditors of NATHAN APPLETON took place February 18, before S. LATHROP THORNDIKE, register in bankruptcy, Boston, MASS., and resulted in the choice of FRANKLIN H. STORY as assignee. Mr. HENRY J. STEVENS appeared in behalf of the creditors of BOWLES BROTHERS & Co., and stated that he had obtained the adjudication of that firm as bankrupts; that he claimed that NATHAN APPLETON was a general partner of BOWLES BROTHERS & Co., and his estate ought to be appropriated to the benefit of the general creditors of the firm. With that object, he moved to adjourn the first meeting to March 18, at the United States Court-room; at that time he would be ready to present claims against Mr. APPLETON as a general partner of BOWLES BROTHERS & Co. Ordered accordingly.

PENNSYLVANIA.—JOHN L. MARTIN, late teller of the NATIONAL BANK OF CHESTER VALLEY, at Coatesville, PA., who, last October, was discovered to have purloined \$26,000 of the funds of the bank, was tried at West Chester on the 29th January. Against him were found thirty true bills for embezzlement of sums of money at different times. Three charges were brought against him; one for general embezzlement, one for larceny of \$4,000 worth of bonds, and one for keeping false accounts. The prisoner pleaded guilty to the charge of larceny. The prisoner made a statement of the causes which led him to commit the crime of which he was charged.

BANKING AND FINANCIAL ITEMS.

New York.—Mr. DEWITT CLINTON ELLIS, of Monroe County, has been nominated and confirmed as Superintendent of the Banking Department of New York, as successor to Hon. D. C. HOWELL.

New York.—Mr. SAMUEL T. BROWN was, on the 13th of January, elected President of the BOWERY SAVINGS BANK, New York, by the trustees, in place of the late THOMAS T. JEREMIAH.

New York.—F. D. TAPPEN, ED. F. DE LANCEY and THOMAS P. CUMMINGS, a Committee duly appointed by the Corporators of the MUTUAL TRUST INSTITUTION OF THE CITY OF NEW YORK, to receive subscriptions to its capital stock, give notice, pursuant to the act of incorporation of said company, that they will open books and receive subscriptions on the 20th day of February, 1873, at the BANK OF THE METROPOLIS, corner of Broadway and Sixteenth street. Subscriptions will also be received at the banking house of WM. ALEX. SMITH & Co., No. 40 Wall street.

New York.—At a meeting of the Board of Directors of the HANOVER NATIONAL BANK, held in January, WILLIAM H. SCOTT was elected President, *vice* WILLIAM H. JOHNSON, who declined a re-election after. Mr. JOHN T. BANKER having resigned the Cashiership to accept another position, GEORGE W. PERKINS, late Assistant Cashier of the IMPORTERS AND TRADERS' NATIONAL BANK, was elected Cashier. Mr. JOHNSON has resigned the office of President of this bank, after nineteen years' faithful service in that capacity. He commenced his business life as a bank clerk, and was promoted through the various grades to Paying Teller, Cashier, and President. His friends will be glad to know that he has accumulated a competence without indulging in speculation—the bane of so many bank officers and clerks—thereby setting an example that should be more generally followed. He remains in the Board as a Director, and his old associates have addressed to him a complimentary letter.

CALIFORNIA.—The Mint building, at San Francisco, makes good progress; it has now been three and a half years in building, and has cost so far \$900,000. The pillars for the portico are up, and the steps will be finished in a few weeks. There are now about seventy men employed, and the complete institution will have cost \$1,500,000. The leading objection is the distance at which it is located from the business part of the city; but when it is completed, very extended operations may be anticipated. The production of silver is rapidly increasing, and if a market for it can be made in CHINA or JAPAN in the shape of dollars, with perhaps a Chinese inscription stating the fineness and value, an immense amount of work will be cut out for the new Mint, not only in making the dollars, but in coining the gold necessarily separated from the coined silver.

Stockton.—The FIRST NATIONAL GOLD BANK OF STOCKTON, (No. 2077), was organized in January, with a capital of \$100,000, limited to \$200,000. FRANK STEWART is president and HENRY H. HEWLETT, cashier and general manager. They offer to make collections and transact a general business on favorable terms. Their New York correspondents are the FIRST NATIONAL BANK and the PHENIX NATIONAL BANK. They refer also to the NATIONAL GOLD BANK AND TRUST CO., San Francisco, and to the Atlantic Mutual Insurance Co., New York. (See their card in BANKER'S MAGAZINE.)

GEORGIA.—The CITY NATIONAL BANK OF GRIFFIN, Spalding County, (No. 2075), was organized in January, with a capital of \$30,000, limited to \$50,000. President, GILMAN J. DRAKE; Cashier, J. G. RHEA.

ILLINOIS.—The **FIRST NATIONAL BANK** of Moline has increased its capital to \$150,000, with a present surplus of \$25,000. President, F. M. GOULD; Cashier, JOHN S. GILLMORE. Their New York correspondent is the **IMPORTERS & TRADERS' NATIONAL BANK**.

Chicago.—Mr. M. D. BUCHANAN, Cashier of the **COMMERCIAL NATIONAL BANK OF CHICAGO**, has been elected vice-president of the **MANUFACTURERS' NATIONAL BANK** of that city; and is succeeded as cashier by Mr. GEORGE L. OTIS, hitherto assistant cashier.

INDIANA.—The business of the **CITIZENS' BANK** of Richmond, INDIANA, is consolidated with that of the **RICHMOND NATIONAL BANK**, which will occupy the banking house of MORRISON, BLANCHARD & CO., which firm is dissolved. Mr. CHARLES F. COFFIN remains president of the **RICHMOND NATIONAL BANK**, and Mr. ALBERT H. BLANCHARD, (of the late firm), is cashier. Their New York correspondents are WINSLOW, LANIER & CO., Pine Street. The bank has a capital of \$230,000, and surplus fund \$105,000.

INDIANA.—At the annual meeting of the **VINCENNES NATIONAL BANK**, in January, Mr. WILSON J. WILLIAMS was elected president, in place of Mr. JOHN ROSS who declined further service. Mr. WILLIAMS is succeeded as cashier by Mr. F. H. ROSS.

IOWA.—The **MONTICELLO NATIONAL BANK**, (No. 2080), was organized in February, at Monticello, Jones County, IOWA, with a capital of \$50,000, limited to \$100,000. President, S. C. LANGWORTHY; Cashier, JOHN C. DUER.

KANSAS.—Chanute is the name of the city located at the junction of the Missouri, Kansas, and Texas Rivers, and the Leavenworth, Lawrence, and Galveston Railroads in Neosho County, KANSAS; formed by the consolidation of the towns of New Chicago and Tioga, in January, 1873.

Emporia.—The **FIRST NATIONAL BANK OF EMPORIA, KANSAS**, offers its services for the collection of paper in that State and further west. Their correspondents are NORTHRUP & CHICK, New York; the **FOURTH NATIONAL BANK**, St. Louis; the **MERCHANTS' NATIONAL BANK**, St. Louis; the **FIRST NATIONAL BANK** of Kansas City, MO. (*See their card on the cover of the Banker's Magazine.*)

Paola.—Mr. J. E. THAYER succeeds Mr. J. B. HOBSON as president of the **FIRST NATIONAL BANK OF PAOLA, KANSAS**. Mr. F. M. SHAW remains cashier; Mr. C. A. LEIGHTON, assistant cashier. Their New York correspondents are Messrs. BROWN, WADSWORTH & CO.

Atchison.—The **ATCHISON NATIONAL BANK**, (No. 2082), was organized in February, at Atchison, Atchison County, KANSAS, with a present capital of \$50,000, limited to \$100,000. President, JOHN M. PRICE; Cashier, MILTON BARRATT.

KENTUCKY.—Mr. HENRY A. GRISWOLD, the successor of Mr. VIRGIL MCKNIGHT, as president of the **BANK OF KENTUCKY**, died at Louisville in December last. He was a son of the Right Reverend ALEXANDER VLIET GRISWOLD, and was born in Bristol, R. I., July 5, 1811. He did not pursue a regular course at any college, but studied different subjects under whatever teachers were thought most capable of teaching them. He afterward received an honorary diploma from Harvard University. The last school which he attended was the Round Hill school, under the charge of GEO. BANCROFT. He removed to Lexington, KENTUCKY, about 1829, having been appointed tutor in Transylvania University. When the doors of the University were closed, he was engaged as assistant teacher by the Rev. B. O. PEERS. In 1834 he came to Louisville, and established a school which was very successful. In 1837 he became a partner of JOHN P. MORTON, in the business of bookselling, and he continued to be a member of the firm till 1857. He was afterward elected one of the directors of the **BANK OF KENTUCKY**. After the death of Mr. BULLEN he consented to act as cashier, and he retained this office till the appointment of Mr. BARRETT. He was then urged to accept the office of president of the bank, which, with great reluctance, he consented to do. He was engaged in the performance of his duties in the bank when stricken by the hand of death.

LOUISIANA.—The **HIBERNIA NATIONAL BANK OF NEW ORLEANS**, (No. 2086), was organized in February with a capital of \$500,000. President, **PATRICK IRWIN**; Cashier, **JAMES J. TARLETON**. This bank is successor to the **HIBERNIA BANK OF NEW ORLEANS**, under the same officers and a State charter.

MAINE.—Governor **PERHAM** was inaugurated January 2, and delivered his annual message. The present State debt is \$7,187,900. If no extraordinary appropriations are made this winter, the State tax for 1873 can be reduced five mills on the dollar, being a decrease of \$170,000 from the State tax of 1872. He advocates the raising of the public schools to a higher standard, so that private schools and academies may become unnecessary. The message notes with pleasure the rapid revival of industrial interests, especially shipbuilding.

MASSACHUSETTS.—Mr. **FRANK C. MERRILL** was in January last appointed cashier of the **WARREN NATIONAL BANK OF Peabody, Mass.**, in place of Mr. **FRANCIS BAKER**, resigned. Mr. **LEWIS ALLEN** remains president.

ASSOCIATION OF BANKS FOR THE SUPPRESSION OF COUNTERFEITING.—The annual meeting of this association was held in February at the **BOSTON CLEARING HOUSE**, and the following-named persons were elected a Board of Managers for the ensuing year:—**BENJAMIN E. BATES**, **ABNER I. BENYON**, **CHARLES R. HALL**, **LEMUEL GULLIVER**, **ALMON D. HODGES**, **WILLIAM HYDE**, **LIFE BALDWIN**, **JOHN A. APPLETON**, **CHARLES K. VICKERY**, **S. W. STICKNEY**, **P. C. HOWLAND**, **JOSEPH W. BACON**, **JOHN O. LOVETT**, **Ebenezer TORREY**, **JOHN WEBSTER**; Auditor, **LEMUEL GULLIVER**. Several skilled forgers of notes and checks on various banks have been arrested and sentenced during the past year, and other parties are now under arrest and awaiting trial for various forgeries; and the managers, in their annual report, recommend a continuance of the work of the association in the same manner as heretofore.

SAVINGS BANKS OF MASSACHUSETTS.—The committee on banks and banking in the **MASSACHUSETTS** legislature, gave a hearing on the question, whether any further legislation is necessary in relation to savings banks and trust companies in the Commonwealth. Mr. **BENJAMIN V. FRENCH**, Treasurer of the **LYNN FIVE CENTS SAVINGS BANK**, addressed the committee and said if any change was needed in savings banks it would be a reduction of the corporators or trustees, as where there were as many as now the management was apt to be neglected, although he was not strenuous for a change in this matter. Mr. **JAMES H. BEAL**, President of the **SECOND NATIONAL BANK** in Boston, expressed the opinion that trust companies should pay a larger tax than now, and be required to keep a guarantee reserve. Hon. **F. E. PARKER**, who appeared for the **NEW ENGLAND TRUST COMPANY**, thought the law was now well enough, while Mr. **C. L. PUTNAM**, of Worcester, spoke in opposition to trust companies. Mr. **F. B. CROWNINSHIELD** expressed his views on trust companies, to the effect that they should not do a regular banking business, but receive trust funds awaiting the disposition of the courts, on which they should pay interest.

MICHIGAN.—The **LUMBERMAN'S NATIONAL BANK OF Muskegon, Muskegon County, MICH.**, (No. 2081), was organized in February, with a capital of \$50,000, limited to \$100,000. President, **CHAUNCEY DAVIS**; Cashier, **COLON C. BILLINGHURST**.

Ionia.—The **SECOND NATIONAL BANK OF IONIA** has been reorganized, and is now under the management of Mr. **WILLIAM C. PAGE**, as President, **GEORGE W. WEBBER**, Vice-President, and **VIRGIL VAN VLECK** as Cashier. They offer to transact business for Eastern and other correspondents. (*See their card on the cover of this work.*)

Ishpeming.—The **FIRST NATIONAL BANK OF ISHPEMING, Marquette County, (No. 2064)**, was organized in February with a capital of \$50,000. President, **ROBERT NELSON**.

Negaunee.—The **FIRST NATIONAL BANK OF NEGAUNEE, Marquette County, MICHIGAN, (No. 2085)**, was organized in February with a present capital of \$50,000. President, **HENRY E. HAYDON**; Cashier, **FREDERICK STAFFORD**.

MINNESOTA.—Mr. THOMAS MEE was in January last elected Cashier of the FIRST NATIONAL BANK OF FARIBAULT, in place of Mr. WM. H. DIKE, resigned. Mr. T. B. CLEMENT remains President, and Mr. THOS. S. BUCKHAM, Vice-President.

NEBRASKA.—Mr. O. H. IRISH was in January last elected President of the OTOE COUNTY NATIONAL BANK, Nebraska City, in place of Mr. TOLBERT ASHTON, resigned. Mr. JULIAN METCALF remains Cashier.

NEW JERSEY.—The NINTH WARD NATIONAL BANK OF NEWARK, Essex County, N. J., (No. 2083), was organized in February with a capital of \$125,000, limited to \$250,000. President, HIRAM M. RHODES; Cashier, GEORGE ROE.

NEW YORK.—The BANK OF BUFFALO will commence business in March, with a capital of \$300,000, under a State charter, and the following officers: President, S. S. JEWETT; Vice-President, GEORGE B. GATES; Cashier, A. L. BENNETT. The new bank will be located near the northwest corner of Main and Seneca streets, Buffalo.

Norwich.—Mr. WALTER M. CONKEY, president of the BANK OF CHENANGO, Norwich, N. Y., born January 23, 1806, died suddenly on Sunday, December 29, 1872. He was teller and cashier of this bank from the year 1825 until 1854, and president from that date until his death. Mr. WILLIAM B. PELLETT, cashier of this bank, died on Friday, January 10th. He was born in March, 1806, became teller in 1826, and was appointed cashier in the year 1854.

Syracuse.—The STATE BANK OF SYRACUSE was organized in February with a capital of \$100,000, with a privilege of increasing the same to \$1,000,000. JOHN J. CROUSE is President, DUDLEY P. PHELPS, Vice-President, and M. J. MYERS, Cashier.

Yonkers.—The CITIZENS' NATIONAL BANK OF YONKERS has commenced business with a present capital of \$50,000. President, CHARLES H. HAMILTON.

PENNSYLVANIA.—Mr. JOHN S. BROWN having resigned the cashiership of the SECOND NATIONAL BANK OF PHILADELPHIA, JAMES ANDERSON, lately Cashier of the FIRST NATIONAL BANK OF NEWTOWN, PA., has been duly elected cashier in his stead.

Conshohockin.—The FIRST NATIONAL BANK OF CONSHOHOCKIN, Montgomery County, PA., (No. 2078), was organized in January with a capital of \$75,000, limited to \$150,000. President, ALAN WOOD; Cashier, WILLIAM McDERMOTT.

PHILADELPHIA.—The Guarantee Trust and Safe Deposit Company, with a capital of one million dollars, is now fully organized and ready for business, at the temporary office, S. E. corner of Chestnut and Fifth streets. The Company is authorized by law to act as executors, administrators, guardians, assignees, receivers, trustees, committees, agents, and execute trusts of every description. The directors are WILLIAM H. RHAWN, JOHN S. BROWN, CHARLES RICHARDSON, CHARLES S. PANCOAST, WILLIAM M. SEYFERT, ALFRED DAY, JOHN WELSH, JR., J. BARLOW MOORHEAD, EDWARD C. KNIGHT, ELIJAH COLEMAN, THOMAS MACKELLAR, WILLIAM ADAMSON, SAMUEL S. WHITE. WILLIAM H. RHAWN, President; JOHN S. BROWN, Vice-President and Treasurer; JOHN M. HAZEL, Secretary; CHARLES S. PANCOAST, Solicitor.

RHODE ISLAND.—Mr. THOMAS HARKNESS was, in January, elected president of the MANUFACTURERS' BANK OF PROVIDENCE, R. I., in place of WILLIAM A. ROBINSON, deceased. Mr. HARKNESS was president of the same bank for a period of ten years, while under State law, until 1857. Mr. ROBINSON was a brother of the late EDWARD MOTT ROBINSON (formerly president of the BEDFORD COMMERCIAL BANK, of New Bedford), and became president of the MANUFACTURERS' BANK as successor to Mr. HARKNESS in 1857, and also president of the present bank until his death. His age was seventy-five years.

TEXAS.—Mr. ROBERT J. JOHN was, in November last, elected cashier of the NATIONAL BANK OF TEXAS, at Galveston. Mr. M. KOPPERL remains President; Mr. J. J. HENDLEY, Vice-President. Their New York correspondent is the

AMERICAN EXCHANGE NATIONAL BANK; and at New Orleans the STATE NATIONAL BANK.

WISCONSIN.—The FIRST NATIONAL BANK OF BARABOO, Sauk County, (No. 2079), was organized in January with a capital of \$50,000, limited to \$100,000. President, DAVID S. VITTUM; Vice-President, GEORGE MERTENS; Cashier, WILLIAM B. RICH. Their New York correspondent is the THIRD NATIONAL BANK.

WISCONSIN.—The controversy between the State of WISCONSIN and the city of Duluth and the Northern Pacific Railway has been compromised by Governor WASHBURNE, who is now in Washington with a committee from Duluth and the president of the railway. The Northern Pacific agrees to extend its road to the city of Superior, within eight months, and to give that city the same facilities of business as Duluth; the dyke to be removed, and the bay of Superior to be dredged out from the natural entrance to the docks at Superior and Duluth.

CANADA.—MOLSONS' BANK AT MONTREAL, with a capital of \$2,000,000, offers to make collections in all parts of the Dominion. Agencies are established at London, Toronto, Windsor, Sorel, Morrisburg and Owen Sound. The officers are WILLIAM MOLSON, President; JOHN MOLSON, Vice-President; F. W. THOMAS, Cashier. Their correspondents are JAY COOKE & Co., New York; CITY BANK, London; BANK OF NEW BRUNSWICK, St. John.

NEW BANKS.—Charters will be asked this year for the BANQUE ST. JEAN by parties in St. John's, P. Q.; 2, the VICTORIA BANK OF CANADA, the promoters of which are presumed to be in Montreal; 3, the WESTERN BANK OF CANADA; 4, a new bank in the City of Toronto, the name of which does not seem to have been determined upon; 5, the THREE RIVERS BANK, whose intended location is sufficiently indicated by the name; 6, the SCOTTISH CANADIAN BANKING COMPANY, the notice for which is dated at Montreal; 7, the CHATHAM BANK, in the town of Chatham, County of Northumberland, N. B.; 8, the CENTRAL BANK OF CANADA, with head office at Montreal, and a capital of \$1,000,000; 9, the BANK OF CANADA, also with its head office at Montreal; 10, also a new bank with head office in Quebec, the name of which is not given.

There is also a fair prospect for a slight increase in the number of financial companies. 1, The Landed Credit of Canada, with its head office at Montreal; 2, the Land Financier's Company of Canada, for the purchase and sale of lands, to lend money on mortgages, debentures and other securities; 3, the Depositors' Mutual Association, for borrowing and lending money, receiving deposits, buying and selling mortgages; 4, the Glasgow Canadian Land and Trust Company, the notice for which is dated at Montreal, are all of this class. 5, The Canadian Loan and Agency Company, asks certain amendments to its charter; 6, the Freehold Building Society wants its name changed and its powers extended; 7, the Montreal Investment Association desires various amendments. Three feeble young building societies of Ontario ask to be consolidated into one.

—*Toronto Monetary Times.*

NOVA SCOTIA.—The card of the MERCHANTS' BANK OF HALIFAX, N. S., may be found on the cover of this work. They have agents at Antigonish, Bridgewater, Pictou, Sydney, Truro and Weymouth, all in NOVA SCOTIA. Their New York correspondents are MORTON, BLISS & Co.

NEW BANKS, BANKERS AND SAVINGS BANKS.

FEBRUARY, 1873.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC.

NEW YORK.

Hill, Scott & Co., 37 Wall.

A. W. Beasley & Co., 11 Wall.

| <i>Place and State.</i> | <i>Name of Bank.</i> | <i>N. Y. Correspondent.</i> |
|---------------------------|-----------------------------------|-----------------------------|
| Napa, CAL..... | Bank of Napa..... | First National Bank. |
| Stockton, "..... | First National Gold Bank..... | ..... |
| Denver, COL..... | Bank of Denver..... | Kountze Brothers. |
| Washington, D. C. | German-American Savings Bank..... | German-American Bank. |
| Morris, ILL..... | First National Bank..... | German-American Bank. |
| Chebanse, "..... | Thomas L. Sawyer..... | Knauth, Nachod & Kuhne. |
| Painesville, "..... | Auten & Aller..... | Allen, Stephens & Co. |
| Tonica, "..... | Tonica Bank..... | ..... |
| Chicago, "..... | State Street Savings Bank..... | Henry Clews & Co. |
| Mt. Vernon, IND..... | Mt. Vernon Savings Bank..... | Allen, Stephens & Co. |
| Bristol, "..... | S. B. Romain..... | Union Banking Co., Phila. |
| Carroll, IOWA..... | George W. Paine..... | G. Opdyke & Co. |
| Magnolia, "..... | Clark & Ford..... | Henry Clews & Co. |
| Missouri Valley, "..... | Wm. Pelan & Co..... | Allen, Stephens & Co. |
| Decorah, "..... | Euston & Bigelow..... | German-American Bank. |
| Prairie City, "..... | Citizens' Bank..... | Gilman, Son & Co. |
| Sabula, "..... | J. S. Tuttle..... | Allen, Stephens & Co. |
| Monticello, "..... | Monticello National Bank..... | ..... |
| Chanute, KAN..... | M. Bailey & Co..... | Howes & Macy. |
| Grasshopper Falls, "..... | M. P. Hillyer & Co..... | Donnell, Lawson & Co. |
| Atchison, "..... | Atchison National Bank..... | ..... |
| Baltimore, MD..... | Harrison Hopper & Co..... | J. B. Colgate & Co. |
| Boston, MASS..... | Hill & Scott..... | Hill & Scott. |
| Franklin, "..... | Franklin National Bank..... | National Park Bank. |
| Boston, "..... | Brown & Riley..... | Jay Cooke & Co. |
| Marquette, MICH..... | Citizens' Bank..... | Henry Clews & Co. |
| Muskegon, "..... | Lumberman's National Bank..... | Central National Bank. |
| Detroit, "..... | E. K. Roberts & Co..... | G. Opdyke & Co. |
| Hubbardstown, "..... | Hubbardstown Exchange Bank..... | Henry Clews & Co. |
| Brainard, MINN..... | H. A. Hills & Co..... | Gilman, Son & Co. |
| Marshall, MO..... | Gilliam & Doak..... | Northrup & Chick. |
| St. Louis, "..... | German-American Bank..... | German-American Bank. |

| <i>Place and State.</i> | <i>Name of Bank.</i> | <i>N. Y. Correspondent.</i> |
|-------------------------|---------------------------------|-------------------------------|
| Dover, N. J. | National Union Bank | Importers & Traders' N.B. |
| Painted Post, N. Y. | Bronson's Bank | National Park Bank. |
| Newark, " | Pierson & Perkins | Fisk & Hatch. |
| Flushing, " | Flushing & Queens Co. Bank | |
| Otego, " | Bank of Otego | First National Bank. |
| Syracuse, " | Trust and Deposit Co. | First National Bank. |
| " | State Bank of Syracuse | Fourth National Bank. |
| Delhi, OHIO. | Ramsay & Teeple | Howes & Macy. |
| Malvern, " | Haines, Hardisty & Co. | Gilman, Son & Co. |
| Harrisburg, PA. | State Bank | Jay Cooke & Co. |
| Conshohocken, " | First National Bank | |
| Oil City, " | Dollar Savings Bank | Third National Bank. |
| Philadelphia, " | Guarantee Tr. & Safe Dep. Co. | |
| Easton, " | Northampton Co. Savings Bank | Fisk & Hatch. |
| Pleasantville, " | Pleasantville Bank | Henry Clews & Co. |
| Williamsport, " | Weed, Brown & Co. | National Park Bank. |
| Hellertown, " | Saucon Savings Bank | Union Banking Co., Phila. |
| Calvert, TEXAS. | J. S. McLendon & Co. | Importers & Traders' N.B. |
| Paris, " | Smith & Company | Northrup & Chick. |
| Huntsville, " | Smith & Wynne | Northrup & Chick. |
| Front Royal, VA. | Bank of Warren | J. J. Nicholson & Sons, Balt. |
| Luray, " | Page County Bank | " " |
| Suffolk, " | Farmers' Bank | " " |
| Winchester, " | Union Bank | " " |
| Rocky Mount, " | Franklin Bank | Howes & Macy. |
| Petersburg, " | Bank of Petersburg | |
| Alexandria, " | Farmers & Mechanics' Savings B. | Jay Cooke & Co. |
| Huntington, W. VA. | Bank of Huntington | Fisk & Hatch. |
| Eau Claire, WIS. | Clark & Ingram | P. M. Myers & Co. |
| Baraboo, " | First National Bank | Third National Bank. |

DISSOLVED OR DISCONTINUED.

(*Monthly List, continued from February Number, page 676.*)

NEW YORK.—Randall H. Foote & Co.; H. A. Heiser & Sons; Dimmock & Myers; Marquand, Hill & Co.; Warner & Co.; Robert Baile; R. R. Butler.

ILLINOIS.—First National Bank, *Semeca*.

INDIANA.—Morrison, Blanchard & Co., *Richmond*, (merged in Richmond National Bank).

KENTUCKY.—Traders' Bank & Warehouse Co., *Louisville*.

KANSAS.—Marion County Bank, *Florence*.

MASSACHUSETTS.—Worcester County National Bank, *Blackstone*; Walker & Merriam, *Boston*; Marquand & Hill, *Boston*.

MICHIGAN.—G. E. Southwick & Co., *Dexter*; Page & Wilson, *Ionia*, (succeeded by Second National Bank).

MISSOURI.—Haskell Bank, *St. Louis*, (succeeded by the Lucas Bank).

NEW YORK.—Bronson & Higman, *Painted Post*.

PENNSYLVANIA.—Brown & Irwin, *Pleasantville*, (succeeded by the Pleasantville Bank).

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from February No., page 675.)

Changes of president and cashier of National and State banks should be promptly reported, for announcement in the *BANKER'S MAGAZINE*. No charge is made for such announcements.

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of</i> |
|-----------------------------------|-------------------------------------|----------------------|
| Bowery Savings B., N. Y. City. | Samuel T. Brown, <i>Pres.</i> ... | Thomas T. Jeremiah.* |
| Hanover National B., " | George W. Perkins, <i>Cash.</i> | John T. Banker. |
| Metropolitan Sav. B., " | Augustus W. Payne, <i>Pres.</i> | Isaac T. Smith. |
| Nat. Bank, Birmingham, ALA. | Robert B. Jones, <i>Cash.</i> | D. Travers. |
| Pacific B., San Francisco, CAL. | O. H. Bogart, <i>Cash.</i> | Ford H. Rogers. |
| Rockville National B'k, CONN. | E. C. Chapman, <i>Cash.</i> | James F. Preston. |
| National Bank, Athens, GEO. | James White, <i>Cash.</i> | F. W. Adams. |
| First National B., Lanark, ILL. | John Paley, <i>Cash.</i> | Rufus M. Cook. |
| Jacksonville National B'k, " | G. M. McConnel, <i>Cash.</i> | C. D. Miller. |
| Rockford National Bank " | Marcus S. Parmelee, <i>Cash.</i> .. | D. H. Ferguson. |
| First Nat. Bank, Kewanee, " | C. S. Wentworth, <i>Cash.</i> | Truman B. Hicks. |
| Commercial N. B., Chicago, " | George L. Otis, <i>Cash.</i> | M. D. Buchanan. |
| Merchants' N. B. Evansville, IND. | Matthew Henning, <i>Cash.</i> .. | Charles Decker. |
| Vincennes National Bank, | F. H. Ross, <i>Cash.</i> | W. J. Williams. |
| " " | W. J. Williams, <i>Pres.</i> | John Ross. |
| First Nat. Bank, Danville, | Jesse R. Cope, <i>Pres.</i> | Allen Hess. |
| " " | Benj. F. Thomas, <i>Cash.</i> | N. T. Hadley. |
| " " New Albany, " | Henry H. Combs, <i>Cash.</i> | William H. Lewis. |
| " " Centreville, " | James Forkner, <i>Pres.</i> | Jacob B. Julian. |
| " " Crawfordsv'le " | Alex. Thomson, <i>Pres.</i> | William H. Durham. |
| " " Lafayette, " | A. H. Byrns, <i>Cash.</i> | D. McBride. |
| First Nat. Bank, Atlantic, IOWA. | F. H. Whitney, <i>Cash.</i> | Norman Haskins. |
| " " " " | B. F. Allen, <i>Pres.</i> | F. H. Whitney. |
| Citizens' N. B., Davenport, " | S. H. Griggs, | C. S. Eells. |
| Merchants' N. B., Burlington, " | E. M. Kitterick, ..... | ..... |
| Muscatine National Bank, " | J. B. Doughaty, <i>Pres.</i> | Jacob Rutter. |
| First Nat. Bank, Wyoming, " | Francis D. Hodgeman, <i>Pres.</i> | Hiram Shaw. |
| Fayette N. B., Lexington, KY. | Squire Bassett, <i>Pres.</i> | Robert B. Stone. |
| " " " " | R. S. Bullock, | James M. Hocker. |
| First Nat. Bank, Paola, KAN | J. E. Thayer, <i>Pres.</i> | J. B. Hobson. |
| Cecil Nat. B., Port Deposit, MD. | Robert C. Hopkins, <i>Cash.</i> .. | B. Ramsey. |
| Second N. B., Cumberland, " | A. J. Shepherd, <i>Pres.</i> | Edwin L. Moore. |
| " " " " | Lloyd Jones, <i>Cash.</i> | Daniel Annan. |
| Merchants' N. B., Portland, ME. | Jacob McLellan, <i>Pres.</i> ... | R. Cram.* |
| Eliot Nat. Bank, Boston, MASS. | William H. Goodwin, <i>Pres.</i> | John Demeritt. |
| Merchants' N. B., " | George B. Chapman, <i>Cash.</i> | John K. Fuller. |
| Fall River N. B., " | F. H. Gifford, <i>Cash.</i> | George B. Fiske. |
| Warren N. B., Peabody, " | F. C. Merrill, <i>Cash.</i> | Francis Baker. |
| N. B. Commerce, New Bedford | Benj. F. Coombs, <i>Cash.</i> ... | Thomas B. White.* |
| Rollstone N. B., Fitchburg, " | Henry A. Willis, <i>Pres.</i> | Alvah Crocker. |
| " " " " | John M. Graham, <i>Cash.</i> | Henry A. Willis. |
| National Bank, Wareham, " | Gerard C. Tobey, <i>Pres.</i> | Isaac Pratt, Jr. |
| First Nat. Bank, Sturgis, MICH. | William Allman, <i>Pres.</i> ... | Richard Reed. |
| " " " " | James Baley, <i>Cash.</i> | Francis Jordan. |
| " " " " | Samuel P. Williams, <i>V. P.</i> | William Allman. |
| " " " " | T. C. Sherwood, <i>Cash.</i> | E. H. Bennett. |

* Deceased.

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of</i> |
|-----------------------------------|-----------------------------------|---------------------|
| Nat. Marine B., St. Paul, MINN. | Francis M. Roser, <i>Cash.</i> | C. S. Bunker. |
| First Nat. Bank, Faribault, " | Thomas Mee, <i>Cash.</i> | William H. Dike. |
| Valley Nat. Bank, St. Louis, MO. | J. A. J. Adderton, <i>Pres.</i> | Dwight Durkee. |
| National Bank, Rollo, " | D. A. Malcolm, <i>Cash.</i> | R. P. Faulkner. |
| Second Nat. B., St. Louis, " | Edward D. Jones, <i>Pres.</i> | George H. Rea. |
| " | N. J. Fairchild, <i>Cash.</i> | Edward D. Jones. |
| Manufact's' Sav. B., " | Roger E. Harding, <i>Pres.</i> | John M. Randall. |
| Lexington Savings Bank, " | John W. Waddell, <i>Pres.</i> | ..... |
| " | Moses Chapman, <i>Cash.</i> | ..... |
| Farmers' Bank, Savannah, " | M. F. Wakefield, <i>Pres.</i> | Samuel F. Garrett. |
| Otoe Co. N. B., Neb. City, NEB. | O. H. Irish, <i>Pres.</i> | Tolbert Ashton. |
| Hackettstown Nat. Bank, N. J. | Robert A. Cole, <i>Cash.</i> | George Roe. |
| Mechanics' N. B., Syracuse, N. Y. | James M. Ellis, <i>Pres.</i> | Edward B. Wicks. |
| Troy City Nat. B., Troy, " | Hannibal Green, <i>Pres.</i> | John A. Griswold.* |
| Auburn City Nat. Bank, " | Charles N. Ross, <i>Pres.</i> | Clinton T. Backus. |
| First Nat. Bank, Oneida, " | Robert G. Stewart, <i>Pres.</i> | James J. Stewart.* |
| Bank of Chenango, Norwich, " | George Rider, <i>Pres.</i> | Walter M. Conkey.* |
| " | M. McLean, <i>Cash.</i> | William B. Pellet.* |
| First Nat. B., New Berlin, " | S. L. Morgan, <i>Pres.</i> | Tracy F. Knap. |
| First " Champlain, " | Timothy Hoyle, <i>Pres.</i> | George V. Hoyle.* |
| Second " Watkins, " | A. T. Abbey, <i>Cash.</i> | B. C. Hurd. |
| First " Cortland, " | Fitz Boynton, <i>Cash.</i> | W. H. Crane. |
| Third " Syracuse, " | George S. Leonard, <i>Cash.</i> | F. H. Williams. |
| Cuba Banking Co., " | S. H. Morgan, <i>Cash.</i> | A. P. Lawton. |
| First Nat. Bank, Moravia, " | H. H. Tuthill, <i>Pres.</i> | A. B. Hale. |
| Second Nat. B., Toledo, OHIO. | Charles F. Adams, <i>Cash.</i> | N. Waterman.* |
| Merchants' N. B., Dayton, " | D. E. Mead, <i>Pres.</i> | John Powell. |
| " | Joseph O. Pierce, <i>V. Pres.</i> | ..... |
| First Nat. Bank, Napoleon, " | James W. Miller, <i>Pres.</i> | Edward S. Blair. |
| Second N. B., Philadelphia, PA. | James Anderson, <i>Cash.</i> | John S. Brown. |
| Nat. Bank, Chambersburg, " | Edmund Culbertson, <i>Pres.</i> | William McLellan. |
| Second Nat. B., Pittsburgh, " | James H. Willock, <i>Cash.</i> | Robert J. Stoney. |
| Improvment Tr. Co., " | H. Rosenberg, <i>Treas.</i> | A. Q. Casselberry. |
| First Nat. Bank, Brookville, " | Isaac G. Gordon, <i>Pres.</i> | Philip Taylor. |
| Penn Nat. Bank, Pottsville, " | R. K. Lee, <i>Pres.</i> | C. H. Dengler. |
| " | F. Dengler, <i>Cash.</i> | W. P. Ryon. |
| Manfrs. N. B., Providence, R. I. | Thomas Harkness, <i>Pres.</i> | Wm. A. Robinson.* |
| Mechanics' N. B., " | S. H. Tingley, <i>Cash.</i> | Lewis Dexter. |
| Aquidneck N. B., Newport, " | Charles T. Hopkins, <i>Cash.</i> | S. H. Norman. |
| Springfield Nat. Bank, TENN. | H. S. Stratton, <i>Pres.</i> | W. H. Brown. |
| State Bank, Richmond, VA. | William M. Hill, <i>Cash.</i> | John M. Goddin. |
| First Nat. Bank, Monroe, Wis. | A. Ludlow, <i>Pres.</i> | George W. Hoffmann. |

* Deceased.

DIVIDENDS PAYABLE FEBRUARY, 1873.

With Surplus Fund of each, 1872.

| | <i>Capital.</i> | | <i>Surplus.</i> | <i>Rate.</i> |
|-------------------------------|-----------------|----|-----------------|--------------|
| German-American Bank | \$ 2,000,000 | .. | \$ 53,800 | .. 4 |
| National Bank of the Republic | 2,000,000 | .. | 420,500 | .. 4 |
| Pacific Bank | 422,700 | .. | 371,300 | .. 3* |
| St. Nicholas National Bank.. | 1,000,000 | .. | 179,800 | .. 4 |
| Manhattan Co. | 2,050,000 | .. | 1,066,300 | .. 5 |
| Corn Exchange Bank | 1,000,000 | .. | 556,800 | .. 5 |
| Farmers' Loan & Trust Co. ... | ..... | .. | ..... | .. 3* |

* Quarterly.

NOTES ON THE MONEY MARKET.

NEW YORK, FEBRUARY 20, 1873.

Exchange on London, at sixty days' sight, 108% @ 109 for gold.

The chief financial feature of the month of February, has been the offering of the United States Funded Loan of three hundred million dollars five per cent. bonds. The syndicate of bankers through whom this negotiation was to be arranged, have, at this date, made public no report of their success. The condition of the European money market has been growing more and more auspicious for this operation; but the secrecy observed by the parties in charge of the loan is not reassuring to those who hope for its speedy absorption.

The demand for money in New York during the past month has been of a fluctuating nature, tending latterly towards an unlooked-for stringency. Call loans have varied from 4 a 5 per cent. currency, to 7 per cent gold on government collaterals. The latest quotations in Wall Street are given below, a bonus of one thirty-second to one-sixteenth per day in addition to the rate, bring in some cases, paid on miscellaneous collaterals:

| | Per Cent. |
|---|-----------|
| Loans on call—Government collaterals..... | 7 @ |
| “ “ Miscellaneous collaterals, first-class..... Gold | 7 @ |
| Commercial first-class indorsed paper, sixty days..... | 7½ @ 8 |
| Commercial first-class indorsed paper, four months..... | 8 @ 8½ |
| Commercial first-class indorsed paper, six months..... | 7½ @ 8 |
| Commercial first-class, single names, sixty days..... | 9 @ 10 |
| Commercial first-class, single names, four to six months..... | 10 @ 12 |
| Bankers', first-class domestic, three to four months..... | 9 @ 12 |

The shipments of specie from January 1st to February 15th, amount to \$ 8,972,984. They compare with the same period in a series of years as follows:

| | | |
|---------------------------------|---------------------------------|---------------------------------|
| Year 1873. \$ 8,972,984 | Year 1866. \$ 3,568,168 | Year 1859. \$ 3,274,209 |
| “ 1872. 1,620,313 | “ 1865. 3,817,103 | “ 1858. 7,722,738 |
| “ 1871. 4,310,673 | “ 1864. 7,341,503 | “ 1857. 2,613,313 |
| “ 1870. 3,674,414 | “ 1863. 5,540,329 | “ 1856. 563,447 |
| “ 1869. 4,211,332 | “ 1862. 4,079,802 | “ 1855. 783,698 |
| “ 1868. 8,793,388 | “ 1861. 177,067 | “ 1854. 2,045,043 |
| “ 1867. 3,466,816 | “ 1860. 1,034,569 | “ 1853. 1,329,391 |

A still further advance in the premium on gold has followed that chronicled in our last report. The rate touched yesterday was 14½%, the highest since October last. A comparison of the imports and exports at this port during the month of January, goes far towards accounting for this rise.

Foreign imports at New York, in January.

| | 1871. | 1872. | 1873. |
|---------------------------------|----------------------|----------------------|----------------------|
| General merchandise..... | \$ 28,583,376 | \$ 35,574,174 | \$ 37,689,752 |
| Specie and bullion | 208,686 | 105,322 | 113,939 |
| Total (Gold value) | \$ 28,792,062 | \$ 35,679,496 | \$ 37,803,691 |

The imports at this port for the week ending February 15, show a very large increase, both of dry goods and general merchandise; the total exceeding eleven and a quarter million dollars in foreign gold value.

Foreign imports at New York, week ending February 15.

| | 1871. | 1872. | 1873. |
|-----------------------------|---------------------|---------------------|----------------------|
| Dry Goods | \$ 2,663,591 | \$ 2,864,556 | \$ 5,095,845 |
| General merchandise | 4,341,556 | 4,454,783 | 6,268,523 |
| Total for week | \$ 7,005,147 | \$ 7,319,339 | \$ 11,364,368 |
| Previously reported..... | 33,211,704 | 39,494,992 | 42,328,109 |
| Since January 1 | \$ 40,216,851 | \$ 46,814,331 | \$ 53,692,477 |

Exports to Foreign Ports from New York, in January.

| | 1871. | 1872. | 1873. |
|---------------------------|----------------------|----------------------|----------------------|
| Domestic produce..... | \$ 18,370,758 | \$ 18,179,488 | \$ 19,379,497 |
| Foreign merchandise | 467,118 | 771,516 | 671,053 |
| Specie and bullion..... | 2,149,211 | 1,540,632 | 7,127,969 |
| Total | \$ 20,967,087 | \$ 20,491,636 | \$ 27,178,539 |

Foreign exchange has been dull and rates lower during this month. Bills drawn against cotton shipments have been more freely offered. We quote: Bills at 60 days on London, 108¼ a 108½ for commercial; 108¾ a 108½ for bankers'; do. at short sight, 109½ a 109¾; Paris at 60 days, 5.27½ a 5.24¾; do. at short sight, 5.20 a 5.18¾; Antwerp, 5.26¼ a 5.23¾; Swiss, 5.25 a 5.23½; Hamburg, 4 Reichsmark, 95 a 95½; Amsterdam, 40 a 40¼; Frankfort, 40¼ a 41; Bremen, 4 Reichsmark, 95 a 95½; Prussian thalers, 71½ a 71¾.

Rates for the three preceding months compare as follows:

| <i>Sixty days' Bills.</i> | <i>Nov. 23.</i> | <i>Dec. 23.</i> | <i>Jan. 21.</i> | <i>Feb. 20.</i> |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| On London, bankers' .. | 108¼ @ 108½ | 109¼ @ 109½ | 109½ @ 109½ | 108½ @ 108½ |
| " commercial 107¼ | @ 108 | 108½ @ 109½ | 108¾ @ 109¼ | 108¼ @ 108½ |
| Paris, francs, \$ dollar .. | 5.37¼ @ 5.31¼ | 5.27¼ @ 5.23½ | 5.27¼ @ 5.22½ | 5.27½ @ 5.24¾ |
| Amsterdam, \$ guilder .. | 39¼ @ 39½ | 40 @ 40½ | 40¼ @ 40½ | 40 @ 40¼ |
| Frankfort, \$ florin | 40¼ @ 40¾ | 40¾ @ 41¼ | 40¾ @ 41¼ | 40¾ @ 41 |
| Hamburg, \$ 4 R'mark .. | .. | 95¼ @ 96 | 95½ @ 96½ | 95 @ 95½ |
| Prussian thalers | 70¼ @ 71 | 71½ @ 72 | 71¾ @ 72¼ | 71½ @ 71¾ |

The brokers' rates (in gold) for miscellaneous coin are as follows:

American silver, large, 96 a 97½; American silver, small, 95 a 97½; Mexican dollars, old stamp, 106 a 107; Mexican dollars, new stamp, 103¼ a 104; English silver, 480 a 485; Five francs, 95 a 97; Thalers, 70¼ a 72; English sovereigns, 484 a 488; Twenty francs, 383 a 386; Spanish doubloons, 15.90 a 16.25; Mexican doubloons, 15.55 a 15.70.

The last statement of the New York City banks is not a satisfactory one. With loans expanded to \$291,000,000, their reserve of legal tenders and specie falls short about \$1,800,000 of the limit prescribed by the National Banking law. We append their returns in a series of years. The aggregate capital of the fifty-one National banks is \$71,785,000, and of the twenty-six State banks, \$15,570,500.

| 1867. | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. | Weekly Clearings. |
|-------------|---------------|--------------|-------------------|--------------|---------------|----------------------|
| Jan. 5 | \$257,852,460 | \$12,794,892 | \$65,026,121 | \$32,762,779 | \$202,533,564 | \$466,987,787 |
| Jan. 4, '68 | 249,741,297 | 12,724,614 | 62,111,201 | 34,134,391 | 187,070,786 | 483,266,304 |
| Jan. 4, '69 | 259,090,057 | 20,736,122 | 48,896,421 | 34,379,609 | 180,490,445 | 585,304,799 |
| Jan. 3, '70 | 250,406,387 | 31,166,908 | 45,034,608 | 34,150,887 | 179,129,394 | 399,355,375 |
| July 4 | 276,496,503 | 31,611,330 | 56,815,254 | 33,070,365 | 219,063,428 | 562,736,404 |
| Jan. 2, '71 | 263,417,418 | 20,028,846 | 45,245,358 | 32,153,514 | 188,238,995 | 467,692,962 |
| July 3 | 296,237,959 | 16,536,451 | 71,348,828 | 30,494,457 | 243,308,693 | 561,366,458 |
| Jan. 1, '72 | 270,534,000 | 25,049,500 | 40,282,800 | 28,542,800 | 200,409,200 | 551,802,964 |
| July 1 | 289,002,800 | 22,795,500 | 54,951,400 | 27,416,100 | 232,387,900 | 485,973,637 |
| Jan. 6, '73 | 277,720,900 | 19,478,100 | 41,165,400 | 27,613,800 | 203,808,100 | 642,634,841 |
| " 27 | 282,159,100 | 20,371,700 | 45,974,000 | 27,529,200 | 216,670,800 | 653,561,098 |
| Feb. 3 | 286,879,600 | 18,612,200 | 45,802,100 | 27,501,000 | 217,168,500 | 661,411,941 |
| " 10 | 293,939,000 | 19,035,400 | 45,107,700 | 27,520,600 | 220,299,900 | 823,394,604 |
| " 17 | 291,520,700 | 16,461,200 | 42,778,300 | 27,539,800 | 214,613,400 | 835,845,446 |

The following were the returns at the latter part of February in preceding years :

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------|---------------|--------------|----------------|--------------|---------------|
| 1872 | \$284,911,300 | \$19,589,400 | \$45,620,300 | \$28,149,200 | \$217,697,200 |
| 1871 | 274,912,520 | 24,707,307 | 56,366,639 | 31,737,841 | 216,290,333 |
| 1870 | 267,327,368 | 37,264,387 | 55,134,066 | 33,694,371 | 212,188,882 |
| 1869 | 263,428,068 | 23,351,391 | 50,997,197 | 34,247,321 | 187,512,546 |
| 1868 | 267,766,643 | 22,513,981 | 60,868,930 | 34,100,023 | 209,095,351 |
| 1867 | 257,923,994 | 13,513,456 | 63,153,695 | 33,006,141 | 198,490,347 |
| 1866 | 229,776,200 | 14,213,351 | 61,602,726 | 22,959,918 | 183,241,404 |
| 1865 | 183,534,725 | 20,692,378 | — | 2,730,383 | 153,948,481 |
| 1864 | 174,928,205 | 22,301,687 | — | 5,967,851 | 154,875,052 |
| 1863 | 179,958,842 | 39,512,256 | — | 8,739,969 | 173,911,658 |
| 1862 | 137,674,238 | 29,823,959 | — | 5,363,914 | 107,974,499 |

The Philadelphia banks present a less favorable showing than in January. With a larger line of deposits, their reserves have decreased nearly a million of dollars. Their statements for the last month, and a comparison with five previous years, are given below. The aggregate capital of the twenty-seven National Banks is \$16,235,000.

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|--------------|--------------|-----------|----------------|--------------|--------------|
| Jan. 4, 1868 | \$52,002,304 | \$235,912 | \$16,782,432 | \$10,639,000 | \$36,621,274 |
| " 4, 1869 | 50,716,999 | 252,483 | 13,210,397 | 10,593,719 | 38,121,023 |
| " 3, 1870 | 51,662,662 | 1,290,096 | 12,670,198 | 10,568,681 | 38,890,001 |
| " 2, 1871 | 51,861,827 | 1,071,528 | 12,653,166 | 10,813,212 | 38,660,403 |
| " 1, 1872 | 55,631,723 | 1,069,585 | 11,228,988 | 11,348,851 | 42,049,757 |
| July 1, " | 59,659,324 | 228,338 | 13,952,003 | 11,345,868 | 50,021,793 |
| Jan. 6, 1873 | 55,370,011 | 424,458 | 10,576,155 | 11,331,579 | 40,861,114 |
| " 27, " | 56,022,383 | 379,229 | 10,780,387 | 11,377,393 | 41,680,037 |
| Feb. 3, " | 57,062,437 | 352,775 | 10,599,532 | 11,370,253 | 42,120,451 |
| " 10, " | 57,058,382 | 347,632 | 10,263,795 | 11,365,329 | 41,254,169 |
| " 17, " | 56,927,381 | 242,414 | 9,936,882 | 11,373,811 | 41,295,531 |

The returns of the Boston banks show a further increase of loans. The fifty-one Boston banks have a combined capital of \$49,000,000, and surplus funds, \$12,872,000. We annex the returns for 1867-1872:

| | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|------------------|---------------|----------------|-----------------------|---------------------|------------------|
| Jan. 6, 1868.... | \$94,969,249 | \$1,466,246 | \$15,543,169 | \$24,626,559 | \$40,856,022 |
| Jan. 4, 1869.... | 98,423,644 | 2,203,401 | 12,938,342 | 25,151,340 | 37,538,767 |
| Jan. 3, 1870.... | 105,985,214 | 3,765,347 | 11,374,559 | 25,290,893 | 40,007,225 |
| Jan. 2, 1871.... | 111,190,173 | 2,484,536 | 12,872,917 | 24,662,209 | 46,927,971 |
| July 3 | 119,152,159 | 1,441,500 | 13,117,482 | 24,816,012 | 50,693,067 |
| Jan. 1, 1872.... | 115,878,481 | 4,469,483 | 9,602,748 | 25,715,976 | 46,994,488 |
| July 8..... | 112,164,800 | 2,740,100 | 9,471,800 | 24,877,000 | 48,875,500 |

The deposits (after this date) include the amount due to other banks.

| | | | | | |
|------------------|-------------|-----------|------------|------------|------------|
| Jan. 6, 1873.... | 122,872,700 | 2,075,400 | 11,122,500 | 25,614,400 | 74,113,500 |
| " 27 | 124,222,000 | 2,524,500 | 11,481,500 | 25,533,500 | 75,613,700 |
| Feb. 3..... | 125,088,700 | 2,253,300 | 11,507,300 | 25,485,800 | 77,272,500 |
| " 10..... | 125,759,300 | 2,095,000 | 11,311,100 | 25,419,800 | 78,465,900 |
| " 17..... | 126,247,900 | 1,684,200 | 11,082,800 | 25,379,100 | 77,389,600 |

In Bank stocks a larger business has prevailed and generally at full prices. The latest quotations are annexed:

| | <i>Offered.</i> | <i>Asked.</i> | | <i>Offered.</i> | <i>Asked.</i> |
|----------------------------|-----------------|---------------|-------------------------------|-----------------|---------------|
| New York..... | 132 | 133 | Irving..... | 122 | 127 |
| Manhattan..... | 157½ | .. | Metropolitan..... | 134 | 136 |
| Merchants'..... | 116 | .. | East River..... | 112 | .. |
| Mechanics'..... | 135½ | 137 | Nassau..... | 103¼ | 106 |
| Union..... | 140 | .. | Shoe and Leather..... | 148 | .. |
| America..... | 150 | .. | Corn Exchange..... | 126 | .. |
| City..... | 250 | .. | Continental..... | 80 | 83 |
| Phenix..... | 102 | 103 | St. Nicholas..... | .. | 113¾ |
| Butchers and Drivers'..... | .. | 146 | Marine..... | 165 | .. |
| Merchants' Exchange..... | 90½ | .. | Commonwealth..... | .. | 86 |
| Commerce..... | 116 | .. | Importers and Traders'..... | 170½ | 197 |
| Ocean..... | 10 | 12 | Manuf. and Merchants'..... | 100½ | .. |
| Mercantile..... | 132 | 140 | New-York National Exch..... | .. | 97 |
| American Exchange..... | 112½ | 113 | Fourth National..... | 111 | 111½ |
| Chatham..... | .. | 150 | Ninth National..... | 105 | 106½ |
| Bank of the Republic..... | 110½ | 111½ | Gold Exchange..... | 112 | .. |
| Bank of North America..... | .. | 105 | Bankers and Brokers' As. | 80 | .. |
| Hanover..... | 101 | .. | German-American..... | 10 2 | 104 |

According to previous announcement, the Comptroller of New York City opened on January 27th the bids for City Improvement stocks. The bidding was for a total amount of \$3,816,500. The rates offered ranged from 100.04 to 105, averaging 102.00½.

The Erie Railroad Directors on the 11th of February ordered a dividend of three and a half per cent. to be paid upon the preferred, and one and three-quarters per cent. upon the common stock. The auditor made the following report of the year's business, ending December 31, 1872:

| | |
|---|---------------------|
| The gross earnings of the Erie Railway for the year ending Dec. 31, 1872, were..... | \$18,694,096 |
| The working expenses for the same period were..... | \$13,629,956 |
| Interest on the funded and floating debt..... | 1,814,043 |
| Rental of leased lines, &c..... | 1,223,712 |
| | <u>\$16,667,711</u> |
| Net results for the year..... | \$2,026,385 |
| Less dividend on preferred stock paid to July 1, 1872..... | 298,792 |
| Leaving a surplus of..... | <u>\$1,727,593</u> |

The amount included in working expenses paid for new work and iron was \$4,000,000. The property refunded by JAY GOULD was not included in any way in the statement. In consideration of the auditor's statement the directors declared a dividend upon the preferred and common stock, as before stated.

The negotiation of the new 7 per cent. Convertible (Gold) Loan of the Erie Company for \$10,000,000 was successfully concluded in London on the 11th, the applications for the loan being, it is stated, largely in excess of the sum offered. The division of the net profits of last year to both classes of stockholders was probably made a condition to this prompt action of the London friends of the road.

In the European monetary centres further abundance has prevailed. The BANK OF ENGLAND lowered its rate of discount on January 30th to 3½ per cent. In Berlin, money is as low in the open market as 3 per cent., but at Frankfort it has been less plentiful. We annex the latest quotations by mail :

| | Bank Rate. Per Cent. | | Bank Rate. Per Cent. |
|----------------|-------------------------|---------------------|-------------------------|
| Amsterdam..... | 5 | Hamburg..... | 4 |
| Bremen..... | 4½ | Leipsic..... | 5 |
| Berlin..... | 4 | Paris..... | 5 |
| Brussels..... | 4½ | St. Petersburg..... | 7 |
| Frankfort..... | 4 | Vienna..... | 6 |

A cable telegram to HENRY CLEWS & Co. states that the Japanese Government loan of \$10,000,000, for which books were recently opened for subscriptions by their London house, has been taken up. The total amount of subscriptions was \$50,000,000. The loan has risen three and a-half per cent. since the books were closed.

DEATHS.

In PROVIDENCE, R. I., November 19th, 1872, aged seventy-five years, WILLIAM A. ROBINSON, President of the MANUFACTURER'S NATIONAL BANK of Providence, from 1857 until his death.

In NORWICH, N. Y., Sunday, December 29, 1872, aged sixty-seven years, WALTER M. CONKEY, President since 1854 of the BANK OF CHENANGO.

In NORWICH, N. Y., on Friday, January 10th, aged sixty-seven years, WILLIAM B. PELLETT, Teller of the BANK OF CHENANGO from the year 1826 until 1854, and Cashier from 1854 until his death.

In CHILlicothe, O., on Sunday, January 26th, ADDISON PEARSON, President of the ROSS COUNTY NATIONAL BANK.

In PARIS, FRANCE, on Sunday, February 9th, aged sixty-three years, JAMES T. SOUTTER, of the banking firm of SOUTTER & Co., William St., New York; President of the BANK OF THE REPUBLIC, New York, in the years 1851 to 1854, and from 1854 till 1860.

In VERSAILLES, KY., on Thursday, February 8th, aged seventy-eight years, DAVID THORNTON, President of the COMMERCIAL NATIONAL BANK OF VERSAILLES.

In WASHINGTON CITY, February, 1873, Col. D. L. EATON, Cashier of the SECOND NATIONAL BANK, and for several years Actuary of the FREEDMAN'S SAVINGS INSTITUTION.

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

VOL. VII. THIRD SERIES. APRIL, 1873.

No. 10.

FOREIGN PUBLIC DEBTS.

I. *The Statesman's Year Book, a statistical and historical annual of the States of the Civilised World; a hand-book for politicians and merchants, for the year 1873.* By FREDERICK MARTIN. Tenth annual publication. 12mo., pp. 756. MACMILLAN & Co., London and New York. Price, seven shillings sterling, or \$ 3.50.

II. FENN'S *Compendium of the English and Foreign funds, debts and revenues of all nations; banks, railways, mines, joint-stock companies.* Edited by R. L. NASH. 8vo., pp. 682. London, 1872. EFFINGHAM WILSON, publisher.

III. *On National Debts.* By R. DUDLEY BAXTER. Read before the British Association, Liverpool, September, 1870. 8vo., pp. 144. London.

IV. *Statistical Abstract of the UNITED KINGDOM for fifteen years.* London, 1872.

These volumes supply authentic and recent information upon the subjects above enumerated. They are compiled mainly for the use of legislators, and those interested in legislation, and for the use of thousands of persons who are concerned in the current and prospective values of foreign securities. The "Statesman's Year-Book" supplies copious details in reference to the financial condition of the various nations of EUROPE, ASIA, AFRICA and AMERICA.

The tabular information herein given to the readers of this volume will enable them to realize the great responsibility unnecessarily assumed by many nations to involve themselves in heavy debts, whereby their future earnings are mortgaged in order to cover the extravagances and follies of the present day. We need not, in fact, look beyond the Eastern shores of the Atlantic for a lamentable lesson on this subject. We have encumbered a heavy debt of three thousand millions of dollars, in order to lessen the ambition and folly and extravagance of a small portion of our people.

This is, however, a comparatively small evil, when we witness the demoralization and ignorance of our congressional representatives, who persist in fastening upon the country a paper currency, which drives the wealth of the people to feed pauper EUROPE. Congress, eight or nine years ago, authorized the issue of over four hundred millions of legal-tender paper money, as a WAR MEASURE, with the express understanding and agreement that this paper should be gradually liquidated, upon a return of peace, in order that the commerce and finances of the country should be placed upon a specie basis. So far from fulfilling this promise, Congress placed a veto upon the first attempt of the Treasury to execute it. This agreement has been violated, and instead of an economical administration of the government, to-day virtually bankrupt, the Treasury is annually depleted to gratify the extravagances of the day. We have obtained an extension of TWENTY YEARS on the public debt, and until that debt is fully extinguished, no appropriations should be made beyond the actual needs of the country. Every bond of the UNITED STATES that goes abroad is a damage to the country; because, instead of obtaining actual value for it, we exchange the proceeds mainly for silks, trinkets and worthless rubbish, imported from the pauper districts of ENGLAND and the continent of EUROPE.

Millions of the poor of EUROPE are employed annually at fifty cents to one dollar per day, to manufacture finery for thirty-eight millions of our people, who are perfectly competent to make their own goods. This course of trade demands the outlay (or export) by us of about eighty millions of dollars in specie, annually—equivalent to the WHOLE ANNUAL PRODUCT of the precious metals of the country.

History reproduces itself. EUROPE is impoverished by causes similar to those which prevail with us. Let us furnish our readers with a condensed view of the immense debts of EUROPE, as well as of SOUTH AMERICA, &c. We are indebted for these details to the valuable works enumerated above.

The ensuing compilation shows, in brief, the financial condition of the following countries, according to the latest authorities; mainly of the year 1872 :

EUROPE.—I. Austria. II. Belgium. III. Denmark. IV. France. V. Germany. VI. Italy. VII. Netherlands. VIII. Portugal. IX. Spain. X. Russia. XI. Sweden and Norway. XII. Turkey. XIII. Great Britain.

AFRICA.—XIV. Egypt. XV. Liberia.

INDIA.—XVI. British India.

SOUTH AMERICA, &c.—XVII. Argentine Confederation. XVIII. Bolivia. XIX. Brazil. XX. Chili. XXI. Costa Rica. XXII. Ecuador. XXIII. Paraguay. XXIV. Peru. XXV. San Domingo. XXVI. Uruguay. XXVII. Japan.

I. AUSTRIA.

Area, 226,406 square miles. Population (1869), 35,904,435.

At the end of the year 1866, a statement appeared to the effect that the public debt was 2,919,717,689 florins; * showing an increase of over 300,000,000 florins during the war with RUSSIA. But this statement would include the Lombardo-Venetian debt now transferred to ITALY. The total may be therefore about £280,000,000 sterling. The interest of management and the appropriation for the sinking fund for the year 1868, were estimated at £18,700,000; absorbing a very large portion of total £42,000,000 revenue of the Empire.

The continuous revenue deficits (amounting to one thousand millions of florins in ten years, 1854–1863) proved so onerous after 1866, and the Government was compelled to pay such high rates for the new loans, that it was determined in 1868 to reduce the rate of interest on the whole debt by the forcible imposition of an eighteen per cent. income tax, which would have the effect of reducing the usual five per cent. interest to a trifle above four per cent. The measure was appealed against by the foreign bondholders, who argued that, for the credit of AUSTRIA, retrenchment should not be inaugurated by a partial repudiation of debts already incurred.

According to the official returns, the public debt of AUSTRIA on 1st July, 1871, was 3,065 millions of florins, equal to 306 millions sterling, or about 1500 millions of our currency, with an annual interest of 134,000,000 florins or an average of 4.40 per cent. viz.:

| | <i>Florins.</i> | | <i>Sterling.</i> |
|------------------------------|------------------------|----|------------------|
| Consolidated debt, old | 1,319,000 | or | £ 131,900 |
| Do. do. new | 2,571,415,000 | “ | 257,141,500 |
| Floating debt..... | 492,536,000 | “ | 49,253,500 |
| | Florins, 3,065,270,000 | | £ 306,526,900 |

The growth of this debt has been mainly owing to the many wars in which AUSTRIA has been engaged in the eighteenth and nineteenth centuries.

* The Austrian florin is valued at 48 cents at our mint.

| <i>Debt, Florins.</i> | | <i>Debt, Florins.</i> | |
|-----------------------|-------------|-----------------------|---------------|
| Year 1763, .. | 150,000,000 | Year 1830, .. | 1,084,000,000 |
| " 1781, .. | 283,000,000 | " 1848, .. | 1,250,000,000 |
| " 1789, .. | 349,000,000 | " 1868, .. | 3,009,000,000 |
| " 1815, .. | 825,000,000 | " 1871, .. | 3,065,000,000 |
| " 1820, .. | 987,000,000 | ..... | .. |

Austrian-Hungary.

Since the separation of the Kingdom of HUNGARY from AUSTRIA the finances of both have been placed upon a better footing, and the once regular deficits have at last been converted into some sort of surplus. A reduction in the so called "Income Tax" imposed upon coupons might, therefore, properly be made. There is still an expenditure, in common, for military and financial purposes between the two nationalities, to which they contribute in various proportions. The imports of AUSTRIAN-HUNGARY in 1871 were £ 152,573,000 sterling, and the exports were £ 49,836,000, each showing an increase of about ten and a-half millions on the previous year.

After the compulsory conversion of all descriptions of internal and external debt was decreed in 1869, AUSTRIA refused to acknowledge the injustice done to the foreign bondholders in compelling them to exchange bonds with interest payable in Paris or London, into an internal stock, bearing interest only in florins in Vienna. Added to this, the action of the sinking funds was stayed, and the Council of the Foreign Bondholders took the matter in hand and issued "Anglo-Austrian Bondholders' Certificates" to the holders of such bonds in ENGLAND, representing the loss sustained upon conversion. At the same time the London Stock Exchange removed the quotations of AUSTRIAN securities from the official list. Matters went on in this unsatisfactory state until the end of the year 1871, when, upon HUNGARY'S wishing to negotiate a loan in London, it found that such an operation would be impossible unless the then existing claims of the bondholders were first settled. The Hungarian government, therefore, undertook, through the medium of Messrs. RAPHAEL & SONS, to pay off the Anglo-Austrian Certificates at £ 5 each in cash, and at a meeting held on the 11th of December, 1871, that offer was accepted, and the expenses of the English Council of Foreign Bondholders were provided for by a deduction of 5s. from every £ 5 received. Since then Austrian internal consolidated bonds have been again admitted to an official quotation in Stock Exchange lists, there being about £ 96,500,000 of "Silver Rents," and about £ 101,500,000 of "Paper Rents," upon which latter the interest is payable in depreciated currency. The interest on the former is receivable in January and July, and on the latter in May and November. Room was thus made for the introduction of the following loan :

In January, 1872, the Hungarian loan appeared for a total of £ 3,000,000 sterling (equal to 30,000,000 florins silver), nominal capital five per cent. bonds, 1871. The prospectus specially exempted the loan from taxation.

The Vienna *Zeitung* publishes the report of the Austrian Control committee of the National debt on the state of the whole consolidated Austrian debt, including the floating debt to the end of July, 1872, which we now reproduce showing the increase since December, 1871.

| | <i>Florins.</i> | | <i>Increase.</i> <i>Florins.</i> |
|-----------------------------|-----------------|------------------|-------------------------------------|
| Consolidated debt..... | 2,589,387,707 | .. £ 258,938,770 | .. 19,161,413 |
| Floating debt of provinces | 40,891,922 | .. 4,089,190 | .. 3,511,545 |
| Land redemption debt.... | 229,157,512 | .. 22,915,750 | .. 4,461,965 |
| National floating debt..... | 376,860,514 | .. 37,686,050 | .. 3,259,820 |
| | | .. | |
| | | .. £ 323,629,760 | .. |

The increase in the total debt is caused by the additions of the sum of four million florins (£ 400,000) on account of the Danube-regulation loan, contracted by the State, and the participation by the State in the five per cent. loan of the Villach-Brixen and St. Peter Fiume Railway, which, as the State took one-third, amounted to fifteen million florins (£ 1,500,000). The interest yearly payable on the consolidated debt, as above, is stated to be 103,415,026 florins (£ 10,341,500), and that of the provincial floating debt 1,845,773 florins (£ 184,580).

II. BELGIUM.

Area, 11,412 English square miles. Population (1870), 5,087,000.

In 1867 a loan for £ 1,541,000 was raised for BELGIUM; and, according to the latest advices, the present debt is £ 27,825,000. A great part of this amount has been expended on the State railways, canals, and other public works; and the redemption by purchases in the market, are year by year reducing the loans outstanding. There is no floating debt of the Treasury.

The revenue and expenditure were, in the years 1865–1871, as follows:

| Year | <i>Revenue.</i> | <i>Expenditure.</i> |
|---------------|-----------------|---------------------|
| 1865, | £ 6,360,513 | £ 6,175,011 |
| “ 1866, | 6,561,732 | 6,343,170 |
| “ 1868, | 6,776,000 | 6,876,000 |
| “ 1870, | 7,061,000 | 7,059,000 |
| “ 1871, | 7,121,000 | 6,774,000 |

The expenditure includes the outlay on various public works. The trade of BELGIUM continues to increase; and during the first part of 1868 advanced rapidly.

BELGIUM, FRANCE, ITALY and SWITZERLAND formed, in 1865, a monetary league, whereby their coins assimilate in weight, value and fineness. It would be fortunate if all European countries would come into this measure.

III. DENMARK.

The action of the Danish sinking fund continues to reduce the debt of the nation, which, in 1867 was £14,512,200, in 1869 was £13,238,000, in 1871 was £13,010,800, and in 1872 was £12,747,500. The revenue of the country for the year ended March 31, 1871, was £2,602,000, and the expenditure £2,433,700, the surplus being £168,300. The expenditure included £864,652 as the charge upon the debt, £243,540 being applied to reduction of principal. The general imports in 1870-1 were weighed at 1,976,575,540 lbs., and the exports at 1,037,508,382 lbs., both showing increase. The value of the agricultural produce (the principal item) exported, was estimated to be £4,600,000. The revenue for the fiscal year, 1871-2 was £2,720,000.

IV. FRANCE.

Changes of an unprecedented character have to be recorded in the composition of the debt of the French Republic, the establishment of which dates from the fall of the Empire on the 4th of September, 1870. On the outbreak of the Franco-Prussian war, in July of that year, the French Government opened credits for large amounts, which, by the middle of August, were authorized to the extent of £40,000,000.

In the third week of August, an issue of three-per-cent. Rents was effected, at the price of sixty and a-half per cent., by which it would appear some £32,183,000 was raised, so that the amount of nominal capital created must have reached over £50,000,000. At a later date a further loan of £4,500,000 appears to have been raised by sales of Rents, and for this purpose, at least £7,500,000 nominal capital in three-per-cent. Rents must have been allotted.

At the end of October, 1870, the French Government six-per-cent. loan was issued by Messrs. J. S. MORGAN & Co., London, under the authority of the Government for the National Defence. The nominal amount of the loan was £10,000,000, and the issue price eighty-five per cent. The subsequent loan of two milliards (£80,000,000) was promptly taken by the people.

On July 27, 1872, the prospectus of the second great National loan appeared, the French Minister of Finance having been duly authorized to realize the amount of Rents at five per cent., necessary to produce a capital of three milliards of francs, as well as such supplementary amount as might be necessary to cover the interest due thereon in 1872 and 1873, and to meet the expenses of the operation and all charges for discount, exchanges, transport and negotiation. Except in the price of issue, the details of this loan are similar to those of the previous issue. The nominal price was eighty-four and a-half per cent., but by the prepayments of the twenty deferred monthly instalments under discount at the rate of six per cent. per

annum, the net price was reduced to about eighty and three-fourths per cent. The deposit was fixed at fourteen and a-half per cent. (payable in London at the exchange of 25.43 francs per pound), and, therefore, amounted to £ 14 5s. 1d. per 2500 francs nominal capital, say £ 100 stock, and in similar proportions for larger amounts. The remaining instalments of three and a-half per cent. each, the last payable on the 11th April, 1872. By this loan, £ 120,000,000 sterling was to be raised, and the stock issue would probably exceed £ 155,000,000. The debt of the French Government may thus be summed up.

| | <i>Nominal capital.</i> |
|---|-------------------------|
| Funded debt, May, 1868-1869..... | £ 558,805,000 |
| Loan of August, 1870..... | 50,000,000 |
| Sales of Rents, year 1870..... | 7,500,000 |
| Six per cent. Morgan loan..... | 10,000,000 |
| Five per cent. National loan, 1871..... | 107,858,000 |
| Credit at the Bank of France, &c..... | 73,000,000 |
| Total in 1872..... | £ 807,163,000 |
| To which add the new loan for £ 120,000,000 Stock issued..... | 155,000,000 |
| Grand total..... | £ 962,163,000 |

Allowing for deficits and for the discount at which future loans will probably be issued, FRANCE will probably, after paying off the German indemnity, be saddled with a debt, the nominal amount of which will be fully £ 950,000,000, or nearly five thousand millions of dollars, the war having added £ 400,000,000 thereto. The actual cost of the war to FRANCE, in hard cash, is stated to have been £ 600,000,000. The interest charged on the above debt will, in all likelihood, approach £ 35,000,000 annually (175 million dollars).

The foreign imports and exports during the past three years, have been:

| | <i>Imports.</i> | <i>Exports.</i> | <i>Total foreign trade.</i> |
|-----------------|-----------------|-----------------|---------------------------------|
| Year 1869, | £ 126,122,000 | £ 122,998,000 | £ 249,120,000 |
| Year 1870, | 111,252,000 | 144,404,000 | 255,656,000 |
| Year 1871, | 135,732,000 | 144,624,000 | 280,356,000 |

The public debt of FRANCE is about 500 francs (\$ 100) per capita; that of the UNITED STATES is about \$ 65 per head. The principal towns of FRANCE have, in addition, local debts, most of which doubled in the years 1870-1872. The debt of Paris at the close of 1872, was 1600 million francs, at an interest of about five and a-half per cent.

V. GERMANY.

Area, 212,091 English square miles. Population (1871), 41,058,139.

During the Franco-Prussian war two loans for fifty-one million thalers or £ 7,500,000 each, were contracted partly in GERMANY and partly in London. These were termed the "North-German Con-

federation Five-per-cent. Treasury Bonds, First and Second Emisions," and, in each case, the LONDON JOINT-STOCK BANK received subscriptions for £ 3,000,000, the amount reserved for London. The issue price of the first emission (effected in December, 1870) was ninety-six per cent., but in the latter case, although the loan appeared in January, 1871, the first coupon did not fall due till the November following.

The public debt of the Empire, at the close of 1871, was £ 23,500,000 (which, however, it is intended to pay off), while that of PRUSSIA is £ 64,000,000 (of which £ 26,900,000 represents railway loans); that of BAVARIA has been stated at £ 34,000,000; that of WURTEMBERG at £ 11,000,000; that of SAXONY at £ 12,000,000; that of BADEN at £ 13,000,000; that of BRUNSWICK at £ 2,500,000; that of HAMBURGH at nearly £ 5,000,000; and that of HESSE and MECKLENBURG-SCHWERIN at under £ 1,500,000 each.

VI. ITALY.

Area, 112,677 English square miles. Population (1871), 26,796,253.

In November, 1869, a second "State Domains" loan was issued, subscriptions being invited in Italy; in Paris by the SOCIETE GENERALE; in London by the ANGLO-ITALIAN BANK; in Hamburg, Frankfort, and Berlin. This five-per-cent. loan for 130,000,000 lire, or £ 5,200,000, forms a further part of an authorized debt of 400,000,000 lire, secured upon the sale of public domain lands, and the whole is repayable by six equal annual instalments at par; the first instalment falling due in 1876, so that the entire redemption will be effected in 1881, the same date as that of the first State Domain loan. The bonds are at all times receivable in payment for lands. They were issued in sums ranging from 500 to 50,000 lire, the issue price being £ 29 5s. per bond of 1,000 lire, or £ 40. Taking into account the discount on instalments paid in advance, the price to the subscriber was 72½ per cent., and the whole loan was readily taken up, mostly on the Continent.

According to Italian journals, commerce considerably improved in the year 1871. The imports of the year were valued at £ 38,547,000, while the exports were computed at £ 43,418,000. In 1870 the imports were valued at £ 35,705,000, and the exports at £ 30,543,000. The comparison shows an increase last year of £ 2,842,000 in the imports, and £ 12,874,000 in the exports.

The Pontifical debt, about £ 1,500,000, has been assumed by the Italian Government.

The aggregate revenue of this government was, in the year 1862, £ 18,850,000; and in the years 1867-69 about thirty-two millions sterling, annually.

VII. NETHERLANDS.

Area, 13,464 English square miles. Population (1870), 3,915,956.

Three railway loans, bearing the unconditional guarantee of the Dutch Government, have been subscribed for in London, and are quoted on the London Stock Exchange. The $4\frac{1}{2}$ -per-cent. Dutch-Indian (Java) Railway loan was introduced by Messrs. HORSTMAN & Co., in 1867. The amount was £ 3,339,000, in bonds of £ 84 15s. each, redeemable in thirty-eight years from 1867. The price of issue was £ 75 8s. 6d. In the year 1869, Messrs. SAMUEL MONTAGU & Co. received subscriptions for a similar loan for £ 398,300, at the price of £ 77 11s. per £ 84 $\frac{1}{2}$. This loan is repayable in thirty-five years from 1872.

In March, 1871, Messrs. SAMUEL MONTAGU & Co. brought out another Dutch-Indian Railway loan for £ 189,000, but this time the rate of interest was fixed at five per cent., and the bonds were issued in sums of £ 100 each. The redemption at par is secured upon annual drawings, terminating in the year 1906. The price of issue was £ 90 10s. per bond. While the previous issues receive interest in January and July, the payments upon these bonds are effected in April and October.

The revenue in 1871 was estimated at £ 8 $\frac{3}{4}$ millions, and the expenditure at £ 9 $\frac{1}{2}$ millions, and the estimates for 1872 show a deficit on the home budget of £ 500,000.

In the year 1869 the general imports, exclusive of bullion, were £ 47,560,018, and in 1870 they were £ 51,084,898. In the same years the exports were £ 40,900,760 and £ 43,497,540 respectively. Deducting the imports which were again conveyed out of the kingdom, the imports for consumption were £ 37,996,000 and £ 38,825,000.

VIII. PORTUGAL.

Area, 36,510 English square miles. Population (1868), 3,995,152.

In December, 1867, a three-per-cent. loan, for £ 5,500,000, was proposed by PORTUGAL. This issue was brought out by Messrs. STERN BROTHERS, but as a portion had been subscribed in Lisbon, only £ 3,750,000 was offered in London, and in Amsterdam and Paris, at fixed rates of exchange. The issue price was 38 $\frac{1}{2}$ per cent., less 1 $\frac{1}{2}$ per cent. coupon deducted from the January instalment. These bonds are to "bearer" and convertible, at the option of the holder, into internal stock.

It appeared, from a statement published at Lisbon, in 1867, that at the end of 1866 the total home and foreign debt of PORTUGAL was about fifty millions sterling, viz :

| | <i>Debt.</i> | <i>Annual Charge.</i> |
|---------------------------|--------------|-----------------------|
| Year 1866..... | £ 47,333,000 | £ 1,441,000 |
| Add the above loan | 5,500,000 | 165,000 |
| | <hr/> | <hr/> |
| The present total is..... | £ 52,833,000 | £ 1,606,000 |

The debt is almost entirely three-per-cent. stock, and of this amount some £ 4,000,000 cash has been expended on railways, and 2½ millions on roads, besides other public works. The financial budget for 1867 showed an expenditure of £ 5,000,000 as compared with a revenue of £ 3,752,000; deficit over £ 1,200,000.

The population in 1865, including the Azores and Madeira, was over 4½ millions.

The good faith of PORTUGAL has recently been called in question, both for annulling the agreement with the South-Eastern Railway of Portugal, and in the application of the loan of 1867.

In November, 1869, a new Portuguese three-per-cent. loan for £ 12,000,000 stock was brought out by Messrs. STERN BROTHERS, London, at the price of 32½ per cent., with instalments payable over six months. The particulars relating to dividends are the same as those of the previously existing three per cents. The bonds, in sums of £ 100 and £ 500, were issued to bearer, and £ 1,850,000 was reserved for the South-Eastern of Portugal Railway, the liability upon which was at length recognized.

IX. SPAIN.

Area, 182,758 English square miles. Population (1860), 16,301,851.

In April, 1869, Messrs. J. S. MORGAN & Co., of London, were authorized by the contractors of the new Spanish three-per-cent. loan for fifty million dollars (£ 10,500,000) Effective, who were Messrs. OPPENHEIM, ALBERTI & Co., of Paris, and Messrs. SULSBACH, of Frankfort, agents, to receive subscriptions for £ 8,000,000 nominal, of the same in bonds of £ 42½, £ 85, £ 170, £ 255, £ 510, and £ 1,020 each. The issue price was 29½ per cent., payable at the fixed rate of 4s. 3d. per dollar in London.

In June, 1870, Messrs. N. M. ROTHSCHILD & SON offered the five-per-cent. Quicksilver Mortgage bonds for £ 2,318,100 in London at the price of £ 80 per £ 100 stock, and the whole were at once taken up—principal and interest being payable in London.

In May, 1871, Messrs. STERN BROTHERS, London, were authorized by the BANK OF PARIS and the BANK OF CASTILLE, to receive applications for an issue of 246,850,000 reals (or £ 2,622,700 sterling), being a moiety of the Spanish six-per-cent. National Lands Mortgage Certificates; the other half of which were reserved for subscriptions in SPAIN. The subscription price was 80 per cent., or £ 17 per £ 21 5s. bond; the other bonds being for £ 106 5s., and £ 150 each.

In September, 1871, the Spanish Financial Commission in London and Paris, and other establishments elsewhere, invited applications for £ 6,375,000 sterling, in bonds of the three-per-cent. Consolidated External debt. The bonds were for sums of £ 42 10s., £ 85, £ 170, £ 255, £ 510, and £ 1,020; and the half-yearly interest was declared payable to bearer, in June and December, "free of Spanish taxes." The issue price was 31 per cent., or £ 13 3s. 6d., for £ 42 10s. bond, payable until the 30th December following, on which day the first coupon was due. The question of an official quotation for this loan has been deferred.

The three-per-cent. loan for £ 10,500,000, in 1869, required an issue of £ 35,600,000 stock, and the three-per-cent. 1871 loan for £ 6,375,000 an issue of £ 21,200,000. So that the above four additions to the debt of SPAIN represent a total of £ 64,300,000 as the nominal increase therein during three years.

The deficits since the revolution have been enormous; that of 1868-9 being £ 7,089,000; that of 1869-70 being £ 7,226,000; and that of 1870-1 being £ 6,700,000. The figures for 1871-2 were no better, standing thus, in pesetas (five pesetas to the dollar of U. S. currency):

| REVENUE, 1871-2. | | EXPENDITURE, 1871-2. | |
|--|-----------------------------|--|-----------------------------|
| | <i>Pesetas.</i> | | <i>Pesetas.</i> |
| Direct contributions | 170,000,000 | Royal House..... | 7,518,056 |
| Indirect " | 62,000,000 | Legislative bodies | 929,636 |
| Transitory " | 24,500,000 | Public debt | 269,498,360 |
| State paper, stamps, and special service rendered by the Administration, 138,000,000 | | Justice, &c | 2,755,568 |
| Sales National property.. | 60,000,000 | Pensioned classes..... | 41,011,803 |
| Rent " .. | 9,000,000 | Presidency of Council .. | 606,063 |
| Receipts from colonies.. | 4,000,000 | State | 2,619,206 |
| Spec ^l Treasury resources | 2,000,000 | Grace and justice | 47,864,359 |
| | | War..... | 95,663,325 |
| | | Navy..... | 23,246,065 |
| | | Gobernacion (interior) .. | 19,060,813 |
| | | Public works and instruc- tion..... | 43,478,923 |
| | | Colonies | 309,500 |
| | | Finance | 101,186,213 |
| | | | |
| | <hr/> | | <hr/> |
| | <i>Pesetas, 469,500,000</i> | | <i>Pesetas, 655,749,890</i> |

X. RUSSIA.

Area, RUSSIA in EUROPE, 103,028 English square miles; RUSSIA in ASIA, 271,321 square miles.

The debt of RUSSIA, at the end of the year 1866, was stated at £ 286,600,000, with an annual charge of £ 10,961,000.

In August, 1867, four-per-cent. government loan for £ 12,000,000 was issued, making the present debt about three hundred millions sterling.

The average revenue deficit since the year 1832 has been about £7,000,000 per annum. The figures below are in silver roubles (6¼ to £1), except the estimates for 1867 and 1868, which are in pounds sterling.

| | <i>Revenue.</i> | | <i>Expenditure.</i> |
|--------------------|-----------------|------|---------------------|
| Year 1863, Roubles | *318,830,000 | .... | Roubles 330,538,000 |
| “ 1864, “ | 346,241,000 | .... | “ 388,726,900 |
| “ 1865, “ | 349,945,000 | .... | “ 386,343,000 |
| “ 1866, “ | 349,680,800 | .... | “ 387,195,000 |
| “ 1867, | £ 60,475,000 | .... | £ 66,577,000 |
| “ 1868, | 64,420,000 | .... | 72,069,000 |

The railway loans of 1870–1871, bearing five per cent., are selling, in London, at 93 @ 94 per cent. The credit of RUSSIA stands deservedly high.

In April, 1869, Messrs. BARING BROTHERS, London, issued a second instalment of four-per-cent. bonds, the particulars of which are nearly identical with those of the years 1866–1867. The amount of the loan was £11,110,000, and the issue price of the £20 bonds was £12 12s. Messrs. HOPE were the agents in Amsterdam, and Messrs. HOTTINGUER in Paris.

In January, 1870, Messrs. ROTHSCHILDS, of London and Paris, contracted for and brought out a five-per-cent. Russian loan for £12,000,000 nominal, the object of which was to reinforce the railway fund. The bonds are for sums of £50, £100, £500 and £1,000 each, with coupons payable in August and February, in London, Paris, Frankfurt, Amsterdam and Berlin. The issue price was £80 per cent., payable in instalments from one to eight months. The whole might be paid up at once, a discount of four per cent. per annum being allowed. The bonds are re-imbursable at par in eighty-one annual drawings, the first of which took place on the 1st of February, 1871.

In March, 1871, Messrs. ROTHSCHILDS, of London and Paris, issued further £12,000,000 of “Five-per-cent. Consolidated bonds,” at the nominal price of eighty-one and a-half per cent., with instalments payable during six months. The object was to reinforce the railway fund of RUSSIA.

Besides these, some guaranteed railway loans have appeared, amongst which we may mention the Kursk-Charrow-Azow five-per-cent. bonds for £1,760,000, issued in London by Messrs. HAMBRO & SON, and in Amsterdam and in GERMANY. Apart from these guarantees, the debt of RUSSIA stands about £350,000,000.

The budget for 1872 showed a surplus for the first time during forty years. There are about nine thousand miles of railway in RUSSIA, in operation. The opening of the country by these lines has done much for the renovation of the Empire, and in 1870 the imports were stated at £49¾ millions sterling, and the exports at £55 millions, showing a large increase. The imports and exports of Finland were, in addition, about £1¾ millions each.

* About 79½ cents U. S. Currency.

XI. SWEDEN AND NORWAY.

Area, SWEDEN, 168,042 square miles; NORWAY, 120,729 miles. Population, SWEDEN (1869), 4,158,757; NORWAY (1865), 1,701,365.

The public debt of SWEDEN, at the close of 1871, was 121,314,200 rix-dollars, equivalent to £ 6,739,780, at four and five per cent; a large portion of which, devoted to railway construction, was negotiated in London, at 90 and 92 per cent., in the years 1864 and 1868.

At the close of 1871 it was notified that out of the 4½-per-cent. loan for £ 2,223,000, the sum of £ 1,663,100 had been reimbursed and destroyed, leaving outstanding only £ 559,900.

The population of NORWAY is stated, 1,701,365. The imports into NORWAY, of foreign goods in 1869, were valued at 23,878,000 specie-dalers, and in 1868 were valued at 26,457,000 specie-dalers. The exports of native goods valued at 17,150,000 specie-dalers, and 19,439,000 specie-dalers, 4½ specie-dalers equal £ 1 sterling. The public debt of NORWAY is only 6,876,000 specie-dalers, equal to £ 1,547,100. The Swedish rix-daler is equal to 1s. 1½d., sterling, or 18 to the £. The Norwegian specie-daler is equal to 5 marks = 120 skilling, or 4s. 5½d. English, or \$ 1.10 United States currency. Swedish five-per-cent. bonds command in London, 102 @ 104 per cent.

XII. TURKEY.

The finances of TURKEY have, for many years, been mismanaged. In March, 1869, a new six-per-cent. loan, for £ 2,480,000, appeared under the auspices of the SOCIETE GENERALE and its London agents (DEVAUX), who offered it for subscription at 83 per cent. The bonds of 500 francs (£ 19 16s. 10d.) or 2,500 francs (£ 99 4s. 1d.) were redeemable at par, in four instalments, between April, 1872, and October, 1873; the return to the investor being calculated at 12½ per cent. The principal and interest were repayable in London, Paris, or Constantinople. The following is extracted from the prospectus: "The bonds now offered form part of a total sum of 150,063,985 francs, or about £ 6,000,000 sterling, Treasury Bonds of the Imperial Ottoman Government. The rest of the bonds, viz: for 88,063,985 francs, or about £ 3,520,000 sterling, are repayable, viz: about £ 3,385,000 between April, 1869, and October, 1871, and about £ 135,000 between April, 1872, and October, 1873."

In December, 1869, the six-per-cent. loan for £ 12,000,000 sterling, or £ 22,222,220 stock, was brought out; the Paris contractors being the COMPTOIR D'ESCOMPTE, and Messrs. LOUIS COHEN & SONS, the London agents. The bonds are "to bearer," in sums of £ 20, £ 100, and £ 500 each, bearing interest from the first of October previous, and the issue price is 60½ per cent. The loan is redeemable in thirty-three years from 1869, by an accumulative sinking fund of one per cent. per annum, applied half-yearly to drawings at

par. Principal and interest are payable in London, Paris, or Constantinople. The loan is declared free of Turkish tax. Allowing for accrued interest and deferred instalments, the issue price is 58½ per cent., and the loan therefore yields the investor 11¼ per cent. per annum.

In September, 1871, the Imperial Ottoman six-per-cent. Egyptian Tribute Loan of 1871, for £ 5,700,000 nominal capital, was issued by Messrs. DENT, PALMER & Co., London, at the price of 73 per cent. The bonds, to bearer, in sums of £1,000, £ 500, £ 100, and £ 20 each, carry coupons payable on the 10th April and 10th October, and a sinking fund of one per cent. accumulative will be applied to yearly drawings; the first taking place in sterling and referring to the Egyptian Tribute.

In August, 1872, Messrs. R. RAPHAEL & SONS, London, received subscriptions for "Imperial Ottoman nine-per-cent. Treasury Bonds" to the amount of £ 11,126,200. Serie A representing £ 3,708,700, redeemable 13th July, 1876; Serie B, £ 3,708,750, redeemable July, 1877; and Serie C, £ 3,708,750, redeemable July, 1878. The issue price was fixed at 98½ per cent., and the bonds, carrying interest payable in London, at Messrs. RAPHAELS', on the 13th January and 13th July, were issued in sums of £1,000, £ 500, £ 100, and £ 50 each.

In round numbers the debt of the Turkish Government cannot be stated at less than £ 105,000,000 sterling, with an annual charge of about £ 8,000,000, including considerable sinking funds. In addition, a three-per-cent. guarantee has been accorded to the Roumelia Railway loans, for some £ 31,000,000, upon which a considerable payment has to be forthcoming. TURKEY has only partially provided for her liabilities to the Ottoman and other railways.

The budget for the Turkish financial year 1288, published in March, 1872, showed an estimated revenue of 4,127,442 purses or £ 18,573,500, and an expenditure of 4,280,890 purses or £ 19,264,000. This deficit is increased by some special items. The Porte has taken care to provide itself with a powerful and well-equipped army and navy, and differences with the Khedive have been arranged.

The foreign debt of TURKEY in the year 1872, was as follows. Their six-per-cent. bonds selling at 71 @ 89 in the London market.

| <i>Issued.</i> | <i>Nominal.</i> | <i>Interest.</i> | <i>Sinking Fund.</i> | <i>Annual Charge.</i> |
|----------------|---------------------|------------------|----------------------|-----------------------|
| 1854 .. | £ 3,000,000 .. | 6 per cent. .. | 1 per cent. .. | £ 210,000 |
| 1855 .. | 5,000,000 .. | 4 " .. | 1 " .. | 250,000 |
| 1858 .. | 5,000,000 .. | 6 " .. | 2 " .. | 400,000 |
| 1860 .. | 2,070,000 .. | 6 " .. | 1 " .. | 144,900 |
| 1862 .. | 8,000,000 .. | 6 " .. | 2 " .. | 640,000 |
| 1864 .. | 8,000,000 .. | 6 " .. | 2 " .. | 640,000 |
| 1865 .. | 6,000,000 .. | 6 " .. | 2 " .. | 480,000 |
| 1867 .. | 2,500,000 .. | 6 " .. | 2 " .. | 200,000 |
| 1869 .. | 22,222,220 .. | 6 " .. | 2 " .. | 1,198,400 |
| 1870 .. | 12,000,000 .. | 6 " .. | 2 " .. | 960,000 |
| 1871 .. | 5,700,000 .. | 6 " .. | 1 " .. | 399,000 |
| 1872 .. | 11,126,200 .. | 9 " .. | 1 " .. | 1,112,620 |
| | £ 84,918,420 | | | £ 6,654,920 |

XIII. BRITISH EMPIRE.

The public debt of GREAT BRITAIN and IRELAND stood thus at the close of the financial years ended 30th March, in 1871 and 1872 :

| | 1871. | | 1872. |
|-----------------------|----------------------|----|----------------------|
| Funded Debt | £ 731,309,237 | .. | £ 730,986,800 |
| Unfunded " | 6,091,000 | .. | 5,220,000 |
| | <u>737,400,237</u> | .. | <u>736,206,800</u> |
| Terminable Annuities. | 57,969,885 | .. | 55,737,000 |
| | <u>£ 795,370,122</u> | .. | <u>£ 791,943,800</u> |

Upon these totals, the annual charge, including the sinking fund provided for by the terminable annuities, amounted to £ 26,826,000 annually.

Of the £ 26,826,000 expended in the year 1871, the sum of £ 4,512,706 was absorbed by the terminable annuities, out of which we may suppose that above £ 2½ millions went to the reduction of the capital. So that the actual interest on the national debt, in round numbers, scarcely exceeded £ 24½ millions. During the year the capital of the terminable annuities was increased by £ 370,000, the additional expenditure on fortifications. This adds £ 36,341 to the annual charge until 1885, and the charge on "1885 annuities," previously raised for fortification purposes, is £ 420,085. On the 31st of January, 1870, the debt was increased by the purchase of the telegraphs, an operation which was, at first, estimated to absorb £ 5,715,048; a figure, however, that was considerably exceeded.

PROGRESS OF THE BRITISH NATIONAL DEBT.

| Year. | Funded Debt. | Annuities. | Unfunded Debt. | Total. |
|-------|---------------|-----------------|-----------------|------------------|
| 1858, | £ 779,225,500 | .. £ 24,497,200 | .. £ 25,911,500 | .. £ 829,634,200 |
| 1860, | 785,962,000 | .. 19,746,200 | .. 16,228,300 | .. 821,936,500 |
| 1862, | 784,252,300 | .. 19,388,800 | .. 16,517,900 | .. 820,159,100 |
| 1864, | 777,429,200 | .. 26,442,400 | .. 13,136,000 | .. 817,007,600 |
| 1866, | 773,313,300 | .. 25,435,000 | .. 8,187,700 | .. 806,936,000 |
| 1868, | 741,190,300 | .. 56,816,800 | .. 7,911,100 | .. 805,918,200 |
| 1870, | 740,789,500 | .. 53,130,300 | .. 6,761,600 | .. 800,681,400 |
| 1872, | 730,986,800 | .. 55,749,000 | .. 5,155,100 | .. 791,890,900 |

IMPORTS AND EXPORTS.

| Year. | Imports. | Exports. | Revenue. | Cotton Imported. |
|-------|---------------|------------------|------------------|------------------|
| 1856, | £ 172,544,000 | .. £ 139,220,000 | .. £ 68,001,000* | .. £ 29,228,000 |
| 1860, | 210,530,000 | .. 164,521,000 | .. 71,205,000 | .. 35,756,000 |
| 1865, | 271,072,000 | .. 218,831,000 | .. 70,313,000 | .. 66,041,000 |
| 1871, | 320,855,000 | .. 282,380,000 | .. 74,708,000** | .. 55,477,000 |

* 1858. ** 1872.

The revenue statement of the UNITED KINGDOM, for the year ended the 31st March, 1872, was as follows :

Income.

| | |
|--------------------------------|--------------|
| Customs | £ 20,326,000 |
| Excise | 23,326,000 |
| Stamps | 9,772,000 |
| Land, Tax and House Duty | 2,330,000 |
| Property Tax | 9,084,000 |
| Post Office | 4,680,000 |
| Telegraph Service | 755,000 |
| Crown Lands (net) | 375,000 |
| Miscellaneous | 4,060,000 |

Total Income..... £ 74,708,000

The imports of foreign and colonial produce, and the exports of British and Irish manufactures during the past four years have been as under:

| <i>Year.</i> | <i>Imports.</i> | <i>Exports.</i> | <i>Imports Exported.</i> |
|--------------|------------------|------------------|--------------------------|
| 1868, | £ 294,693,608 .. | £ 227,778,454 .. | £ 179,677,812 |
| 1869, | 295,428,967 .. | 237,106,325 .. | 190,045,230 |
| 1870, | 303,296,082 .. | 244,134,738 .. | 193,640,963 |
| 1871, | 326,834,647 .. | — .. | 219,319,071 |

British Colonial Debts.

During the past three years the changes in, and additions to, colonial indebtedness have been comparatively insignificant; and the following tabular statement will, therefore, supply a large amount of statistics it would be needless to give under separate heads:

| <i>Country.</i> | <i>Public Debt.</i> | | <i>Population.</i> | <i>Gross Revenue in 1869.</i> |
|--|---------------------|-----------------------------|---------------------|-------------------------------|
| | <i>In 1869.</i> | <i>Present Amount about</i> | | |
| ASIA— | | | | |
| British India | £ 108,134,073 | £ 120,000,000 | 155,348,090 (1869) | £ 49,262,691 |
| Ceylon | 700,000 .. | 700,000 .. | 2,081,395 (1868) .. | 946,495 |
| Mauritius | 1,100,000 .. | 1,100,000 .. | 322,924 (1869) .. | 595,024 |
| AUSTRALIA— | | | | |
| New South Wales .. | 9,546,030 .. | 10,400,000 .. | 503,981 (1871) .. | 3,663,509 |
| Victoria | 10,385,900 .. | 11,500,000 .. | 731,528 (1871) .. | 3,329,414 |
| South Australia .. | 1,783,700 .. | 2,000,000 .. | 188,995 (1871) .. | 965,834 |
| Tasmania | 1,148,000 .. | 1,300,000 .. | 99,328 (1870) .. | 345,467 |
| New Zealand | 7,360,616 .. | 9,550,000 .. | 256,167 (1870) .. | 1,746,623 |
| Queensland | 3,459,750 .. | 4,200,000 .. | 109,897 (1869) .. | 772,858 |
| AFRICA— | | | | |
| Cape of Good Hope | 1,101,650 .. | 1,880,000 .. | 566,158 (1865) .. | 593,245 |
| Natal | 268,000 .. | 320,000 .. | 269,551 (1869) .. | 124,157 |
| Sierra Leone | <i>Nil.</i> .. | 25,000 .. | 55,374 (1868) .. | 69,624 |
| AMERICA— | | | | |
| Canadian Dominion | 20,233,947 | 20,600,000 | 3,879,812 (1868) .. | 3,017,737 |
| British Columbia. Since absorbed in Dominion | 304,166 | | | |
| British Guiana | 649,940 .. | 650,000 .. | 34,816 (1861) .. | 110,515 |
| Total, West Indies... | 1,007,559 .. | 1,400,000 .. | 148,026 (1861) .. | 311,377 |
| Antigua | 54,431 .. | 54,000 .. | 934,197 (1861) .. | 1,018,368 |
| Jamaica | 746,044 .. | 1,100,000 .. | 37,125 (1861) .. | 38,586 |
| Barbadoes | 1,255 .. | 1,000 .. | 441,255 (1861) .. | 445,686 |
| Trinidad | 105,164 .. | 105,000 .. | 152,727 (1861) .. | 102,906 |
| | | | 84,438 (1861) .. | 244,056 |

(To be continued.)

THE HISTORY AND PRINCIPLES OF BANKING.

By JAMES W. GILBART.

(Continued from the March No., page 709.)

CHAPTER 1. The Origin and Progress of Banking. 2. The Rise of Banking in England. 3. The History of the Bank of England. 4. The London Bankers. 5. Country Banks. 6. Joint-Stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks.

CHAPTER TENTH.—BANKS OF CIRCULATION.

A bank that issues notes is called a bank of circulation. The amount of notes that any bank has in circulation is usually called by bankers "*the circulation.*" Banks of circulation, both in ENGLAND and SCOTLAND, have all of them had to sustain heavy accusations. I shall notice some of these charges, not with a view of rebutting them in regard to any individual bank, but in order to discuss the general principles by which we should be guided, in judging of the effects produced by banks of circulation.

The most common charge against banks of circulation is, that they have issued an excessive amount of their notes; and thus have encouraged speculation, raised the price of commodities, and led to commercial convulsions similar to that of December, 1825.

Before entering upon the consideration of these charges, I shall point out the checks that operate against an over-issue of notes.

I have already stated, that similar accusations may be as justly advanced against banks of deposit as against banks of circulation; for to give increased motion to the currency has the same effect as to increase its amount. If a million of money be taken from the counting-houses of the merchants, and the tills of the shopkeepers, and lodged in the hands of a London banker, for him to employ in advancing loans or discounting bills, this has the same effect as though he issued for the same purposes a million of his own promissory notes. There is, however, one difference. The advances of a London banker are limited by the amount of his lodgments. If the money be not placed in his hands, he cannot issue it; and hence he may be regarded as merely an agent regulating the distribution of the previously existing currency. But the country banker having the power of making money, the amount of his advances is not subject to this restraint.

But the amount of notes issued by a bank must be limited by the demand of its customers. No banker is so anxious to put his notes into circulation that he gives them away. He advances them either by way of loan or discount; and he always believes that the security

on which he makes his advances is sufficiently ample. He expects that the money will be repaid with interest. It is true, that like other commercial men, he is sometimes deceived in his customers; and by placing too much confidence in them he sustains losses. But this is a misfortune against which he is always anxious to guard. The issues of bankers are limited, therefore; on the one hand by the wants of the public, and on the other by the bankers' desire to protect their own interests.

A further check upon the issues of banks is, that all their notes are payable on demand. Although a banker has the power of issuing his notes to excess, either by advancing them as dead loans or on slender security, yet he has not the power of keeping them out: their remaining in circulation depends not on him, but on the public; and the uncertainty as to the time of their return for payment compels him to keep at all times a sufficient stock of money to meet the most extensive demand that is likely in the ordinary course of business to occur.

Another check upon an excessive issue of notes, is the system of exchanges that is carried on between the banks. Every banker that issues notes has an interest in withdrawing from circulation the notes of every other banker, in order to make more room for his own. When a banker receives the notes of another banker, he never reissues them. If the two bankers live in the same place, they meet once or twice a week, as they may find convenient, and exchange their notes. The balance between them, if any, is paid by a draft on London payable on demand; or, which amounts to the same thing, the London agent of the one party is directed to pay the amount to the London agent of the other party. If the country banker lives at a distance from the banker whose notes he has received, he sends them to his London agent to present for payment. Hence it is that country notes seldom travel far from the place of issue: they are sure to be intercepted by some of the rival banks; and in a country where banks are so numerous as in ENGLAND, it is obvious that the notes of any individual bank must move in a very limited circle. If a banker attempts to force out a higher amount of notes than the wants of this circle require, he will soon find that the notes will be returned to him in the exchanges with neighboring bankers, or else they will speedily find their way for payment to his London agent.

Another check upon an over-issue on the part of the banks is their practice of allowing interest upon money lodged in their hands. No man will keep money lying idle in his hands if he can obtain interest for it, and have it returned to him upon demand. If a banker attempts to force out a large amount of notes, they will get into the hands of somebody. And those who do not employ them in their trade will take them back to the bank and lodge them to their credit, for the purpose of receiving the interest. Thus, if the notes of a banker are put in motion by the operations of commerce, they are soon intercepted by rival bankers; and if they attain a state of rest, they are brought back and lodged upon interest; so that in either case they are withdrawn from circulation.

Banks of circulation have also been accused of encouraging a spirit of speculation.

To obtain clear ideas as to the justice of this charge, it will be necessary to define accurately the nature of speculation, and to view the circumstances by which it is governed.

Between the producer and the consumer of any commodity, there are generally two or more parties, who are merchants or dealers. The demand for any commodity is either a speculative or a consumptive demand. The demand by the consumers who purchase for immediate use is always a consumptive demand. But if the commodity purchased be not intended for immediate use, but is purchased at any given time, merely because the purchaser apprehends that its price will advance, then is that demand a speculative demand. So, if a merchant purchase of a manufacturer, or a farmer, such a quantity of commodities as in the ordinary course of his trade he is likely to require, that demand may be considered a consumptive demand; but if, in expectation of a rise in price, he fills his warehouses with goods for which he has no immediate sale, then is that demand a speculative demand. A speculation, then, is that kind of traffic in which the dealer expects to realize a profit, not by the ordinary course of trade, but by the intervention of some fortuitous circumstance that shall change the price of the commodity in which he deals.

A speculation in any commodity, therefore, is occasioned by some opinion that may be formed of its future price. It is well known that the price of commodities is governed by the proportion that may exist between the supply and the demand. Whatever increases the supply, or diminishes the demand, will lower the price; and, on the contrary, whatever diminishes the supply, or increases the demand, will advance the price. The greater part of our food, and the materials of most of our clothing, are produced by the seasons; and the quantity produced in each year depends, in a great degree, upon the most uncertain of all things—the weather. Here, then, is a wide field for speculation. If our food, like the manna in the wilderness, were supplied to us day by day, in exactly the quantity that each individual required, it would furnish no subject for speculation. But as long as the seasons are variable in the quantity of their productions, so long will speculation exist. Many commodities, too, besides being influenced by the seasons, are influenced by several other circumstances—as a state of peace or war—the opening of new markets—the discovery of cheaper modes of production—or the substitution of a rival commodity; all these circumstances have an effect upon price; and the dealer who buys or sells any commodity in expectation, than an alteration in price will be produced by such causes, is a speculator.

Now, it is obvious that no system of banking can prevent speculation, and that speculations would be formed, even were there no bank in existence. We learn from Holy Writ, that the owners of corn sometimes refused to sell, in expectation of an advance of price. These were speculations, though JUDÆA had neither banks nor paper money. If it be said that the country banks are the cause of specu-

lation, I will ask how it is that speculations exist in countries where there are no country banks? If it be said that the issuing of country notes is the cause of speculation, I will ask how it is that Liverpool is the most speculative place in ENGLAND, although the Liverpool bankers do not issue notes? If it be said that the speculations of 1825 were produced by the country banks, I will ask, what produced similar speculations in 1720, when there was not a single country bank in the kingdom?

It must not, however, be denied that all banking gives to speculation facilities that would not otherwise be so easily supplied. It is the object of banking to give facilities to trade, and whatever gives facilities to trade gives facilities to speculation. Trade and speculation are in some cases so nearly allied, that it is impossible to say at what precise point trade ends and speculation begins. When a banker discounts a bill, he does not usually ask the party how he intends to employ the money; and, for aught he knows, it may be employed in speculation. Wherever there are banks, capital is more readily obtained, and at a cheaper rate. The cheapness of capital gives facilities to speculation just in the same way as the cheapness of beef and of beer gives facilities to gluttony and drunkenness.

The legitimate operations of banking, however, are such as to place speculation under some degree of restraint. As to men of large capital and immense wealth, they may speculate as much as they please; over *them* the bankers have no control. But if men of moderate means engage in speculation beyond their capital, it is not the interest of the banker to support them. For such persons to carry speculation to any great extent, it is necessary either that they raise money on slender security, or that the money be advanced for a considerable length of time. It is not the interest of a banker to meet their wishes in either of these respects. It is not his interest to advance his money on insufficient security. It is not his interest to advance money as a dead loan. The security a banker requires ought to be both ample and convertible. It is contrary to all sound principles of banking for a banker to advance money on dead security. In the first place, such loans do not create any banking capital; and, in the second place, they cannot be suddenly called up, in case any contraction of the banking capital should render it necessary.

In admitting that banking, by granting facilities to trade, necessarily grants facilities, to a certain extent, to speculation, it is not admitted that bankers generally have granted facilities to speculation beyond the fair operations of their trade. All speculation, by increasing the number and amount of commercial transactions, puts into motion a greater quantity of money. This money is supplied by the bankers either in the way of repayment of deposits, or of discounting of bills, or by loans. Now as increased issues on the part of the banks are almost simultaneous with a spirit of speculation, it has been inferred that the issues of the notes have excited the spirit of speculation, whereas it has been the spirit of speculation that has called out the notes. In the years 1824 and 1825, as the speculations increased,

the issues of notes increased ; and when the speculations were over, the notes returned. This was the case not merely in ENGLAND, but also in SCOTLAND, though none of the Scotch banks sustained the least diminution of public confidence.

Another charge that has often been preferred against banks of circulation is, that by an increased issue of their notes they have caused a general rise in prices.

In investigating this charge, it will be proper to inquire what are the cases in which an increased issue of notes may produce a rise in prices.

It cannot be denied that if any bank have the privilege of issuing notes, not convertible into gold—that is, not payable in gold on demand—the notes may be issued to such an amount as to cause a considerable advance in prices. It is now generally believed that the issues of the BANK OF ENGLAND during the operation of the restriction act did produce this effect. It may also be admitted that in a country where there is one chief bank, possessing an immense capital and unbounded confidence, the notes of such a bank, even if payable in gold, may be issued to such an extent as to cause an advance of prices, until an unfavorable course of the exchange shall cause payment of the notes to be demanded in gold. For gold will not be demanded until the course of the exchange is so unfavorable as to cause the exportation of gold to be attended with profit. Hence the issues of the BANK OF ENGLAND being at present under no other restraint than liability to pay in gold on demand, may for a time cause an advance in prices.

In cases where the increased issue of notes is caused by the increased quantity of commodities brought to market, the additional amount of notes put in circulation does not cause any advance of prices. In all agricultural districts there is a great demand for notes about the season of harvest, to pay for the produce then brought to market. In the south of IRELAND the amount of notes in circulation is much greater in the winter, when corn and bacon are being exported, than in the summer months. Almost every trade and every kind of manufacture is carried on with more activity at some periods of the year than at others ; and during the active seasons when money is in demand, more notes are in circulation. These notes are at such periods drawn out of the banks, either as repayments of money lodged, or by discount of the bills drawn against the exported commodities.

An increased issue of notes often causes the production of an additional quantity of commodities, and in this case does not produce an advance of prices. The issue of notes will be either in the form of discounts, or loans, or the repayment of deposits. In either case the parties receiving the money will spend it, and a demand will thus be occasioned for a certain class of commodities. If this demand should not exceed the quantity that can be readily supplied, there will be no advance of price. The parties who receive the money from the banker may give it to the dealer in exchange for the articles they purchase. The dealer wishes to replace the goods he has sold, and passes the

money for more goods to the manufacturer. The manufacturer consequently buys more raw material and employs more laborers. An increased quantity of goods is thus produced, and exchanged against the increased quantity of money. But while the supply can keep pace with the demand, the price will remain the same; it is only when the demand exceeds the supply, and the commodities are consequently comparatively scarce, that the price will advance.

In many cases, an increased issue of notes is not the *cause* but the *effect* of an advance in prices. If a Yorkshire clothier sells a thousand pounds' worth of goods to a London merchant, he will draw a bill for a thousand pounds, and take it for discount to a country banker, whose notes for a thousand pounds may thus be put into circulation; but if, in consequence of a scarcity of wool, or from any other cause, the goods that were sold for a thousand pounds are now worth two thousand pounds, then will the banker discount a bill for two thousand pounds, and put into circulation two thousand pounds of his notes. In this case it is obvious that the issue of notes is not the cause of the high price of wool; but that the high price of wool is the cause of the increased issue of notes. Such is often the case with many other commodities; a real or apprehended scarcity causes an advance in price. The same commodity exchanges for a greater quantity of money. The bills are drawn for higher sums, and the bankers who discount these bills issue, of course, a greater amount of notes. The rise in price, too, renders more capital necessary to carry on the same extent of business. Many persons who had money in the bank on interest will now draw it out, to employ it in their trade, and these operations will occasion a still farther issue of notes. A rise in the price of one commodity will sometimes advance the price of other commodities, and hence similar banking operations are affected by persons engaged in other branches of trade. The process by which high prices cause an increase in the amount of notes in circulation can thus be easily and obviously traced.

In cases where an increased issue of notes does cause an advance of price, the advance can be but temporary, and this advance may generally be ascribed to a spirit of speculation on the part of the dealers, and not to an excessive issue on the part of the banks. As the prices of all commodities are regulated by the proportion that may exist between the demand and the supply, whenever an increased issue of notes raises prices, it must be either by increasing the demand for commodities, or diminishing the supply. The cases in which an increased issue of notes may cause an advance of prices, are chiefly those in which the money is employed in purchasing such commodities as cannot be readily produced by human labor. Thus, if a banker lend money to a corn merchant to purchase a stock of corn, he increases the demand for corn. If he lend money to a farmer to enable him to pay his rent without selling his corn, he diminishes the supply. In both cases he may cause an advance in price. But even in this case, the most unpopular that can well be imagined, the effect on price will be but temporary; for these speculations do not

diminish the quantity of corn in the country. The supplies now withheld must ultimately be sold, and in proportion as they advance the price when withheld, will they lower the price when brought to market. A degree of speculation in some commodity or other is always on foot, and occasions fluctuations in the price. The banks have no control over these speculations, and ought not to be deemed answerable for the changes they occasion. To suppose that the banks can so regulate their issues as to maintain permanent prices, is to ascribe to them a power which they do not possess, and which, if they did possess, they ought never to use.

There are various cases wherein an increased issue of notes causes a reduction of prices. The speculations which advance prices are chiefly those carried on by *dealers*. The speculations of *producers* who invest their capital in new undertakings, with the view of producing any given commodities at a less cost, will, if successful, reduce the price to the consumer, and so far as such speculations are assisted by the banks, the issue of notes thus occasioned tends to the reduction of prices. An advance of money which enables a farmer to bestow a higher degree of cultivation on his land—which enables a manufacturer or a tradesman to extend his business—has the effect of increasing the quantity of commodities offered for sale, and consequently to reduce the price. The banks, too, by advancing capital on lower terms than it could be otherwise obtained, diminish the cost of production, and, consequently, the price. The banks still farther reduce prices by destroying monopoly. In towns where there are no banks, a few moneyed men have all the trade in their own hands; but when a bank is established, other persons of character are enabled to borrow capital of the bankers. Thus monopoly is destroyed, competition is produced, and prices fall. Hence it is obvious, that *in the ordinary course of business* the issues of the banks tend not to advance but to lower prices.

The effect which the amount of notes in circulation has upon the foreign exchanges has been the subject of much discussion. One party contended, that as the amount of notes increases, the exchange must become unfavorable. Another party maintained, that the exchanges were not at all affected by the issue of notes, but by the state of foreign trade. The authors of the Report of the Bullion Committee expressed the former opinion, some of the Bank Directors maintained the latter.

It is obvious that the exchanges are regulated by the amount of gold that is required to be sent abroad, either to pay the balance of trade, or to pay our armies, or to subsidize foreign powers, or as rents to absentees, or for some other purpose. Now it is clear that an increased or diminished issue of notes will in no way diminish the amount of gold that is to be sent abroad, and, therefore, can have no *direct* effect upon the exchanges. If we owe the gold, we must pay it. We may diminish our issues of notes, but that will not pay our debts. If, then, the issues of notes have any effect upon the exchanges, it must be in an *indirect* way.

I have already stated that an increased issue of notes can have no effect upon the prices of commodities at home, but by influencing either the supply or the demand. If the increased quantity of money raises the demand for commodities beyond a certain point, it will advance the price. And if it increases the supply, it will lower the price; but in no way can the quantity of money in circulation affect the price of commodities but through the channels of supply and demand. Just so with the foreign exchanges. An unfavorable course of exchange arises generally from our owing a sum of money which we have to pay in consequence of our imports having exceeded our exports. An increased quantity of money, therefore, to effect the exchanges, must diminish the amount of our foreign debt, and it can do this only by either increasing our exports or diminishing our imports. When money is abundant our merchants can import more than formerly. This increases our debt. The importers are disposed to lay in stocks of goods, and the competition between the importers raises the price they give to the foreigner. Hence there are heavy sums to be sent abroad. It is true that when money is abundant our manufacturers and exporters can also export more goods, but the competition among exporters diminishes the price to the foreigner, and hence we have a less proportionate sum to receive. The exporter, too, having abundance of money, gives the foreigner long credit, and hence the money is not received in England for a considerable time after the goods have been shipped. In the meantime the exchanges become unfavorable, and gold must be sent abroad. Now suppose in this state of things the banks contract their issues; money becomes scarce—bills cannot be discounted, and trade is dull. Now, then, the importer, having already a heavy stock of goods, will buy no more; he is anxious to sell, for he has not now sufficient capital to keep so large a stock. A general desire of selling will cause a fall of price. Fewer commodities will now be imported, and these obtained at a less price, hence there is less money due to the foreigner. The exporters, on the other hand, deprived also of their usual accommodation, cannot carry on business to the same extent—the supply will be reduced—the competition is less, and prices rise to the foreigner. The exporters, too, cannot give such long credit as formerly; they will call in the sums due to them, and hence more money must come in from abroad. As, then, we have to pay other nations a less amount of money for our imports, and they have to pay us a greater amount for our exports, the exchanges will become favorable. It is obvious that this operation will cause great embarrassment in trade; in fact, it is only by producing embarrassment that a contraction of the currency can affect the exchanges.

The amount of notes in circulation affects the foreign exchanges in another way. When an increased issue takes place, money becomes more abundant; the lenders are more numerous, and the supply of capital is increased. Hence the price given for the loan of money, that is, the rate of interest, falls. Persons who have money to employ will find they cannot obtain the same interest as formerly, hence they will be disposed to invest it in the foreign funds, where it

can be employed to greater advantage. In order to remit this money they will purchase foreign bills; this demand for foreign bills will advance their price, and the exchanges will consequently be unfavorable. On the other hand, when the circulation is considerably reduced, money becomes scarce, a higher price will be given for the use of it, the rate of interest rises; persons who have property abroad will be disposed to bring it home, where it can be more profitably invested; they will draw bills against it and sell them in the market. This new supply of bills will lower the price, and make the exchanges favorable.

It should always be recollected that the transmission of money as subsidies, loans, or for investment in the foreign funds, will have the same effect upon the exchanges as though it were transmitted in payment of commodities imported. Whenever, therefore, the issue of notes shall, directly or indirectly, cause a transmission of money from one country to another, the exchanges will be affected. But when this shall not be the case, the expansion or contraction of the currency will have no effect upon the foreign exchanges

CHAPTER ELEVENTH.

BANKS OF DISCOUNT.

A considerable branch of the business of modern banking consists in discounting bills of exchange. As they have only a short time to run before they fall due, the capital advanced soon returns; and being transferable, they can, if necessary, be re-discounted. Hence they are admirably adapted for the purposes of the bankers; for, as the advances of bankers to their customers are made with other people's money, and that money may at any time be withdrawn, it becomes necessary that the securities on which those advances are made should rapidly revolve and be at all times convertible. By means of bills of exchange bankers can easily extend or diminish their advances in proportion to the capital they may have to employ. If they find that the amount of their deposits or the amount of their circulation is diminishing, they will diminish their discounts. If these increase, they may increase their discounts.

I. Nature and Origin of Bills of Exchange.—Bills of exchange are said to have been invented in the fourteenth century by the Jews or the Lombards, for the purpose of withdrawing their property from the countries from which they were expelled. The drawer and the acceptor of a bill were two persons, residing at two distant places, and

the bill was probably nothing more than a written order delivered to a third person, who was going to visit the place where the debtor resided, and who would return with the money to the drawer. But it might happen that this person might not be going to return; in this case he might advance to the creditor the amount of the order, and receive the money again from the debtor when he arrived at his journey's end. But this third person might not be going to the place where the debtor resided, he might be going only a part of the way, and he might then fall in with some other person who was going the other part; he would then request this other person to advance him the money in exchange for the order he had received from the creditor, and the order would then be transferred. It would thus be discovered that as a creditor might give an order upon his debtor to a third person, this third person might transfer the order to a fourth, the fourth to a fifth, and so on. To effect these transactions it would be necessary that each person receiving the order, or bill, had confidence in the drawer or some of the endorsers, and also that each person receiving it should have some compensation for the trouble it occasioned him. If the order were not payable on demand, but at some months after date, the compensation would be increased by the amount of interest for the time the order had to run before it would be payable.

Such is at present the case. The drawer of a bill on a person residing in the country *sells* it on the exchange. Foreign bills are never said to be *discounted*, but to be *sold*; for the person who gives the drawer the amount is supposed to deduct not only the interest on the bill, but also the expense of its transmission. The buyer of a bill is a person who owes a sum of money to a person in another country (say in FRANCE), and who wants a bill to remit thither to pay his debt. The seller of a bill is a person who has exported a quantity of goods to FRANCE, and who draws a bill for the amount; it will be for the convenience of these two people to deal together; the buyer will give his money in exchange for the bill, which he will send to his creditor in FRANCE, and the seller will give his bill in exchange for the buyer's money, by which he has paid for the goods he has exported. If this money is equal to the amount of the bill, minus only what may be deemed equal to the discount and the expense of transmission, the exchange is said to be at par; but there are various circumstances which may cause the exchange to be either above or below par, and the price given for bills of exchange will vary accordingly.

When two nations exchange their commodities with each other to exactly the same amount, the buyers will be just as numerous as the sellers. The demand for bills and the supply of bills will be equal; the exchange will now be at par; but it rarely or never happens that the exports and imports between any two countries are precisely the same; and as gold is the medium of traffic between nations as well as between individuals, the balance or difference between the purchases and the sale must be remitted in that metal. Now the expense in freight and insurance of sending a quantity of gold from one country to another will not be inconsiderable. If, then, I owe a sum of money

to a merchant in FRANCE, I would be willing to give something more than that sum for a bill, rather than submit to the expense and trouble of remitting gold. But if the bill would cost more than the expense at which I could send the gold, why, then the gold should go. It is evident, then, that in that nation which is in debt to another nation, and which, consequently, has to send gold to pay its debts, the demand for bills of exchange will be greater than the supply. These bills will be sold for more than the amount of the money for which they are drawn; they are then at a premium, but this premium never can rise higher than the expense of remitting an equal amount in gold; for if it were cheaper to remit gold, the gold would be remitted.

The price of bills in the market is usually called the rate of exchange, and when the balance of trade is against a country, and gold must be remitted to pay that balance, and consequently, the price of foreign bills rises beyond their real value or par, then the course of exchange is said to be against that country: thus, for instance, if in London I can sell a bill on Paris for more than the amount for which it is drawn, then the course of exchange is said to be against ENGLAND and in favor of FRANCE; but if I am obliged to sell my bill for less than the amount, then the exchange is against FRANCE and in favor of ENGLAND. The price of bills is regulated entirely by the proportion that may exist between the demand and the supply, and the demand and the supply are regulated chiefly by the state of trade between the respective countries.

The trafficking in bills of exchange is now a distinct branch of business. When bills, [say on FRANCE,] are at a high premium in our market, a house in London will draw bills upon a house in Paris, and the bills will be sold at a good price. On the other hand, when bills on ENGLAND are at a high premium in the Paris markets, a house in Paris will draw upon a house in London, and sell the bill in the Paris market. This seems to be a very honorable kind of business, but it is said that some inferior persons engaged in this traffic sometimes have recourse to unjustifiable means of raising or lowering the price of bills, in the same way as stockjobbers are said to do to affect the value of the public funds.

Not only are bills employed as the means of transmitting money from one country to another, but also as the means of making remittances from one town to another. If a person in a country town wishes to send money to London, he can go to the bank and procure a bill upon a banker in London. If he wants to receive money from London, he will draw a bill upon his debtor, and get the money for it at the bank. If he wish to send money from one provincial town to another, he will get from the bank a bill upon a London banker and send it to his correspondent by post. When the country banker discounts, or, as it is called in the foreign market, *buys* a bill, he usually charges, in addition to the discount, a commission to pay the expense of its transmission and collection. And when he issues or sells a bill, he usually gives in exchange for cash a bill at a certain number of days after date. Hence the number of days at which a pro-

vincial banker is in the habit of drawing upon his London agent is usually called the *par of exchange* between that place and London.

II. *Advantages of Bills of Exchange.*—Besides their utility as a means of transferring money from one place to another, bills have the following advantages:—

1. Bills are a means of transferring debts from one person to another. If I owe a man £100 and another man owes me £100, I will draw a bill for that amount on my debtor and give it to my creditor. I have thus transferred the debt from my debtor to my creditor, and my own debt is liquidated. My debtor, instead of paying me the money he owed me, will pay it to the holder of the bill. My creditor will now look for payment to my debtor, and consider me simply as a guarantee for the payment of the bill. If he wishes to make use of the bill he will again transfer the debt to another party, placing his own name on the bill as an additional guarantee. The bill may thus pass through a variety of hands, and liquidate a great number of debts, before it becomes due. When due, it will be paid by the acceptor, who was the original debtor, and all these intermediate transactions will be closed. Hence, in Lancashire, bills of exchange have served the purpose of a circulating medium, in the same way as bank notes. The only difference is, that in transferring a bank note you are not responsible for its ultimate payment; but in passing a bill of exchange you place your name on it as a guarantee. A bill of exchange, too, cannot always be passed for its full amount, but you will have to pay a discount according to the time it has to run before it will fall due.

2. Bills fix the period for the payment of debts, and in case of litigation they afford an easy proof of the debt. A person will have little scruple in putting off a tradesman to whom he owes money, and the creditor dares not be urgent lest the debtor should no longer deal with him, hence the time of payment can never be calculated upon with certainty. But if the customer has given a bill for the amount he owes, that bill will circulate into the hands of other persons who will be more peremptory in demanding payment, and whose applications cannot be disregarded with impunity. Besides, if a man dishonor his acceptance, his character is stamped at once in the commercial world as being either very poor, very negligent, or very unprincipled, and at no future time will he be able to raise money upon the credit of his name. Hence many persons who are very tardy in paying a book debt, are very punctual in paying their bills. In case, too, a tradesman is under the necessity of bringing an action at law against his customer, he will have to prove the actual delivery of every article mentioned in his account. This, at a distance of time, is often difficult to do; but if a bill has been accepted for the amount, it is only necessary to prove that the acceptance is in the defendant's handwriting.

3. Bills enable a tradesman to carry on a more extensive business with the same amount of capital. If, by the custom of trade, a dealer gives his customers three months' credit, he can, during that period,

make no use of that portion of his capital which is invested in the commodities they have purchased; but if they accept his bills, drawn at three months after date, he can, if in good credit, get those bills discounted at the bank in his town, and then employ this money in the further extension of his business. He will thus, while selling on credit, obtain nearly the same advantages as though he sold for ready money. Should he, instead of having these bills discounted, pay them to the manufacturer or wholesale house of whom he makes his purchases, it will amount to nearly the same thing. The whole of his capital is thus kept in motion, and is not diminished by any amount of outstanding debts. To give credit without drawing bills requires that a tradesman should have a large capital. To give no credit will restrict his business. By means of bills he is enabled to give credit and to extend his business, without requiring any addition to his capital.

4. Bills afford an easy way of giving a guarantee. A person may wish to borrow money of me, and I may be unwilling to lend it to him unless he procure a more wealthy person to guarantee the repayment at a given time. If he has a friend that will do this, the most easy way of effecting the guarantee is by means of a bill drawn by the borrower upon his friend. This, in point of security, is the same thing as a letter of guarantee; but it has also this additional advantage, that if I should want the money before the time fixed for its repayment, I can get this bill discounted and reimburse myself the money I have advanced. Bills of this description are called accommodation bills, or wind-bills, or kites. When employed only as a means of affording occasional assistance to a needy friend, or for raising a sum of money for a short time, to meet an unexpected call, they do not appear to be very objectionable; but when systematically pursued for the purpose of raising a fictitious capital whereon to trade, they uniformly indicate the folly and effect the ruin of all the parties concerned.

5. Bills are the means of facilitating the removal of capital from one branch of trade to another as circumstances may require. When the demand for any commodity increases, the price advances, and more capital is put into requisition to increase the supply. When the demand for any commodity declines, the price falls, the trade is bad, and capital will be withdrawn to be invested in a more profitable employment. Every branch of trade is liable to fluctuations from an alteration in the proportion between the demand and the supply, and hence capital is continually undergoing a transfer from the production of those articles for which there is a less demand to the production of those articles for which there is a greater demand. But in what way is this transfer effected? Is it by a manufacturer leaving one employment for another? No. The manufacturer in the declining trade will reduce his capital, while the manufacturer in the prosperous trade will augment his capital; and the transfer of capital from one trade to the other is effected chiefly by bills of exchange. The manufacturer who has sold a less quantity of commodities will have fewer bills for

his banker to discount; the other, having sold a greater quantity of commodities, has more bills for discount. The banker's capital, which he employs chiefly in the discount of bills, is thus easily transferred from one branch of manufacture to another, in exact proportion to the circumstances of the respective parties. On this subject we quote Mr. RICARDO :

“ In all rich countries there is a number of men forming what is called a moneyed class. These men are engaged in no trade, but live on the interest of their money, which is employed in discounting bills, or in loans to the more industrious part of the community. The bankers, too, employ a large capital on the same objects. The capital so employed forms a circulating capital of a large amount, and is employed in larger or smaller proportions by all the different trades of a country. There is, perhaps, no manufacturer, however rich, who limits his business to the extent that his own funds alone will allow; he has always some portion of this floating capital increasing or diminishing, according to the activity of the demand for his commodities. When the demand for silks increases and that for cloth diminishes, the clothier does not remove with his capital to the silk trade, but he dismisses some of his workmen, and he discontinues his demand for loans from bankers and moneyed men: while the case of the silk manufacturer is the reverse; he wishes to employ more workmen, and thus his motive for borrowing is increased; he borrows more, and thus capital is transferred from one employment to another without the necessity of a manufacturer discontinuing his usual occupation.”*

III. *Classes of Bills of Exchange.*—The bills presented to a bank for discount may generally be divided into the following classes :

1. Bills drawn by producers or manufacturers upon wholesale dealers.
2. Bills drawn by wholesale dealers upon retail dealers.
3. Bills drawn by retail dealers upon consumers.
4. Bills not arising out of trade, but yet drawn against value, as rents, &c.
5. Kites, or accommodation bills.

The first two classes of bills are the best, and are fair legitimate bills for bankers to discount.

The third class ought not to be too much encouraged. They are for comparatively small amounts, and are drawn by shopkeepers and tradesmen upon their customers. To discount these bills freely would encourage extravagance in the acceptors; and ultimately prove injurious to the drawers. When a man accepts bills to his butcher, baker, tailor, upholsterer, &c., he may fairly be suspected of living beyond his income. Solvent and regular people pay their tradesmen's accounts with ready money.

The fourth class of bills, though sometimes proper, ought not to be too much encouraged. Persons out of trade have no business with bills.

* RICARDO'S Principles of Political Economy, page 84.

The last class of bills should almost always be rejected. To an experienced banker, who knows the parties, the discovery of accommodation bills is by no means difficult. They are usually drawn for even amounts, for the largest sum that the stamp will bear, and for the longest term that the bank will discount, and are presented for discount soon after they are drawn. The parties are often relations, friends, or parties, who, from their avocations, can have no dealings with each other.

Not only the parties and the amounts of bills are matters of consideration to a banker, but also the time they have to run before they fall due. A bill drawn for a long term after date, is usually styled, not perhaps very properly, a *long dated bill*. A bill drawn at a short term is styled a *short dated bill*.

Query.—Is it most for the interest of a bank to discount long dated bills or short dated bills?

Short Bills versus Long Bills.—First: There is more safety in discounting short bills, because the parties may fail before the long ones become due. Secondly: If any given amount of capital be employed in discounting bills, it will accumulate more rapidly by discounting short bills than long bills, operating in the same way as money placed at compound interest, which increases the faster, as the times of paying the interest are more frequent. Thirdly: If a bank charges commission on the amount of the bills discounted, the commission will be more in the course of a year upon any given amount of capital employed in discounting short bills than employed in discounting long bills. Fourthly: If a bank issues notes, a greater amount of notes will be issued in discounting a succession of short bills, than by discounting long bills. Thus, if I discount a bill for £1,000 drawn at twelve months after date, I issue only £1,000 of notes; but if I discount in succession four bills each, having only three months to run, I issue, in the course of the year, £4,000 of notes. Fifthly: Long dated bills lock up the funds of a bank so that they cannot be discounted with safety but from the bank's own capital: for if a bank employs its deposits or its circulation in discounting long dated bills, and payment of the notes or deposits should be demanded, the long dated bills could not be re-discounted, and the bank must stop. Sixthly: Long bills may encourage speculation. Persons may purchase large quantities of commodities in the expectation that the price will advance before the long bills which they accept in payment shall fall due. But if the bills are of short date, the speculation will be prevented.

Long Bills versus Short Bills.—First: The amount of discount is greater on a long bill than on a short bill. If, therefore, a gentleman out of business wants a temporary advance, and proposes to draw a bill on his friend, it is better to advise him to draw a long bill than a short one. Secondly: Long bills will employ a larger amount of capital. If a banker discounts any given amount per week, he will always have twice the amount of bills current, if they are drawn at one month's date, than he will have if they are drawn at two months'.

And, as bankers wish to employ their capital, it will be more for their advantage to discount such bills as will employ the largest amount. Thirdly: The discounting of long dated bills being a more permanent advance of capital, is more beneficial to the commercial and agricultural classes in the district. If a retail dealer can get long bills discounted, he can afford to give longer credit, and this will induce his customers to buy more goods of him, and he will do more business. If a manufacturer or wholesale dealer can get his long bills discounted, he also can give longer credit, and will sell more goods. If a landlord can get a long bill on his tenant discounted, he need not urge him for rent, and the money may, in the interim, be employed in improving the land. The discounting of long bills is similar to a permanent advance of capital. The money may be profitably employed, and be reproduced before the long bill may become due, but if the bill be short this cannot be done.

IV. *Notaries Public.*—"A notary was anciently a scribe that only took *notes* or minutes, and made short drafts of writings and other instruments, both public and private. But, at this day, we call him a notary public who confirms and attests the truth of any deeds or writings, in order to render the same authentic."* This part of the business of a public notary must have been very necessary before the discovery of the art of printing, and when many of the first men in the State were unable to read or write. We find that some public documents have been attested by notaries in the following form:—"As my Lord Bishop is unable to write, I do hereby certify, that the above is his mark." These notaries were appointed by the Archbishop of Canterbury, and took an oath of fidelity on receiving their appointment. All instruments made by them were considered public instruments, and were received as evidence in the courts of law.

The business of a notary includes the making of wills, drawing up powers of attorney, bonds of arbitration, bills of sale, charter parties, and attestations. The drawing of instruments of this description constitutes almost the sole employment of some few notaries; while the chief, indeed, the sole business of the majority, consists in noting and protesting bills of exchange. Some notaries are translators of languages, but more frequently they employ a foreigner for this purpose.

The difference between the noting and the protesting of a bill of exchange for non-payment, is this: In noting, the notary, after having presented the bill at the proper place, and demanded payment, attaches to it a small piece of paper, on which he writes the amount of his charge and the reason why the bill is not paid—such as "no effects," "no advice," "out; no orders," "will be paid to-morrow," &c. This piece of paper is called "the notary's ticket," and the writing on it is called "the notary's answer." Some notaries have their name and address printed on their tickets. The notary also places on the bottom part of the bill, in front, the initials of his name, the amount of his fee, and the date of the noting. The same form is used in noting a bill for non-acceptance.

* Burns' Ecclesiastical Law, volume iii, page 1.

The practice of noting bills of exchange is not recognized by the laws of ENGLAND. It is said to have taken its rise from the following circumstance: After the modern system of banking was established, and bills of exchange became numerous, it was customary for one of the clerks of the banking-house to act as a notary. If the bill had been presented in the morning and was not paid, he called in the evening to ask the reason of its non-payment, and he charged a small fee for this additional trouble. By degrees this practice became established, and, ultimately, a notary public was employed for the purpose.

A protest is a legal instrument, drawn on stamped paper, generally according to the following form:—

On this day, the . . . day of one thousand eight hundred and I, A. B., Public Notary, by legal authority, admitted and sworn, dwelling in the city of did present for payment the original bill, (a true copy whereof is within written), to a woman at who replied, that said bill could not then be paid.

Wherefore, I, the said notary, do solemnly protest against the drawer and endorsers of the said bill, and all others therein concerned, for all exchange, re-exchange, losses, costs, interest and damages, suffered and to be suffered, for want of payment of said bill. Thus done in my office, the day and year aforesaid,

Which I attest,

A. B., NOT. PUB.

If a bill has been protested for non-acceptance, it must, when due, be again protested for non-payment. The holder of a protested bill should immediately send the protest to the party of whom the bill had been received. If the bill was only noted, the party should receive due notice.

If an action be brought upon a bill which has been only noted, it will be necessary to produce a witness in court, to prove that the bill was duly and properly presented for payment: but if the bill has been protested, the production of the protest will be sufficient evidence. No action can be brought upon a foreign bill, unless it has been protested. But if the bill has been duly noted, a protest may be drawn up at any time previous to the commencement of a suit, without a second presentation of the bill at the place where it was payable.

An inland bill may be protested for non-acceptance if it be above £5, if drawn after date, and if the value is stated therein to be received. Inland bills, in such cases, may also be protested for non-payment, if they have been accepted. No other inland bills can legally be protested. This excludes bills drawn after sight, or for a less sum than £5.

Although every foreign bill must be protested, yet it is not considered absolutely necessary that an inland bill should be either noted or protested, in order to sustain an action for the amount.

A bill is usually noted or protested for non-payment after bank hours, on the evening of the day on which it falls due. But if not done then, it may be noted or protested at any subsequent time. The omission of the noting or protesting by the holder does not nullify his claims upon any of the antecedent parties, provided they received due notice of the dishonor. Foreign bills should be noted on the day that acceptance or payment was refused. Inland bills may also be noted on that day, but a protest for non-payment of an inland bill cannot be made out until the day after it is due.

If a bill be refused acceptance by the drawee, and another party accept it for honor of the drawer or of an endorser, it must again be protested for non-payment by the drawee before an action can be sustained against the acceptor.

In London it is not the custom to protest inland bills at all. And in case of non-acceptance, they are not even noted, unless drawn after sight. It is then necessary that they should be noted in order to fix the time on which they fall due. Inland bills are always noted for non-payment. Foreign bills are protested both for non-acceptance and for non-payment. Bills drawn from IRELAND or from SCOTLAND are regarded as foreign bills. The notary's charge for noting a bill within the site of the ancient walls of the city of London, is 1s. 6d. Beyond those limits the charges are 2s. 6d., 3s. 6d., 5s., and 6s. 6d., &c., according to the distance. The charge for protesting a bill under £20 is 5s. 6d.,—from £20 to £100 it is 6s. 6d.,—£100 to £500 it is 7s. 6d.,—£500 to £2,000 it is 10s., and for every additional thousand, 1s. extra. The charges of notaries in London are not fixed by law, but are regulated by a society which they have established themselves, and which issues printed rules, a copy of which is given to each notary. Mr. Justice BAYLEY has stated positively, that if a bill be paid when presented by the notary, the acceptor is not bound to pay the expense of noting. But this is contrary to the usual practice. In such cases, the notaries always refuse to take the money for the bill, unless they are paid the noting fees at the same time.

It is customary for the country bankers to re-issue the London bills they have discounted. In this case they always endorse the bills, and place on them a "case of need." A case of need is a reference for payment to a merchant or banker in London if the bill should not be paid by the party on whom it is drawn. This reference is made by writing on the back of the bill at bottom *—"In case of need apply to Messrs. A. B. & Co." If, then, the bill should not be paid, Messrs. A. B. & Co. will pay it for honor of the endorser. The advantage of placing a case of need upon a bill is, that the party endorsing it receives it back sooner in case of non-payment. It also makes the bill more respectable, and secures its circulation. The notaries always observe these "cases of need," and after having noted the bill apply to the referee.

* A foreign case of need is generally written on the front of the bill, and the notary presents it the day after due.

In the year 1801, an Act of Parliament was passed for the better regulation of public notaries in England. It enacts, that from and after the first day of August, 1801, no person shall be admitted as a notary, unless he shall have served as an apprentice for seven years to a public notary, or to a scrivener, being also a public notary. Within three months after the date of the indenture of apprenticeship, one of the subscribing witnesses must make an affidavit of the fact before the Master of the Faculties of his Grace the Lord Archbishop of Canterbury, in London, his surrogate, or commissioner. This affidavit is to be entered in a book, for which the clerk may charge the sum of 5s., and this book may be searched by any person on paying the sum of 1s. for each search. Every person previous to being enrolled as a notary, must also make an affidavit that he has served an apprenticeship of seven years, and that during the whole of that time he has been actually employed in the business. No public notary can have an apprentice but while he actually practices. Persons applying for a faculty to become notaries within the jurisdiction of the company of scriveners, must previously take their freedom of that company. Any person doing anything belonging to the office of the notary, without being enrolled, shall forfeit the sum of £ 50.

In the year 1833, an act was passed to alter and amend the act of 1801. It limits the operation of the former act to the city of London and liberties of Westminster, the borough of Southwark, and the circuit of ten miles from the Royal Exchange, in the said city of London. Beyond those limits the Archbishop of Canterbury may authorize attorneys, solicitors, and proctors, to practise as notaries within any district in which it shall be made to appear to the master of the Court of Faculties, that there is not (or shall not hereafter be) a sufficient number of such notaries public (3 & 4 WILL. IV, c. 70).

In default of a notary public, a bill may be protested for non-acceptance or non-payment by any other substantial person of the city, town, or place where such bill or note shall be so dishonored, in the presence of two or more credible witnesses, which protest shall be made and written under a fair written copy of such bill or note.

V. *The Rate of Discount.*—During the middle ages it was believed that all interest taken for the loan of money was unjust and unscriptural, and the lender was stigmatized as a usurer.

Though this notion has been altogether discarded in modern times, it may not have been either pernicious or absurd at the time it was introduced. It originated when the population was purely agricultural. That a man who borrows money with a view of making a profit by it, should give some portion of his profit to the lender, is a self-evident principle of natural justice. A man makes a profit usually by means of traffic. But in a country purely agricultural, and under such a government as was the feudal system, there can be but little traffic, and hence but little profit. Besides, in an agricultural country a person seldom wants to borrow money except he be re-

duced to poverty or distress by misfortune. Now for a rich man who has money which he cannot profitably employ, to charge interest for a loan to a man in distress, appears to be consistent with neither justice nor benevolence.

Erroneous views are often entertained of the Mosaic laws, from neglecting to consider the state of the people to whom those laws were given. It was the object of the Jewish legislator to make the Jews a purely agricultural people. The promotion of agriculture was, as MONTESQUIEU would say, the SPIRIT of his laws. Hence he prohibited the taking of interest for the loan of money. By this means he interdicted commerce. His design was to prevent the Israelites associating with the surrounding nations and learning their idolatrous practices. But even MOSES permitted the Jews to take interest for money lent to strangers; a circumstance which proves that the prohibition was only a political and not a moral precept. If the taking of interest for money were morally wrong, it would have been forbidden in all cases. But in the Middle Ages the political and the moral laws of MOSES were confounded together, and all of them were supposed to be of perpetual obligation upon all nations. These opinions, which might have been useful in a purely agricultural state, were still indulged when a change of manners required that this country should become commercial. If we admitted the unlawfulness of taking interest for money we might on the same principle condemn all kinds of commerce, and even all profitable investment of capital. Where is the difference between taking money for the use of money, and taking money for the use of commodities that are purchased with money? If I lay out £100 in the purchase of a house, I am allowed to take rent for the use of that house. Why, then, if I lend to a friend the £100 with which he purchases a house, am I to receive no remuneration? If we are not allowed to receive any money for the loan of money, why are we allowed to receive money for the loan of a house or a coach, or any other article? An exorbitant charge for interest is certainly unjust, but so is an exorbitant charge for anything else.

After it had been admitted that it was lawful to take interest for the loan of money, the government thought proper to limit the amount. In the reign of HENRY VIII interest was limited to 10 per cent. JAMES I reduced it to 8 per cent.; at which rate it remained till the reign of CHARLES II, when it was reduced to 6 per cent.; and finally, in the reign of Queen ANNE, it was reduced to 5 per cent.; in Ireland the legal rate of interest being higher. However inapplicable these laws may be to our own times, they were probably beneficial at the time they were enacted. In our time capital has accumulated, money is abundant, the lenders are numerous, hence competition is sure to take place, and the value of money will be regulated in the same way as that of any commodity in the market. But in those times, the lenders were few, and might easily combine to fix the rate of interest as they pleased. They had, in fact, though not a legal, yet an actual, monopoly, and hence it was necessary that they, like

other monopolists, should be placed under restraint. In our times, it is the rate of profit which regulates the rate of interest. In those times, it was the rate of interest which regulated the rate of profit. If the money-lender charged a high rate of interest to the merchant, the merchant must have charged a high rate of profit on his goods. Hence, a large sum of money would be taken from the pockets of the purchasers to be put into the pockets of the money-lenders. This additional price, too, put upon the goods, would render the public less able and less inclined to purchase them. The laws, therefore, which restricted the rate of interest were, probably, in those times, friendly to trade.

Sir JOSIAH CHILD, in his excellent Essay on Trade, accuses the "new-fashioned bankers" of being "the main cause of keeping the interest of money at least two per cent. higher than otherwise it would be; for, by allowing their creditors six per cent., they make moneyed men sit down lazily with so high an interest, and not push into commerce with their money, as they certainly would do, were it at four or three per cent., as in HOLLAND. This high interest also keeps the price of land at so low as fifteen years' purchase. It also makes money scarce in the country, seeing that the trade of bankers being only in London, it very much drains the ready money from all other parts of the kingdom."

That we may be able to judge of the truth of these accusations, it will be necessary to make some observations upon those circumstances which influence the rate of interest.

It has been the opinion of most of our political economists, that the rate of interest is regulated by the rate of profit. This sentiment has, however, been attacked. It has been contended, that the rate of interest is not influenced by the average rate of profit, but by the quantity of moneyed capital in the market, compared with the wants of the borrowers. In other words, that the price of money is influenced by the proportion between the demand and the supply.

This sentiment is undoubtedly right; but it does not overthrow the proposition against which it is advanced. The price of money, or of the loan of money, is, no doubt, like the price of every other commodity, regulated *at any particular time* by the proportion between the supply and the demand. But does not the rate of profit regulate the supply and the demand? Will any commercial man borrow money when he must give a higher interest for it than he can make profit by its use? Or will any man lend money at a very low interest when, by engaging in business, he can make a very high profit? It is true that, on particular occasions, and under particular circumstances, some individuals may do this, but not permanently and universally. It is obvious, then, that a high rate of interest, in proportion to profits, increases the supply of money, and diminishes the demand; and a low rate of interest, in proportion to profits, increases the demand for the loan of money, and diminishes the supply. The rate of interest, therefore, is ultimately regulated by the rate of profits.

When we say the price of cotton is regulated by the cost of production, we do not mean to deny that the market price of cotton is fixed by the proportion between the demand and the supply. On the contrary, this is admitted; but then it is contended, that the supply itself is regulated by the cost of production. If the market price of cotton were so low as not to furnish to the grower a fair average of profit on the capital employed, then would capital be removed, after a while, from the cultivation of cotton to some other employment. And if the price of cotton were so high as to furnish more than a fair average of profit, then, after a while, more capital would find its way into that employment, the supply would be increased, and the prices would fall; but it is only by influencing the supply that the cost of production has any effect upon the price. Thus, although the cost of production may be the same for a number of years, the price may be perpetually varying. The price may, from a variety of causes, be in a state of constant vibration; but it cannot *permanently* deviate on one side or the other much beyond the line marked out by the cost of production.

It is the same with the interest of money. It is subject to perpetual fluctuation from the proportion between the demand and the supply, but it will not deviate far from the line marked out by the rate of profit. For the rate of profit not only influences the supply (as with cotton), but also influences the demand.

The above reasoning is founded on the supposition that those who borrow money, borrow it for the purpose of investing it in trade, or of making a profit by its use. But this is not always the case; and is never the case with the government of a country, who always borrow for the purpose of spending. Now, we can form a judgment as to what portion of his profits a merchant is willing to give for the loan of a sum of money, but we can form no judgment as to the conduct of a profligate rake who wants money to spend on his follies. A king or a government is in the same state. They will borrow money as cheap as they can; but, at all events, money they will have. We cannot, therefore, infer that, because CHARLES II gave, at times, to the new fashioned bankers, thirty per cent. for money, the average rate of profit exceeded thirty per cent. May not, then, these advances to the king have had the effect of raising the interest of money, and thus justify the accusations of Sir JOSIAH CHILD?

When a number of commercial men borrow money of one another, the *permanent* regulator of the rate of interest is the rate of profit; and the *immediate* regulator is the proportion between the demand and the supply. But when a new party comes into the market, who has no common interest with them, who does not borrow money to trade with, but to spend, the permanent regulator (the rate of profit) loses its influence, and the sole regulator is then the proportion between the demand and the supply. The loans to the king created a much greater demand for money, and the rate of interest consequently rose. These demands were to so great an amount, and were so frequently repeated, that the rate of interest became permanently

high. Many individuals would, no doubt (as Sir JOSIAH CHILD states they did), withdraw their capitals from trade, and live upon the interest of their money. And others, who were in business, would employ their superfluous capital in lending it at interest, rather than in extending their business. Those commercial men who now wanted to borrow money must give a higher interest for it than they did before. To enable themselves to do this, they must charge a higher profit on their goods. Thus, then, in this artificial state of the money market, it appears reasonable to suppose that the rate of interest may have regulated the rate of profits, instead of the rate of profits regulating the rate of interest, which is the natural state.

As the rate of interest is regulated by the proportion between the demand and the supply of money, it will vary, not only in different countries, but in different provinces of the same country, according to the proportions found to exist. In the London money market the rate of interest is usually much less than in the country. The price of any commodity when purchased in large quantities at a wholesale warehouse, is always less than that at which it is retailed to the consumer. So the price of the loan of money at the Stock Exchange, where it is advanced in large masses upon government security, will always be less than when advanced in small sums upon individual security. A low rate of interest in London, however, will, after a while, have the effect of lowering the rate of interest in the country upon those securities which are negotiable in London. For if the country banker insists on a high rate of discount for bills drawn upon good London houses, the drawer will send them to a bill broker in London, who will get them discounted and remit the money to the drawer. But with regard to those bills which are not payable in London, a higher rate of discount may be obtained.

The cheapness of money in London has the effect of diminishing the number of bills drawn upon London. A London merchant who sends an order for goods to a country manufacturer, instead of saying, "Draw upon me at two months," will say, "Allow me the discount, and I will send you the cash." If he can get an allowance of four per cent. discount, and borrow the money in London at two per cent., he will make an additional profit on this transaction. As the surplus quantity of money in London thus becomes diffused throughout the country, the rate of discount will gradually advance in London and fall in the country.

Although a low rate of interest indicates the abundance of capital, and hence may be considered as a favorable circumstance in the condition of any nation, yet it produces some injurious effects: it occasions the removal of capital to foreign countries; it weakens the inducements to frugality and accumulation; and it encourages speculative and hazardous undertakings. Persons who can obtain but a low rate of interest for their money, are often induced to engage in speculations which promise to yield a more profitable return. All seasons of speculations have been preceded by a low rate of interest.

In the year 1818, a select committee of the House of Commons

was appointed to consider of the effects of the laws which regulate or restrain the interest of money, and to report their opinion thereupon to the House. After examining twenty-one witnesses upon the subject, the committee delivered the following report:—

“1. *Resolved*,—That it is the opinion of this committee, that the laws regulating or restraining the rate of interest have been extensively evaded, and have failed of the effect of imposing a maximum on such rate; and that of late years, from the constant excess of the market rate of interest above the rate limited by law, they have added to the expense incurred by borrowers on real security; and that such borrowers have been compelled to resort to the mode of granting annuities on lives,—a mode which has been made a cover for obtaining higher interest than the rate limited by law, and has further subjected the borrowers to enormous charges, or forced them to make very disadvantageous sales of their estates.

“2. *Resolved*,—That it is the opinion of this committee, that the construction of such laws, as applicable to the transactions of commerce as at present carried on, has been attended with much uncertainty as to the legality of many transactions of frequent occurrence; and, consequently, been productive of much embarrassment and litigation.

“3. *Resolved*,—That it is the opinion of this committee, that the present period, when the market rate of interest is below the legal rate, affords an opportunity peculiarly proper for the repeal of the said laws.”

In the bill passed in 1833 for the renewal of the charter of the BANK OF ENGLAND, a clause was introduced, which exempted bills not having more than three months to run, from the operations of the laws against usury.*

VI. *Effect of Discount on the Circulation*.—The discounting of bills, by banks of circulation, will have the same effect in changing the currency as the deposit accounts, but will not operate so rapidly. When a bill is discounted, the banker issues his own notes to that amount; and when the bill is paid, he receives a part of the amount in gold, or silver, or in notes of other banks. If, however, the bill be not a local bill, that is, if it be not payable in the place in which the bank is established, it will be paid in the currency of the place where it is payable, and its payment will not have the effect of diminishing the local currency.

While the issue of notes upon the deposit accounts depends altogether upon the depositors, the issues in the way of discount depend altogether upon the banker—he may discount, or not discount, as he pleases. If he discounts with real capital, he does not thereby increase the amount of the currency—for that capital must, in some way or other, have been previously employed. If he discounts with that portion of his banking capital which is raised by deposits, he does not increase the amount of the currency, but gives it increased

* The laws against usury have been repealed.

rapidity. If he discounts with that portion of his banking capital which is raised by notes, he increases the amount of the currency. As banks of circulation always issue their own notes, it would seem that their discounting business was carried on exclusively with this last description of capital, but it is not so. It is very possible for a banker to issue his own notes for all the bills he discounts, and yet nine-tenths of the bills in his possession shall represent real capital. For, although in the first instance, the banker's notes are given for the bill, yet these notes may not stay in circulation until the bill becomes due: the bill may have three months to run, the notes may return in three days. If the notes given in exchange for the bills remain in circulation until the bills become due, then do the discounts create a banking capital equal to their own amount. But if the bills have three months to run, and the notes remain out only one month, then they create a capital to only one-third of their amount, and the other two-thirds must consist of capital derived from other sources. If the notes remain out beyond the time the bill falls due, then do the discounts create a banking capital beyond their own amount.

It may be observed, that in order to trace the effects of banking, it is necessary to mark particularly the way in which the bankers employ their money. It is not by the creation of a banking capital, but by the way in which that capital is applied, that the greatest effects are produced upon the currency, and upon the trade and commerce of the country. Money employed in discounting bills drawn for value will encourage trade—if employed in discounting accommodation bills, it will promote speculation—if advanced as dead loans to persons out of trade it may lead to extravagance—if invested in the funds, it will raise their price and reduce the market rate of interest—if kept in the till, it will yield no profit to the banker, and be of no advantage to the community.

NEW COINS OF THE WORLD.—The *BANKER'S ALMANAC* for 1873, illustrated with engravings of thirty-three new coins of England, France, Germany, Russia, Sweden, Denmark, Canada, Spain, Austria, Mexico, Portugal, Italy, Wurtemberg, Frankfurt and Japan, with a description of each coin, and engravings of new bank buildings in New York, Chicago, Baltimore, etc., is now ready for delivery. It contains a list of all the National and State banks in operation to date, 2,500 in number; the location, names of officers, capital, and New York correspondent of each. A list of the private bankers in the UNITED STATES; 2,200 in number; with population of each place. A list of chartered Savings banks in NEW ENGLAND, NEW YORK, MARYLAND, NEW JERSEY, CALIFORNIA, and PENNSYLVANIA: 500 in number. An alphabetical list of cashiers in the UNITED STATES; with a new list of assistant cashiers; with other details of value to bankers, and to merchants abroad and at home. The names of other assistant cashiers throughout the U. S. should be made known immediately to this office for the second edition of this volume.

THE UNION OF CAPITAL AND LABOR.

The Science of Wealth: A Manual of Political Economy, embracing the laws of trade, currency and finance. Condensed and arranged for popular reading and use as a text book. By AMASA WALKER, LL. D. 12mo. Price \$ 1.50.

Having considered the two great agents by which all wealth is created, viz., capital and labor, we come to speak of their union, and to inquire under what circumstances it will be most effective.

1st. When a due proportion of each is found. Labor halts without capital; capital wastes without labor. Which shall govern the other? Which shall be the fixed quantity to which the other must conform? Labor, certainly, because it is less variable in amount. It can be diminished or increased but slowly, depending as it does on the propagation of the human race; an element that is determined positively, in the old countries, to a very gradual growth, and, in new countries, has never more than doubled itself in thirty or forty years. Capital, on the contrary, is liable to very rapid fluctuations; can be accumulated, under favorable circumstances, with great ease; and can be wasted or scattered just as fast under different conditions.

Labor, then, being that which is most restricted in quantity, capital must, in order to the highest production, conform to it. There must be as much capital as labor requires, not as much labor as capital needs. We do not put this on the ground of any superior rights of labor. Capital is the labor of the past, and has rights as perfect as that of the present. It is certain there should be as many tools as workmen needing the use of them, else some must stand idle. It is equally certain that an excess of tools will not aid in production. Capital is the instrument of labor, and should, of course, be adapted to the power of the laborer and the work to be done.

What this proportion should be in any community, it would be impossible to declare beforehand, as it is even impossible to decide precisely what it is in fact. Still less could a proportion be determined which capital should bear to labor in all communities. It is plain that this will vary according to the occupation; as, for instance, we have seen that in agriculture there cannot be so general application of machinery as in the manufactures; while, on the other hand, because its operations cannot be localized or made independent of the seasons, the number of tools is thereby greatly increased; each farmer requiring certain tools, yet not using them to their full capacity at any season, and letting them lie idle for months.

The mechanic, on the other hand, while he uses a greater share of tool-power, has it yet so arranged that the tools lie idle little of the time.

It is plain that the proportion will vary, also, according to the natural advantages a person or community enjoys.

By the census of 1860, "the real and personal property of the Union was valued (slaves excluded) at \$14,183,000,000."* A calculation made at the Treasury Department estimates the products of 1860 at 26.8 per cent. of the wealth of the country at that time. Without intending to vouch at all for the correctness of this estimate, it is doubtless approximately true; and, if so, we shall be surprised if we look at the large proportion of annual product to the accumulated wealth of the nation. If, for the sake of convenience, we call the annual product 25, instead of 26.8 per cent., we find that it amounts to \$3,545,750,000 per annum. It certainly appears almost incredible that the total amount of wealth accumulated in the country since its first settlement should be only equal to four times the product in 1860; but such we understand to be the statement. If so, it shows what an immense proportion of all the wealth annually produced is annually consumed. From these figures, too, we may make an estimate of the proportion of the product which belongs to labor and capital. Allowing for the use of the latter ten per cent., in the shape of interest and rent, or use, the amount will then stand thus:

Aggregate national wealth, \$14,183,000,000, at ten per cent., is \$1,418,300,000, which deducted from the whole product, as before, of \$3,545,750,000, will leave us the share of labor, \$2,127,450,000, or about two-thirds of the whole.

From these statistics, we find that the whole national wealth is only equal to about seven times the *gross earnings of labor* for a single year.

We have also an opportunity of comparing the wealth and production of the UNITED STATES with GREAT BRITAIN. The estimated wealth of the latter, according to LEONE LEVI (see his work on Taxation, page 6), is \$30,000,000,000, or \$1,000 per capita; the estimated yearly production, \$3,000,000,000, or \$100 per capita. The wealth of the UNITED STATES, according to the foregoing figuring, and taking the whole population, as in 1860, at 31,443,321, is \$451 each; while the amount of *product* per capita is \$112 each: so that, while GREAT BRITAIN has more than double the capital, she has less annual product per capita. This is a confirmation of the well-known fact, that capital and labor, interest and wages, are at least double in this country what they are in GREAT BRITAIN. We must not confound the annual product with the annual accumulation; the latter being but a small fraction of the former.

Capital should, at least, increase in a degree corresponding to the increase of population. If it does not, labor is crippled, wages fall, and starvation eventually ensues. IRELAND may be quoted as an

* Report of the Secretary of the Treasury, 1865.

illustration. Her soil, wrested from the people by conquest at different periods, from the reign of HENRY II to the battle of the Boyne, has passed into the hands of foreigners, who draw away annually all her surplus products. Population increases from year to year; but capital does not increase correspondingly. Nay, even the waste of the soil and of implements is not fully and honestly supplied.

What is the necessary consequence? Increasing poverty, and ultimate starvation or emigration. We have said that capital is formed from the annual savings of labor. Four million pounds a year go from IRELAND to absentee landlords, and eight million pounds are taken away every year in taxes. The Irish people can make no savings. There can be no increase of their capital. Starvation or emigration is their inevitable fate.*

Is it possible that there should be a surplus of capital?

It is evident that there may become such a surplus, if we assume that production itself does not expand in the meantime. Given a certain industry, within defined limits, it may become full and overflowing with its accumulations. By economy and thrift, these multiply fast, and crowd their barriers. Common observation shows this to be often true, with the enterprises of individuals. The excess is transferred to other branches, or withdrawn for personal gratifications.

A sempstress, who, by saving, obtains a sewing-machine, has a wonderful help in her industry; but a second sewing-machine would not assist her a single stitch.

The same is true of special occupations. The limit of profitable production being reached, the amount of capital employed cannot well be increased. The product, being generally in the form of circulating capital, now flows off to other business, or is turned to purposes of adornment and culture.

The same is also found true, though more rarely, of entire communities. States and cities sometimes reach the limits within which they desire to use capital in their traditional industries. They become bankers for the world, or direct their profits to sumptuous houses and works of art.

It is evident, then, that, within the bounds of present occupations, capital might easily attain a surplus, increasing as it can more rapidly than population. It is productive only as applied by labor; and therefore its production is limited by the capacities of labor.

But in fact, and on the whole, the limits of industry do not remain the same. Wants expand, as we have seen. Capital is relieved from its former employments, and goes on to new efforts.

Yet we are not to anticipate the same rapid progress at all times and everywhere which we see in a new country like our own, full of wants, and stimulated to efforts. Capital has its checks, just as population has. Theoretically, steady increase is certain in both; practically,

* From 9,000,000 before the famine in 1846, the population fell rapidly to a little over 4,000,000. At this point the equilibrium was so far restored that wages rose to a rate sufficient to secure to the laborer a decent subsistence.

each meets obstacles; is lost here, and checked there. The forces which operate to stay it may be briefly summed up as follows: a certain disinclination of capital to emigrate; the lessening power of personal supervision from a distance; and a distrust in the administration of foreign laws.

Another constant force operating against the increase of capital is found in those wants of man which do not look to reproduction. The desire to spend is just as truly in human nature as the desire to earn, and can be as accurately calculated. Hence it follows that, as the desire to earn loses power by capital becoming plenty and cheap, the desire to spend gains force.

Yet capital, when it has supplied the demands of labor in its own vicinity, has gone abroad to colonize. It has carried on great wars in which it had no interest, has developed the resources of infant states, and saved old nations tottering to their fall. Capital has gone round the world in the same boat with the inspired discoverer.

2d. The union of capital and labor will be most effective, when each is sure of its just reward. If the rights of man as a holder of property are sacred, and his rights as laborer equally so, the greatest motive to production can be secured. If otherwise, the creation of wealth will be restricted. Men will not work or save, unless sure of their reward.

There cannot come, out of the earth or heaven, a blow that levels all industry in the dust so quickly and hopelessly as wrong done between labor and capital.* Pestilence, drouth, or floods do not so thoroughly and permanently prostrate the strength and hopes of a country as a breath of suspicion on the union of the two great agents of production. Then comes an antagonism, indeed, fatal to both. There is hardly any climate or soil so unpropitious that man will not struggle on, earning his livelihood with much endurance, and laying something by for the future. There is hardly any government so rigorous as wholly to suppress the energy of its people. There is hardly any taxation so exhaustive that something still cannot be got out of Nature for man. In all these difficulties, the motive to exertion is not destroyed. But if foul play or legal fraud comes between labor and capital and their reward, the very life of industry ceases at the thought. The spring of work is broken. Its admirable parts and its cunning mechanism are useless—motionless.

Labor is the first to suffer. Its wants are instant, immediate, vital. Capital, in such economical convulsions, has the privilege of leviathan: It can dive down to the depths, and give up breathing for awhile. If labor goes under, it dies.

It is familiar to every reader of history how the brutal rapacity of the Spanish conquerors terrified the nations of PERU and the Antilles, and shut up the treasures of the New World in a secrecy that even torture could not break. The wisdom of the man that owned the hen that laid the golden egg has been embodied a thousand

*It will be recollected that production carried on by slaves is done wholly by capital: the producer being a chattel, the whole product is that of capital.

times in the acts of government. The result is never the enriching of one: it is ever the ruin of all. Wealth itself becomes valueless, since it has no security in possession, and only excites the cupidity of the common tyrant.

3d. The union of labor and capital is most effective when the latter is appropriately distributed. Capital creates no values by its own powers. It must be joined with labor. Somebody must use it, bring his personal energies to bear upon it, set it in motion, watch its operations, work with it. The farmer, the merchant, the manufacturer, must each bestow constant attention on the capital he employs, or no good will come of it. The more intense and vigilant the application, the more certain the return, the larger the profits. This is a well-known practical principle; and from it follows that the point will be reached where an individual has so much capital under his control that his entire efforts, by himself and those working under his direction, are not sufficient to secure its greatest effectiveness.

Such limitations are highly beneficial to society; for, were there no restrictions of this kind, were capital in vast aggregations equally efficient as in smaller bodies, the business of the world might be controlled, and the profits appropriated by a very few persons.

The point is of great importance. Such a concentration of capital as effects the highest division of labor, and the fittest application of machinery, is desirable for the interest of all; and for those purposes, and up to such a degree, capital so concentrated has a wonderful power in production. But its aggregation, merely, is a hinderance rather than a help. After the two advantages spoken of above are once secured, capital becomes potent and beneficial just in proportion as it is distributed. By such distribution it comes closer to labor and natural advantages. It makes use of various powers; it defends itself better in emergencies; it adapts itself more shrewdly to peculiarities of circumstance; it has a keener intelligence of the public wants; it commands a greater amount of executive talent; it superintends its *employés* with more accuracy.

The man who is to gain by the work is brought nearer to it. He is well served, because he serves himself.

For a long time, it was a favorite belief with the American people, that corporations were the most efficient agents of production, even where the work was not so great as to be beyond individual enterprise. The older wisdom of the country turns more and more to the smaller establishments, which secure full, interested personal supervision of labor. The English economy has always preferred these, except where the operations were beyond the reach of ordinary capital.

4th. The union of capital and labor is most effective where there is the greatest freedom of industry.

Whenever a population is sufficiently intelligent to understand its own interests, it should be left to direct its own labors. Its industry should never be interfered with by government. In all countries which may be considered as enlightened or civilized, like the Euro-

pean and Anglo-American, the people have no occasion to look to government for direction as to the business they shall engage in, or the manner in which they shall conduct it. Every branch of industry, in a normal state of society, grows spontaneously out of the wants and capacities of the people. Tillage, manufactures, commerce, fisheries, spring up in the places to which they are best adapted.

But our immediate topic relates, not to acts of government, based on a distinct purpose to change the general course of national industry,—which will be more appropriately discussed elsewhere,—but rather to those which impose minor restrictions; directing the modes of labor, moulding the forms of capital, and prescribing the conditions of their union. All limitations of the rights and powers of capital or labor, not required by the public morality or security, are useless and mischievous.

FREE BANKING.

BY THE SAME AUTHOR.

Much has been said, at different times, of the desirableness of *free banking*. Of the propriety and rightfulness of allowing any person who chooses to carry on banking, as freely as farming or any other branch of business, there can be no doubt. But it is not, and can never be, expedient or right to authorize by law the universal manufacture of currency. While banking, as at present, means the issuing of inconvertible paper, the more it is guarded and restricted the better. But when such paper is forbidden, and only notes equivalent to so much coin are issued, banking may be as free as brokerage. There is not the slightest reason why any banker, making loans, should engage in the manufacture of currency. It no more appertains to his vocation than to that of the merchant. On the other hand, there is the most manifest impropriety and danger to himself and the public in his doing so. His business leads him, of necessity, to incur great risks; and this being well known, as soon as failures become frequent, as they will when there is a great pressure for money, the banker will be suspected, and his depositors begin to withdraw their funds, at the very moment when he is least able to spare them. All this is inevitable; and therefore no one taking such risks, and exposed to such contingencies, should be allowed by law to issue his promises as money.

GOLD NOTES.

Fortunately, while it is thus improper that bankers or banking institutions should be intrusted with the important function of issuing notes, there is not the slightest necessity for their doing so. Government very properly certifies to the weight and fineness of the national

coin; and it is equally incumbent upon the government to certify to the soundness of the *paper circulation*, which convenience requires instead of the coin itself. It should receive the gold of the people, and give its certificates therefor; and those certificates (of all the denominations required) would form a circulating medium, perfectly reliable, unfluctuating, and well adapted to all the purposes of trade.

To do this, government need assume no new function; for it already issues this very kind of certificates for deposits of specie. They are called "gold notes," and circulate as such. When the specie standard is restored, all the notes in circulation will be *gold notes*, government being the trustee for holding the coin. This would not give any new power to the government, or confer any additional political influence.

Being custodian merely, with no patronage to bestow, no loans to make, no accommodations to grant, there could be no occasion to fear that the currency of the country would be swayed by partisan politics.

And this important change may be effected without any convulsion in the money market, or any interruption of the trade and industry of the nation, by the enactment of a law requiring a gradual withdrawal of the existing circulation. And the contraction required may be made an entirely *voluntary one* on the part of the people so far as the treasury notes (greenbacks) are concerned, by providing for the monthly issue of compound interest notes in their stead, convertible, after a given time, into treasury bonds, at the option of the holder.

The national banks, on their part, might be required to take in their circulation at a certain rate per annum, and allowed to receive *pro rata* their bonds now held as security by the government, thus supplying themselves with reliable capital with which to accommodate the business public. This being accomplished, all restrictions as to paying interest upon deposits, all requirement to hold specie for the redemption of notes, and all taxation imposed for their franchise, or privilege of issuing paper money, might be removed, and the banks have the whole field of legitimate and profitable operations at their entire command. They would suffer no detriment, while the trade and industry of the nation would gain immensely.

ENGLISH MILLIONAIRES.—The *Spectator* publishes a curious list compiled from the files of the *Illustrated London News*, showing the account of almost every fortune exceeding a quarter of a million personalty which has been transferred by death within the past ten years. Ten persons have expired in GREAT BRITAIN within the decade, leaving more than a million, 53 leaving more than half a million, and 161 leaving more than a quarter of a million sterling. These fortunes, says the *Spectator*, are exclusive altogether of fortunes still more numerous and vast invested in land, and are very considerably under-stated, both in extent and number.

CORRESPONDENCE OF THE BANKER'S MAGAZINE.

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- I.—THE DUTY OF A BANK TO PAY THE NOTES OF ITS CUSTOMERS.
 II.—DUPLICATES OF LOST CHECKS.
 III.—CHECKS UPON A FAILING BANKER LEFT FOR A SPECIFIED OBJECT.
 IV.—GRACE ON CHECKS PAYABLE AT A FUTURE DAY.
 V.—THE DUTY OF PROTEST UNDER IMPOSSIBILITIES.
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I.—THE DUTY OF A BANK TO PAY THE NOTES OF ITS CUSTOMERS.

Versailles, KY., March, 1873.

To the Editor of the Banker's Magazine.

Is there any question as to the right of a banker to pay, and charge to the account of his depositor, a note made, or bill accepted, payable at the office of his banker?

Could the maker or acceptor of such note or bill contest the right of his banker to pay it and debit his account with it?

Would a banker have the right to refuse payment of such note or bill upon the grounds that he had no authority from his depositor other than that conferred by the tenor of the note or bill? We think, that the fact of the instrument being made payable at the banker's is not only sufficient authority for him to pay it, but is an express order to do so. We know that it is customary to pay such instruments, but having had the question raised by one of our depositors, would like to have your opinion. If there have been decisions on this point, please cite some of them. Would there be any distinction made between an incorporated and a private banking company?

 Banker.
Reply.

According to the law as now understood, a banker has a right, and it is his duty, to charge to the account of his customer a note payable at the banking counter.

From MORSE'S valuable *Treatise on Banking* we extract the following lines, which are followed by copious remarks on this topic, and other branches of the enquiry.

It is however safer, we think, for the banker to obtain (as is usual in all large cities) the written order of the customer to charge his

account with notes made payable at such bank during the current month. This is an obvious check upon fraud, as well as a convenience to the customer.

"As it is the duty of the bank to pay its customers' checks, when in sufficient funds on his account so to do, equally it is its duty to pay his bills, notes and acceptances, drawn on, or made payable or negotiable, at the bank. For it is a presumption of law, that if a customer does so draw upon, or make payable or negotiable, at his bank, any of his paper, it is his intent to have the same discharged from his deposit. It is his order to pay, equally with his checks; and if the bank pays, without express orders to the contrary, it shall be protected in so doing, and it shall be a good defense to a suit by the depositor. Nay, it has been said, that if the bank refuses to pay, it shall be liable in damages, in like manner as for its refusal to pay the check of a customer when in funds sufficient to do so. But in case of its refusal to pay an acceptance, the writ shall lie in favor of the acceptor only, and not in favor of the drawer, for it is to be supposed that the acceptor provided the funds; and further, it would seem that at any rate the payment could be properly made only from his funds, since it was at least *prima facie* his duty, and not the drawer's, to supply the means of payment."

II.—DUPLICATE CHECKS.

Marshall, Mo., 1873.

To the Editor of the Banker's Magazine.

A, living in St. Louis, wishing to pay a debt due B who lives in the interior of the State, has his check for the amount certified by his bankers, and sends to B. B remails it to his correspondent, but it gets lost in the mail. He applies to A for a duplicate, but A writes him that the bankers will not certify a duplicate, the original having been certified to by them; nor will they allow him to withdraw his deposit. Query—What is A's course to relieve himself of his predicament?

— Banker.

Reply.

The bankers, being unquestionably liable to any bona fide holder of a check certified by them, are fully justified in refusing to issue a duplicate to A. But upon a guarantee against loss, by a satisfactory bond of indemnity, they would, doubtless, accede to the application.

In ordinary commercial intercourse there will arise such a variety of circumstances, in reference to lost or mislaid notes and checks, that it would be difficult to frame a law or system to meet them. A few cases on the subject will be found in the *Manual for Notaries and Bankers*, pages 21, 78, 112, 113.

III.—CHECKS UPON A FAILING BANKER.

Nebraska City, 1872.

To the Editor of the Banker's Magazine.

Dear Sir: Will you be so kind as to give me your decision on the following question:

A leaves with banker B a deed for C, to be delivered to him (C) upon his paying a certain sum of money.

D gives C his check on banker B, and C takes said check and leaves it with said banker B to apply as part payment on said deed. Banker B places the amount of said check to the credit of A, and issues a duplicate deposit ticket which was delivered to A the same day during business hours. The same day, but after this transaction, banker B failed, and he, on his oath, says that during that same day he don't think there was money enough on hand, at any one time, to pay said check.

Whose loss is it?

A. C. D.

Reply.

Intricate cases of such a character as the above can be safely referred to legal counsel only. In such a case as that stated by our correspondent, where the check paid in was not realized or collected, it seems to us that a Court of Equity would decide that no payment had been made for the deed. And that if the failure to protest D's check had clearly entailed no loss upon him, D is still liable to C for the amount involved; and C, in his turn, to A.

IV. GRACE ON CHECKS PAYABLE AT A FUTURE DAY.

Bank, ———, N. Y., 1873.

To the Editor of the Banker's Magazine.

What is the present law or custom in regard to days of grace on checks drawn a certain number of days after date or made payable on a certain fixed date, other than the date of the check? There is a difference of opinion among the banks of this City.

Asst. Cashier.

Reply.

The question as to grace on checks payable on a future day, has been a troublesome one in various quarters.

Our correspondent will find a case in point in the *Manual for Notaries and Bankers* (page 127), wherein it is stated that "checks made payable at a day fixed, are treated as bills of exchange and entitled to days of grace." It is otherwise in LOUISIANA and elsewhere, by express statute. In a noted case before the New York Court of Ap-

peals (*Manual*, page 127) the paper was a check on the THOMPSON BANK for two thousand dollars, dated the 5th October, and payable "on the 12th inst." It was held, in this instance, that the notice and protest on the 12th were premature. (*Selden's New York Reports*, page 190.)

To meet cases of this kind, a statute was passed by the Legislature of NEW YORK in 1857, whereby "checks, &c., on banks or bankers, payable on a specified day, or in any number of days after sight, are declared payable without grace." No protest for non-acceptance is necessary.

It should be remembered, however, that the addition of the word "fixed" to the day stated for payment, means, invariably, "without grace."

V.—THE DUTY OF PROTEST UNDER IMPOSSIBILITIES.

— National Bank, MASS., March, 1873.

To the Editor of the Banker's Magazine.

What is the custom and what the law in the case as follows: A note is given by a party residing and doing business some miles away from any bank, and not made payable at any particular place. On the day of maturity, there arises a storm, so as to make a demand upon the promisor impossible. Will notices to the endorsers sent by the ordinary course of mail answer the law and hold the endorsers?

— President.

REPLY.

If a banker undertakes the collection of a note or draft, he assumes the duty of a proper presentment and the risk of its neglect, but such paper as that described ought never to be received. Where demand and protest are essential, endorsers cannot be held by mere notice of non-payment when no demand has been made. A plea that the endorsers may be held, because demand was rendered impossible "by the act of Providence" must show this with unmistakable clearness before the claim would be sustained by any court at law.

[Other communications from correspondents are deferred until our next number.—Ed. B. M.]

NOTICES OF NEW PUBLICATIONS.

I. *A Practical Treatise on Banks and Banking.* By JAMES W. GILBART, former manager of the LONDON AND WESTMINSTER BANK. Fourth edition. 8vo., pp. 600. New York, 1873. Price \$ 5.

The public appreciation of the late Mr. GILBART'S works on banking has been testified by their frequent reissues. Of his various publications, the *History and Principles of Banking*, and the *Practical Treatise on Banking*, have been the most popular, and still rank as standard text-books. In the present volume they are combined, with the double view of preserving the more valuable characteristics of both, and, by lessening the cost, of bringing them within the reach of the many. To the contents of the former edition have now been added fifteen new chapters, viz., the following subjects—all of special interest to bankers. 1. The Origin and Progress of Banking. 2. The Rise of Banking in ENGLAND. 3. The History of the BANK OF ENGLAND. 4. The London Bankers. 5. Country Banks. 6. Joint-stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks. 15. The Crises of 1857 and of 1861.

II. *The Unity of Law ; as exhibited in the relations of Physical, Social, Mental, and Moral Science.* By H. C. CAREY. Philadelphia. 8vo., pp. 458. \$ 3.50.

The subjects of Mr. CAREY'S volume are as follows: 1. A Science based upon Assumptions. 2. Of Science and its Methods. 3. Of Man, the Subject of Social Science. 4. Of the Physical and Social Laws. 5. Of the Societary Organization. 6. Of Matter and Mind. 7. Of Mind and Morals. 8. Of Civilization. 9. Of Scientific Relations. 10. The Law of Distribution. 11. Occupation of the Earth. 12. Statistical Facts. 13. The Opium Trade. 14. Exclusive Agriculture.

III. *The Law of Municipal Bonds, in two volumes.* By WM. N. COLER, Esq., Counsellor at Law, No. 17 Nassau Street, N. Y. \$ 10.

This is a work of merit and one which has long been wanted to answer the query of every lawyer, banker, broker, insurance company, as well as the issuer and investor. When are the bonds or obligations of municipalities valid, and how may payment be enforced ?

The author says they are to be governed by the law merchant, with all the legal rights of commercial paper and differing only as to the right to sign, seal and issue. The payor having the right of taxation.

It is an exhaustive treatise, furnishing the constitutional provisions of every State having reference to the subject matter, with the leading adjudications of the Supreme Court of every State, and annotations by the author, bearing upon the question, while a full and complete index makes it a text-book for the lawyer.

The necessity for a treatise of a practical character upon the subject of municipal bonds has long been apparent to all classes interested in their negotiation, or in questions affecting their validity. Although the true position of the Courts is not in any sense uncertain, the disposition on the part of eminent jurists to attempt to overturn the established precedents has had a tendency to create a wide-spread distrust, and to depreciate the values of a portion of the safest and best securities in any market. To present a work that would fully demonstrate the value and safety of such securities, by incontrovertible proofs, in the form of the most authoritative expressions of the Courts; to afford a true conception of the principles that govern their issue and validity; to collect in convenient form the leading cases upon the subjects; to disclose the settled law of each State, so that it may be at once apprehended; in brief, to present a practical manual to the dealer, and an exhaustive compilation to the lawyer, have been the objects of the author. It is believed, that wherever capital is seeking investment, or the public demanding improvement, this work will be found of great utility.

To lawyers, bankers, brokers, capitalists, municipal officers, insurance officials, and others, who are called upon to give information or advice in the premises, or who are constantly making investments, the treatise will commend itself.

IV. *A Treatise on the Law of Trusts and Trustees.* By J. W. PERRY. One volume, octavo, law sheep. . \$ 7.50.

In this treatise the author states the American Law of Trusts in its general principles, as now prevailing in all the States. The work covers all the ground embraced by the treatises of Mr. LEWIN and Mr. HILL, so far as the same is important to the American lawyer; it also includes such other subjects relating to the Law of Trusts, not treated fully in those works, as are useful and necessary in American practice. More than ten thousand cases are cited in the volume.

V. *A Treatise on the Law of Usury, Pawns or Pledges, and Maritime Loans.* By R. H. TYLER, late County Judge of Oswego County, N. Y. 8vo. \$ 7.50.

VI. *Telegraph Cases decided in the Courts of AMERICA, GREAT BRITAIN and IRELAND.* Edited by CHARLES ALLEN, N. Y. Pp. 740. \$ 7.50.

This is the first compilation of decisions that we have seen on the subject of the Telegraph. The editor has here collected all the cases, except patent cases, adjudicated in the courts of AMERICA, GREAT BRITAIN and IRELAND. Several cases have been wholly or partly made up from original papers, and cannot, at present, be found fully reported elsewhere. In this volume there are no less than twelve

cases against the Western Union Telegraph Co. There are, in all, over one hundred cases reported.

VII. *Political Economy*.—The following is a list of works issued by Mr. H. CAREY BAIRD, Philadelphia, on the subjects of Free Trade, Currency, Social Science, &c., with the prices annexed. These works may be obtained at the BANKER'S MAGAZINE Office.

1. BYLES, Sir JOHN. *Sophisms of Free Trade and Popular Political Economy Examined*. 12mo., cloth. \$1.25.
2. CAREY, H. C. *Manual of Social Science*. 12mo., cl. \$2.25.
3. ——— *Miscellaneous Works*. 8vo., cloth. \$4.50.
4. ——— *The Past, the Present, and the Future*. 8vo., cl. \$2.50.
5. ——— *The Slave Trade, Domestic and Foreign*. Cloth. \$1.50.
6. ELDER, Dr. WILLIAM. *Questions of the Day, Economic and Social*. 8vo., cloth. \$3.
7. KELLEY, WILLIAM D. *Speeches, Addresses, and Letters on Industrial and Financial Questions*. 8vo., cloth. \$3.
8. SMITH, E. P. *Manual of Political Economy*. 12mo. \$1.25.
9. STEWART, A. *Speeches on the Tariff Question and on Internal Improvements*. 8vo., cloth. \$3.
10. SULLIVAN, Sir EDWARD. *Protection to Native Industry*. 8vo., cloth. \$1.50.

SHARP BANKING.—We were recently shown a certificate of deposit for \$50, issued from the "Savings Department" of the FIRST NATIONAL BANK OF ONEONTA, which drew interest at the rate of five per cent., collectable for even months. It was about the size of a bank bill, and very convenient for circulation. For that purpose such certificates had evidently been manufactured and used, in disregard of a provision in the national banking act, and in such large numbers that the fact became known to the Comptroller at Washington, and it is said he has directed an investigation into the matter. Whether he intends collecting the ten per cent. levied on all bank "circulation" other than that issued by the Department to national banks, we are not informed. If that sort of banking were allowable, an institution of fifty thousand capital might get into circulation a species of unprotected currency to a much larger extent.

—*Cooperstown Journal, March 20th.*

THE NATIONAL BANK ACT.

AMENDMENT OF MARCH, 1873.

An act to require National banks to restore their capital, when impaired, and to amend the National Currency act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all National banks which shall have failed to pay up their capital stock as required by law, and all National banks whose capital stock shall have become impaired by losses or otherwise, shall, within three months after receiving notice thereof from the Comptroller of the Currency, be required to pay the deficiency in the capital stock, by assessment upon the shareholders, *pro rata*, for the amount of capital stock held by each; and the Treasurer of the UNITED STATES shall withhold the interest upon all bonds held by him in trust for such association, upon notification from the Comptroller of the Currency, until otherwise notified by him; and if such banks shall fail to pay up their capital stock, and shall refuse to go into liquidation, as provided by law, for three months after receiving notice from the Comptroller, a receiver may be appointed to close up the business of the association, according to the provisions of the fiftieth section of the National Currency act.

SEC. 2. That section fifty-seven of said act be amended by adding thereto the following: "*And provided further,* That no attachment, injunction, or execution shall be issued against such association or its property, before final judgment in any such suit, action, or proceeding in any State, County, or municipal Court.

SEC. 3. That all banks not organized and transacting business under the National Currency act, and all persons, companies, or corporations doing the business of bankers, brokers, or savings institutions, except savings banks authorized by Congress to use the word "national" as a part of their corporate name, are prohibited from using the word "national" as a portion of the name or title of such bank, corporation, firm, or partnership; and every such bank, corporation, or firm, which shall use the word "national" as a portion of their corporate title or partnership name six months after the passage of this act, shall be subject to a penalty of fifty dollars for each day thereafter in which such word shall be employed, as aforesaid, as part of such corporate name or title; such penalty to be recovered by action in any court, having jurisdiction.

SEC. 4. That it shall be the duty of the Comptroller of the Currency to cause to be examined each year, the plates, dies, butt-pieces

and other material from which the National bank circulation is printed in whole or in part, and file in his office, annually, a correct list of the same; and such material as shall have been used in the printing of the notes of National banks which are in liquidation, or have closed business, shall be destroyed under such regulations as shall be prescribed by the Comptroller of the Currency and approved by the Secretary of the Treasury; and the expense of such examination and destruction shall be paid out of any appropriation made by Congress for the special examination of National banks and bank plates.

Approved, March 3, 1873.

FORGERIES ON THE BANK OF ENGLAND.

From the London Times, March 4th.

The forgery discovered on Saturday, 1st inst., in the city, will rank among the most skillful attempts to prey upon the complex organization of modern commerce. It is no isolated fraud committed by an ordinary gang of forgers for the sake of a few hundred pounds. It is as elaborate a conspiracy as was ever concerted at New York to gain the command of a railway or the bullion market, and must evidently have been carried out by men of considerable acquaintance with commercial affairs, and commanding a large capital. The manner in which the plot was laid indicates the possession of very complete information respecting the management of business in the city. The object was to get forged bills discounted. Now, the BANK OF ENGLAND exercises very great caution in admitting new customers to the privilege of obtaining discount. Any person who desires to open a "discount account" must be introduced by one of the directors, and consequently, very careful inquiries are made into his respectability and solvency. It is highly improbable that the confederate of a gang of forgers would be able to produce sufficiently satisfactory recommendations to induce the bank to grant him discount accommodation. But the bank has a branch in Burlington Gardens, which does an entirely different kind of business from the parent establishment in the city. It is intended for the convenience of gentlemen and ladies and West-end tradesmen who find it inconvenient to journey to the city in order to transact their occasional business. It is not, therefore, ordinarily concerned with the large bill transactions of city commerce, and in consequence is less bound by strict regulations in dealing with any business of that nature which might accidentally be brought to it. The conspirators must have been aware of this, and they laid their plans for approaching the BANK OF ENGLAND by this weaker portion of its defenses.

The person, accordingly, who is now being sought by the police commenced by opening a deposit account of the ordinary character with the western branch of the bank. For this purpose he would need only an introduction by some customer, and the only evidence of solvency the bank would require of him would be the deposit of a sufficient cash balance. This was, of course, forthcoming, and constituted part of the capital with which the scheme was carried on. Of course, all the money thus invested would, it was expected, ultimately be recovered; but the gang must have been well supplied with funds in order to afford to keep a large sum of money invested, as it were, in the speculation. The manager of the plot was in no hurry, and took care to gain a good footing before he ventured on his ultimate enterprise. He behaved for some time just like an ordinary customer of good resources. He drew upon his balance and renewed it, but kept it always at a good figure. After a while he deposited some bills. They were

good and genuine bills. Still he was careful not to be hasty, and he continued his transactions with the bank until he had acquired the reputation of a person engaged in legitimate commerce and thoroughly trustworthy. At length the moment came for the presentation of the forged bills. They were discounted without hesitation, and the authors of the fraud had, to all appearance, succeeded in safely pocketing about a hundred thousand pounds. Some of the money, it appears, was invested in United States bonds, so that to the last they might avoid the appearance of doing anything unusual. They are said to be Americans, and what more natural than that they should desire bonds of their own country? All these arrangements were masterpieces of ingenuity and patience. But the bills themselves must have required the greatest amount of labor. In the first place, many of the large firms upon whom the bills purported to be drawn are in the habit of using a peculiar kind of paper, with certain water-marks and printed matter. All this would have to be imitated, and, as the bills were drawn on more than one firm, there must have been several such imitations. There remained the drawing of the bills and the affixing the signatures, and each bill must have required a series of feats in successful forging. Some bills were backed by several acceptors, so that there might easily be as many as half a dozen signatures on a single bill. Yet the bills were so perfect that not one of them was questioned on the ground of the acceptances not appearing genuine. The plot had, to all appearance, a success which its consummate skill and patience deserved. The money was obtained. The bills were drawn at three months' date; no further inquiry was likely to be made about them until they fell due, and the forgers would have ample time for placing themselves beyond all risk of capture. But it is rarely that these conspiracies are not marred by some utterly gratuitous oversight, and the execution of this scheme was marred by the inevitable flaw. The men who had exerted a skill, foresight and perseverance sufficient to insure the unhesitating acceptance of forged bills could not escape one trivial blunder, which revealed the whole plot. They presented two bills in which the date of acceptance had been omitted. The whole calendar was at their disposal; they knew perfectly well that a single slip in the usual formalities would be fatal, and yet they fell into the folly of marring their whole scheme for lack of a date. Inquiry was of course made of the firm whose acceptance was thus undated; it was discovered that the bill was not genuine, and the whole series were then found to be forgeries. How much further the plot might have been carried it is impossible to say.

The money article of *The Times* contains the following additional details :

With regard to the forged bills discounted at the West End Branch of the BANK OF ENGLAND, it is satisfactory to understand that, so far as the bank is concerned, their full amount has been ascertained, and that under no circumstances can the loss exceed £ 70,000 or £ 80,000. It appears that the man, WARREN, by whom they were negotiated, was introduced to the bank by a customer of ten years' standing; that he deposited a good cash balance, together, occasionally, with securities for a considerable amount, and that he also, at times, discounted genuine bills on leading firms. Like his supposed confederate, NOYES, who is now under arrest, and who will be brought up again on Friday, he is an American, and the reason assigned for the extent of his transactions was that he was arranging for the manufacture of a large number of PULLMAN'S cars, to run from Paris to Berlin and Vienna, in time for the exhibition in the latter city, which is to be opened on the 1st of May. As the cost of these cars is about £ 4000 each, the total outlay would necessarily be large. Of the forged bills held by the Bank, the first does not fall due till the 25th inst., and the fraud, therefore, might have proceeded for some time longer but for the accident of his having left two bills at the West End Branch for discount on Friday last, in which the date of acceptance had been omitted. Upon inquiry being made at the counting-house of the firm whose name had been forged as acceptors, the affair was exposed and the apprehension of NOYES soon followed, while from the other steps taken it may be hoped WARREN will also speedily be in custody. Meanwhile, it is feared there may be similar forgeries in the hands of other establishments. The execution of all those at present discovered is described as marvelously perfect.

PUBLIC DEBT OF THE UNITED STATES.
Abstract of the Official Statements, January, 1869, to March, 1873.

| | Jan. 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | February 1, 1873. | March 1, 1873. |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,569,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent. | ..... | ..... | 98,997,650 | 200,000,000 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1861..... | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 283,681,350 | 283,681,350 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,057,767,350 | 1,055,564,350 |
| | \$ 2,107,835,350 | \$ 1,995,349,700 | \$ 1,953,866,700 | \$ 1,756,051,450 | \$ 1,756,016,000 | \$ 1,753,813,000 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-ct. Bonds Pacific Railroad. | \$ 50,097,000 | \$ 64,618,832 | \$ 64,618,832 | \$ 64,623,512 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 43,550,000 | 22,095,000 | 2,780,000 | 1,930,000 | 1,310,000 |
| 4-per-cent. Certificates..... | ..... | 678,362 | 678,000 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent. | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 122,847,194 | \$ 101,391,832 | \$ 82,081,512 | \$ 81,231,512 | \$ 80,611,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 7,315,822 | \$ 1,739,938 | \$ 4,084,220 | \$ 3,533,420 | \$ 3,093,240 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 356,021,073 | \$ 356,101,086 | \$ 357,592,801 | \$ 358,642,295 | \$ 358,098,138 | \$ 356,084,303 |
| Fractional Currency..... | 34,215,715 | 39,996,069 | 40,767,977 | 45,722,063 | 46,057,694 | 45,292,106 |
| Gold Certificates of Deposit..... | 27,036,020 | 36,149,000 | 36,049,700 | 23,263,000 | 24,246,500 | 24,024,990 |
| Currency, do. do. .... | ..... | ..... | ..... | 25,370,000 | 28,935,000 | 27,770,000 |
| | \$ 417,272,808 | \$ 492,245,175 | \$ 434,419,378 | \$ 452,997,356 | \$ 457,337,332 | \$ 453,171,389 |
| Aggregate Debt..... | \$ 2,652,633,662 | \$ 2,487,750,892 | \$ 2,391,328,848 | \$ 2,295,814,538 | \$ 2,298,118,264 | \$ 2,290,689,141 |
| Coin and Currency in Treasury.. | 111,926,461 | 138,086,572 | 127,284,320 | 109,606,849 | 96,285,058 | 96,301,684 |
| Debt, less coin and currency... | \$ 2,540,707,201 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,186,208,689 | \$ 2,199,833,206 | \$ 2,192,387,457 |

Coin in the Treasury, March 1873, \$ 65,930,782; Currency, \$ 32,370,902; total, \$ 98,301,684.

THE DAILY PRICE OF GOLD AT NEW-YORK.

(Continued from page 744, March No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of February, 1873, compared with the same period in the years 1868-72. The figures in full-face denote the lowest and highest quotations of the month:

| Feb. 1873. | 1873. | 1872. | 1871. | 1870. | 1869. | 1868. |
|-----------------|----------|----------|----------|----------|----------|----------|
| 1 Saturday .. | 13½ 13½ | 9½ 10 | 11½ 11½ | 21½ 21½ | 35½ 36½ | 40½ 40½ |
| 2 Sunday .. | Sun. | 9½ 9½ | 11½ 11½ | 21½ 21½ | 35½ 35½ | Sun. |
| 3 Monday .. | 13 13½ | 9½ 9½ | 11½ 11½ | 20½ 21½ | 35½ 35½ | 40½ 41½ |
| 4 Tuesday .. | 12½ 13½ | Sun. | 11½ 11½ | 20½ 20½ | 35½ 35½ | 41½ 41½ |
| 5 Wednesday .. | 13½ 13½ | 10 10½ | Sun. | 20½ 21 | 35 35½ | 40½ 41½ |
| 6 Thursday .. | 13½ 13½ | 9½ 10½ | 11½ 12½ | Sun. | 35 35½ | 41½ 42 |
| 7 Friday .. | 13½ 14 | 9½ 10½ | 11½ 12 | 20½ 21½ | Sun. | 41½ 42 |
| 8 Saturday .. | 13½ 14½ | 10½ 10½ | 11½ 11½ | 20½ 21 | 35½ 35½ | 42 42½ |
| 9 Sunday .. | Sun. | 10½ 10½ | 11½ 11½ | 20½ 20½ | 34½ 35½ | Sun. |
| 10 Monday .. | 13½ 14½ | 10½ 10½ | 11½ 11½ | 20½ 20½ | 34½ 35½ | 42½ 43½ |
| 11 Tuesday .. | 13½ 14½ | Sun. | 11½ 11½ | 19½ 20½ | 35 35½ | 41½ 42½ |
| 12 Wednesday .. | 14 14½ | 10½ 10½ | Sun. | 19½ 20½ | 35 35½ | 41½ 41½ |
| 13 Thursday .. | 14 14½ | 10½ 10½ | 11½ 11½ | Sun. | 34½ 35½ | 40½ 42½ |
| 14 Friday .. | 14 14½ | 10½ 10½ | 11 11½ | 19½ 19½ | Sun. | 39½ 40½ |
| 15 Saturday .. | 14½ 14½ | 10½ 10½ | 10½ 11½ | 19½ 20 | 35 35½ | 40½ 41½ |
| 16 Sunday .. | Sun. | 10½ 10½ | 11½ 11½ | 19½ 20 | 35 35½ | Sun. |
| 17 Monday .. | 14½ 14½ | 10½ 10½ | 11 11½ | 19½ 19½ | 34½ 35½ | 40½ 41½ |
| 18 Tuesday .. | 14½ 14½ | Sun. | 11½ 11½ | 19 19½ | 34½ 34½ | 40½ 41½ |
| 19 Wednesday .. | 14½ 14½ | 10½ 10½ | Sun. | 18½ 19½ | 33½ 34 | 40½ 40½ |
| 20 Thursday .. | 14½ 14½ | 10½ 10½ | 11½ 11½ | Sun. | 33½ 33½ | 40 40½ |
| 21 Friday .. | 14½ 14½ | 10½ 10½ | 11½ 11½ | 18½ 19½ | Sun. | 40½ 40½ |
| 22 Saturday .. | Holiday. | Holiday. | Holiday. | Holiday. | Holiday. | Holiday. |
| 23 Sunday .. | Sun. | 10½ 11 | 11½ 11½ | 17½ 18½ | 32½ 33½ | Sun. |
| 24 Monday .. | 14½ 14½ | 10½ 11 | 11½ 11½ | 16½ 17½ | 32½ 32½ | 42½ 44 |
| 25 Tuesday .. | 14½ 14½ | Sun. | 11½ 11½ | 16½ 17½ | 32½ 33 | 42 42½ |
| 26 Wednesday .. | 14½ 15½ | 10½ 10½ | Sun. | 15½ 17½ | 31½ 32½ | 41 41½ |
| 27 Thursday .. | 14½ 14½ | 10½ 10½ | 11 11½ | Sun. | 30½ 31½ | 40½ 41½ |
| 28 Friday .. | 14½ 14½ | 10½ 10½ | 10½ 11½ | 15 16½ | Sun. | 41½ 41½ |
| | | 9½ 10½ | | | | 41½ 41½ |

The gold market presents very unfavorable features. Owing to the refusal of Congress to act decidedly on the proposition to fix upon a time of resumption of specie payment, even five years hence, the premium on gold has, in March, 1873, reached 15 per cent. In March, 1872, the highest premium was 11 per cent.: and for one week it was quoted at 9½ per cent. In January, 1872, it was as low as 8½. Want of confidence in the management of the Treasury finances has since raised the premium to 11 @ 15 per cent., and the vacillating policy of Congress will soon carry the premium to a higher figure. Three years ago it was 11 @ 12, with more confidence than now prevails as to the managers and management of the paper circulation of the country.

We reproduce the table of the Daily Premium on Gold in the year 1872, some typographical errors having occurred in its first appearance, page 660, February No.

Daily Price of Gold, Year 1872.

THE DAILY PREMIUM ON GOLD AT NEW YORK IN THE YEAR 1872.
 Those quotations in full-face type indicate the lowest and highest rates of each month.

| | January. | February. | March. | April. | May. | June. | July. | August. | September. | October. | November. | December. |
|----|---------------|------------|-------------|-------------|-----------------|-------------|-------------|-----------------|-----------------|-------------|-----------------|-----------|
| 1 | Holiday. | 9 1/2 @ 10 | 10 @ 10 1/2 | 10 @ 10 1/2 | 12 1/2 @ 12 1/2 | 14 @ 14 1/2 | 13 1/2 @ 14 | 15 1/2 @ 15 1/2 | Sunday. | 14 @ 14 1/2 | 11 1/2 @ 12 1/2 | Sunday. |
| 2 | 9 1/2 @ 9 1/2 | 9 1/2 | 10 1/2 | 9 1/2 | 12 1/2 | Sunday. | 13 1/2 | 15 1/2 | 13 1/2 @ 13 1/2 | 13 1/2 | 11 1/2 | 12 1/2 |
| 3 | 9 1/2 | 9 1/2 | Sunday. | 9 1/2 | 12 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 13 | 14 1/2 | 11 1/2 | 12 1/2 |
| 4 | 9 1/2 | 9 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 14 1/2 | Holiday. | 15 1/2 | 13 | 14 1/2 | 11 1/2 | 12 1/2 |
| 5 | 9 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | Sunday. | 14 1/2 | 13 1/2 | 15 1/2 | 13 1/2 | 14 1/2 | 11 1/2 | 12 1/2 |
| 6 | 8 1/2 | 9 1/2 | 10 1/2 | 10 1/2 | 14 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | Sunday. | 11 1/2 | 12 1/2 |
| 7 | Sunday. | 9 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | 13 1/2 | 11 1/2 | 12 1/2 |
| 8 | 9 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 13 1/2 | 15 1/2 | 13 | 12 1/2 | 11 1/2 | 12 1/2 |
| 9 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 10 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 11 | 8 1/2 | Sunday. | 10 1/2 | 10 1/2 | 13 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 12 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 14 1/2 | 13 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 13 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | Sunday. | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | Sunday. | 11 1/2 | 12 1/2 |
| 14 | Sunday. | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | Sunday. | 14 1/2 | 13 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 15 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 16 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 17 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 18 | 8 1/2 | Sunday. | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 19 | 8 1/2 | 10 1/2 | 10 1/2 | 10 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 20 | 9 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 12 1/2 | 12 1/2 | 11 1/2 | 12 1/2 |
| 21 | Sunday. | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | Sunday. | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 22 | 9 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 23 | 8 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 24 | 8 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 25 | 9 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | Sunday. | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 26 | 9 1/2 | 10 1/2 | 9 1/2 | 11 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 27 | 9 1/2 | 10 1/2 | 10 1/2 | 12 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 28 | Sunday. | 10 1/2 | 10 1/2 | Sunday. | 13 1/2 | 13 1/2 | Sunday. | 14 1/2 | 13 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 29 | 9 1/2 | 10 1/2 | Good Fri. | 12 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 13 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 30 | 9 1/2 | 10 1/2 | 10 1/2 | 12 1/2 | 13 1/2 | 13 1/2 | 14 1/2 | 15 1/2 | 13 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |
| 31 | 9 1/2 | 10 1/2 | Sunday. | 14 1/2 | 14 1/2 | 14 1/2 | 15 1/2 | 15 1/2 | 14 1/2 | 12 1/2 | 13 1/2 | 11 1/2 |

† Highest of the year.

* Low of the year, 8 1/2.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

DECEMBER, 1872, AND JANUARY AND FEBRUARY, 1873.

Monthly Report, Compiled by THOMAS DENNY & Co.,

Stock and Bond Brokers, 39 Wall St.

(Continued from page 743, March No.)

| STOCKS. | DEC., 1872. | | JAN., 1873. | | FEB., 1873. | |
|--|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| U.S. Six per cts. of 1881, Coupon Bds. | 117½ | 118 | 114½ | 119½ | 118½ | 118½ |
| “ Five-Twenty of 1862, “ | 112½ | 113½ | 112½ | 115½ | 114½ | 115½ |
| “ “ 1864, “ | 112½ | 113½ | 113½ | 115½ | 114½ | 115½ |
| “ “ 1865, “ | 112½ | 113½ | 113½ | 116½ | 115½ | 116½ |
| “ “ 1865, New, “ | 115 | 116½ | 112½ | 115½ | 114½ | 114½ |
| “ “ 1867, “ | 115½ | 117½ | 113½ | 116½ | 116½ | 116½ |
| “ “ 1868, “ | 115½ | 116½ | 113½ | 117 | 116½ | 116½ |
| “ Ten-Forty Coupon Bonds..... | 108½ | 109½ | 109½ | 115½ | 114½ | 115½ |
| “ Five per cent. of 1881..... | 111 | 111½ | 112 | 115½ | 113½ | 113½ |
| “ Six per cent. Currency..... | 112 | 113½ | 112½ | 115½ | 114½ | 115½ |
| Tenn. Six per cent. Bonds, Old..... | 76 | 82½ | 79½ | 82½ | 79 | 83½ |
| “ “ “ New..... | 76 | 83 | 79½ | 82½ | 79 | 83½ |
| Virginia Six per cent. Bonds, Old.. | 48 | 48 | .. | .. | 49 | 49 |
| “ “ “ New..... | .. | .. | .. | .. | .. | .. |
| “ “ “ Consol.. | 54 | 60 | 54 | 56½ | 55½ | 56 |
| N. Carolina Six per ct. Bonds..... | 34 | 35 | 33½ | 34½ | 33 | 34 |
| “ “ “ New..... | 22 | 22 | 17½ | 19 | 18½ | 18½ |
| “ “ “ Special Tax | 13 | 14½ | 10 | 14 | 14 | 15 |
| S. C. Six per ct. Bds. Jan. & July.. | 22 | 24½ | 21½ | 23 | 20½ | 22½ |
| “ “ “ April & Oct.. | 25 | 27 | 25 | 25½ | 25 | 26 |
| Missouri Six per cent. Bonds..... | 94½ | 96 | 92½ | 93½ | 93½ | 95 |
| Canton Company of Maryland..... | 101½ | 107 | 100½ | 102½ | 100 | 102 |
| Delaware and Hudson Canal Co.... | 116½ | 120 | 115½ | 119½ | 118½ | 124 |
| Consolidated Coal Co. of Maryland. | 47 | 48 | 43 | 48½ | 48 | 53½ |
| Quicksilver Mining Company..... | 43 | 48½ | 43½ | 46½ | 43½ | 46½ |
| “ “ “ Preferred | 53 | 56½ | 53 | 55½ | 55 | 57 |
| Mariposa Mining Company..... | 1½ | 1½ | ½ | 1 | ½ | ½ |
| “ “ “ Preferred | 2½ | 3 | 2 | 2½ | 1 | 2 |
| Western Union Telegraph Co..... | 75½ | 82½ | 78½ | 85½ | 83½ | 94½ |
| Pacific Mail Steamship Company.. | 71 | 89½ | 69½ | 75½ | 55½ | 76½ |
| Adams Express Company..... | 92½ | 94 | 94 | 100½ | 94½ | 99½ |
| Wells, Fargo & Co. Express Co.... | 86 | 90 | 83 | 86 | 85 | 86 |
| American Merchants' Union Express | 66½ | 72 | 68 | 71 | 66 | 70 |
| United States Express..... | 79 | 82½ | 75½ | 82 | 70 | 78½ |
| N. Y. Cent. and Hudson River R. R. | 95½ | 100 | 99½ | 106½ | 101½ | 106½ |
| Erie Railroad, Common..... | 52½ | 62½ | 58½ | 67 | 63 | 69½ |
| “ “ “ Preferred | 73 | 80 | 75 | 80½ | 78 | 82 |
| Harlem Railroad, Common Shares. | 113 | 118½ | 114½ | 122½ | 118½ | 130½ |
| Reading Railroad Shares..... | .. | .. | .. | .. | .. | .. |

| STOCKS. | DEC., 1872. | | JAN., 1873. | | FEB., 1873. | |
|--|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| N. York & New Haven R.R. Shares.. | .. | .. | 139 | .. 142 | 141 | .. 142½ |
| Michigan Central Railroad Co. | 114½ | .. 117 | 104 | .. 110 | 107½ | .. 111 |
| Lake Shore & Mich. Southern R.R. . | 93½ | .. 96½ | 91½ | .. 97 | 90½ | .. 97½ |
| Panama Railroad Company Shares.. | 124 | .. 133 | 125 | .. 130 | 95 | .. 126½ |
| Union Pacific Railroad " .. | 36½ | .. 38½ | 34 | .. 39½ | 33 | .. 36½ |
| Illinois Central Railroad " .. | 125 | .. 129 | 120 | .. 126½ | 119½ | .. 120½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 87½ | .. 89½ | 89 | .. 90½ | 88½ | .. 92½ |
| " " Col., Cinn. & Ind. R.R. | 90 | .. 93 | 89½ | .. 93½ | 90 | .. 94½ |
| Chicago, Rock Island & Pacific R.R. | 109 | .. 115 | 109½ | .. 114½ | 111½ | .. 114½ |
| " " Burlington & Quincy " .. | 137 | .. 138 | 114 | .. 138½ | 117½ | .. 120 |
| " " & Alton Railroad Shares.. | 110 | .. 113½ | 112½ | .. 115 | 110 | .. 116 |
| " " " " Pref. .. | 113 | .. 113 | 116 | .. 116 | 112½ | .. 119 |
| " " & Northwestern R.R. Shares | 81½ | .. 88 | 80½ | .. 84 | 80 | .. 85 |
| " " " " Pref. .. | 84½ | .. 91½ | 87½ | .. 92 | 89 | .. 93½ |
| Del., Lackawanna & West. R.R. Co. | 91 | .. 96 | 93 | .. 101½ | 100 | .. 103½ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93 | .. 94 | 91½ | .. 93½ | 92½ | .. 94 |
| Toledo & Wabash R.R. Co. Shares. | 69 | .. 75½ | 71½ | .. 75½ | 71½ | .. 74½ |
| " " " " Pref. .. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " " Pref. .. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 46½ | .. 48½ | 45½ | .. 49½ | 44½ | .. 49½ |
| Hannibal & St. Joseph R.R. " .. | 34 | .. 49½ | 46 | .. 50½ | 42½ | .. 52½ |
| " " " " Pref. .. | 52 | .. 70 | 70 | .. 71½ | 65 | .. 71 |
| Milwaukee & St. Paul R.R. Shares | 53½ | .. 55½ | 51½ | .. 54½ | 51½ | .. 54½ |
| " " " " Pref. .. | 75 | .. 77½ | 76½ | .. 79½ | 73½ | .. 79½ |
| Boston, Hartford & Erie R.R. Shares | 7½ | .. 9½ | 6½ | .. 9½ | 8½ | .. 10½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 33 | .. 37½ | 36½ | .. 41½ | 38 | .. 43½ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | 63 | .. 63 |
| New Jersey Central Railroad Shares | 100 | .. 103½ | 100 | .. 105½ | 103 | .. 106 |
| Morris & Essex Railroad Shares... | 89½ | .. 94 | 89½ | .. 91½ | 91 | .. 91½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 90½ | .. 92½ | 92 | .. 93½ | 93 | .. 94½ |
| Erie First Mortgage Bonds of 1868.. | 101 | .. 102 | 101 | .. 101½ | 101½ | .. 103 |
| Long Dock Bonds..... | 90½ | .. 93½ | 92 | .. 93 | 92½ | .. 95½ |
| Mich. Southern Sinking Fund Bonds | 100½ | .. 102 | 103 | .. 104 | 103 | .. 103½ |
| " " Seven p. ct. 2d Mtge. .. | 97 | .. 98 | 97 | .. 99½ | 98 | .. 99 |
| Central Pacific 1st Mortgage Bonds | 100½ | .. 102½ | 99 | .. 102 | 101½ | .. 104½ |
| Union " " " .. | 88½ | .. 91½ | 85 | .. 88 | 86½ | .. 89 |
| " " " Land Grant Bonds.. | 77½ | .. 79½ | 74 | .. 80 | 76 | .. 79 |
| " " " Income Bonds..... | 80 | .. 82½ | 71½ | .. 83½ | 72½ | .. 79½ |
| Alton & Terre Haute 1st Mtge. Bds. | 100½ | .. 101 | 99 | .. 100 | 100 | .. 100 |
| " " " 2d " Pref. .. | 87½ | .. 90 | 89 | .. 89 | 87 | .. 90 |
| " " " " Income Bds. | 80 | .. 80 | 80 | .. 81 | 82½ | .. 82½ |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | 96 | .. 96 | 95 | .. 95 | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 89½ | .. 92½ | 91 | .. 92½ | 90½ | .. 91½ |
| " " 1st Mortgage Bonds.. | 98 | .. 99 | 98½ | .. 100 | 97 | .. 98 |
| Cleveland & Tol. Sinking Fund Bds. | 102½ | .. 103½ | 99½ | .. 102 | .. | .. |
| " " & Pittsb'gh Consol'n Bds. | 94 | .. 95 | 97 | .. 97 | .. | .. |
| " " " Second Mtge. .. | 100 | .. 100 | .. | .. | .. | .. |
| " " " Third " .. | 97 | .. 98 | 97½ | .. 98½ | 97 | .. 98½ |
| " " " Fourth " .. | 86½ | .. 86½ | 83 | .. 84 | 83½ | .. 85 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 102½ | .. 104 | 100 | .. 102 | 101½ | .. 102 |
| Milwaukee & St. Paul 1st Mortgage | 93 | .. 94 | 90½ | .. 92 | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 94½ | .. 96½ | 96½ | .. 99 | 94½ | .. 96 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 86½ | .. 88½ | 88 | .. 90½ | 90 | .. 92½ |
| " " " " 2d " .. | 73 | .. 73½ | 72½ | .. 76½ | 73½ | .. 74½ |
| Toledo, Peoria & Warsaw 1st, E.D. | .. | .. | 91½ | .. 92 | 91½ | .. 92½ |
| " " " 1st, W.D. .. | 88 | .. 89½ | 90 | .. 91 | 88 | .. 89 |
| " " " 2d, W.D. .. | 80 | .. 80 | .. | .. | 82 | .. 85 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 81 | .. 81½ | 79½ | .. 82 | 82 | .. 82½ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 41½ | .. 43½ | 40½ | .. 45 | 37½ | .. 42½ |

BANKING AND FINANCIAL ITEMS.

BANKER'S MAGAZINE.—The January No. of the **BANKER'S MAGAZINE** is out of print. We desire a few copies from present subscribers, and will allow subscription price for them in exchange for books issued at this office.

SAVINGS AND PRIVATE BANKS.—The bill which passed last Congress and is now a law, prohibits the use of the word "National" as a title for their respective institutions, by any persons, companies or corporations, doing the business of bankers, brokers or savings institutions, and not authorized by the National Currency act, or any special act of Congress. This law goes into effect six months after its passage, and any failure to remove the word "National" from their title, subjects the offender to a penalty of \$ 50 per day while the word remains. The Comptroller of the Currency contemplates notifying those savings and private banks who come under the provisions of the law, that they must comply with it or be subject to the penalty prescribed. The new law will be found on page 916 of this No.

NATIONAL BANK CAPITAL.—The bill to require National banks to restore their capital when impaired, which passed the last Congress, will be put into effect very soon. The Comptroller of the Currency states that there are not a large number of banks whom the bill effects, but that it was passed more to give the Comptroller power to have National Banks conform with the National banking laws than for any other purpose.

NEW ACTS OF CONGRESS.—Acts relating to banking, passed at the third session of the XLII Congress:

1. An act to authorize the **NATIONAL BANK OF LYONS, MICHIGAN**, to change its location and name.
2. An act to authorize the examination of certain banks.
3. An act authorizing the **FIRST NATIONAL BANK OF NEWMAN, GEO.**, to change its location and name.
4. An act authorizing the **FIRST NATIONAL BANK OF WATKINS, NEW YORK**, to change its location and name.
5. An act to amend the National bank act.
6. An act abolishing coin charges.

Copies of the latter act will be supplied to our subscribers, upon application, without charge.

THE NEW PATTERN OF NATIONAL BANK NOTES—AN ESCAPE FOR THE BANKS.—The last Congress adopted a paragraph in the Legislative appropriation bill appropriating \$ 600,000 for the replacement of worn and mutilated bank notes and those notes of such designs as are easily counterfeited. It also provided that the National banks should reimburse the National Treasury, for the cost of circulating notes furnished. The wording of the paragraph is rather obscure, and as it was not prepared by either the Secretary of the Treasury or the Comptroller of the Currency, there is some doubt as to the instructions to be given National banks under it. The \$ 600,000 will be expended in issuing new notes as far as it will go; but as to holding National banks responsible for the cost, it will not be done. Comptroller **KNOX** says there is no principle nor any form in that provision under which the banks could be assessed, and if they reimburse the government it will require extra legislation to bring it about.

—*Washington Chronicle, 8th.*

NEW YORK.—The community was surprised by a notice on the 20th of March, of the failure of the **BULL'S HEAD BANK**, Third Avenue and Twenty-fifth

Street. The amount of deposits involved is about a million of dollars, on a capital of \$200,000. The bank was established about twenty years ago, under the New York Banking law, and declined to come under the National system in 1863-64. Its location for deposits and other safe business was one of the best in the city for a small and prudently-managed capital. Mr. R. WILLIAMSON, the late president, was formerly a merchant, and retired from business, wealthy. When the bank was organized, in 1854, he was chosen president, and so remained until his resignation, two weeks ago. He was generally deemed a careful and prudent financier, and under his management the bank for years was exceedingly prosperous. The stock has been quoted above 200; the dividends for many years past having been four per cent. quarterly, or sixteen per cent. per annum. The concern is now suddenly ruined by the bad conduct of some of its officers, and the event is a very unexpected misfortune to its numerous small depositors. These are connected, to a considerable extent, with what is known as the Bull's Head market for Horses and Cattle. According to the last quarterly report to the Bank Department, Albany, the liabilities of the bank were for capital, \$200,000; profits undivided, \$90,000; deposits, \$1,216,000; their loans were \$1,075,000, or five times their capital, thus yielding an annual interest of thirty-five per cent.

ASSAY OFFICE.—Dr. JOHN TORREY, the well-known American chemist and botanist, who died in New York, March 10th, was born in that city in 1798. After graduating in medicine he turned his attention to botany, chemistry and natural history, and in 1824 was appointed Professor of Chemistry at the West Point Military Academy. He resigned this position in 1827, to accept the Professorship of Chemistry and Botany in the College of Physicians and Surgeons, New York city, and held this post until 1851. In 1828 he was also elected Professor of Chemistry in Princeton College, N. J., and filled the duties of that chair until 1851. In 1853 he was made Assayer in the U. S. Assay Office, at that time established in New York city, and held that office at the time of his death. Prof. TORREY was an ardent explorer in the fields of science, and a voluminous writer, and published numerous catalogues of plants to be found in special localities and in more extended regions. He prepared the botanical portions of the Natural History Survey of the State of New York, and, in connection with Dr. ASA GRAY, examined and described the new plants, trees and shrubs collected by the U. S. Exploring Expeditions.

New York.—A petition for the repeal of the Usury law has been forwarded to the New York legislature, bearing the signatures of the Produce Exchange, the Cotton Exchange, the Grocers' Board of Trade, and the leading merchants in the dry goods and other important branches of business of the City of New York, including the representative signatures of the great class of mercantile borrowers who are distressed by the practical working of the Usury law. The signatures of the borrowers of money in Wall Street might have been obtained, but they, we understand, were not solicited. This petition ought to remove the last doubt which the legislature has as to the desirability of at once repealing the law, as it is a protest from those for whose benefit the law is supposed to exist. The opponents of repeal are the farmers, who misunderstand the subject, at least as far as mercantile interests are concerned, and a very powerful class of capitalists, not inappropriately designated Shylocks, who fatten on the necessities of borrowers, both mercantile and Wall Street.

USURY LAWS.—The debate in the State Senate, March 5th, does not look like repeal of the Usury laws. The most that can be hoped for will be a bill so qualifying the existing law that only the extra interest will be forfeited. Even this will be hedged by provisions that the lenders think are to their advantage. Senator WINSLOW, in the course of his remarks, said that he had studied the subject very carefully for some time, and that he was satisfied that two hundred millions of State money was sent West for investment every year. This looks like a very large amount, but it is undoubtedly correct. The argument that it is easy and common to evade the law, and that therefore it should stand because it is practically useless, is a strange one, and yet it is constantly used here. What the law can do, not what it does do, is the true test to put on this question.

NEW LOAN.—We understand that Messrs. BISCHOFFSHEIM, of London, have sold \$6,250,000 of the 7-per-cent. gold mortgage of the newly-projected line of the New York, Boston, and Montreal Road, comprising the New York and Boston Road via Lake Mahopac to Brewster's Station, on the Harlem; the Dutcheas and Columbia Road, and the Lebanon Springs Road. The whole project is supposed to look to a connection with the Erie Road by bridging the Hudson River at or above Peekskill, and also with the GILBERT Elevated City Road, which has been taken in hand by the same parties. The new mortgage of the New York, Boston, and Montreal Company is for \$12,500,000, of which one-half has been placed by Messrs. BISCHOFFSHEIM.

ROBBERY.—On 7th March, two gentlemanly appearing men made a successful attempt upon the property of the TRADESMEN'S NATIONAL BANK, corner of Reade street and Broadway. They succeeded in entering the office of the President, and, appearing to be waiting their turn to converse with President BERRY, no suspicion was entertained regarding them. Soon Mr. BERRY had occasion to walk out into the bank with two customers he had business with, and left the men in the office. During his momentary absence the thieves pulled open a drawer over the President's desk, and abstracted two certificates of one hundred shares each, of the stock of the Lake Shore and Michigan Southern Railroad Company. These certificates are numbered 18,523 in the name of VERMILYE & Co., and 16,677 in the name of ROBINSON, CHASE & Co. The value of the certificates, which are negotiable, is \$20,000. The transfer of them on the books has been stopped, but the thieves are not likely to be arrested, as no one seems able to describe their appearance.

DIVIDENDS.—The receiver of the EIGHTH NATIONAL BANK of New York, gives notice that a dividend of ten per cent. will be paid to the creditors. The receiver of the OCEAN NATIONAL BANK gives notice that on March 17, 1873, he will sell at auction, 5,000 shares of the capital stock of the Portage Lake and Lake Superior Ship Canal Company, par \$100 each; 278 mortgage bonds of the Lake Superior Ship Canal, Railroad and Iron Company, \$1,000 each; 108 mortgage bonds of the Decatur, Sullivan and Mattoon Railroad Company, \$1,000 each, and 59 mortgage bonds of Chicago and Illinois Southern Railroad Company, \$1,000 each. It is by investments of this character that banks and bankers frequently fail, and defraud their stockholders and depositors. There is no excuse for such outlays by any national bank in the UNITED STATES.

• **NEW YORK.**—In the Common Pleas of New York, March, 1873, before Judge LARREMORE, the FIRST NATIONAL BANK OF LYONS, IOWA, began a new trial of their action against the OCEAN NATIONAL BANK of New York City, to recover about \$50,000, the value of five-twenty bonds which the bank at Lyons had deposited with the OCEAN BANK as security. These bonds, with many others, were stolen from the OCEAN BANK at the time of the robbery of that institution on June 28, 1869. The plaintiffs instituted a suit against the OCEAN BANK, on the 23d of last January, and after the plaintiffs had consumed five days in putting in their evidence, the counsel for the defendants moved to dismiss the complaint, on the ground that the plaintiffs had not shown sufficient negligence on the part of the OCEAN BANK to entitle them to recover. Judge JOSEPH F. DALY denied the motion, and told the defendants that they must put in their defense the next day. At about that time the counsel for the LYONS BANK was taken sick, and, subsequently, the jury were discharged and a new trial was rendered necessary. The bank at Lyons allege that before the robbery the OCEAN BANK was frequently warned of the danger of a robbery, and requested to take extra precautions against such an event. Mr. EDGAR HOLLEY, of the Globe Fire Insurance, testified that he had seen wax on the lock of the main door of the OCEAN BANK, and found the lock broken one morning, a short time before the robbery. He reported his discoveries to the bank. The Globe Insurance occupied the basement of the OCEAN BANK building, and a short time before the robbery the company moved out of the building, and rented the basement to a Mr. WILLIAM O'KELL, who sub-let a small office in the extreme rear to the robbers. They entered the bank by breaking through the ceiling of the back office and getting into the vault. The BANK OF LYONS propose to prove gross negligence on the part of the OCEAN BANK.

New York.—Among the recent corporations created by the legislature, is the **NEW YORK LOAN AND INDEMNITY COMPANY**, now established at 229 Broadway, corner Barclay Street, formerly occupied by the **OCEAN BANK**. The new company has a capital of \$ 1,000,000, and will transact a general banking business. Receive deposits subject to check at sight, paying interest on daily balances. Checks on this company pass through the Clearing House. The company will receive Trusts and Financial Agencies, keep Transfer Books, register Stocks, and act as Trustees for Railroads and other corporations and for individuals. The officers are H. H. VAN DYCK, President; ANDREW MCKINNEY, First Vice-President; T. W. PARK, Second Vice-President; PROSPER P. SHAW, Third Vice-President. JOHN T. BANKER, lately Cashier of the **HANOVER NATIONAL BANK**, Secretary.

Brooklyn.—The **ATLANTIC NATIONAL BANK OF BROOKLYN**, located at the City of Brooklyn, in the State of NEW YORK, is about closing up its affairs in pursuance of a vote of its shareholders owning more than two-thirds of its stock. All note-holders and other creditors of said association are notified to present the notes, and other claims against the association, for payment.

ALABAMA.—The **MONTGOMERY AND EUFULA RAILROAD CO.** has gone into bankruptcy. This road runs from Montgomery to Eufaula, in Barbour county, a distance of eighty miles. Montgomery is the north-western terminus, where connections are made with South & North Alabama R. R., for points north and east, and with Western Alabama R. R., for points west and south. At Union Springs, forty miles from Eufaula, is the crossing of the Mobile & Girard R. R. County seat of Bullock county. Eufaula, ALA., is the eastern terminus, on the west bank of the Chattahoochee river. Connections are there made with the South-western R. R., for all points in FLORIDA, also with boats on the river:

COLORADO.—The **PEOPLE'S BANK OF PUEBLO, COLORADO**, will commence business April 1st, 1873. Capital, \$ 100,000. Mr. E. W. RILEY, President; for many years widely and favorably known in the West as a member of the old and well-established banking house of RILEY & BROTHER, at Weston, MISSOURI. Mr. JOHN R. LOWTHER, Cashier, is an old citizen of COLORADO, of large influence and excellent business character. Their New York correspondents are Messrs. DONNELL, LAWSON & CO., No. 4 Wall street.

Denver.—THE **BANK OF DENVER** is open for business and offers its services to correspondents. H. C. BROWN is President, C. D. GURLEY Cashier, and their New York correspondent Messrs. KOUNTZE BROTHERS. Their card will be found in the usual place on the cover of this work.

GEORGIA.—The Legislature of GEORGIA has repealed the usury law of that State, so that any rate of interest agreed upon in writing is now legally collectable. Upon open accounts, and all instruments and obligations bearing interest, where no rate is agreed upon, seven per cent. is to be allowed.

Savannah.—During the past three days public attention has been drawn to the protracted absence of Mr. ALLEN G. JONES, bookkeeper in the **SOUTHERN BANK** of the State of GEORGIA, who, about the 21st of February, left Savannah with his wife and a young lady of this city, to visit Kingstree, SOUTH CAROLINA, and return on the 25th ult. It seems that Mr. JONES had been gradually accumulating funds of the bank during February, keeping the posting of his books behind so as to avoid detection, at the same time telling the bank officers that he lacked only three or four days in being up with them. This appears to be the status of matters when he left for his four days' tour to CAROLINA. The developments indicate that the defalcation was undertaken and pursued deliberately and with shrewd calculation—the journey to visit the relative at “the little place in the country” having been carefully appointed and timed for the final triumph of his skillful financing; and that instead of being waylaid, murdered and robbed in the wilds of the Palmetto State, or languishing with sudden sickness in some lonely cabin by the roadside, Mr. JONES sped away directly to New York, to collect the few thousands his certified checks called for there, and then finally vanished from the eyes of all men who know him.—*Savannah Rep.*

ILLINOIS.—Mr. R. W. TOWNSHEND, was, in February, elected Cashier of the **GALLATIN NATIONAL BANK** of Shawneetown, Gallatin county, in place of Mr. F. C. CRAWFORD.

STOCK FRAUDS.—A series of forgeries of stock certificates on the Toledo and Wabash and Fort Wayne and Chicago Roads were developed March 17, the frauds, thus far, being traced through the Stock Exchange firm of ODDIE & AUSTIN, but whether perpetrated by scoundrelly people for whom they incautiously did business, or by third parties who cannot be traced, remains to be told. The members of the implicated firm, if in the city, have tendered no satisfactory explanations. The forged certificates were hypothecated at bank to the extent of 600 or 800 shares, and it is hoped that this is the extent of the mischief.

INDIANA.—Mr. W. J. LOWRY, head of the banking house of W. J. LOWRY & Co., and for long years connected with the STATE BANK and BANK OF THE STATE OF INDIANA, died suddenly on Saturday, February 22nd. Mr. LOWRY was in the seventy-eighth year of his age, and, until the day of his death, was apparently in the full vigor of health. By the articles of association, the banking firm of W. J. LOWRY & Co. will continue as heretofore, with unimpaired capital, until the expiration of the same by limitation—January 1st, 1874.

Louisville.—The FALLS CITY TOBACCO BANK, at Louisville, was robbed by burglars on the 10th March. Among the securities taken were various railroad bonds belonging to depositors. A reward of \$5,500 is offered for the following securities, viz: one Louisville, Cincinnati and Lexington Railroad, first mortgage, \$1,000 bond, No. 322; ten Louisville and Portland Canal bonds, \$1,000 each, No. 732 to No. 741 inclusive, maturing in 1876; eleven Jefferson, Madison and Indianapolis Railroad, second mortgage, \$1,000 bonds, Nos. 1,020, 1,021, 1,022, 1,023, 1,340, 1,865, 1,964, 1,975, 1,976, 1,977, 1,978.

LOUISIANA.—The CRESCENT CITY NATIONAL BANK at New Orleans closed its doors March 14th. E. H. SUMMERS, one of the Committee of Two Hundred, is its President, and CHARLES FAURIE, Jr., its Cashier. Its loans and discounts on the 1st of February, 1873, were \$659,785. Its capital stock is \$500,000.

HEAVY LOSS OR ROBBERY.—Yesterday the paying teller of the NEW ORLEANS NATIONAL BANK, in making his exchange, was robbed of or lost \$25,000. He is unable to give any particulars of the robbery or the manner in which it was effected. He, however, makes the following statement in reference to the matter: I left the bank for the purpose of settling some of our accounts, and left my assistant in charge. I had some bills, about \$25,500 or so, which I rolled up into two packages. They were large bills, \$500 and \$1,000, and the rolls were quite small. I put them both into the right pocket of my pants, and on my way down to the CITIZENS' BANK, where I was going, I stopped at Gonzales' to get some tobacco. I then went on down, and stopped at the BANKING ASSOCIATION to pay an account there, and when I went to look for the money both rolls were gone. I immediately stepped outside and told Farrell (special bank officer) about the matter. I do not remember having been jostled by any one, nor do I know of any one ever being near enough to rob me of the money, unless it was in the BANKING ASSOCIATION. There were several persons there.

—*New Orleans Picayune, 11th March, 1873.*

Moral.—Bank clerks should not take heavy packages of bank notes into the street. 2d. They should not stop at tobacco shops, saloons, &c. 3d. They should not use tobacco in any way, especially during office hours. 4th. A clearing-house is the only proper place for the adjustment of bank balances.—*Ed. B. M.*

MAINE.—The VEAZIE NATIONAL BANK OF BANGOR (No. 2089) was organized in March, with a capital of \$75,000, limited to \$150,000. President, ALFRED VEAZIE; Cashier, WILLIAM S. HOLT.

MASSACHUSETTS.—The WORCESTER SAFE DEPOSIT AND TRUST COMPANY has commenced business under a State charter, at No. 448 Main Street, Worcester, MASS., with a capital of \$200,000. This company has constructed burglar and fire-proof vaults for the safe-keeping of valuable papers, &c., and the renting the safes. By its charter the company is limited in its investments to securities of the first class, such as the authorized loans of the Government, of the New England States, cities and towns, and stocks of National banks, &c., so that its safety is undoubted. This company is authorized to receive money

on deposit subject to check at sight, and it will pay to depositors interest on daily balances at the rate of four per cent. per annum. To receive money from courts of law or equity, including probate or insolvency, executors, administrators, assignees, guardians, trustees, and corporations. The company has a private night-watch, who is not allowed to leave the room in which the vault is situated, between the hours of 6 P. M. and 6 A. M. A burglar alarm, communicating with the police office, renders it impossible to either open or close the door of the vault without giving notice to the police officers. President, GEORGE M. RICE; Secretary, EDWARD F. BISCO.

It is by the establishment of such institutions as the above that capitalists and others are able to place their valuable securities in a perfectly reliable depository, without being exposed to such losses as have occurred at the BOYLSTON NATIONAL BANK, Boston; OCEAN NATIONAL BANK, New York, &c.

THE MONEY BURNT IN BOSTON.—The number of cases of burnt money received at Washington, from Boston, after the great fire in that city, was eighty-nine. The nominal amount of money contained in these cases was supposed, by the parties remitting them, to be \$88,812.90. The money that was identified and for which returns were made, was as follows:

| | |
|--|---------------------|
| Legal-tender notes and fractional currency | \$ 4,332.05 |
| National bank notes..... | 4,172.00 |
| United States bonds (principally five-twenties)..... | 73,050.00 |
| Railroad bonds..... | 5,000.00 |
| Coupons of United States bonds..... | 1,629.00 |
| Certificate of bank stock..... | 100.00 |
| State bank notes..... | 7.00 |
| Counterfeit..... | .75 |
| Total..... | \$ 88,290.80 |
| Total amount of "shorts"..... | \$ 1,672.35 |
| Total amount of "overs"..... | 1,150.25 |
| Net short..... | 522.10 |
| Total..... | \$ 88,812.90 |

In addition, a large amount of checks, promissory notes, and other valuable business paper, were either wholly or partially identified, and returned to their owners. The money was, generally, very badly burnt, and it was with the greatest difficulty that it could be separated and identified. The identification and restoration occupied the constant labor of three ladies, for a period of four months.

JOHN SAVAGE, Jr., late cashier of the LECHMERE NATIONAL BANK, of East Cambridge, MASS., has been arrested on a charge of stealing the funds of that bank, and held in \$ 15,000 bail.

MICHIGAN.—It appears from a report by the Detroit Board of Trade, that the attempt to construct a tunnel under the Detroit river, is a failure. A committee of the Board waited on the President of the Michigan Central Railway and ascertained that the small trial tunnel, preparatory to the main tunnel, is not yet half completed, and that almost insuperable difficulties, in the shape of quicksands, spongy earth, etc., render the completion of the main tunnel a matter of great doubt, and that in any event, at least five years will be consumed in its building. In view of these facts, the Board of Trade urge the building of a bridge over the river, and have resolved to petition Congress to pass a bill authorizing the construction of such a bridge.

MINNESOTA.—A receiver has been appointed for the SOUTHERN MINNESOTA R. R. CO. This road runs from La Crosse to Winnebago, a distance of 171 miles, passing through the towns of Lanesboro (Fillmore County), Ramsey, Albert Lea (Freeborn County).

Rochester.—The UNION NATIONAL BANK, of Rochester, Olmsted County, MINN., (No. 2068), was organized in March, with a capital of \$ 50,000, limited to \$ 100,000. President, J. V. DANIELS; Cashier, M. J. DANIELS. Their New York correspondent is the NATIONAL PARK BANK.

MISSOURI.—The HASKELL BANK, at St. Louis, has relinquished business, in favor of the LUCAS BANK, of which Mr. H. S. TURNER is president, and Mr. R. R. HUTCHINSON is cashier. Mr. J. M. FRANCISCUS, late vice-president of the HASKELL BANK, has been elected a Director of the LUCAS BANK, which has been removed for the present to the banking room formerly occupied by the HASKELL BANK, corner of Main and Vine Streets.

OHIO.—The *Manual for Notaries and Bankers*, (published at this office,) contains a summary of the law of each State in relation to the rates of interest, the penalties, &c. Since the last edition was issued, the law of OHIO has been altered. By the law of May 4, 1869, (OHIO LAWS, pp. 66-91) interest may be charged at the rate of eight per cent, (instead of six per cent), under private contract.

Cincinnati.—The charter of the COMMERCIAL BANK, of Cincinnati, expires with this year. A majority of the stockholders have formed a co-partnership, and will continue the banking business under the same name. Among the stockholders are the following citizens: E. H. PENDLETON, GEO. H. PENDLETON, RUFUS KING, LARZ ANDERSON, W. H. CLEMENT, J. N. KINNEY, THOMAS SHERLOCK, GEORGE H. HILL, J. W. DONOHUE, L. J. THOMPSON, J. H. BARKER, MATTHEW HART, B. F. STRADER, HUGH COLVILLE, B. B. WHITEMAN, Dr. WILLIAM CARSON, Dr. NATHANIEL FOSTER.

Cleveland.—At a meeting of the directors of the CLEVELAND, COLUMBUS, CINCINNATI AND INDIANAPOLIS RAILWAY COMPANY, held at the office of the company in Cleveland, on the 5th of March, 1873, it was ordered that a special meeting of the stockholders be called for the purpose of consulting on a lease of the railway to the ATLANTIC AND GREAT WESTERN RAILROAD COMPANY; and also for the purpose of acting upon a proposal to authorize the directors of said CLEVELAND, COLUMBUS, CINCINNATI AND INDIANAPOLIS RAILWAY, to issue not exceeding five millions increased capital stock of said company for purposes authorized by law. A meeting of said stockholders will be held in Cleveland, OHIO, on the 16th day of April.

Cleveland.—Messrs. PRICE BROTHERS, bankers and brokers, made an assignment, March 6th. The failure was caused by a decline in stocks in which the firm were dealing and the withdrawal of deposits from their bank. Their liabilities are about \$175,000, and assets from \$125,000 to \$130,000. It is stated that the full amount of their liabilities will possibly be paid, but this is highly improbable. When bankers cease to employ the deposits of their customers in stock speculations, failures will diminish; and dividends of one hundred cents on the dollar will be more frequently realized than of late.

Medina.—The PHENIX NATIONAL BANK, of Medina, Medina County, OHIO, (No. 2091), was organized in March, with a capital of \$50,000, limited to \$200,000. President, J. H. ALBERO; Cashier, HARRISON G. BLAKE. This bank succeeds to the business of Mr. H. G. BLAKE, banker. Their New York correspondent is the NATIONAL TRUST COMPANY.

PENNSYLVANIA.—The SHACKAMAXON BANK AND SAVING FUND, chartered by the State of PENNSYLVANIA, is established at Philadelphia, at 1737 Frankford Road. Authorized capital, \$500,000. President, WILLIAM BUMM; Cashier, T. L. HUGGARD.

PENNSYLVANIA BONDS.—A dispatch from Harrisburgh reports unofficially that the Commissioners of the Sinking Fund have resolved to pay on presentation \$1,250,000 of the five, ten and six-per-cent bonds of the commonwealth, being certificates of \$5,000 and under, and to stop the interest thereon.

STATE FINANCES.—The Commissioners of the Sinking Fund of the Commonwealth of PENNSYLVANIA give notice, through the FARMERS AND MECHANICS' BANK, to holders of the first series of six-per-cent. State loan, to the amount of \$5,000 and under, that they will cease to bear interest on the 31st day of July next, when said loan and accrued interest will be redeemed on presentation at the said bank in Philadelphia.

Franklin.—THOMAS F. ANDERSON, Cashier of LAMBERTON'S BANK, at Franklin, one of the oldest cashiers in the oil regions, committed suicide, March

14th. He opened the bank as usual, and transacted business with several customers. It is stated that he was carrying a large amount of overdrafts for the accommodation of his personal friends, unauthorized by the bank; that the concern was soon to change hands, and he had been requested to have the books and accounts in complete order at a certain date, which would expose these irregularities. The bank loses heavily, but confidence is felt in its security.

Philadelphia.—HARRISON P. BROWN and HENRY WILLIAMS, who attempted to rob the CORN EXCHANGE NATIONAL BANK, of Philadelphia, were tried and found guilty, March 14. HARRISON P. BROWN is FRANK WILSON, who escaped from Sing Sing Prison, NEW YORK, on the 12th of January last. HENRY WILLIAMS is ALBERT WILLIAMS, who escaped from the same prison, Dec. 18, 1871.

PHILADELPHIA STOCK BOARD.—The Board of Stock Brokers, March 3, held its annual meeting for the election of officers, with the following result: President, HENRY G. GOWEN; First Vice-President, E. ROBINS; Second Vice-President, WILLIAM J. MORRIS; Third Vice-President, JOSEPH R. WILKINS, Jr. Standing Committee: BENJAMIN P. HUTCHINSON, HENRY L. GAW, JOSEPH C. HARRIS, THOMAS A. BIDDLE, C. D'INVILLIERS, T. WHELEN, JOHN MARKOE, and ABR. BARKER. Secretary and Treasurer, JOHN C. JOHNSON.

SOUTH CAROLINA.—The WINNSBORO NATIONAL BANK, (No. 2087), was organized in March at Winnsboro, Fairfield County, S. C., with a capital of \$60,000, limited to \$200,000. President, WILLIAM ROSS ROBERTSON; Cashier, SAMUEL B. CLOWNEY. Their New York correspondent is the NATIONAL PARK BANK.

TENNESSEE.—The TENNESSEE Legislature has passed to a final reading the bill to fund the past due interest on the State bonded debt, and interest accruing up to and including January, 1874. It provides for the funding of the interest into 40-year 6-per-cent. bonds, redeemable at the option of the State after ten years. It also provides for the sinking fund and for the redemption of interest on and after January 1st, 1874.

TEXAS.—The case of the FIRST NATIONAL BANK OF WASHINGTON v. STATE OF TEXAS, came up before the Supreme Court, U. S., at its present term. The latter against the former—writs of error to the Supreme Court of the DISTRICT OF COLUMBIA. The question in these cases was whether the bank, having purchased bonds of the State of TEXAS, after they were redeemable or overdue, from a party receiving them before maturity, stands in the place of the party from whom it took them and is entitled to the bonds and their redemption, notwithstanding the fact that they were not endorsed by the Governor of TEXAS, as required by statute. The court holds that the bank stands in the place and holds the title of the party taking before maturity and, under the various acts of the Legislature, is entitled to the bonds, although they were not endorsed by the Governor. Judgment reversed, the Chief Justice delivering the opinion.

VIRGINIA.—It is announced that on April 1st the Second Auditor at Richmond, VIRGINIA, will begin the payment of the January interest on VIRGINIA's public debt.

THE PUBLIC DEBT.—Both Houses of the General Assembly have passed a bill, in conformity with the agreement entered into between the Legislative Committee and bondholders, providing for the payment of interest on the public debt for the years 1872 and 1873 at the rate of four per cent. per annum on consols and on two-thirds of the amount of the unfunded bonds. For the remaining two per cent. due and unpaid, non-interest bearing certificates, payable at the pleasure of the State, are to be issued. The payment of interest for 1872 is conditioned upon a board, consisting of the two Auditors and Treasurer, first ascertaining that there will be sufficient money in the Treasury and revenue accruing to safely allow of it; but a calculation has already been made which renders almost certain that the interest for 1872 can be placed upon a like footing with the interest for 1873.

No special provision for meeting the matured coupons which are "receivable for taxes" is made, but the holders of such bonds can draw the four per cent.

and get the non-interest bearing certificates above provided, if they are willing to deliver up their coupons. It was said in the remarks made by Judge COCHRAN, while this bill was pending in the Senate, that four per cent. interest could be paid for 1872 and 1873, even though nearly one-half of the matured coupons "receivable for taxes" did reach the treasury in the payment of taxes. It is believed, however, that the understanding had with the bondholders will prevent any large amount of coupons from being forced upon the collecting officers of the Commonwealth. The bill, having passed both Houses, will be sent to the Governor for his approval.—*Richmond Enquirer, March 8.*

VIRGINIA.—The UNION BANK has commenced business at Winchester, Frederick County, VIRGINIA, with a present capital of \$ 40,000, limited to \$ 200,000. President, WILLIAM L. CLARK; Cashier, ROBERT B. HOLLIDAY. Their correspondents are Messrs. J. J. NICHOLSON & SONS, Baltimore; the NATIONAL BANK OF THE REPUBLIC, New York.

NOTARIES PUBLIC IN VIRGINIA.—The following act in regard to notaries public, which has become law, should be examined by all notaries and all who desire to be notaries of Virginia:

An act to amend and re-enact section 1 of chapter 120 of the Code (edition of 1860) in reference to notaries public. [Approved January 14, 1873.]

Be it enacted by the General Assembly, That section 1 of chapter 120 of the Code (edition of 1860) be amended and re-enacted so as to read as follows:

1. The Governor shall appoint in and for the separate counties and corporations of the State as many notaries public as to him shall seem proper: *Provided*, the number shall not exceed one for each thousand of population, who shall hold office for the term of four years, and that the Governor may appoint the same person to serve for two or more counties or corporations. Every notary public shall give bond before the court of the county or corporation for which he is appointed, in a penalty of not less than five hundred dollars, and the clerk of said court shall immediately forward a copy to the Secretary of the Commonwealth. All notaries now in commission, who shall have heretofore executed bond within the time prescribed by law, or shall execute such bond within four months from the passage of this act, in the penalty above named, and only such, shall continue to act as notaries, and their commissions shall be construed to run four years from the date of this act.

WISCONSIN.—Messrs. A. H. HOWARD & Co. have succeeded to the Banking House of H. H. RICE & Co., at Omro, their New York correspondents being HENRY CLEWS & Co.

CANADA.—The LONDON AND CANADIAN LOAN AND AGENCY COMPANY has commenced operations in the Exchange Building, Wellington street, Toronto, CANADA, under a charter dated October, 1863. The present capital is \$ 2,000,000, limited to \$ 5,000,000. President, WILLIAM P. HOWLAND; C. A. GROWSKI and DONALD A. SMITH, Vice-Presidents; Manager, J. GRANT MACDONALD.

CITY BANK v. BANK OF MONTREAL.—In the somewhat celebrated case of "BANQUE NATIONALE v. CITY BANK," the latter institution has been condemned by the Court of Review in Quebec to pay the full amount demanded by the action, viz: \$ 106,000, with interest and costs of suit. It reverses a judgment of Justice STEWART in the Superior Court, rendered in January last. A principal point involved is as to the power of a manager to bind the bank by certifying the cheques of customers. According to this ruling the manager has no such power, and that, therefore, the Bank of Montreal is not liable. It is an unsettled point among American jurists whether a cashier has authority to certify the cheques of a depositor even as against funds in the bank. In this case, though there were no funds to meet the cheques in question, yet SANDERSON, the drawer of the cheques, had, it is alleged, been for a long time permitted to overdraw his account, and it is therefore presumed that the BANK OF MONTREAL were aware of such over-drafts, and tacitly sanctioned them.—*Toronto Monetary Times.*

BANK ROBBERY IN BELGIUM.—An exciting scene took place on February 10, on the boulevards of Paris, when two Belgians, who had left their country for their country's good, fell into the hands of the French police. Some time back a robbery to a considerable amount took place at the Anvers branch of the NATIONAL BANK OF BELGIUM. The perpetrators of the robbery—a wrestler named DEVOOS, the guardian of the bank, and a man named RIFLARD, his comrade and accomplice—absconded with their booty and proceeded to Paris. Belgian detectives followed immediately on their track. The latter at once placed themselves in communication with the French police, and portraits of the robbers were profusely distributed among those establishments which, it was not unnaturally presumed, would be among the first objects of attraction on their arrival in this city. This device completely succeeded. Two creatures were immediately put on the track, and the thieves were pointed out to the police on the boulevards, on Tuesday evening. About 11½ two inspectors of the detective force—MM. MOLEON and BARQUE—proceeded to the Café de Suède to effect their arrest. RIFLARD, after desperate resistance, succeeded in getting out of the hands of the detectives, and fled up the Faubourg Montmartre; the detective followed, calling loudly for assistance, and RIFLARD was soon rearrested by two police agents, who conducted him to the lock-up. Inspector BARQUE, about the same time, was conducting DEVOOS to prison by the Rue Montmartre, holding his prisoner tightly by the arm; but DEVOOS, disarming his captor by his apparent indifference and exceedingly quiet demeanor, suddenly disengaged himself, and pulling out a revolver, discharged three barrels at the inspector. Two of the balls struck BARQUE in the neck and compelled him to give up all pursuit, while the third struck a passing coachman in the cheek. DEVOOS continued his onward course, menacing with his revolver everybody who attempted to arrest him until, reaching the corner of a street, a sergeant of police, unintimidated by the revolver seized him by the throat and took possession of the revolver before he had time to make use of it. While being conducted to prison, the robber, and would-be assassin, made a complete confession and placed in the hands of the sergeant a purse containing 585 francs in notes; he had also in his possession about fifty francs and a profusion of jewelry. He was shortly afterward joined in prison by his accomplice, RIFLARD, on whom a sum of upward of 37,000 francs was found. The wounded men have received only slight wounds, and are progressing favorably.

DISSOLVED OR DISCONTINUED.

NEW YORK.—Wheeler & Peters, 5 Exchange Place.

GEORGIA.—Agency Georgia Banking & Trust Co., *Cartersville*, (succeeded by Planters & Miners' Bank).

ILLINOIS.—Merchants & Farmers' Savings, Loan & Trust Co., *Bunker Hill*, (changed to Bunker Hill Bank); McKee & Pratt, *Homer*, (succeeded by T. D. McKee); J. T. Webb, *Nokomis*, (removed to *Tolono*).

KENTUCKY.—Brent & Pullen, *Paris*, (merged into Citizens' Bank).

LOUISIANA.—Crescent City National Bank, *New Orleans*, (*failed*).

MINNESOTA.—City Bank, *St. Paul*, (consolidated with First National Bank).

MISSOURI.—W. H. Trigg & Co., *Boonville*; Salmon & Stone, *Clinton*, (succeeded by Salmon & Salmon); Clinton Savings Bank, (succeeded by First National Bank of Clinton).

OHIO.—Price Brothers, *Cleveland*, (*failed*); Cope & Rogers, *Salineville*, (succeeded by Salineville Banking Co.).

NEW YORK.—N. S. Weed & Co., *Franklinville*, (succeeded by Franklinville Bank).

SOUTH CAROLINA.—L. Gambrill, *Charleston*, (*failed*).

TEXAS.—James H. Starr & Son, *Marshall*, (succeeded by Raguet & Fry).

WISCONSIN.—H. H. Rice & Co., *Omro*, (succeeded by A. H. Howard & Co.)

NEW BANKS, BANKERS AND SAVINGS BANKS.

MARCH, 1873.

THE BANKER'S MAGAZINE contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the BANKER'S ALMANAC for 1873, now in preparation. No charge is made for the insertion of these names in the BANKER'S MAGAZINE, and in the BANKER'S ALMANAC.

NEW YORK.

S. M. Mills, 54 Broadway.

| <i>Place and State.</i> | <i>Names of Bank.</i> | <i>N. Y. Correspondents.</i> |
|-------------------------|-----------------------------|------------------------------|
| Montgomery, ALA. | W. G. McKenzie & Co. | Nat. B'k of the Republic. |
| Pueblo, COL. | People's Bank | Donnell, Lawson & Co. |
| Georgetown, " | James Judge | Kountze Brothers. |
| Golden City, " | Bagley & Sons | Kountze Brothers. |
| Waterbury, CONN. | Anson F. Abbott | Jay Cooke & Co. |
| Wilmington, DEL. | Artisans' Savings Bank | |
| Cartersville, GEO. | Planters & Miners' Bank | Jay Cooke & Co. |
| Gainesville, " | Banks & Brother | Williams, Birnie & Co. |
| Newnan, " | People's Savings Bank | Importers & Traders' N. B. |
| Savannah, " | David R. Dillon | Edwin Parsons. |
| Washington, " | Merchants & Planters' Bank | Fourth National Bank. |
| Ashton, ILL. | Mills & Petrie | German-American Bank. |
| Buckley, " | J. A. Koplín | Traders' N. B., Chicago. |
| Chicago, " | Cook County Savings Bank | |
| " | Dime Savings Bank | |
| Hoopstown, " | McFerron & Chamberlin | George Opdyke & Co. |
| Joliet, " | Charles Goodspeed | Irving National Bank. |
| Jonesboro, " | E. A. Willard | Importers & Traders' N. B. |
| Nashville, " | Hay Brothers & Co. | |
| Pontiac, " | J. F. Culver & Co. | Jay Cooke & Co. |
| Tolono, " | Exchange Bank of J. T. Webb | Henry Clews & Co. |
| Washburn, " | Frank N. Ireland | Henry Clews & Co. |
| Minooka, " | D. Ferguson | Cook Co. N. B., Chicago. |
| Lafayette, IND. | Lafayette Savings Bank | Gilman, Son & Co. |
| Terre Haute, " | Evans, Magill & Co. | First National Bank. |
| Jefferson, IOWA. | Head Brothers | Austin Corbin. |
| Parkersburg, " | J. B. & M. J. Powers | Austin Corbin. |
| Sabula, " | National Savings Bank | Allen, Stephens & Co. |
| Washington, " | J. B. Richards | Ninth National Bank. |
| Leavenworth, KAN. | Insley, Shire & Co | Donnell, Lawson & Co. |
| Manhattan, " | First National Bank | |
| Paducah, KY. | City National Bank | |
| New Orleans, LA. | Hibernia National Bank | Importers & Traders' N. B. |
| Boston, MASS. | Lewis Hecht | Sternberger, Netter & Sea- |
| New Bedford, " | Beauvais & Co. | Fisk & Hatch. [songoood. |

| <i>Place and State.</i> | <i>Name of Bank.</i> | <i>N. Y. Correspondent.</i> |
|--------------------------|-------------------------------------|--|
| Rochester, MINN. | Union National Bank | National Park Bank, |
| Meridian, MISS. | People's Savings Bank | Howes & Macy. |
| St. Louis, Mo. | Stewart, Steel & Co. | Northrup & Chick. |
| Memphis, " | Petkin, Leslie & Co. | Gilman, Son & Co. |
| Brownsville, " | Wm. B. Kincaid & Co. .... | ..... |
| Clinton, " | Salmon & Salmon | Northrup & Chick. |
| Jersey City, N. J. | Germania Savings Bank ..... | ..... |
| " " " | Gregory & Hyde-Clarke | Duncan, Sherman & Co. |
| Newark, " | American Trust Co. .... | ..... |
| Camden, " | Gloucester Savings Bank ..... | ..... |
| Buffalo, N. Y. | Bank of Buffalo | Nat. Shoe & Leather Bank. |
| Franklinville, " | Franklinville Bank | National Trust Co. |
| Elyria, OHIO. | Savings Deposit Bank | Jay Cooke & Co. |
| Fondlay, " | Seymour, Vance & Co | Fourth National Bank. |
| Medina, " | Phoenix National Bank | National Trust Co. |
| Salineville, " | Salineville Banking Co. | Importers & Traders' N.B. |
| Wadsworth, " | H. A. Brots & Co. | Central National Bank. |
| Cleveland, " | People's Savings & Loan Assoc. .... | ..... |
| Philadelphia, PA. | Citizens' Bank | Hanover National Bank. |
| " " " | Shackamaxon Bank ..... | ..... |
| " " " | Ackley & Smith | James T. Bates & Co. |
| Pittsburgh, " | Farmers & Merchants' Bank | Howes & Macy. |
| Braddocks Field, " | Braddocks Trust Co. .... | ..... |
| Mifflinburg " | Mifflinburg Bank | Kountze Brothers. |
| Winnboro, S. C. | Winnboro National Bank | National Park Bank. |
| Corsicana, TEXAS. | Adams & Leonard | Morton, Bliss & Co. |
| Houston, " | National Exchange Bank ..... | ..... |
| Waxahachie, " | Aldridge & Williams | Northrup & Chick. |
| La Crosse, WIS. | Wilson & Jurgens | Knauth, Nachod & Kuhne. |
| Omro, " | A. H. Howard & Co. | Henry Clews & Co. |
| Brattleboro, VT. | Brattleboro Savings Bank ..... | ..... |
| Bradford, " | Bradford Savings & Trust Co. .... | ..... |
| Montpelier, " | Montpelier Savings & Trust Co. .... | ..... |
| Northfield, " | Northfield Savings Bank ..... | ..... |
| St. Albans, " | National Trust Co. .... | ..... |
| Winooski, " | Winooski Savings Bank ..... | ..... |
| Halifax, N. S. | Merchants' Bank of Halifax | } Morton, Bliss & Co. & Fulton National Bank. |
| Antigonish, " | " " " " | |
| Bridgewater, " | " " " " | } Allen, Stephens & Co. |
| Liverpool, " | Bank of Acadia | |
| Pictou, " | Merchants' Bank of Halifax | Fulton National Bank. |
| Sidney, " | " " " " | " " " |
| Truro, " | " " " " | " " " |
| Weymouth, " | " " " " | " " " |

LOST BONDS.—Messrs. HUBERT BROTHERS, No. 18 Wall Street, give notice that the following bonds are mislaid or stolen: two registered U. S. ten-forty bonds, \$ 5,000 each, Nos. 7696 and 7697, standing in the name of J. & W. SELIGMAN & Co. Bankers and the public are notified not to receive or negotiate the same, transfer having been stopped. A reward of five hundred dollars will be paid on delivery of the bonds to the firm.

CHANGES OF PRESIDENT AND CASHIER.

(Monthly List; continued from March No., page 755.)

Changes of president and cashier of National and State banks should be promptly reported, for announcement in the **BANKER'S MAGAZINE**. No charge is made for such announcements.

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of</i> |
|---|--------------------------------------|---------------------|
| First N. B., Montgomery, ALA. | Charles J. Campbell, <i>Cash.</i> | E. R. Mitchell. |
| First N. Gold B., Stockton, CAL. | Frank Stewart, <i>Pres.</i> | Henry H. Hewlett. |
| " " " | Henry H. Hewlett, <i>Cash.</i> | Thomas Sedgwick. |
| Yale N. B., New Haven, CONN. | Joseph A. Smith, <i>V. Pres.</i> | |
| " " " | John A. Richardson, <i>Cash.</i> | Joseph A. Smith. |
| First Nat. Bank, Seaford, DEL. | Mitchell J. Morgan, <i>Cash.</i> | I. M. Fisher. |
| Delaware City Nat. Bank, " " | F. McIntire, <i>Cash.</i> | W. W. Ferris. |
| Manufact'ers' N. B., Chicago, ILL. | M. D. Buchanan, <i>V. Pres.</i> | |
| First Nat. Bk., Rochelle, " " | R. Paddock, <i>Pres.</i> | M. T. Ellinwood. |
| First Nat. Bk., Tuscola, " " | H. T. Caraway, <i>Pres.</i> | W. P. Cannon. |
| Meridian N. B., Indianapolis, IND. | J. G. Kennedy, <i>Cash.</i> | C. F. Hogate. |
| Merchants' N. B., Fort Wayne, " " | C. M. Dawson, <i>Asst. Cash.</i> | John S. Irwin. C. |
| Second Nat. B., Richmond, " " | Andrew F. Scott, <i>Pres.</i> | |
| Rush Co. Nat. B., Rushville, " " | John Megee, <i>Cash.</i> | James S. Lakin. |
| First N. Bk., Indianola, IOWA. | Ed. R. McKee, <i>Cash.</i> | A. S. Moncrief. |
| Marshall Co. B. Marshalltown, " " | J. H. Frisbie, <i>Cash.</i> | |
| Knoxville N. B., Knoxville, " " | A. W. Collins, <i>Pres.</i> | Larkin Wright. |
| Farmers and Traders' Bank, { Shelbyville, Ky. } | J. L. Caldwell, <i>Pres.</i> | J. D. Guthrie. |
| Commercial N. B., Versailles, KY. | J. T. Middleton, <i>Cash.</i> | J. L. Caldwell. |
| New Orleans N. Bkg. Ass., LA. | Louis A. Berry, <i>Pres.</i> | D. Thornton. |
| Nat. Bk. of Wareham, MASS. | Henry Blache, <i>Cash.</i> | N. Augustin. |
| People's Bank, Baltimore, MD. | Gerard C. Tobey, <i>Pres.</i> | Isaac Pratt, Jr. |
| First N. B., Hagerstown, " " | J. B. Ramsay, <i>Cash.</i> | John M. Nelson. |
| First Nat. B., Decatur, MICH. | George Schley, <i>Pres.</i> | * Charles G. Lane. |
| " " " | C. W. Fisk, <i>Pres.</i> | A. B. Copley. |
| " " " | Charles Duncombe, <i>Cash.</i> | E. P. Hill. |
| First Nat. B., St. Paul, MINN. | H. P. Upham, <i>Cash.</i> | H. M. Knox.* |
| Montana N. B., Helena, MON. | William Roe, <i>Pres.</i> | James King. |
| " " " | George W. Fox, <i>Cash.</i> | C. F. Duer. |
| Souhegan N. B., Milford, N. H. | W. B. Towne, <i>Pres.</i> | H. A. Daniels. |
| Central N. B., Hightstown, N. J. | Archibald F. Job, <i>Pres.</i> | E. C. Taylor. |
| First Nat. Bk., Elmira, N. Y. | John Arnot, <i>Pres.</i> | D. Decker. |
| Nat. Bank of Fort Edward, " " | P. C. Hitchcock, <i>Cash.</i> | A. Wing. |
| Mutual Nat. Bank, Troy, " " | George H. Sagendorf, | George A. Stone. |
| Troy City Nat. B'k, Troy, " " | George A. Stone, <i>Cash.</i> | G. F. Sims. |
| First Nat. Bank, Plymouth, O. | Urban J. Lewis, <i>Cash.</i> | John Deveny. |
| Ross Co. N. B., Chillicothe, " " | A. P. Story, <i>Pres.</i> | A. Pearson. |
| First Nat. Bank, Franklin, PA. | A. D. Cotton, <i>Cash.</i> | R. L. Cochran. |
| Iron Bank, Philadelphia, " " | Joseph W. Souder, <i>Pres.</i> | R. B. Sterling. |
| First Nat. Bank, Newtown, " " | S. Carey Ball, <i>Cash.</i> | James Anderson. |
| Mechanics' N. B., Providence R. I. | Lewis Dexter, | Moses B. Lockwood. |
| Orange Co. N. B., Chelsea, VT. | E. Hyde, <i>Pres.</i> | B. W. Bartholomew.* |

* Deceased.

NOTES ON THE MONEY MARKET.

NEW YORK, MARCH 20, 1873.

Exchange on London, at sixty days' sight, 108 @ 108½ for gold.

The chief feature of the month of March has been the appointment of a new Secretary of the Treasury, as successor to Mr. Boutwell, who has been transferred to the Senate. Mr. William A. Richardson, hitherto Assistant Secretary, has been nominated to the post and confirmed by the Senate. We look upon this appointment as a most unfortunate one for the whole country and the forerunner of serious financial evils. Mr. Richardson has been considered the promoter of the scheme whereby the legal tenders were suddenly increased last year, thereby encouraging speculation which was already too extensive.

The Committee on Finance has recently reported on this breach of law by the Treasury, and concluded with the following language: (*See page 649, February No.*)

Resolved, That, in the opinion of the Senate, the Secretary of the Treasury has not the power, under existing law, to issue United States notes for any portion of the \$44,000,000 of the United States notes retired and canceled under the Act approved April 12, 1866."

This certainly should be considered not only as a rebuke of the movement of the Treasury in October last, but as the view of the Senate that no repetition of this gross violation should be committed. Yet, in the face of this resolution of the committee, the author of this outrage is promoted to the office of Secretary of the Treasury, and now holds a power with which no one man should be entrusted.

We regret to learn from a cotemporary, who is in the confidence of the Department, that "It is reported from Washington that the Secretary of the Treasury has been obliged to draw about \$1,550,000 from the 'reserve' of legal tenders, in order to pay off 'immediate demands' on the Treasury. As a curious coincidence, it may be noted that the amount of the inroad on the 'reserve,' which is an inflation of the currency to that extent, is almost exactly the amount of the extra pay for two years which Congress voted to themselves at the close of the session. There are about three hundred and twenty-five members, delegates, and Senators, and of these there are about three hundred and ten who are entitled to the full extra pay of \$5,000 each. Multiplying \$5,000 by 310, the curious calculator will find the result to be \$1,550,000, the exact amount reported to be drawn from the reserve by the 'immediate demands' above referred to."

The month of March opened upon a stringent money market, and extreme rates have prevailed. As high as $\frac{1}{4}$ per cent. per day in addition to 7 per cent. per annum was paid by stock operators early in the month. Towards the middle some relaxation ensued, but the prospect of ease for some time to come is not promising. Wall street quotations to-day are as follows:

| | Per Cent. |
|---|-----------|
| Loans on call—Government collaterals..... | 7 @ |
| “ “ Miscellaneous collaterals, first-class..... | 7 @ |
| Commercial first-class indorsed paper, sixty days..... | 9 @ 10 |
| Commercial first-class indorsed paper, four months..... | 9 @ 12 |
| Commercial first-class indorsed paper, six months..... | 9 @ 12 |
| Commercial first-class, single names, sixty days..... | 10 @ 12 |
| Commercial first-class, single names, four to six months..... | 11 @ 15 |
| Bankers', first-class domestic, three to four months..... | 10 @ 11 |

The demand for Government bonds has been well maintained, and rates steady. The latest quotations are the following:

| | Offered. | Asked. | | Offered. | Asked. |
|---|----------|--------|-----------------------------------|----------|--------|
| U. S. Currency 6s..... | 113% | 113% | U. S. 5-20, '65, Coup., July..... | 114% | 115% |
| U. S. 6s, 1881, Registered..... | 116% | 116% | U. S. 5-20, '67, Coup., July..... | 116% | 117 |
| U. S. 6s, 1881, Coupon..... | 118% | 119 | U. S. 5-20, '68, Coup., July..... | 116% | 116% |
| U. S. 5-20 Reg., May and Nov..... | 115% | 116% | U. S. 10-40, Registered..... | 110% | 111 |
| U. S. 5-20, '62, Coupon, Nov..... | 115% | 116% | U. S. 10-40, Coupon..... | 110% | 111 |
| U. S. 5-20, '64, Coupon, Nov..... | 115% | 116% | U. S. 5s of '81, Registered..... | 113 | 113% |
| U. S. 5-20, '65, Coupon, Nov..... | 116% | 116% | U. S. 5s of '81, Coupon..... | 113 | 113% |
| U. S. 5-20, '67, Reg., Jan. & July..... | 114% | 115% | | | |

A sharp diminution in deposits is shown in the returns of the New York city banks. Their loans are thirteen millions lower. We append their returns in a series of years. The aggregate capital of the fifty-one National banks is \$71,785,000, and of the twenty-six State banks, \$15,570,500.

| | 1867. | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. | Weekly Clearings. |
|---------------|----------------|---------------|---------------|-------------------|----------------|----------------|----------------------|
| Jan. 5..... | \$ 257,852,460 | \$ 12,794,892 | \$ 65,026,121 | \$ 32,762,779 | \$ 202,533,564 | \$ 466,987,787 | |
| Jan. 4, '68.. | 249,741,297 | 12,724,614 | 62,111,201 | 34,134,391 | 187,070,786 | 483,266,304 | |
| Jan. 4, '69.. | 259,090,057 | 20,736,122 | 48,896,421 | 34,379,609 | 180,490,445 | 565,304,799 | |
| Jan. 3, '70.. | 250,406,387 | 31,166,908 | 45,034,608 | 34,150,887 | 179,129,394 | 399,353,375 | |
| July 4..... | 276,496,503 | 31,611,330 | 56,815,254 | 33,070,365 | 219,063,428 | 562,736,404 | |
| Jan. 2, '71.. | 263,417,418 | 20,028,846 | 45,245,358 | 32,153,514 | 188,238,995 | 467,692,982 | |
| July 3..... | 296,237,959 | 16,526,451 | 71,348,828 | 30,494,457 | 243,308,693 | 561,366,458 | |
| Jan. 1, '72.. | 270,534,000 | 25,049,500 | 40,282,800 | 28,542,800 | 200,409,800 | 551,802,964 | |
| July 1..... | 289,002,800 | 22,795,500 | 54,951,400 | 27,416,100 | 232,387,900 | 645,973,837 | |
| Jan. 6, '73.. | 277,720,900 | 19,478,100 | 41,165,400 | 27,613,800 | 203,808,100 | 482,834,841 | |
| Feb. 3..... | 286,879,600 | 18,612,200 | 45,802,100 | 27,501,000 | 217,168,500 | 661,411,941 | |
| “ 24..... | 286,870,100 | 15,046,900 | 41,461,100 | 27,573,100 | 205,898,700 | 626,395,902 | |
| Mar. 3..... | 281,344,900 | 16,370,500 | 40,724,000 | 27,601,300 | 202,066,100 | 812,260,202 | |
| “ 10..... | 280,351,300 | 17,149,600 | 39,473,000 | 27,201,900 | 199,508,700 | 833,306,704 | |
| “ 17..... | 279,028,600 | 16,916,700 | 38,715,500 | 27,610,400 | 196,095,400 | 781,569,065 | |

The statements of the National and State banks show the following aggregates:

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|---------------------|----------------|------------|----------------|--------------|-------------|
| State Banks..... | \$ 37,886,400 | 1,400,100 | 3,800,000 | 43,000 | 26,015,600 |
| National Banks..... | 240,145,200 | 15,546,600 | 34,915,500 | 27,567,400 | 170,079,800 |
| | \$ 278,028,600 | 16,946,700 | 38,715,500 | 27,610,400 | 196,005,400 |

The banks of Philadelphia present still a very unfavorable exhibit, but as their reserves at New York are not reported, their condition may be much stronger than appears by their returns. We annex a comparison with five previous years, as usual. The aggregate capital of the twenty-seven National Banks is \$16,235,000.

| | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|--------------|---------------|----------------|-----------------------|---------------------|------------------|
| Jan. 4, 1868 | \$52,002,304 | \$235,912 | \$16,782,432 | \$10,639,000 | \$36,621,274 |
| " 4, 1869 | 50,716,999 | 252,483 | 13,210,397 | 10,593,719 | 38,121,023 |
| " 3, 1870 | 51,662,662 | 1,290,096 | 12,670,198 | 10,568,681 | 38,890,001 |
| " 2, 1871 | 51,861,827 | 1,071,528 | 12,653,166 | 10,813,212 | 38,660,403 |
| " 1, 1872 | 55,631,723 | 1,069,585 | 11,228,988 | 11,348,851 | 42,049,757 |
| July 1, " | 59,659,324 | 228,338 | 13,952,002 | 11,345,868 | 50,021,793 |
| Jan. 6, 1873 | 55,370,011 | 424,458 | 10,576,155 | 11,331,579 | 40,861,114 |
| Feb. 3, " | 57,062,437 | 352,775 | 10,599,532 | 11,370,253 | 42,180,451 |
| " 24, " | 56,476,940 | 173,293 | 9,735,670 | 11,392,438 | 40,399,024 |
| Mar. 3, " | 56,867,858 | 271,544 | 9,917,655 | 11,389,972 | 41,495,605 |
| " 10, " | 56,562,325 | 329,056 | 9,992,033 | 11,382,107 | 41,558,956 |
| " 17, " | 57,519,215 | 140,715 | 9,874,360 | 11,396,756 | 41,601,863 |

Boston also appears to have ample use for money. The deposits of her banks have decreased some ten millions of dollars since February. The fifty-one Boston banks have a combined capital of \$49,000,000, and surplus funds, \$12,872,000. We annex the returns for 1867-1872:

| | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|--------------|---------------|----------------|-----------------------|---------------------|------------------|
| Jan. 6, 1868 | \$94,969,249 | \$1,466,246 | \$15,543,169 | \$24,626,559 | \$40,856,062 |
| Jan. 4, 1869 | 98,423,644 | 2,203,401 | 12,938,342 | 25,151,340 | 37,538,767 |
| Jan. 3, 1870 | 105,985,214 | 3,765,347 | 11,374,559 | 25,280,893 | 40,007,225 |
| Jan. 2, 1871 | 111,190,173 | 2,484,536 | 12,872,917 | 24,662,209 | 46,927,971 |
| July 3 | 119,152,159 | 1,441,500 | 13,117,482 | 24,816,012 | 50,693,067 |
| Jan. 1, 1872 | 115,878,481 | 4,469,483 | 9,602,748 | 25,715,976 | 46,994,488 |
| July 8 | 112,164,800 | 2,740,100 | 9,471,800 | 24,877,000 | 48,875,500 |

The deposits (after this date) include the amount due to other banks.

| | | | | | |
|--------------|-------------|-----------|------------|------------|------------|
| Jan. 6, 1873 | 122,872,700 | 2,075,400 | 11,122,500 | 25,614,400 | 74,113,500 |
| Feb. 3 | 125,088,700 | 2,253,300 | 11,507,300 | 25,485,800 | 77,272,500 |
| " 24 | 125,578,800 | 1,171,400 | 11,157,500 | 75,276,400 | 25,566,400 |
| Mar. 3 | 124,390,400 | 1,015,100 | 11,185,600 | 74,833,700 | 25,457,500 |
| " 10 | 123,333,900 | 929,900 | 10,834,200 | 69,761,900 | 25,484,100 |
| " 17 | 122,550,800 | 795,900 | 9,884,000 | 66,576,500 | 25,428,900 |

Foreign exchange has ruled still lower than in February, and has generally been dull. The rates of leading bankers are 108½ for 60 days bills and 109 for short sight. We quote: Bills at 60 days on London, 107½ a 107½ for commercial; 108 a 108½ for bankers; do. at short sight, 108¾ a 109; Paris at 60 days, 5.32½ a 5.27½; do. at short sight, 5.23¾ a 5.22½; Antwerp, 5.31½ a 5.26¼; Swiss, 5.31¼ a 5.26¼; Hamburg, 4 Reichsmark, 94¾ a 95; Amsterdam, 89¾ a 40½; Frankfurt, 40½ a 40½; Bremen, 4 Reichsmark, 94¾ a 95; Prussian thalers, 70¾ a 71¼.

Rates for the three preceding months compare as follows:

| <i>Sixty days' Bills.</i> | <i>Dec. 23.</i> | <i>Jan. 21.</i> | <i>Feb. 20.</i> | <i>March 19.</i> |
|---------------------------|-----------------|-----------------|-----------------|------------------|
| On London, bankers' | 109¼ @ 109½ | 109½ @ 109½ | 108½ @ 108½ | 108 @ 108¼ |
| " commercial | 108½ @ 109½ | 108¾ @ 109¼ | 108¾ @ 108½ | 107½ @ 107½ |
| Paris, francs, P dollar | 5.27½ @ 5.23½ | 5.27½ @ 5.23½ | 5.27½ @ 5.24¾ | 5.32½ @ 5.27½ |
| Amsterdam, P guilder | 40 @ 40¼ | 40¼ @ 40¾ | 40 @ 40¼ | 39¾ @ 40¾ |
| Frankfort, P florin | 40¾ @ 41¼ | 40¾ @ 41¼ | 40¾ @ 41 | 40¾ @ 40¾ |
| Hamburg, P 4 R'mark | 95¼ @ 96 | 95½ @ 96½ | 95 @ 95¾ | 94¾ @ 95 |
| Prussian thalers | 71½ @ 72 | 71¾ @ 72¼ | 71¾ @ 71¾ | 70¾ @ 71¼ |

The premium on gold has ruled high, reaching, on 17th instant, 15%, the highest point touched during the year 1872. Shipments of specie and bullion to Europe, from January 1st to March 15th, amount to over twelve millions of dollars. Compared with the previous years the following is the exhibit:

| | | | | | |
|--------------------|---------------|--------------------|--------------|--------------------|--------------|
| Year 1873. | \$ 12,061,000 | Year 1866. | \$ 4,957,000 | Year 1859. | \$ 6,381,000 |
| " 1872. | 3,207,000 | " 1865. | 4,120,000 | " 1858. | 9,015,000 |
| " 1871. | 9,864,000 | " 1864. | 9,395,000 | " 1857. | 4,309,000 |
| " 1870. | 5,946,000 | " 1863. | 9,223,000 | " 1856. | 2,514,000 |
| " 1869. | 6,954,000 | " 1862. | 7,067,000 | " 1855. | 3,739,000 |
| " 1868. | 12,795,000 | " 1861. | 1,260,000 | " 1854. | 2,737,000 |
| " 1867. | 5,746,000 | " 1860. | 2,612,000 | " 1853. | 2,560,000 |

The imports of foreign goods and merchandise, during the same period in three years, compare as follows.

| | | | |
|-----------------------|---------------|---------------|---------------|
| | 1873. | 1872. | 1871. |
| Since Jan. 1. | \$ 88,450,000 | \$ 81,858,000 | \$ 73,691,000 |

There is a gratifying increase in the exports for the eight months of the fiscal year, as shown by the following exhibit:

Exports (exclusive of specie) from New York to foreign ports, for eight months ending with February.

| <i>Six months ending</i> | 1871. | 1872. | 1873. |
|--------------------------|----------------|----------------|----------------|
| January 1. | \$ 107,654,919 | \$ 119,604,390 | \$ 130,400,814 |
| January | 18,837,876 | 18,951,004 | 20,050,550 |
| February | 18,739,742 | 17,915,16 | 21,139,008 |
| Total produce. | \$ 145,232,537 | \$ 156,470,463 | \$ 171,590,366 |
| Add specie. | 47,522,152 | 24,823,943 | 45,642,576 |
| Total exports. | \$ 192,754,689 | \$ 181,294,406 | \$ 217,232,942 |

We import in this district an average of two-thirds of the total foreign products and merchandise landed in the United States, and export now about forty-six per cent. of the exports, excluding specie from the calculation.

The European money markets have been abundantly supplied with capital. At London the BANK OF ENGLAND rate remains at three and a-half per cent., while on the Stock Exchange money is a drug at $2\frac{1}{2}$ a 3 per cent. on English government collaterals—and even at lower rates. Quotations on the Continent, at the latest dates by mail, were as follows:

| | Bank Rate. Per Cent. | | Bank Rate. Per Cent. |
|--------------------|-------------------------|-------------------------|-------------------------|
| Amsterdam. | 5 | Hamburg. | 3 |
| Bremen. | 4½ | Leipsic. | 5 |
| Berlin. | 4½ | Paris. | 5 |
| Brussels. | 4 | St. Petersburg. | 6½ |
| Frankfort. | 4 | Vienna. | 6 |

DEATH.

In NEW YORK CITY, Monday, March 10, aged seventy-five years, Dr. JOHN TORREY, Assayer of the U. S. Assay Office from the year 1853 until his death.

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

VOL. VII. THIRD SERIES. MAY, 1873.

No. 11.

FOREIGN PUBLIC DEBTS.

I. *The Statesman's Year Book, a statistical and historical annual of the States of the Civilised World; a hand-book for politicians and merchants, for the year 1873.* By FREDERICK MARTIN. Tenth annual publication. 12mo., pp. 756. MACMILLAN & Co., London and New York. Price, seven shillings sterling, or \$ 3.50.

II. FENN'S *Compendium of the English and Foreign funds, debts and revenues of all nations; banks, railways, mines, joint-stock companies.* Edited by R. L. NASH. 8vo., pp. 682. London, 1872. EFFINGHAM WILSON, publisher.

III. *On National Debts.* By R. DUDLEY BAXTER. Read before the British Association, Liverpool, September, 1870. 8vo., pp. 144. London.

IV. *Statistical Abstract of the UNITED KINGDOM for fifteen years.* London, 1872.

SECOND ARTICLE.

The ensuing compilation shows, in brief, the financial condition of the following countries, according to the latest authorities; mainly of the year 1872 :

AFRICA.—XIV. Egypt. XV. Liberia.

INDIA.—XVI. British India.

SOUTH AMERICA, &c.—XVII. Argentine Confederation. XVIII. Bolivia. XIX. Brazil. XX. Chili. XXI. Costa Rica. XXII. Ecuador. XXIII. Mexico. XXIV. Paraguay. XXV. Peru. XXVI. San Domingo. XXVII. Uruguay. XXVIII. Japan.

XIV. EGYPT.

Area (estimated), 31,000 geographical square miles. Population (estimated), 7,000,000.

The present Egyptian debt may be stated at twenty-seven millions sterling :

| | | | | |
|-------------------|-------------|----|-------------------------|--------------|
| 1862 Loans..... | £ 3,000,000 | .. | Nine-per-cent Loan... | £ 2,000,800 |
| 1864 Loans..... | 5,050,000 | .. | Viceroy's Seven-per-ct. | 3,030,000 |
| Railway Loan..... | 2,500,000 | .. | | |
| 1868 Loan..... | 11,890,000 | .. | Total debt..... | £ 27,470,000 |

with an average interest and sinking fund of over ten per cent. per annum until after 1874, when the railway loan will have become extinct. To this may be added a loan to the Khedive of £ 7,142,000, contracted in London and Paris, 1870, on a mortgage of his private domain.

The commerce and revenue of EGYPT have rapidly increased of late years, and the present revenue is estimated at between seven and eight million pounds sterling.

Although the Egyptian Government agreed not to issue any further public loan for the space of five years from July, 1868, or till after July, 1873, this did not prevent the introduction in April, 1870, of another "Viceroy's loan" for a large amount, which now goes by the name of the Khedive's Loan of 1870.

The FRANCO-EGYPTIAN BANK were the contractors for this seven-per-cent. loan for £ 7,142,860 sterling, or 178,571,500 francs, and through their agents, Messrs. BISCHOFFSHEIM and GOLLSCHMIDT in London, and the COMPTOIR D'ESCOMPTE in Paris, the loan was brought out. The bonds to bearer, in sums of £ 20, £ 100, and £ 1,000 each, were allotted at 78½ per cent., with instalments payable over a period of five months, and from the last instalment in October, the first half-yearly coupon was deducted. Dividends and principal are payable in London, Paris, and Alexandria; the former in April and October, and the latter by a 2½-per-cent. sinking fund applied half-yearly in drawings at par. The seven-per-cent. bonds of EGYPT command 94 @ 98 in London.

XV. LIBERIA.

Population (estimated), 720,000.

In August, 1871, Messrs. **HOLDERNESS, NOTT & Co.** negotiated the Liberian Government seven-per-cent. loan for \$500,000, or £100,000, in bonds of £50 and £100 each, the price of issue being £85 per £100 bond, payable by instalments over three months. The loan is redeemable at par in fifteen years.

XVI. BRITISH INDIA.

The revenue and expenditure of the Indian Government for the four financial years ended the 31st March, 1868, 1869, 1870, and 1871, and the estimates for 1871–2, are below :

| <i>Years ended March 31st.</i> | <i>Revenue.</i> | <i>Expenditure.</i> | <i>Extra Outlay on Railway and Public Works.</i> |
|------------------------------------|-----------------|---------------------|--|
| 1868, .. | £ 48,534,412 .. | £ 50,144,569 .. | — |
| 1869, .. | 49,262,691 .. | 53,407,334 .. | — |
| 1870, .. | 50,901,081 .. | 50,782,413 .. | £ 2,599,614 |
| 1871, (est.) .. | 51,048,900 .. | 50,051,800 .. | 1,146,800 |
| 1872, (est.) .. | 49,098,900 .. | 49,005,500 .. | 3,362,600 |

XVII. ARGENTINE CONFEDERATION.

Area, 515,700 English square miles. Population (1869), 1,736,900.

In 1871 the debt of the ARGENTINE CONFEDERATION was stated at \$76,571,000, or £15,314,000, as follows :

| | | |
|----------------------------------|-----------------|--------------|
| Internal debt..... | \$22,608,411 .. | £ 4,521,682 |
| Foreign debt..... | 53,962,974 .. | 10,792,594 |
| Totals..... | \$76,571,385 .. | £ 15,314,276 |
| To which add "Lard dollar" bonds | 6,000,000 .. | 1,225,000 |
| Present debt..... | \$82,571,385 .. | £ 16,539,276 |

These tables include the old Buenos Ayres loans, taken over at the time of the Confederation; but not the Buenos Ayres loan of 1870, nor the Entré Rios of 1872, which bear the same relation to Argentine bonds as Massachusetts or Virginian bonds do to United States securities. The annual charge, interest and sinking fund in 1870 was £685,556, and in 1871 it was £1,278,000.

The revenue of the ARGENTINE CONFEDERATION was in 1863,

\$6,478,682; in 1864, \$7,005,328; in 1865, \$8,295,071; in 1866, \$9,568,554; in 1867, \$12,040,287; in 1868, \$12,496,126; in 1869, \$12,676,690; in 1870, \$14,853,904; and the estimate for 1871 was \$15,806,620. These figures are exclusive of the receipts from loans, and are chiefly derivable from Customs dues. They show a gratifying and steady increase. The ordinary revenue at the present time may be set down at £3¼ millions sterling.

In 1870 the official value of the duty paying imports was £9,324,953; though the total imports are officially calculated at not less than £12,000,000, while the exports were officially estimated at £7,000,000.

In February, 1872, Messrs. STERN BROTHERS, London, received subscriptions for \$6,000,000, which, at the exchange of 49d. is equal to £1,225,000, in six-per-cent. internal hard dollar bonds of \$500 (equal to £102 1s. 8d.) and \$1,000 (£204 3s. 4d.) each. The principal and interest are guaranteed by the ARGENTINE CONFEDERATION, the latter being payable quarterly in specie in Buenos Ayres. Coupons will be negotiable in London. An Accumulative Sinking fund of one per cent. will be applied to purchases of bonds by tender. The issue formed part of \$20,809,506 of this description of internal debt. The issue price was 76 per cent., or £77 11s. 8d. per \$500 bond; reduced, however, to £74 10s. 5d., allowing for prepayment of instalments and accrued dividends. Their six-per-cent. bonds realize 91 @ 92 per cent. in the London market.

XVIII. BOLIVIA.

Area (estimated), 473,000 English square miles. White Population, 1,742,000.

It appears from the memorandum furnished with the prospectus of the loan, that the population of BOLIVIA is now about 2,750,000, one million being Spanish. The revenue for 1871 was estimated at \$2,318,000, and the expenditure at \$2,153,000. The internal debt was £349,000, and the external debt (held in CHILI) £200,000. The foreign commerce, despite the country's inland position, is stated at imports, £1,288,000, exports, £1,345,000.

In January, 1872, Messrs. LUMB, WAUKLER & Co., London, invited applications for the six-per-cent. Government loan of £1,700,000 nominal capital, in £100 and £500 bonds, bearing interest payable in London, free of income tax, on the 1st January and 1st July. The issue price was 68 per cent. nominal, but reduced to 66½ net, reckoning rebate on prepayment of instalments. The six-per-cent. bonds of BOLIVIA are selling in the London market at 60 @ 62.

XIX. BRAZIL.

Area (estimated), 3,100,000 English square miles. Population, free, 8,184,000; slaves, 1,674,000.

No fresh loan for account of BRAZIL has appeared on the London market since the year 1865 until 1872; but while the foreign debt has slightly decreased by the action of the sinking fund, yet owing to the Paraguay war, the internal debt has rapidly advanced, and the whole may now be stated as under:

| | |
|---|--------------|
| Foreign debt | £ 14,000,000 |
| Internal debt to December 31st, 1867, 4, 5, and 6-per-cent. bonds.. | 12,418,270 |
| Paper money and Government notes, December 31st..... | 5,468,339 |
| Debt to Bank of Brazil..... | 1,226,909 |
| Treasury acceptances, estimated at | 6,000,000 |
| Orphan fund and deposits..... | 1,200,000 |
| Deficit acknowledged in May, 1868..... | 7,200,000 |
| Total..... | £ 47,513,518 |

Mr. PACKENHAM, the British Secretary of Legation at Rio, has furnished figures from which it appears that the general expenditure of the empire for 1868-69 was estimated at about £6,774,000, including £1,441,000 on account of the war, and that the inland revenue is estimated at about £5,900,000.

The total debt of this empire, in 1872, is stated at about sixty million pounds, including paper and treasury bills, and of this amount about £16,000,000 is foreign, and about £24,000,000 home-funded debt. The cost of the Paraguay war, now happily at an end, has been stated at £30,610,000 as far as BRAZIL is concerned. The revenue, in 1868-9, was £7,752,275, while the estimate for 1872-3 is £9,337,000, showing a surplus. The imports and exports, in 1867-8, were stated at £13,825,814 and £18,175,138 respectively, and have increased since then. The Government measure for the gradual abolition of slavery has been passed.

In February, 1871, Messrs. ROTHSCHILDS brought out new proposals for a loan of £3,000,000 sterling, in conformity with the law, No. 1764, of 28th June, 1870.

The price of emission was 89 per cent.

The redemption of this loan will be effected by a sinking fund of one per cent. per annum, to be applied by purchase of bonds in the market when the price is under par, and when at or above par by drawings by lot. The operations of this sinking fund will commence on the first February, 1873.

The five-per-cent. bonds of BRAZIL are selling in the London market at 95 @ 96.

XX. CHILI.

Area, 130,000 English square miles. Population, 1,938,000.

The total debt of CHILI, at the commencement of 1870, was stated at £7,587,000; of which £5,765,000 was external debt. The annual charge thereon was announced to be £564,000. The revenue in 1868, exclusive of loans, was £1,870,000; in 1869 it was £2,011,000; and in 1870 it was £2,300,000. Some four and a half millions have been expended on railways which, a few years ago, produced a return of £170,000 a year.

In February, 1870, Messrs. J. S. MORGAN & Co. brought out a new loan, on account of CHILI, for £1,012,700, at the price of 83 per cent. The five-per-cent. interest is payable in London in January and July, and there is a sinking fund at the rate of two per cent. per annum for the first five years, and of one per cent. thereafter, both of which are accumulative; by which the entire loan will be redeemed in or before the year 1902. The drawings are effected in May and November, and the bonds are divided into sums of £1,000, £500, and £100 each. The loan was raised for railway purposes, and was subscribed for many times over.

XXI. COSTA RICA.

Area, 26,040 British square miles. Population (estimated), 125,000.

The debt of the Republic of COSTA RICA consists of various loans negotiated in London, and of a small amount of about £20,000 due to PERU. There is no interior debt, and some small dollar loans contracted between 1856 and 1865 were speedily repaid. Altogether the debt of COSTA RICA may be put down at £3,410,000, contracted for the purpose of executing various public works, amongst which may be named the railway to San Jose de Costa Rica and other points. The estimated revenue for 1872 was stated at \$2,026,400 (say £405,000), and the expenditure, including interest charges and ordinary public works, at \$1,097,054 (say £220,000). The principal exports are coffee, tobacco and sugar: that of coffee amounting, in 1871, to 15,000 tons. The particulars of the Costa Rica loans, which have all been contracted since April, 1871, are annexed.

In May, 1871, Messrs. BISCHOFFSHEIM and GOLDSCHMIDT, London, received subscriptions for an issue of £500,000, nominal capital of the "Costa Rica Government six-per-cent. Loan," at the price of 72 per cent., payable over a period of nearly six months.

In October, 1871, the "Costa Rica Government six-per-cent. Loan, Second Issue," to the amount of £500,000 stock, was brought out by Messrs. BISCHOFFSHEIM and GOLDSCHMIDT, at the price of seventy four per cent.; the instalments thereof falling due over a period of

more than five months. The further details of this issue are precisely similar to the above.

In May, 1872, the Costa Rica Government seven-per-cent. loan, 1872, for £2,400,000 nominal capital, was advertised by Messrs. KNOWLES & FOSTER, in bonds of £100, £200 and £500, at the price of 82 per cent. The bonds of COSTA RICA command in the London market 62 @ 65 for six-per-cents., and 70 @ 71 for seven-per-cents.

XXII. ECUADOR.

Area (estimated), 218,000 English square miles. Population, 1,300,000.

The coupon due in May, 1868, on the one-per-cent. consolidated debt still remains unpaid. In May, 1869, it was announced that the Finance Minister proposed to stay the payment of customs due to the bondholders, for the alleged reason that the state revenue was insufficient to meet the country's expenses. This was of course appealed against; but in December, 1869, advices were received that the President's decree had confirmed this proposition, the National Convention at the same time authorizing the Government to take advantage of this act of spoliation by laying out £10,000 in the purchase of bonds at their necessary depreciated prices. Since then, ECUADOR has been a recognized defaulter. Their bonds are quoted at $8\frac{1}{2}$ @ $9\frac{1}{2}$ in London.

XXIII. MEXICO.

Area, 1,030,000 English square miles. Population, 9,176,000.

No settlement of the claims of British creditors has yet been effected with the Mexican Republic, though negotiations have from time to time been carried on, and in July, 1870, a proposition emanating from the Mexican Government was submitted to the bondholders, who deemed certain items inadmissible. The country is still subjected to periodical revolutions. The population in 1869 was 8,567,000.

In October, 1870, the permanent committee of Mexican bondholders received the sum of 6d. per cent., to cover the cost of negotiations; and in November they made a claim upon the Mexican Railway Company without result, that company being paid a proportion of the Customs dues, which were originally hypothecated to the Mexican bondholders. Mexican three-per-cent. bonds are quoted in London at 8 @ 17 per cent., which shows the estimate of the integrity of the nation.

XXIV. PARAGUAY.

Area (recently reduced to), 57,300 English square miles. Population, 1871 (estimated), 1,200,000.

Since November, 1871, PARAGUAY has contracted two foreign loans, representing a total of £3,000,000 sterling, bearing eight per cent. interest, with an additional two-per-cent. charge for the establishment of a sinking fund, the money being required for improvements and for immigration and financial purposes. After the desperate conflict sustained against BRAZIL and the ARGENTINE CONFEDERATION, the state of the country must have been one of utter exhaustion; but now, under the military protection of BRAZIL, with foreign aid, with a fine climate and productive soil, and with a promise of regular communications with the Atlantic coast, the prospect, at any rate, is much more hopeful.

In November, 1871, Messrs. ROBINSON, FLEMING & Co., London, invited subscriptions for a "Public Works Loan" for £1,000,000 stock, in bonds of £1,000, £500, and £100 each, at the issue price of 80 per cent., less two months' interest accrued, and discount on deferred instalments.

XXV. PERU.

Area (estimated), 502,000 English square miles. Population (1862), 3,200,000.

According to the terms of the Peruvian Government Five-per-cent. Consolidated loan, 1872 (described hereafter), the total foreign debt of PERU is £36,800,000, plus the five-per-cent. guarantee on the Pisco-Yca Railway Bonds, which amount to £290,000. Altogether the foreign debt may be stated at £37,000,000, with an annual charge of five per cent. for interest and two per cent. for sinking fund, or together about £2,590,000. By far the greater portion of this debt has been raised for the purpose of constructing railways and other public works. The internal debt amounts to £1,000,000.

In March, 1872, Messrs. J. H. SCHRODER & Co. and Messrs. STERN BROTHERS, London, invited applications for the Peruvian Government Five-per-cent. Consolidated loan, 1872. The nominal amount was £36,800,000, of which £21,800,000 was reserved for the extinction of the previously existing bonded debt, and £15,000,000, in sterling bonds, to bearer, in sums of £1,000, £500, £200, £100, and £20 each, was issued for the carrying out of railroads and other public works. The five-per-cent. interest, exempt from all Peruvian taxes, is payable in London on the first of January and the first of July, or at the exchange of 25 francs in Paris, or at the exchange of the day in Amsterdam. The redemption of the en-

the loan will be effected by a sinking fund of two per cent. per annum accumulative, to be applied to half-yearly drawings at par, by which the whole will be paid off in twenty-six years from the first of July, 1872, the date of the first drawing. The allotment of the £15,000,000 offered to the public was effected at the price of 77½ per cent., but as instalments were payable during a period of nine months, and as three months' interest accrued at the date of allotment, the actual price was about 75 per cent.

The possession of the important article of Guano will soon emancipate PERU from debt. The guano islands are estimated at 112 millions sterling, viz.:

| | | |
|---------------------|--------------------------------|---------------|
| Lobos islands | 3,000,000 tons at £ 6 per ton, | £ 18,000,000 |
| “ | 1,000,000 “ 4 “ | 4,000,000 |
| Macabi | 1,500,000 “ 6 “ | 9,000,000 |
| Guannassa | 2,500,000 “ 6 “ | 15,000,000 |
| Chincha islands... | 11,000,000 “ 6 “ | 66,000,000 |
| | | £ 112,000,000 |

The commercial resources of PERU are such that their six-per-cent. bonds command 78 \approx 80 per cent. in London.

XXVI. SAN DOMINGO.

Area, 18,045 English square miles. Population, 136,000.

In July, 1869, SAN DOMINGO contracted a six-per-cent. loan in ENGLAND. This issue, for £757,700, nominal, was announced at the price of 70 per cent. The bonds, of £ 500 and £ 100 each, are redeemable at par, within twenty-five years from January, 1870, by half-yearly drawings. Messrs. PETER LAWSON & SON, of London and Edinburgh, were the agents who issued the bonds to bearer. The special hypothecated securities are the proceeds of guano sales and customs, said to be worth £120,000 a year. The dividends are made payable in January and July, and the drawings take place on the 15th June and 15th December. The money was required for the construction of roads and railways.

XXVII. URUGUAY.

Area, 73,000 English square miles. Population (1860), 221,000.

In October, 1870, Messrs. THOMSON, BONAR & Co., London, endeavored to place a Montevidean loan for £3,000,000 in six-per-cent. sterling bonds, at the price of 80 per cent. nominal; but afterwards withdrew it on receipt of unfavorable news.

In October, 1871, the same firm placed the “Consolidated six-per-

cent. Loan of the Republic of URUGUAY," for £ 3,500,000 stock, at the price of 72 per cent., payable over a period of six months. The bonds, in sums of £ 1,000, £ 500, and £ 100 each, bear interest due in London on the 1st February and 1st August, and a cumulative sinking fund of $2\frac{1}{2}$ per cent. per annum is applied to the extinction of the loan, at par, within twenty-one years, by drawings on the 1st May and 1st of November.

The population, in 1869, was stated to have grown to above 500,000. The imports in 1870 were £ 3,125,696, and the exports £ 2,503,268, showing some falling off as compared with 1869, owing to revolutionary movements. The Customs revenue in 1862, was £ 354,000; in 1868, it was £ 841,000; in 1869, it was £ 954,100; in 1870, it was £ 907,700; and in 1871, it was £ 1,062,500.

At the commencement of 1870, the debt was officially stated at \$ 26,540,475, or under £ 5,500,000 including \$ 8,259,000 as floating debt. The State guarantees some railway loans recently issued, such works being, it is understood, greatly needed.

XXVIII. JAPAN.

Area (estimated), 156,600 English square miles. Population, 32,794,000.

Little is known with respect to Japanese finances, but since the revolution and the resumption of power by the family of the Mikado, after centuries of subjection, the government has appeared stable in character, and solicitous for the advancement of the nation. Public works, including various railways have been pushed forward, and the direct foreign trade of JAPAN, which is increasing, in 1870 amounted to—imports, £ 6,224,128; exports, £ 3,028,650. The country is stated to be rich in minerals, which are roughly worked to a small extent. The new bonds of JAPAN were engraved by the National Bank Note Company of New York, where specimens may be seen. These bonds, bearing nine per cent. interest, were quoted on the London Stock Exchange, in December last, at 110 @ 112 per cent. They are curious in an historical and literary view, as well as financial.

The fact that JAPAN has obtained a loan of ten millions in ENGLAND, and that offers were tendered to five times the amount, shows what good credit the government of that country has established by persevering in its liberal policy. This is the first loan ever effected by JAPAN, and it is another step in establishing intimate relations with foreign powers. An effort was made to procure the money in the UNITED STATES, but there is less surplus capital here than in ENGLAND, and the rates of money are higher.

This, the first public loan of JAPAN, was readily subscribed, and has since risen to a considerable premium.

CONCLUSIONS.

In order to present this subject more fully we append a tabular statement of the current (or recent) values of various government securities in the London market. It will be seen by this, that the bonds of those governments where repudiation and procrastination have prevailed (as in MEXICO, SPAIN, PORTUGAL, AUSTRIA, ECUADOR, VENEZUELA, &c.) are at a low point. These governments have either been financially mismanaged and indifferent to the claims of their creditors, or, as in some instances, have contracted debts with no intention to pay them. In some cases, too ignorant to establish a system of taxation to secure punctual payment of interest.

In other notable instances, such as BRAZIL, DENMARK, ENGLAND, RUSSIA, SWEDEN, HOLLAND, the true principles of political economy and statesmanship have demanded and have secured punctilious scrutiny and regard; whereby the credit of these States stands fully acknowledged in and by the world.

The annual stock review of the London market presents unfavorable features for the bondholder; at the same time, it is a fair index as to the credit of leading nations, and to the discredit of others. Thus the credit of those who observe punctuality in their engagements is of a high order, while those who are regardless of their financial integrity, find their bonds quoted throughout the civilized world at five to fifty cents on the dollar. We annex an exhibit of the current values of government bonds in the London stock market, at the close of the year 1872. Further, to illustrate the ruinous system adopted by modern nations in the unnecessary creation of heavy debts, we extract from Mr. BAXTER'S volume, the following remarks, which were read before the British Association at Liverpool, in September, 1870.

“But a debt produces greater evils and causes of weakness than the mere increase of taxation. Moderate taxes are easy to lay and to bear, without hardship or inequality, and the taxes necessary for government and national safety are usually of moderate amount. But heavy taxes are difficult to impose without hardships and inequalities, disarranging industry, and raising the prices of necessary articles; losses that are apt to fall principally upon the poor. Such taxes may be borne for a short effort during the fever of war, but when continued during peace, for the interest of a heavy debt, they lessen the annual production of a nation and cripple its development. Such was notably the effect of debt-taxation in the UNITED STATES after the Civil War. Such also was the effect of the Dutch debt. Hence, a debt not only causes the payment of additional taxation, but of a worse kind of taxation; for, even if taxes are wisely levied, it necessitates the heavy portion of the taxation, which is always the most prejudicial to industry. Escape from such taxes is often sought by emigration, draining the State of many of its best workers and their savings. * * * * *

Foreign Stocks, Bonds, &c.

FOREIGN STOCKS, BONDS, &c.,

In the London Market, December, 1872.

| Dividends due. | | Sinking Fund %. | Name. | Per Cent. | Closing Prices. | |
|----------------|-------|--------------------------------|--|-----------|-----------------|-----|
| Jan. | July | 2½ | Argentine, 1868... | 6 | 96½ | 97 |
| Mar. | Sept. | 2½ | " Public Works | 6 | 91½ | 92½ |
| Jan. | July | 2 | Bolivia..... | 6 | 60 | 61 |
| June | Dec. | 1 | Brazilian, 1852..... | 4½ | | |
| June | Dec. | 1 ¹⁹ / ₂ | " 1858..... | 4½ | | |
| April | Oct. | | " 1859..... | 5 | | |
| June | Dec. | 1 ¹³ / ₂ | " 1860..... | 4½ | | |
| April | Oct. | 1 ¹³ / ₂ | " 1863..... | 4½ | | |
| Mar. | Sept. | 1 | " 1865..... | 5 | 95½ | 96 |
| Feb. | Aug. | | " 1871..... | 5 | 95 | 96 |
| Jan. | July | | Buenos Ayres..... | 6 | | |
| Jan. | July | | " " 100l..... | | | |
| April | Oct. | 1 | " " 1870..... | 3 | 93 | 95 |
| April | Oct. | | " " 100l..... | 3 | 93 | 95 |
| Mar. | Sept. | | Chilian, 1842..... | 3 | | |
| June | Dec. | | " 1858..... | 4½ | 87 | |
| Jan. | July | 2 | " 1866..... | 7 | 106 | 108 |
| Jan. | July | 2 | " 1867..... | 6 | 102 | 104 |
| Jan. | July | | " 1870..... | 5 | 96 | 98 |
| April | Oct. | 7 | " 100l..... | 5 | | |
| April | Oct. | | Colombian..... | 6 | | |
| May | Nov. | 2 | Costa Rica..... | 6 | 62 | 65 |
| April | Oct. | 1 | " 1872 Scrip | 7 | 70 | 71 |
| Mar. | Sept. | | Danish, 1825..... | 3 | | |
| Mar. | Sept. | | " 1850 & '61..... | 4 | | |
| June | Dec. | | " 1863..... | 4 | | |
| Jan. | July | 1 | " " 100l..... | | | |
| Jan. | July | 1 | " 1864..... | 5 | | |
| May | Nov. | | " { Gov't Deb. } { 1871—77.. } | 5 | | |
| Mar. | Sept. | 2 | Danubian, 1864..... | 7 | 91 | 92 |
| Jan. | July | 1.64 | " 1867..... | 8 | 99 | 101 |
| Jan. | July | none | Ecuador, New Con. { Provision'l } { L'nd Wrn't } | 1 | 8½ | 9½ |
| Mar. | Sept. | | Egyptian, 1862..... | 7 | 92 | 94 |
| Mar. | Sept. | | " 2d Issue..... | 7 | 92 | 94 |
| Mar. | Sept. | | " " 500l..... | | 92 | 94 |
| Mar. | Sept. | | " " 100l..... | | 93 | 95 |
| April | Oct. | 3½ | " 1864..... | 7 | 97 | 98 |
| Jan. | July | 1 | " " 500l..... | | 97 | 98 |
| Jan. | July | 1 | " " 100l..... | | 98 | 100 |
| Jan. | July | 1 | " 1868..... | 7 | 92½ | 92½ |
| Jan. | July | | " { Gov. Rail. } { Debnt' res } | 7 | 103 | 104 |
| April | Oct. | | French Nat. Defen. | 6 | 95½ | 96½ |
| Feb. | Aug. | not applied. | Greek, 1824—25, ex Coupons..... | 5 | 15 | 17 |
| Feb. | Aug. | not applied. | " Coupons..... | | 5 | 7 |
| Feb. | Aug. | not applied. | Guatemala..... | 5 | | |
| April | Oct. | 3 | " 1869..... | 6 | | |
| Jan. | July | 3 | Honduras Govern't Railway Loan | 10 | 34 | 36 |
| Jan. | July | | " 500l..... | | 34 | 36 |
| Jan. | July | | " 100l..... | | 35 | 39 |
| April | Oct. | | " 1867..... | 5 | | |
| Jan. | July | 3 | " 1870..... | 10 | 39 | 40 |

Foreign Stocks, Bonds, &c.

| <i>Dividends due.</i> | | <i>Sinking Fund %.</i> | <i>Name.</i> | <i>Per Cent.</i> | <i>Closing Prices.</i> | |
|-----------------------|-------|------------------------|---------------------------------|------------------|------------------------|-----|
| April | Oct. | 1½ | Hungarian..... | 5 | 79½ | 80½ |
| Jan. | July | | Italian, Marem'm. | | | |
| | | | Railway..... | 5 | 67 | 69 |
| April | Oct. | 6.66 | " 1835..... | 5 | 88 | 90 |
| Feb. | Aug. | | Japan..... | 9 | 110 | 112 |
| Feb. | Aug. | | Liberian..... | 7 | | |
| Jan. | 1867 | none | Mexican..... | 3 | 17 | 17½ |
| Jan. | 1867 | none | " 1864..... | 3 | 8 | 9 |
| April | Oct. | none | " Ang-French | 6 | | |
| Jan. | July | 1 | Mont'vid'n Europ'n | 6 | | |
| Feb. | Aug. | 5 | Moorish, Imperial.. | 5 | 98 | 102 |
| June | Dec. | | New Granada..... | | 21 | 22 |
| June | Dec. | | " | 3 | 36 | 38 |
| June | Dec. | | " Deferred.. | | 10 | 10½ |
| | | | " Land W'nts (Hectares)..... | | | |
| | | 2 | Paraguay..... | 8 | 71 | 73 |
| Jan. | July | 5 | Peruvian, 1885..... | 5 | | |
| Jan. | July | | " 1870..... | 6 | 78½ | 79½ |
| Jan. | July | none | Portuguese, '53-67.. | 3 | 42½ | 42½ |
| Jan. | July | | " 1869..... | 3 | 42½ | 42½ |
| Mar. | Sept. | | Russian, 1823, Estl. | 5 | 93 | 95 |
| Jan. | July | 2 | " 1850..... | 4½ | 91 | 93 |
| June | Dec. | 1½ | " 1860..... | 4½ | | |
| May | Nov. | | " 1859..... | 3 | 63 | 64 |
| May | Nov. | | " 1862..... | 5 | 92 | 93 |
| April | Oct. | 1 | " { Ang. Dtch. } | 5 | 95½ | 96½ |
| | | | " { 1864, 100½ } | | | |
| April | Oct. | 1 | " " 84½ 15s } | 5 | | |
| April | Oct. | | " " 1866, 100½ } | 5 | 95½ | 96½ |
| April | Oct. | | " " 8½ 15s } | 5 | | |
| May | Nov. | 0.15 | " (Nicks. Rail.) | 4 | 74½ | 75½ |
| Feb. | Aug. | 0.1 | " 1870..... | 5 | 93 | 94 |
| Mar. | Sept. | 0.1 | " 1871..... | 5 | 91½ | 92½ |
| Jan. | July | 1.77 | San Domingo..... | 6 | 29 | 31 |
| | | | " Small..... | | 29 | 31 |
| June | Dec. | 1 | Sardinian..... | 5 | 30 | 32 |
| June | Dec. | | Spanish..... | 3 | 29½ | 29½ |
| Jan. | July | | " { Quicksilv'r } | 5 | 82½ | 83½ |
| | | | " { Mortgage } | | | |
| June | Dec. | ½ | Swedish Provincial | | | |
| | | | Mortgage Loan | 4 | | |
| April | Oct. | 0.45 | " Gov't, 1864..... | 4½ | | |
| Jan. | July | | " " 1868..... | 5 | 102 | 10½ |
| April | Oct. | 1 | Turkish, 1854..... | 6 | 87 | 89 |
| Mar. | Sept. | 1 | " 1858..... | 6 | 71 | 72 |
| | | | " 100..... | | 74 | 76 |
| Jan. | July | 2 | " 1862..... | 6 | 75 | 76 |
| Jan. | July | | " 100..... | | 76 | 77 |
| Jan. | July | 2 | " 1863..... | 6 | 71 | 73 |
| Jan. | July | | " 1865..... | 5 | 53½ | 54 |
| Jan. | July | 2.44 | " 1865..... | 6 | 72½ | 73 |
| Feb. | Aug. | | " Guaranteed. | 4 | 101 | 103 |
| April | Oct. | | " 1869..... | 6 | 62½ | 63½ |
| | | | " 100..... | | 62½ | 63½ |
| April | Oct. | | " 1871..... | 6 | 71 | 71½ |
| Feb. | Aug. | 2½ | Uruguay, Con. 1871 | 6 | 74½ | 75½ |
| Coup. 1865 | | | Venezuela..... | 3 | | |
| Coup. 1865 | | | " | 1½ | | |
| Coup. 1865 | | | " 1862..... | 6 | 17 | 20 |
| Coup. 1867 | | | " 1864..... | 6 | 17 | 20 |

NOTE.—Dividends on the before-mentioned Stocks payable in London.

Thus, a great State will from time to time be obliged to spend in national defense, far more than can be raised within the year, even by war taxes; and, in order to avoid confiscation of property and stoppage of industry, will be compelled to have recourse to loans, throwing part of the burden upon posterity, and will have to submit to disadvantageous terms and costliness, in order to be strong enough to repel attack or carry the war into the enemy's territory. A wise nation will, like PRUSSIA, borrow as little as possible, and administer the borrowed money with the strictest economy. A wise nation will not, like the UNITED STATES, carry on war by borrowing instead of taxation, and postpone increased taxes till a huge debt has been accumulated. A wise nation will not, like ENGLAND in the Revolutionary Wars, borrow on conditions that render subsequent repayment extremely onerous; and abandon all care for economy in expenditure.

* * * * *

If a debt is causing objectionable taxation that hinders trade and industry, there can be no doubt that the principal efforts ought to be directed to getting rid of the pernicious taxes, and that it is unwise to spend in simple saving of interest the greater part of a surplus that might do double service by creating new industry as well as remitting a burden. Still more is it unwise to impose fresh prejudicial taxes, in order to pay off debt and save its interest, since this is destroying industry, and buying a five-per-cent. reduction by a ten or fifteen per cent. imposition. But it is not wise altogether to lose sight of the diminution of the debt, and to allow the nation to lose the habit and the sense of duty of reduction.

If there is no taxation that tends to cripple industry, and if it is possible to obtain a surplus without injuring industry, ought greater efforts to be made to reduce an old debt? Many have argued that it is unwise to pay off a debt that bears a low rate of interest with money drawn from industry and bearing higher interest. But money paid in taxes is not chiefly drawn from industry. It comes from other sources as well, where it bears as low an interest as that of the Funds, and it is partly saved from superfluities. The industrial capital of a nation is rather increased than diminished by reducing a debt.

The real argument arises on the point that we have taken so much pains to elucidate, the rapid growth of modern nations in numbers and wealth. Why, it may be said, should we increase our present taxation in order to diminish the debt for future generations, when the experience of the last 170 years shows that the nation by its rapid growth is constantly diminishing its burden. In the peace between 1815 and 1870, ENGLAND has diminished the pressure of her debt from 9 per cent. to less than 3 per cent., principally by her natural growth and increase; what can we want more than such a rate of diminution, and why should we pinch ourselves to accelerate so rapid a process? The answer is, that this argument is fallacious, because it assumes the continuance of peace and rapid growth, which we have no right to count on as a certainty. We must in prudence

expect, and make provision for, periods of war and great increase of debt.

In 1784 the same argument might have been used: "See how immensely the national income has increased since 1700, trebling itself in 84 years. The next thirty years will make a vast reduction in the burden of the debt." But the next thirty years included twenty-two years of war, and notwithstanding the growth of income, the actual pressure of the debt was nearly doubled. The same contingency of war may again falsify anticipation, and render the argument equally delusive. So also in FRANCE, it might have been argued under the Second Empire: "See how the increase of national wealth has kept pace with our borrowing, so that the pressure of the debt in 1869 was no greater than in 1850." But the war has destroyed a great part of the increased income, and rendered the debt in 1869 far heavier than in 1850, besides imposing a fresh burden far harder to be borne. A great naval war might equally destroy a large portion of the trade and income of ENGLAND, besides loading her with a new debt very hard to bear.

But there is still another reason for active debt-reduction in the industrial competition of nations. The least indebted nation will, other things being equal, have a distinct advantage in the markets of the world; an advantage that may, in course of time, have a great influence over national prosperity. There will probably in the future, be three great industrial and trading nations, ENGLAND, the UNITED STATES, and GERMANY. Of these three, ENGLAND stands first at the present moment, but the UNITED STATES and GERMANY have the greatest room for expansion. FRANCE has for the present thrown herself out of the competition. The future pre-eminence of these three nations will depend in a great degree on their taxation; and that again on their National debts. GERMANY has always been economical in debt, and now has the prospect of being entirely free from its burden. The UNITED STATES have taken up the idea of paying off their debt with the pertinacity with which they embrace all ideas tending to the greatness of their nation; and they are aided by an extraordinary rate of National development that will diminish the pressure of their debt at double, and soon at treble, the diminution of that of ENGLAND. At no long distance of time, if they manage their affairs with the ordinary prudence, the pressure of the debt will have become insignificant, and they may return to their former light taxation before the Civil war. Their mineral resources will then be fully opening, and their manufacturing and trade capabilities growing greater than those of their Mother Country.

If ENGLAND remains burdened with debt, how will she maintain the competition? It is the true policy of every industrial nation to diminish the burden of her debt; but of all nations this is a policy most essential for ENGLAND. Just as in 1700 greater nations came upon the scene to contend for commercial supremacy with the Italian Cities and HOLLAND, so towards 1900 greater nations are coming upon the scene to contend for commercial supremacy with ENGLAND.

The UNITED STATES and GERMANY may each rise to 70,000,000 inhabitants, and the UNITED STATES will grow to 100,000,000, and far exceed any population of the UNITED KINGDOM. The UNITED KINGDOM ought to lessen her burdens to prepare for the competition.

But ENGLAND is not the only State to whom this advice should be given; every other borrowing State equally requires it. The Latin Nations are injuring their industrial prospects by the recklessness with which they are plunging into debt. FRANCE is grievously weighted with her recent additions. ITALY is almost crushed by her burden. SPAIN and PORTUGAL are increasing the obstacles to a revival of their commerce. Latin AMERICA is steadily enlarging the taxation for her debts. In Eastern EUROPE, AUSTRIA continues to borrow for her military deficits; RUSSIA goes on burdening her poor population; while TURKEY and EGYPT borrow up to the verge of bankruptcy. All these States are disqualifying themselves for competition with Anglo-Saxon and Teutonic industry.

Reduction of National debts has been practised by few nations. The following table shows nearly its extent:

REDUCTIONS OF NATIONAL DEBTS.

| <i>Nation.</i> | <i>Period.</i> | <i>Highest Debt.</i> | <i>Lowest Debt.</i> | <i>Per Cent. per Ann. Reduction.</i> |
|--------------------|----------------|----------------------|---------------------|--------------------------------------|
| United Kingdom... | 1815-1870 | .. £ 902,000,000 | .. £ 800,000,000 | .. 0.2 |
| United States..... | | | | |
| (with State debts) | 1865-1870 | .. 622,000,000 | .. 532,000,000 | .. 2.6 |
| Holland..... | 1814-1870 | .. 144,000,000 | .. 80,000,000 | .. 0.8 |
| Belgium..... | 1830-1870 | .. 39,000,000 | .. 27,400,000 | .. 0.75 |
| Denmark..... | 1866-1869 | .. 14,860,000 | .. 13,240,000 | .. 3.6 |
| Prussia..... | 1820-1842 | .. 31,000,000 | .. 21,000,000 | .. 1.5 |

All of these are Anglo-Saxon and Teutonic or Scandinavian nations. The reduction by the UNITED KINGDOM is the smallest in the list, being only 4s. per £100 per annum. Those of HOLLAND and BELGIUM are four times as great. That of the UNITED STATES for the last four and a-half years is thirteen times as great; but this, like the reduction by DENMARK, is over too short a period for a fair comparison."

Mr. JEFFERSON ON NATIONAL DEBTS.—"It is a wise rule, and should be fundamental in a government disposed to cherish its credit, and at the same time to restrain the use of it within the limits of its faculties, never to borrow a dollar without laying a tax in the same instant, for paying the interest annually, and the principal within a given term; and to consider that tax as pledged to the creditors on the public faith. On such a pledge as this, sacredly observed, a government may always command on a reasonable interest, all the lendable money of its citizens; whilst the necessity of an equivalent tax is a salutary warning to them and their constituents against oppression, bankruptcy and its inevitable consequence, revolution."

THE HISTORY AND PRINCIPLES OF BANKING.

By JAMES W. GILBART.

(Continued from the April No., page 801.)

CHAPTER 1. The Origin and Progress of Banking. 2. The Rise of Banking in England. 3. The History of the Bank of England. 4. The London Bankers. 5. Country Banks. 6. Joint-Stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks.

CHAPTER TWELFTH.—CASH CREDIT BANKS.

A cash credit is an understanding on the part of the bank to advance to an individual such sums of money as he may from time to time require, not exceeding in the whole a certain definite amount; the individual to whom the credit is given entering into a bond, with securities, generally two in number, for the repayment, on demand, of the sums actually advanced, with interest upon each issue from the day upon which it is made.

A cash credit is, in fact, the same thing as an overdrawn current account, except that in a current account the party overdraws on his own individual security, and in the cash credit he finds two securities who are responsible for him. Another difference is, that a person cannot overdraw his current account without asking permission each time from the bank, whereas the overdrawing of a cash credit account is a regular matter of business; it is, in fact, the purpose for which the cash credit has been granted.

The following considerations will show that a person who has occasion for temporary advances of money will find it more advantageous to raise these sums by a cash credit than by having bills discounted:—

First. In a cash credit the party pays interest only for the money he actually employs.

If a person wants to make use of £ 100, and has a bill for £ 150, he will get the bill discounted, and thus pays interest for £ 50 for which he has no use. But if he has a cash credit, he draws only £ 100, and pays interest for that amount.

Secondly. In a cash credit he can repay any part of the sum drawn whenever he pleases.

If a trader has a bill for £ 150 discounted to-day, and should unexpectedly receive £ 150 to-morrow, he cannot rediscount the bill, but has actually paid interest for money he does not want. But if he draws £ 150 upon his cash credit account to-day, and to-morrow receives £ 150, he takes this money to the bank, and will have to pay the interest upon £ 150 for only one day.

Thirdly. In a cash credit he has the power of drawing whenever he pleases, to the full amount of his credit; but in the case of discounting bills, he must make a fresh application to the bank to discount each bill, and if the bank have at any time more profitable ways of employing their money, or if they suspect the credit of the applicant, they may refuse to discount, but this would not be the case if he had a cash credit.

Fourthly. In a cash credit the party does not pay the interest until the end of the year; whereas, in the other case, he pays the interest at the time the bill is discounted.

Cash credits are granted not only upon personal security, but also upon the security of the Public Funds.

This furnishes great facilities of raising money to those who possess property which they are not disposed to sell. A person who is a holder of government stock may sell out a portion to supply his temporary necessities; and when he wishes to replace it he finds the price of stock has risen, and it will cost him more money to repurchase than he received when he sold. But if he transfers the stock to a bank as a security for a cash credit, he may repay the money whenever he pleases; and, if in the mean time, the value of the security should have risen, all the advantage will be his own.

The effect of cash credits are thus described by ADAM SMITH :

“The commerce of SCOTLAND, which at present is not very great, was still more inconsiderable when the two first banking companies were established, and those companies would have had but little trade had they confined their business to the discounting of bills of exchange. They invented, therefore, another method of issuing their promissory notes, by granting what they call cash accounts, that is, by giving credit to the extent of a certain sum (two or three thousand pounds, for example) to any individual who could procure two persons of undoubted credit and good landed estate to become surety for him, that whatever money should be advanced to him within the sum for which the credit had been given should be repaid upon demand, together with the legal interest. Credits of this kind are, I believe, commonly granted by banks and bankers in all different parts of the world. But the easy terms upon which the Scotch banking companies accept of repayment are, so far as I know, peculiar to them, and have perhaps been the principal cause both of the great trade of those companies and of the benefits which the country has received from it.

“Whoever has a credit of this kind with one of those companies, and borrows a thousand pounds upon it, for example, may repay this sum piecemeal, by twenty and thirty pounds at a time, the company discounting a proportional part of the interest of the great sum, from the day on which each of those small sums is paid in, till the whole be in this manner repaid. All merchants, therefore, and almost all men of business, find it convenient to keep such cash accounts with them, and are hereby interested to promote the trade of those companies by readily receiving their notes in all payments,

and by encouraging all those with whom they have any influence to do the same. The banks, when their customers apply to them for money, generally advance it to them on their own promissory notes. These the merchants pay away to the manufacturers for goods; the manufacturers to the farmers for materials and provisions; the farmers to their landlords for rent; the landlords repay them to the merchants for the conveniences and luxuries with which they supply them; and the merchants again return them to the banks, in order to balance their cash accounts or to replace what they may have borrowed of them: and thus almost the whole money business of the country is transacted by means of them. Hence the great trade of those companies.

“By means of those cash accounts every merchant can, without imprudence, carry on a greater trade than he otherwise could do. If there are two merchants—one in London and the other in Edinburgh, who employ equal stocks in the same branch of trade, the Edinburgh merchant can, without imprudence, carry on a greater trade and give employment to a greater number of people than the London merchant. The London merchant must always keep by him a considerable sum of money, either in his own coffers or in those of his banker, who gives him no interest for it, in order to answer the demands continually coming upon him for payment of the goods he purchases upon credit. Let the ordinary amount of this sum be supposed five hundred pounds. The value of the goods in his warehouse must always be less by five hundred pounds than it would have been had he not been obliged to keep such a sum unemployed. Let us suppose that he generally disposes of his whole stock upon hand, or of goods to the value of his whole stock upon hand, once in the year. By being obliged to keep so great a sum unemployed he must sell in a year five hundred pounds' worth less goods than he might otherwise have done. His annual profits must be less by all that he could have made by the sale of five hundred pounds' worth more goods, and the number of people employed in preparing his goods for market must be less by all those that five hundred pounds more stock could have employed. The merchant in Edinburgh, on the other hand, keeps no money unemployed for answering such occasional demands. When they actually come upon him he satisfies them from his cash account with the bank, and gradually replaces the sum borrowed with the money or paper which comes in from the occasional sales of his goods. With the same stock, therefore, he can, without imprudence, have at all times in his warehouse a larger quantity of goods than the London merchant, and can thereby both make a greater profit himself and give constant employment to a greater number of industrious people who prepare those goods for the market. Hence, the greater benefit which the country has derived from this trade.

“The facility of discounting bills of exchange, it may be thought, indeed, gives the English merchants a convenience equivalent to the cash accounts of the Scotch merchants. But the Scotch mer-

chants, it must be remembered, can discount their bills of exchange as easily as the English merchants, and have, besides, the additional conveniency of their cash account."—*Wealth of Nations*, Book ii, chap. 2.

Query.—Is it better for a bank to make advances of money on cash credits, or by discounting bills of exchange ?

Bills of Exchange versus Cash Credits.—1. Cash credits, when once granted, cannot be called up, but bills of exchange soon fall due, and you can refuse to discount again.

2. If you discount bills of exchange they can be rediscounted to supply the bank with funds, if necessary, but advances on cash credits cannot be replaced.

3. In case of a panic or a run upon the bank, the persons having cash credits might have occasion to draw upon the bank, and the notes would immediately be returned up to the bank for payment in gold; but you could refuse to discount bills of exchange until the run was over.

Cash Credits versus Bills of Exchange.—1. A higher interest is charged upon cash credits than upon bills of exchange.

2. Cash credits, being of the nature of a permanent advance, are more beneficial to the parties; hence trade is more promoted, and the benefit to the bank must ultimately be greater.

3. Parties having cash credits are more closely connected with the bank, and hence would use their influence to prevent any run upon the bank, and to promote the prosperity of the bank.

4. The mode of recovering an advance upon a cash credit is more summary and certain, as the bond can be put into execution immediately, but an action for the recovery of an unpaid bill is very tedious, and may be frustrated by informality, &c.

A cash credit operates much in the same way as a discount account and a current account combined. It resembles a discount account inasmuch as a banker is usually in advance to his customer. It resembles a current account, as it is required that there be frequent operations upon it; that is, that there be perpetual payings in and drawings out of money. The bankers expect that a cash credit shall maintain a banking capital equal to its own amount. As the banker is usually in advance, a cash credit can create no banking capital by means of deposits; it can be done only by means of the notes. If, then, the operations on a cash credit are sufficient to keep in circulation an amount of notes equal to the amount of the credit, then it gives satisfaction to the banker; but not otherwise. Previous to granting a cash credit, the banks always make inquiries to ascertain if this is likely to be the case; and even after it is granted it is liable to be called up if it has not accomplished this object. Hence, cash credits are denied to persons who have no means of circulating the banker's notes, or who wish to employ the money as a dead loan. And in all cases they are limited to such an amount as the party is supposed to be capable of employing with advantage to the bank.

CHAPTER THIRTEENTH.

LOAN BANKS.

Loan banks are banks formed for the purpose of advancing loans upon articles of merchandise. Some are carried on for the purposes of gain, others from motives of charity.

The BANK OF ENGLAND was empowered by its charter to carry on the business of a loan bank. The following is the twenty-sixth section of the act:—"Provided that nothing herein contained shall in anywise be construed to hinder the said corporation from dealing in bills of exchange, or in buying or selling of bullion, gold or silver, or in selling any goods, wares, or merchandise whatever, which shall really and *bona fide* be left or deposited with the said corporation for money lent or advanced thereon, and which shall not be redeemed at the time agreed on, or within three months after, or from selling such goods as shall or may be the produce of lands purchased by said corporation." In pursuance of the privilege granted by this clause, the directors gave public notice that they would lend money at four per cent., on "plate, lead, tin, copper, steel and iron."

The BANK OF SCOTLAND was also authorized to act as a loan bank. The following is one clause of the act by which it was established in 1795:—"And it is further hereby statute and ordained, that it shall be lawful for the said governor and company to lend, upon real or personal security, any sum or sums, and to receive annual rent for the same, at six per cent., as shall be ordinary for the time: as also that if the person borrowing, as said is, shall not make payment at the term agreed upon with the company, that it shall be lawful for the governor and company to sell and dispose of the security or pledge by a public roup, for the most that can be got, for payment to them of the principal, annual rents and reasonable charges, and returning the overplus to the person who gave the said security or pledge."

The ROYAL BANK OF SCOTLAND were also empowered by their charter, "to lend to any person or persons, bodies politic or corporate, such sum and sums of money as they should think fit, at any interest not exceeding lawful interest, on real or personal security, and particularly on pledges of any kind whatsoever, of any

goods, wares, merchandises, or other effects whatsoever, in such way and manner as to the said company should seem proper and convenient."

"The HIBERNIAN JOINT-STOCK LOAN COMPANY," usually called the HIBERNIAN BANK, was formed in 1825, "for the purpose of purchasing and selling annuities, and all public and other securities, real and personal, in IRELAND, and to advance money and make loans thereof, on the security of such real and personal security, at legal interest, and on the security of merchandise and manufactured goods." This company, however, has never carried on the business of a loan bank, but has confined its transactions to the business of a commercial bank. It has not the power of issuing notes, but it is a bank of discount and of deposit.

Capital advanced, by way of loan, on the securities of merchandise, would produce the same effects as if advanced in the discounting of bills. If a party borrows £ 100 on the security of his merchandise, it is the same as though he sold his merchandise for a £ 100 bill, and got it discounted with the banker. By obtaining this advance he is enabled to hold over this merchandise for a better market, and avoids a sacrifice which, otherwise, he might be induced to make, in order to raise the money for urgent purposes.

Every advance of money by a banker, let it be made in what way soever, is in fact a loan. To discount a £ 100 bill that has three months to run, is much the same as to lend that amount for three months. The difference is, that the banker has two or more securities instead of one—the time of repayment is fixed; and the interest on the whole sum is paid at the time it is advanced. But let one trader draw bills upon his customers, and take them to the bank for discount—let another trader give his customers three months' credit without drawing bills, and borrow of the banker the amount of the goods sold; it is obvious that in each case the traders receive the same accommodation, and the effect on commerce will be the same. The bill is merely a transfer of the debt from the drawer to the banker, with the drawer's guarantee. Cash credits are loans—the amount of the loan varies every day, but the maximum is fixed. If a trader who has a cash credit for £ 500 has always £ 300 drawn out, it is nearly the same thing as though he had a loan for £ 300. The advantage to him is, that he can draw exactly such a sum as he may need—that he can replace it whenever he pleases, and in such portions as he may find convenient; and he pays interest only for the sum drawn out. It is unnecessary to say that overdrawn accounts, mortgages, and all advances of money on pledges or securities of any kind are loans.

It is contrary to all sound principles of banking for a banker to advance money in the form of permanent loans, or as they are called, dead loans. In the first place, those dead loans do not create any banking capital—and, secondly, they cannot be suddenly called up. For a banker to lend out his banking capital in the way of permanent loan is obviously imprudent, as he knows not how soon that capital may be taken out of his hands; and it is almost equally im-

prudent to advance his real capital in that way, as the real capital ought to be kept in a disposable form, so that it may be rendered available in case of any sudden contraction of the banking capital. The investing of money in the public funds is not strictly an operation of banking. It does not increase the banking capital. Yet it is necessary that a banker should lay out some portion of his capital in this way, because he can so easily realize the money in case a run should be made upon his bank. The portion thus invested is probably less productive than any other part of his capital, except the sums kept in his till to meet occasional demands. Sometimes, however, a rise in the funds will be the means of affording him a considerable profit.

The second class of loan banks arose from motives of charity.

These institutions were first established in the fifteenth century, for the purpose of checking the extortions of usurers, by lending money to the poor upon pledges, and without charging interest.* They were originally supported by voluntary contributions; but as these were found insufficient to support the necessary expenses, it became necessary that the borrowers should be charged interest for the loans. These banks were at first distinguished by being called *montes pietatis*. It appears that the word *mont*, or *mount*, was at an early period applied to any pecuniary fund, and it is probable that the promoters of this system added "*pietatis*" to give it an air of religion, and thus to procure larger subscriptions. A bank of this kind was formed at Perugia in the year 1464; another at Rome in 1539; one at Naples, which was considered the greatest in EUROPE, in the following year, and it took the name of *banco dei poveri*—the bank of the poor. These institutions were opposed in FRANCE. An attempt was made to introduce them under LOUIS XIII, in 1626, but the managers were threatened with punishment, and the undertaking was relinquished. The *Mont de Piété*, at Paris, was established in the year 1777; and so largely has the public taken advantage of the accommodation this afforded, that it has been known to have in its possession forty casks filled with gold watches.

These banks were not only called *Mounts of Piety*, but they were also called *Lombards*, from the name of the original bankers, or money-lenders. A loan-bank, or a *Lombard*, was established in RUSSIA in 1772,† to prevent the usury and the oppression to which the poor were exposed, and the profit was given to the founding hospital of St. Petersburg. The "*Lombard*" lent on gold and silver three-fourths of the value, on other metals it lent one-half the value, and on jewels as much as the circumstances of the times would allow, the estimate being made by sworn appraisers. The rate of interest was established throughout the empire, in 1786, at five per cent. At the *Lombard*, one year's interest is taken in advance. Pledges that are forfeited are publicly sold; and if they produce more than the loan, the interest, and the charges, the overplus is given to the owners.

* See Beckman's *History of Ancient Institutions*.

† Oddy, on *European Commerce*.

In 1695, Sir FRANCIS BREWSTER published his *Essay on Trade and Navigation*, "printed for T. COCKERELL at the Three Legs in the Poultry, over against the Stocks-market." He has a section upon "Banks and Lumbers."* He recommends that in every shire a bank should be erected by act of parliament; and he states that it would be "the most effectual way for suppressing highwaymen; for that no man need travel with more than pocket money for his expenses, when he may have bank tickets to any part of the kingdom where he goes." He afterwards observes, "that lumbers for poor artisans and others is an appendix to banks, and may by funds out of them in each county be supplied so as that the poor men have money to carry on their trade and employment on the pawns that may be so easy, and with the advantage of selling in public sales what they leave in pledge. And that what they borrow should be of more advantage and easy to them than if the money were lent them gratis, and may be of great use in the employment, and encouraging the manufactures of the nation, which are much discouraged by the necessities and hardships that are put upon the poor."

Loan banks for charitable purposes, have, for a considerable time past, existed in IRELAND. A voluntary association of this kind was established in the year 1756. This society was incorporated in 1780, under the title of "The Charitable Musical Society." They had their meetings at St. Ann's vestry-room, Dublin, on the first and second Tuesday in every month, for the purpose of lending money, interest free, to indigent tradesmen, in sums of not less than two pounds to any one person at one time, which sums are to be repaid at sixpence in the pound, weekly.

The Meath Charitable Loan Society was established in 1807. The committee of managers lent sums, not under five and not exceeding twenty pounds, free of interest, to be repaid by weekly instalments of 1s. 6d. for £ 5; 3s. for £ 10; 6s. for £ 20. Donations of £ 10 and upwards being invested in government securities, the interest only to be applicable to the fund, or thrown into the floating capital, at the option of the donor.

It seems highly desirable that in ENGLAND also charitable loan banks should be taken under the protection of the legislature. These institutions might be organized in the same manner as savings banks. In most parts of ENGLAND there are probably some persons of affluence who would become personally bound for the repayment of such sums as the government might be disposed to advance; or, in other parts, the necessary funds might be raised by private donations. The funds might be employed in such a way as the committee might deem best adapted to promote the object of the institution. The loans might be made either in money, in raw produce, or in implements of labor. These might be recovered, if necessary by summary process. The State would thus become the Bank of the Poor. It would sustain the same relation to the humbler classes which ordinary banks sustain to the commercial classes. It would be an inter-

* Lumbers, *i.e.*, Lombards.

mediate party between the borrowers and the lenders. It could borrow, by means of savings banks, from those who had money to lend; and lend, by means of loan banks, to those who wished to borrow.

CHAPTER FOURTEENTH.

SAVINGS BANKS.

Savings banks are banks formed to promote saving. They are purely banks of deposit; they differ, however, from other banks of deposit in the following particulars:—First: Very small sums are received as deposits. Secondly: All the money deposited is lent, upon interest, to the government. Thirdly: The depositors are restricted as to the amount of their lodgments; these restrictions are designed to exclude from the bank all except the humbler classes of the community.

Loan banks, or institutions for lending money to the poor, are of ancient date; but savings banks, or institutions for borrowing money of the poor, are entirely of modern invention. They were first urged upon the attention of the public and the legislature of this country, in the years 1815 and 1816, by the late Right Hon. GEORGE ROSE. In his pamphlet upon the subject he thus traces the origin of these establishments:

“The idea was first suggested by the society for bettering the condition of the poor, of which I have long been a member, and it has been acted upon in Edinburgh and Bath with such a degree of talent, zeal, and perseverance, as to manifest the great advantage of it.

“In other parts of GREAT BRITAIN, however, the principle has been acted upon on a small scale, especially in SCOTLAND, where the *parochial* institutions for saving are called Maneges; so full an account of these is given by Mr. DUNCAN, the early promoter of them, as to render it quite unnecessary to enter on any particulars respecting them here. But however well intended they are, there are strong objections to them. In any event, extended establishments are infinitely more to be desired, on account of the preferable management of them, as well as for the safe custody of the money. By a large district being included gentlemen of property are found to become trustees and managers, and a fund is easily furnished by small voluntary subscriptions at first, and by the surplus of the interest allowed to the depositors afterwards, to meet all the expenses of the institution.”

“ Since the first publication of these observations a controversy has arisen by Mr. DUNCAN, the promoter of the parochial banks, insisting upon his having (by the establishment of the one at Ruthwell) been the first to bring the banks for savings into notice, in an address to Mr. FORBES, a gentleman of the highest respectability in Edinburgh, who was a zealous promoter of the banks there. The truth is that the two establishments are perfectly dissimilar, as above stated, which will appear more manifestly to whomsoever will take the trouble of reading the pamphlet of Mr. DUNCAN and the answer of Mr. FORBES to it. As far as respects SCOTLAND, it would seem that the Edinburgh plan has the merit of priority, *for general advantage*; but it may be hoped that in future there may be no contention except how the public can be most benefited—it is of very little importance from whence the suggestion originated.”

Mr. ROSE proceeds to explain in detail the nature of these institutions, and points out the advantages they may be expected to confer upon different classes of the community :

“ Apprentices, on first coming out of their time, who now too frequently spend all their earnings, may be induced to lay by five shillings to ten shillings a week, and sometimes more, as in many trades they earn from twenty-four shillings to fifty and sixty shillings a week.

“ The same observation applies, though somewhat less forcibly, to journeymen in most trades (whose earnings are very considerable) from not beginning so early, and to workmen in several branches. With respect to these it has been made evident to me, and to many members who attended the mendicity committee in a former session of parliament, that in numerous instances when the gains have been as large as above stated, the parties have been so improvident as to have nothing in hand for the support of themselves and families when visited with sickness, and have consequently with their families fallen immediately upon the parish. In some instances the tools and implements of their trade have been carried to the pawnbroker during illness, whereby difficulties were thrown in the way of their labor being resumed on the restoration of health.

“ Domestic servants, whose wages are frequently more than sufficient for their necessary expenses.

“ Carmen, porters, servants in lower conditions, and others may, very generally, be able to make small deposits, without finding the slightest inconvenience from the diminution of their income occasioned thereby.

“ With respect to day laborers, the full advantage cannot be expected to be derived at first, as far as relates to married men with families; it too frequently happens that when there are two or three children, it is all that the father can do to support himself and those dependent upon him with his utmost earnings; but the single man, whose wages are the same as those of his married fellow-laborers, may certainly spare a small weekly sum, by doing which he would,

in a reasonable time, have saved enough to enable him to marry, with a hope of never allowing any one belonging to him to become a burthen to the parish.

"Nothing is so likely as a plan of this sort to prevent early and improvident marriages, which are the cause, more than any others, of the heavy burthen of the poor-rates. When a young single man shall acquire the habit of saving, he will be likely to go on till he shall get together as much as will enable him to make some provision towards the support of a family, before he thinks of marrying.

"The welfare of the lower classes of society cannot be a matter of indifference to any, nor can it be doubted that their situation will be ameliorated by the adoption and promotion of these banks. The industry, sobriety, and economy among the lower orders of the people will thus be promoted by their being encouraged to make little savings for a provision against want and distress; and their moral improvement will be advanced, while their social comfort is augmented. By the plan which I here recommend, this beneficent and most important object will be obtained at no expense to the higher orders, or at so trifling a one as to be utterly unworthy of notice.

"This plan has in it the germ of valuable moral principles, and if it can be fairly brought into action, will tend more than anything to lessen the enormous and increasing burthen on the middle and higher classes, and at the same time to infuse, into the minds of the lower order a legitimate spirit of independence. Its merits are so well expressed where its advantages were early experienced, that I cannot do so well as to quote a few words from one of the Edinburgh reports: 'It secures independence without inducing pride—it removes those painful misgivings which render the approaches of poverty so appalling, and often paralyze the exertions that might ward off the blow. It leads to temperance and the restraint of all disorderly passions, which a wasteful expenditure of money nourishes. It produces that sobriety of mind and steadiness of conduct which afford the best foundation for the domestic virtues in humble life. The effects of such an institution as this upon the character of the people, *were it to become universal, would be almost inappreciable.*'"

In the year 1817, Mr. ROSE obtained an Act of Parliament entitled, "An Act to encourage the establishment of Banks for Savings in ENGLAND." About the same time an act was passed, entitled, "An Act to encourage the establishment of banks for savings in Ireland;" the provisions of which were similar to the preceding.

The establishment of post-office savings banks in 1861 (24 VICT. c. 14) has, by the greater facilities, and by the undoubted security which they afford, largely reduced the number of the (old) savings banks, and still more largely the funds lodged in them. Government and the public are indebted to Mr. SIKES, manager of the HUDDERSFIELD BANKING COMPANY, for the suggestion, and for an outline of the plan as well, of making the money order offices contributory to the development of savings banks.

SCOTLAND has always had the advantage of savings banks by means of the deposit system, which is a regular branch of the business of the commercial banks. The deposit system of banking is universally considered to be one cause of the prudence and frugality by which the lower classes of the people of SCOTLAND are distinguished.

In every point of view the savings banks appear calculated to produce unmingled good. They extend to persons of small means all the benefits of banking. The industrious have thus a place where their small savings may be lodged with perfect security from loss, and with the certainty of increase. They tend to foster that disposition to accumulate which is usually associated with temperance and prudence in all the transactions of life. Upon the mercantile interests of society they have the same effect as commercial banking. The various small sums which were previously lying unproductive in the hands of many individuals, are collected into one sum and lodged in the public funds. The tendency of this, in the first place, is to raise the price of the funds. This advanced price may cause some of the holders to sell out and to employ their money in trade and commerce. Thus the savings banks augment the productive capital of the nation.*

It is much to be regretted that the advocates for savings banks should ever have proposed these institutions as substitutes for benefit societies. Cannot the interest of one excellent institution be promoted but at the expense of another? Savings banks are a useful addition to benefit societies, but cannot supply their place. A laborer pays to a benefit club about thirty shillings per annum, and for that payment he receives about eight shillings per week during the time of illness. If this sum be lodged in a savings bank, how soon will a few weeks' illness exhaust the whole. It is no doubt the reveling and excess that have too often attended the meeting of benefit societies at public houses that have given rise to objections against them. It may be expected, however, that as our laborers and mechanics become better instructed these excesses will be avoided.

But while savings banks do not supersede benefit societies, neither do benefit societies supersede the necessity for savings banks. The benefit society is of use only in case of illness—in no other case has a member any claim upon its funds. He cannot draw out money to support his wife, to furnish his house, or to educate his children. The benefit societies are only to guard against calamity, not to increase enjoyment. By these, laborers may be saved from the parish workhouse, but they must also become depositors in a savings bank if they wish to acquire independence.

By the Act of Parliament, 26 & 27 VICT., c. 87, the law relating to savings banks is materially altered. The Act 27 & 28 VICT., c. 43, relates to Government Insurances and Annuities. It extends the

* The funds lodged in savings banks at the end of the year 1864 amounted to £ 39,417,995; this being less by £ 1,840,373 than in 1860, the last year before the institution of post-office savings banks; but the funds lodged in these post-office banks amounted, at the end of 1864, to £ 4,993,124.—*Annual Statistical Abstract of Progress of the United Kingdom.*

limit of deferred annuities, previously fixed at £ 30, to £ 50 ; whilst the sum required to purchase such annuity is rendered payable in smaller instalments and at shorter periods. By the Act 29 VICT., c. 5., power is given to the Treasury to substitute terminable annuities for capital stock, standing in savings banks' accounts, to an amount not exceeding £ 2,500,000 ; the annuities to be terminable at a period not exceeding thirty years ; the capital stock thus provided for to be canceled, and the dividends to cease. The terminable annuities are to be provided for from the Consolidated Fund, and the Treasury may vary the periods at which payments are to be made. The Treasury have also power to cancel such further sums of capital stock as may be held by the Commissioners for the Reduction of the National Debt, substituting terminable annuities as they may from time to time deem expedient. Plain rules for the guidance of persons desiring to insure their lives, or to purchase government annuities, can be obtained at various post-offices, and without charge.

The returns of savings banks, which brings up their accounts to the end of 1869, shows that at this date the number of banks closed were, in ENGLAND, 119 ; in WALES, 9 ; in SCOTLAND, 6 ; in IRELAND, 11 ; giving a total of 145 banks closed. The number of depositors' balances, on 20th of November, previous to date of notice to close, was, in ENGLAND, 134,183 ; in WALES, 3,280 ; in SCOTLAND, 2,034 ; in IRELAND, 2,082. The amounts of the balances were, in ENGLAND, £ 3,083,648 ; in WALES, £ 72,147 ; in SCOTLAND, £ 19,944 ; in IRELAND, £ 52,527. Thus the total number of depositors' balances, throughout the UNITED KINGDOM, in the banks about to close, was 141,579 ; the total amount, £ 3,228,268. The number of accounts thence transferred to post-office savings banks was, in ENGLAND, 73,911 ; in WALES, 782 ; in SCOTLAND, 238 ; in IRELAND, 360 : total number, 75,291. The amounts transferred were, in ENGLAND, £ 1,785,552 ; in WALES, £ 20,110 ; in SCOTLAND, £ 634 ; in IRELAND, £ 10,037 ; total amount, £ 1,816,335. These amounts were transferred by *transfer certificates* only ; but in addition to them, it is estimated by the post-office authorities that £ 194,000 were paid in cash by about 9,800 of the depositors in these closed savings banks to the post-office savings banks.

The total amount received from and paid to depositors in the *post-office* savings banks throughout the UNITED KINGDOM, and of the computed capital of those savings banks at the end of 1869, was : received (including interest), £ 6,084,610 ; paid, £ 4,227,056 ; computed capital, £ 13,524,209.

The total amount, according to official returns made up to the same date, received and paid by savings banks *under trustees*, from and to depositors, was : received, £ 7,667,735 ; paid, £ 7,857,091 ; and their computed capital, £ 37,500,522 ; which last amount, added to the computed capital of the post-office savings banks, exhibits the gratifying fact of no less a total than the immense sum of £ 51,024,731 prudentially invested in these admirable banks of deposit by the humbler classes of the UNITED KINGDOM.

THE LAW OF TRUSTS AND TRUSTEES.

A Treatise on the Law of Trusts and Trustees. By JAIROS WARE
PERRY. *Octavo. Pages 1050. Price, \$ 7.50.*

There are numerous subjects discussed in this volume, which are entitled to the consideration of bankers; questions that come up every day in the business of bankers, and with which most bankers should make themselves familiar. Among these we may appropriately name the subjects of 1. Acceptance of Trust. 2. Accumulation. 3. Agent. 4. Annuities. 5. Application of purchase money. 6. Assignments. 7. Banks. 8. Bankrupts. 9. Bonds. 10. Trustees for bondholders. 11. Breach of Trust. 12. Commission. 13. Compensation. 14. Constructive Trusts. 15. Corporations. 16. Co-Trustees. 17. Creation of Trusts. 18. Trusts for Creditors. 19. Directors. 20. Discharge of Trustee. 21. Distribution of Trust funds. 22. Duties of Trustees. 23. Executors. 24. Expenses. 25. Guardian. 26. Heirs. 27. Implied Trusts. 28. Interest. 29. Investments. 30. Laches. 31. Legacies. 32. Mortgages. 33. Negligence. 34. Payments. 35. Powers of Trustees. 36. Receipts. 37. Revocation of Trusteeship. 38. Special Trusts. 39. Stocks. 40. Unlawful Trusts.

In this elaborate work there are over five thousand cases referred to, many of them quoted, upon the numerous branches of the subjects of Trusts and Trustees. Among these are the noted cases wherein the BANK OF THE UNITED STATES, the BANK OF AMERICA, the BANK OF ENGLAND, the BANK OF MOBILE, the BANK OF ORLEANS, the BANK OF VIRGINIA, the BANK OF TURKEY, the UNION BANK OF TENNESSEE, and other banks, were parties.

Among the numerous topics discussed in this volume, that are important to banking institutions, is that in relation to the custody of Trustee funds. Herein the author says:

SEC. 443. A trustee may deposit money temporarily in some responsible bank or banking-house; but he will be liable for the money in case of a failure of the bank, if he deposits it to his *own credit*, and not to the separate account of the trust estate. So if he allows another person to draw upon the fund and misapply the money; so if he deposits the money in such manner that it is not

under his own exclusive control, as where money is deposited in bank so that it cannot be drawn without the concurrence of other persons, the trustee will be liable for the failure of the bank, on the principle that it is the duty of the trustee to withdraw the money from the bank upon the slightest indication of danger or loss, and he cannot perform this duty promptly if he is clogged by the necessity of procuring the concurrent action of other persons. So he will be liable if he keeps money in bank an unreasonable length of time, or where it is his duty to invest the fund in safe securities, or to pay it over to newly appointed trustees, or into court; or, if having no occasion to keep a balance on hand for the purposes of the trust, he lends the money to the bank on interest upon personal security, that being a security not sanctioned by the court.

SEC. 444. Trustees may leave money in the custody of third persons when it is necessary in the course of business, as where money is left in the hands of an auctioneer as agent of both parties on a sale or purchase; and during the negotiation of an investment, the trustees may buy exchequer bills; but if they leave the exchequer bills undistinguished in the hands of a banker or broker, they will be liable for the loss of the money. But if trustees deposit money in bank to their own credit; or if they leave it for an unreasonable time, as a year after the testator's death and after all debts and legacies are paid; or if they place their papers and receipts in the hands of their solicitor, so that he can receive their money and misapply it; or if the money is so paid into bank that it may be drawn out upon the check of one trustee and misapplied; or if they neglect to sell property when it ought to have been sold, or suffer money to remain upon personal security, or upon an unauthorized security; or if the money is left improperly or unadvisedly in the hands of a co-executor or co-trustee, so that he has an opportunity to misapply it,—all the trustees will be responsible for any loss that may occur to the trust fund.

SEC. 445. In one case it was said, that an executor would not be liable if he had placed money in bank under the control of a co-executor. The money was entered on joint account, but the individual checks of the co-executors could draw it out. This was held to be the ordinary and reasonable course of business. If, however, there is any fraud, collusion, or willful default, or gross neglect, or if the executor has any reason to interfere, and does not put a stop to the mismanagement of his co-executor, he will be held liable. The case of *KILBEE v. SNEYD*, however, is so doubtful on this point, and contrary to authority, that it would be unsafe to act upon it.

SPECIAL DEPOSITS IN BANKS.

Few decisions have been reached on the subject of deposits of bonds, etc., for safe keeping in the vaults of banks. As a bank is never paid for the safe keeping of such personal property, it is doubtful whether a bank can be held responsible in case of loss by burglary or theft.

INVESTMENTS.

The following rule should be borne in mind by administrators and trustees :

SEC. 453. There is one rule that is universally applicable to investments by trustees, and that rule is, that trustees cannot invest trust moneys in personal securities. If trustees have a discretion as to the kind of investments, it is not a sound discretion to invest in personal securities. Lord HARDWICKE said, that "a promissory note is evidence of a debt, but no security for it." Baron HOTHMAN observed that "lending on personal credit for the purpose of a larger interest was a species of gaming." Lord KENYON said, that "no rule was better established than that a trustee could not lend on mere personal security, and it *ought to be rung in the ears* of every one who acted in the character of trustee." It makes no difference that there are several joint promisors; nor that the loan is to a person to whom the testator loaned money on his personal promise; nor will personal sureties justify the loan. There must be express authority in the instrument of trust, to authorize a loan on personal promises. Loose, general expressions, leaving the nature of the investments to the trustees, will not justify such loans. All the terms and conditions of a loan, to be made on personal security, must be strictly complied with; as, if a loan is authorized to a husband, upon the written consent of the wife, such consent must be had in the required form; and a subsequent assent will not save the trustees from responsibility. An authority to loan on personal security will not justify the trustees in lending to one of themselves; nor will it justify them in lending to a relation for the purpose of accommodating him.

SEC. 454. So, in the absence of express authority, the employment of trust funds in trade or speculation, or in a manufacturing establishment, will be a gross breach of trust. However advantageous such an investment may appear, the trustee investing the funds in such undertakings will be compelled to make good all losses, and to account for and pay over all profits. The law discourages all such use of trust funds, by rendering it certain that the trustee shall make no profit from such investments, and that he shall be responsible for all losses. And if a trustee stands by, and sees his co-trustee employ the funds in that manner, he will be equally liable. The same rule applies if the trustees simply continue the trade or business of the testator. It is their duty to close up the trade, withdraw the fund, and invest it in proper securities at the earliest convenient moment; and the same rule applies, although the trustees may have been the business agents or partners of the testator. Nor will a power "to place out at interest, or other way of improvement," authorize the employment of the money in a trading concern. In one case, the direction was to "employ" the money, and it was thought that it savored of trade, and might be employed in that manner; but it would not be safe for trustees to rely upon that case as an authority, even if their trust instrument contains a similar direction. If the settlor authorize his trustees to continue the fund in a trading firm, it will be a

breach of trust, if the trustees allow the fund to remain after a change in the firm, as by the death or withdrawal of one of the partners. If the trustees are directed to continue the testator's trade, they can invest none of his general assets in the business. They are confined to the fund already embarked in the trade. If the trustees act in good faith in continuing the testator's business under such directions in a will, they will not be liable for any loss; but they must act in good faith and without collusion or interested motives. So trustees are not bound to continue the capital in such trade, and they ought not to do so against their judgment. But if all the *cestuis que trust* are *sui juris*, and capable of acting for themselves, and they desire an executor, administrator, or trustee to continue the business of the testator a few months in order to preserve it for his son, and the executor acts in accordance with their request, and uses his best skill and judgment in the conduct of the trade, he will be allowed for the loss in his accounts.

SEC. 455. In ENGLAND, trustees cannot invest the trust fund in the stock or shares of any bank or private or trading corporation; for the capital depends upon the management of the directors, and is subject to losses. It is apparent, that a manufacturing or trading corporation may lose its whole capital in the prosecution of its business strictly within the terms of its charter. Lord ELDON said of bank stock, that "it is as safe, I trust and believe, as any government security; but it is not government security, and, therefore, this court does not lay out or leave property in bank stock, and what this court will decree it expects from trustees and executors." By Lord ST. LEONARD's act, 22 and 23 VICT., c. 35, trustees, not forbidden by the instrument of trust, are authorized to invest in Bank of England or Ireland or East India stock. This act was held not to authorize an investment in these stocks of trust funds settled before the passage of the act. By 23 & 24 VICT., c. 38, the original act was made retrospective, and the courts of chancery were authorized to issue general orders, from time to time, as to the investment of funds subject to its jurisdiction, either in three-per-cent. consolidated or reduced, or new bank annuities, or in such other stocks, funds, or securities, as the court shall think fit; and trustees, having power to invest trust funds in government securities, or upon railway stocks, funds, or securities, may invest in the stocks, funds, or securities which may be designated by the general order of the court. In pursuance of the statute, a general order was issued in 1861, as follows: "Cash under the control of the court may be invested in bank stock, East India stock, exchequer bills, and £2 10s. annuities, and upon freehold and copyhold estates, respectively in ENGLAND and WALES, as well as in consolidated £3-per-cent. annuities, reduced £3-per-cent. annuities, and new £3-per-cent. annuities." There are, also, provisions in the act, by which trustees may apply to the court, for leave to change their investments into those now allowed by the act and the court; but the act does not apply where the fund is settled specifically and there is no power of varying the securities.

SEC. 456. The English rule, in relation to investments of trust funds in bank stock, and shares in trading and manufacturing corporations, prevails in NEW YORK and PENNSYLVANIA. It is agreed, that trustees cannot invest trust funds in trade, nor directly in manufacturing, nor in business generally, nor in personal securities, unless there is an authority contained in the instrument of trust. The reasoning is, that trustees cannot use the trust fund in carrying on a private manufacturing establishment, nor in the business of private bankers, nor in underwriting, nor in trade and commerce, and that there is no difference in principle between carrying on such enterprises themselves with the trust fund, or lending it to other individuals to do so on their personal security, and buying shares or stocks in such business corporations carried on by other private individuals, or by the trustees themselves, as officers or agents. Perhaps these are the only States in which the strict English rule is holden. In MASSACHUSETTS, it is held that trustees may invest in bank stocks, and in the shares of manufacturing and insurance corporations, or in the notes of individuals secured by such stocks and shares as collateral security. The court justifies this rule in an elaborate opinion, affirming that such stocks are subject to no greater fluctuations than government securities; that they are as safe as real securities, which may depreciate in value, or the title fail; that claims against such corporations can be enforced at law, while government funds can only be enforced by applying the sovereign power; and that government securities have hitherto been so limited in amount that it was impossible for the trust funds of the country to be invested in that manner. The last reason no longer exists. There are now National, State, County, Town, and City bonds in sufficient amounts to absorb all trust funds seeking investment, and it is not to be denied that such investments are more permanent and safe. It may be admitted, that great public emergencies and National dangers have an unfavorable effect upon the value of public securities; but such emergencies and dangers have the same effect upon the stocks of private corporations. In addition to these depressing influences, the capital of such companies runs the risks and chances of trade, business, and speculation. Calamities that depress public credit seldom occur, while the risks of trade are constant. It would seem to be the wiser course to withdraw the funds, settled for the support of women, children, and other parties who cannot exercise an active discretion in the protection of their interests, as much as possible from the chances of business. It may be said, that settlers may always do this by directing in what manner the funds settled by them shall be invested. But it would seem to be wiser for the court to establish the safest rule in the absence of special directions, and leave it to the settlor, if he prefers, to direct a less safe investment.

SPECIAL DEPOSITS IN BANKS.

A verdict in a very important suit was decided in the Supreme Court of PENNSYLVANIA, in March; being an action brought by DAVID SCULL against the KENSINGTON NATIONAL BANK, for the recovery of a box deposited with the bank and alleged to contain \$30,000 of coupon United States bonds; the contents of which box were stolen at the time of the robbery of the bank, some two years ago. The case was vigorously contested, and given to the jury after an elaborate charge from Judge WILLIAMS. The jury returned into Court, finding for the plaintiff the full amount of his claim—principal and interest, \$37,043.

The verdict in this case against the KENSINGTON BANK, giving judgment against the bank, is an important matter for the consideration of banks throughout the country that are in the habit of receiving valuables of their friends and customers for safe-keeping. Mr. SCULL had in the bank at the time when it was robbed, a tin box containing a considerable sum in bonds, and the contents of this box were among the plunder carried off by the thieves. If the judgment in this case holds good in others, the banks which provide storage for such valuables are responsible for their loss.

The case will, probably, be carried up to the full bench for ultimate decision. Banks may well take into consideration their liability in such cases. The reception of special deposits by banks is not only a serious inconvenience and trouble to them, but may result in a positive responsibility for either burglary or theft. We have on record, some instances where the loss was by the dishonesty of employé; in others, by delivery to a wrong person; in numerous others, by burglary—such as at Philadelphia (above mentioned); the OCEAN NATIONAL BANK, New York city; the BOYLSTON NATIONAL BANK, of Boston; the SARATOGA COUNTY BANK, Waterford; the THIRD NATIONAL BANK, Baltimore, MARYLAND; and numerous others.

There is no occasion whatever, for a bank to assume such responsibility without compensation. In large cities there are proper places for the deposit of valuable securities, beyond the reach of fire or burglary, for a small fee. In smaller towns, not provided with such safe depository, the bank, in receiving special deposits, should charge a commission, or take a written acknowledgment from the depositor who will assume all risk in the case.

Another security for the depositor, is to convert all his bonds into registered bonds, to prevent their negotiation in case of loss.

THE SAVINGS BANKS OF SAN FRANCISCO.

From the Commercial Herald of San Francisco.

Subjoined will be found a tabulated statement showing the condition of our several city savings banks, on the 1st of January, 1873. It is official and reliable, and furnishes an excellent criterion from which to determine the financial status of our artisan and laboring classes, as compared with that of other cities. Although these statements have been regularly made at the end of every six months, it is a noteworthy fact that Eastern journals seldom refer to them, whereas their publication would probably have the effect of inducing immigration. It will be seen that the average to each depositor is \$922 gold, which is very much beyond the line of average deposits in any other place on the globe. The largest average amount due any individual depositor outside of CALIFORNIA, is in RHODE ISLAND, being \$402.55 currency; the next CONNECTICUT, which has \$289.10; MAINE, \$265.40; NEW HAMPSHIRE, \$262.33; MASSACHUSETTS, \$259.65; and VERMONT, \$142.55—all currency. Reduce gold to currency at ten per cent. premium for the former, the San Francisco depositor's account would show over \$1,014 as his proportion. If this discrepancy teaches anything, it is that labor is not only far better rewarded here than elsewhere, but that our people are thrifty, industrious and economical. San Francisco contains about 175,000 souls, including large numbers of Asiatics, who do not deposit in her savings banks. Her voting population, according to the Great Register, is 36,000; but she has 46,060 depositors in savings banks, who, together, owned \$42,474,935 on the 1st of January last. The wide world can show nothing to compare with it outside our metropolitan limits. It is conceded by all political economists that wherever the masses are the proprietors of property to a large extent, they are also eminently patriotic, intelligent and law-abiding; the majority being specially interested in the preservation of order. There is another point which may be properly considered in this connection. Living is much cheaper in San Francisco than in any other city of the Union. There are dozens of well-kept restaurants, where an excellent meal, consisting of soup, fish, two or three entrées, a roast, dessert, coffee, a half-bottle of good table wine, with bread, butter, pickles, and vegetables, all of good quality and well cooked, can be obtained for the comparatively inconsiderable amount of fifty cents. The clothing, boots, hats, and other like articles of CALIFORNIA manufacture, are much better than those obtained from outside sources, and whatever little difference there may be in cost, is more than counterbalanced by their superior quality and durability.

SEMI-ANNUAL STATEMENT OF THE SAN FRANCISCO SAVINGS BANKS, DECEMBER 31, 1872.
From the Commercial Herald of San Francisco.

| Name. | Date of Organisation. | Open Accts., Dec. 31, 1873. | Deposits. | Loans. | Gross Earnings. | Reserve Fund. | Expenses & Fed. Tax. | Semi-Annual Div. | Cash on Hand. |
|----------------------------|-----------------------|-----------------------------|--------------|--------------|-----------------|---------------|----------------------|------------------|---------------|
| 1 Hibernia Sav. & Ln. Soc. | April 7, 1859. | 15,776 | \$12,513,188 | \$12,546,710 | \$572,767 | \$619,549 | \$40,618 | \$479,554 | \$324,505 |
| 2 Savings & Loan Society | July 23, 1857 | 7,250 | 9,116,910 | 9,172,413 | 457,418 | 311,334 | 32,827 | 420,580 | 162,650 |
| 3 French Sav. & L'n. Soc. | Feb. 1, 1860. | 5,000 | 5,068,590 | 5,325,478 | 267,844 | 127,371 | 20,886 | 234,863 | 270,510 |
| 4 San Francisco Sav. Union | June 18, 1862 | 4,506 | 4,819,339 | 4,798,619 | 249,774 | 211,268 | 23,908 | 225,866 | 102,835 |
| 5 Odd Fellows' Sav. Bank. | Oct. 13, 1866. | 5,412 | 4,956,053 | 4,883,365 | 239,009 | 59,966 | 20,640 | 207,536 | 73,485 |
| 6 Farm's & Mec'nics' S. B. | July 1, 1867. | 547 | 343,193 | 331,602 | 15,538 | 48,000 | 6,609 | 13,793 | 66,945 |
| 7 German Sav. & L'n Soc. | Feb. 10, 1868 | 4,189 | 3,540,989 | 3,577,636 | 177,285 | 108,000 | 19,006 | 148,542 | 72,326 |
| 8 Masonic Sav. & L'n B'k | Nov. 4, 1869. | 1,528 | 781,988 | 723,596 | 39,866 | 19,714 | 6,191 | 32,179 | 48,735 |
| 9 Humboldt Sav. & L'n Soc. | Nov. 24, 1869 | 960 | 603,498 | 596,057 | 30,918 | 47,568 | 5,491 | 22,854 | 12,724 |
| 10 Security Savings Bank. | March 2, 1871 | 892 | 731,277 | 873,486 | 40,694 | 300,000 | 6,661 | 32,629 | 39,649 |

| | | | | | | | | | |
|------------------------|--------|--------------|--------------|-------------|-------------|-------------|-----------|-------------|-------------|
| Totals, 1873, January. | 46,060 | \$42,474,935 | \$42,928,962 | \$2,091,113 | \$1,852,770 | \$1,818,406 | \$182,837 | \$1,818,406 | \$1,174,364 |
| " " 1872, July | 42,999 | 40,369,405 | 40,288,918 | 1,967,692 | 1,757,439 | 1,712,000 | 179,671 | 1,712,000 | 1,388,044 |
| " " 1871, January. | 41,590 | 37,033,377 | 36,542,628 | 1,956,322 | 1,510,533 | 1,705,351 | 135,816 | 1,705,351 | 1,559,548 |
| " " 1871, July | 36,870 | 34,541,597 | 32,310,571 | 1,737,149 | 1,485,030 | 1,592,022 | 124,559 | 1,592,022 | 2,728,325 |
| " " 1871, January. | 36,862 | 31,289,550 | 30,608,376 | 1,772,872 | 1,058,036 | 1,38,318 | 138,318 | 1,490,019 | 2,003,641 |
| " " 1870, July | 37,136 | 29,842,112 | 29,271,376 | 1,709,638 | 962,344 | 138,979 | 138,979 | 1,446,823 | 1,957,272 |
| " " 1870, January. | 34,823 | 26,634,523 | 26,276,333 | 1,576,915 | 899,550 | 123,335 | — | — | 1,566,110 |
| " " 1869, July | 31,974 | 24,773,078 | 24,747,705 | 1,409,654 | 892,816 | 128,559 | — | — | 1,128,717 |
| " " 1869, January. | 29,893 | 22,372,508 | 22,021,510 | 1,134,087 | 725,886 | 102,686 | — | — | 1,295,646 |
| " " 1868, July | 26,065 | 19,678,364 | 19,330,080 | 955,656 | 551,988 | 91,915 | — | — | 1,021,081 |
| " " 1868, January. | — | 16,833,496 | 16,838,441 | 843,917 | 485,700 | 68,531 | — | — | 924,381 |
| " " 1867, July | — | 13,933,259 | 13,218,620 | 694,311 | 470,079 | 64,932 | — | — | 1,100,508 |

The aggregate dividends of the above-named savings institutions for the six months ending December 31st, 1872, amounted to \$1,818,406, against \$1,712,000 for the previous six months. These dividends ranged from 7½ per cent. on ordinary, to 10 per cent. per annum on permanent deposits.

TREASURY DECISIONS, 1872-1873.

Entries in Transcripts Must be Made so as to Show Each Individual Deposit.

Before the Treasurer can receipt for the amount entered on a [covering] warrant, he must be able to identify each individual deposit from entries made in his books, such entries being derived from the transcripts [of account] sent him by Assistant Treasurers and designated Depositories of the United States and National Bank Depositories. (*Letter to Merchants' National Bank, Little Rock, Ark.; August 27, 1872.*)

Postmasters are Authorized to Register, without Charge, Currency Mailed to Treasurer for Redemption.

Under section 190 of the act of June 8, 1872, "all postmasters are authorized to register in the manner prescribed by law, but without payment of any registration fee, all letters containing fractional or other currency of the UNITED STATES which shall be by them sent by mail to the Treasurer of the UNITED STATES." (*Letter to C. B. Dicks, Natchez, Miss., September 6, 1872.*)

A National Bank which has Ceased to do Business Must Average Items for Six Months in Semi-Annual Return.

A National Bank which has ceased to do business, should, in order to make up its semi-annual return in proper form, average the different items for six months. To do this it should add together the daily balances of the items, respectively, from the 1st of July [or January, as the case may be] to the time it ceased to do business, and divide the aggregate amounts by 184 [or 182], the number of days in the six months. The average of the different items for the six months is thus obtained, and then, by calculating the duty on these averages, at the prescribed rates, there will be obtained the amount of duty on each item for the proportion of the half year for which the item is liable. (*Letter to First National Bank, Rochester, N. Y., September 14, 1872.*)

A printed Circular Cannot be Accepted as Evidence of Authority of a Person to Indorse for a Firm.

The First Comptroller decides that "the Department cannot accept a printed circular, the name of the firm purporting to have issued it being also printed, as evidence of authority conferred upon another person to sign the firm's name." (*Letter to Acting-Assistant Treasurer United States, San Francisco, Cal., September 17, 1872.*)

Postmasters May Remit Currency for Redemption by Either Mail or Express without Expense.

It is the desire of the Department that all United States currency unfit for circulation shall be forwarded to the Treasurer's office to be replaced by new currency. The facilities for forwarding currency to the Treasury for retirement are now so ample, that there is no occasion for a postmaster to pay out mutilated currency received by him. Under Circular Number 1, currency unfit for circulation may be forwarded to the Treasurer's office for redemption, by express, at the expense of the Department, provided only that not less than five dollars in fractional currency or fifty dollars in legal tender notes be remitted. In addition to this, the act of June 8, 1872, and the instructions of the Post Office Department of June 20, 1872, make it the duty of every postmaster to register in the manner prescribed by law, but without payment of any registration fee, all letters containing fractional or other currency of the UNITED STATES, delivered to him for mailing to the Treasurer of the UNITED STATES for redemption. By either of the above methods, postmasters and others may forward defaced and mutilated currency to the Treasurer's office for redemption, and may receive returns in new currency without risk or expense, and with no loss of time beyond that required to convey and count their remittances. (*Letter to Francis Lathrop, Postmaster, Columbia, Mo., September 20, 1872.*)

Registered Interest on Stock of Funded Loan of 1881 Only, is Paid by Check.

The system of paying interest on registered stock of the UNITED STATES by check has been applied only to the new five-per-cent. Funded Loan of 1881. Interest on all other United States registered stock is paid as heretofore, viz.: to the stockholder or his attorney upon receipting therefor at the office of the Treasury at which it is payable. (*Letter to Thomas Moore, Scranton, Pa., September 23, 1872.*)

Assistant Treasurers are Required to Redeem Notes of Issues Prior to 1869, or they may be Forwarded to Treasurer.

An Assistant Treasurer is required by Circular No. 1, to redeem notes of issues prior to 1869, and there is no objection to his redeeming large notes of those issues in such denominations of new notes of the issue of 1869 as may be desired; or the holders may forward them to Washington at the expense of the Department, and receive returns, also at the expense of the Department, in new notes of any denomination desired. (*Letter to Assistant Treasurer United States, Charleston, S. C., September 25, 1872.*)

Interest on Registered Stock is not Paid on a Rebate.

There is no provision for the payment of interest on United States registered stock on a rebate. (*Letter to First National Bank, Richmond, Va., September 25, 1872.*)

The Tax on Net Earnings of National Banks Ceased January 1, 1872.

The Commissioner of Internal Revenue states that "no tax is due from National Banks on net earnings declared since January 1, 1872. See act of July 14, 1870, section 15." (*Letter to First National Bank, Plattsburgh, Neb., October 4, 1872.*)

Concerning Remittances from Banks Without the Government Contract with Adams Express Company.

The Government contract with Adams Express Company does not extend over the lines of Wells, Fargo & Co. A bank situated on the lines of the latter company, by prepaying the charges over its lines, and marking its remittances "Under Government Contract with Adams Express Company from" the point of connection between the two companies, may avail itself of the privileges of the contract from that point. (*Letter to Topeka National Bank, Topeka, Kan., October 7, 1872.*)

Bank Depositories are not Required to Redeem Currency not Assorted in Accordance with Circular No. 1.

The provisions of Circular No. 1 are still in force and National Bank Depositories are not required to redeem currency not assorted in accordance therewith. (*Letter to Second National Bank, Detroit, Mich., October 26, 1872.*)

An Indorsement of an Assistant Cashier for a Firm Must be Authenticated by a Resolution of Board of Directors Under Seal.

The First Comptroller decides that indorsements by a person signing himself as "assistant cashier" of a firm, under a printed circular which states over the printed signature of the firm, that such person has been duly elected assistant cashier, cannot be accepted by the Department. In order to make such an indorsement valid, it would be necessary to file in the Treasurer's office or that of the First Comptroller a certified copy, under seal, of a resolution of the Board of Directors of the company, that the person who made it had been duly authorized to indorse drafts as assistant cashier, for the corporation. Indorsements for use in the Treasurer's office must be such as will stand the most rigid test of an action-at-law. (*Letter to Assistant Treasurer United States, St. Louis, Mo., October 26, 1872.*)

Burnt Money Should be Forwarded to Treasurer in the Condition in Which Rescued from the Fire.

Burnt money, intended to be transmitted to the Department for redemption, should be treated with great care so that it may be received in the same condition as when rescued from the fire. Smearing burnt money with oil or other preparations only adds to the difficulty of identification, and very generally totally ruins the money. (*Letter to Exchange Bank, Chicago, Ill., November 11, 1872.*)

Instructions Concerning the Preparation of Charred Notes and Bonds for Remittance to the Treasurer.

It would be well for all persons who have charred notes or bonds of the Government, to do them up just as they find them, first in tissue paper, and then in cotton batting; to pack them securely in a strong box, so that they cannot be crushed or shaken, and then to forward them to the Treasurer by Adams Express Company. Large amounts will thus be saved that would otherwise inevitably be lost to the owners. (*Letter to Assistant Treasurer United States, Boston, Mass., November 16, 1872.*)

There is no Difference in Value Between Legal Tender Notes of New Issue and of Series of 1869.

There is no difference in point of legitimacy or value between the earlier issues of Legal Tender Notes known as "New Issue" and the last issue which is known as the "Series of 1869." It is, however, the desire of the Department to withdraw all the Legal Tender Notes of issues prior to 1869. (*Letter to H. Horsler, Pollard, Ala., November 20, 1872.*)

Circular No. 5 does not change Mode of Redeeming Currency by Assistant Treasurers and Depositaries.

Circular No. 5 [which provides that returns for currency redeemed shall be made in new currency by express] was not intended to make any change in the mode of redeeming fractional currency at the offices of Assistant Treasurers and Depositaries or of forwarding it to the Treasurer. Such officers may therefore continue to receive and redeem currency and to forward it to the Treasurer in the same manner as theretofore. (*Letter to Assistant Treasurer United States, Boston, Mass., November 29, 1872.*)

Depository National Banks are not Required to furnish New Fractional Currency.

There is no law or regulation which requires Depository National Banks to furnish fractional currency, except in return for currency redeemed by them under Circular No. 1. Under Circular No. 2 new fractional currency can be obtained from the Treasurer's Office by a bank not designated as a depository quite as readily as by a depository bank. (*Letter to Second National Bank, Fall River, Mass., December 13, 1872.*)

A Note composed of Pieces each less than Half is worthless.

A note made up of pieces each less than half is utterly worthless, not only for the reason that there is not the half of any one note in its composition, but also from the fact that the mutilation was for fraudulent purposes, under which circumstances the Department refuses to redeem. (*Letter to Prairie State Loan and Trust Company, Chicago, Ill., December 16, 1872.*)

It is discretionary with a Bank to refuse to receive Private Deposits.

Fractional Currency is not a legal tender for any amount in payment of private debts. A National Bank has therefore the legal right to refuse to accept it in payment of debts owing to it. In the opinion of the Treasurer the receipt or refusal of a deposit, for the credit of a depositor's account with a bank, is discretionary with the bank, irrespective of the kind of money tendered. (*Letter to N. Schlosser, Chambersburg, Pa., December 16, 1872.*)

Banks without the Territory covered by contract with Adams, Express Company may forward and receive Currency at Expense of Department.

The Secretary of the Treasury decides that, as a temporary measure, the express charges on currency received for redemption from National Banks situated without the limits of the Government contract with Adams Express Company, and on the new currency returned therefor, may be paid by the Department. The remittances should be marked "Under Government contract with Adams Express Company from" the point of connection with that company, and the charges to that point should be paid by the bank, and the bill therefor forwarded to the Treasurer for settlement in its favor. The charges on the new currency returned will be provided for by the Department. (*Letter to Deseret National Bank, Salt Lake City, Utah, December 17, 1872.*)

Department Cannot control Special Deposits in National Banks.

The Department has no control over special deposits in National Banks. (*Letter to First National Bank, Denver, Colorado Territory, December 27, 1872.*)

BANK CIRCULATION IN THE UNITED KINGDOM.

The combined bank circulation of the UNITED KINGDOM is now near forty-five millions sterling. From the year 1854 until 1865, it ranged from £ 36,642,000 to £ 40,379,000; and in 1867-1868 it rose to £ 41,420,000. While the population has increased from twenty-six millions in the year 1840 to 31,455,000 in the year 1871, the bank circulation remains essentially the same. While the foreign imports and exports of that country have increased from 268 millions sterling in the year 1854 to 700 millions in 1871, there is no need of an increase in the bank issues. The circulation in October last was as follows:

Thus, the bank circulation of the UNITED STATES (including legal tenders) are six hundred and eighty millions of dollars, equivalent to one hundred and thirty millions sterling, or three times the amount in circulation in the UNITED KINGDOM.

| | | |
|-----------------------------------|---------------------|-----------------|
| Bank of England..... | £ 26,000,000 | |
| Private Banks..... | 2,800,000 | |
| Joint-Stock Banks..... | 2,500,000 | — £ 31,300,000 |
| Scotland..... | | 5,500,000 |
| Ireland..... | | 7,600,000 |
| <i>Total, United Kingdom.....</i> | <i>£ 44,400,000</i> | |
| The United States..... | \$ 680,000,000 | — £ 130,000,000 |

THE BANK CLERKS' ASSOCIATION.

Fourth annual report of the Board of Management of the Bank Clerks' Mutual Benefit Association of the city of New York, December 1st, 1872.

BOARD OF MANAGEMENT FOR 1873. ELECTED DEC. 10, 1872.

OFFICERS.—*President*, JACOB C. PARSONS, Paying Teller, Chemical National Bank. *Vice-President*, WILLIAM A. NASH, Cashier, Corn Exchange Bank. *Recording Secretary*, CHARLES H. DUMMER, Paying Teller, Merchants' Exchange National Bank. *Corresponding Secretary*, JOHN H. BRENNEN, First Teller, New York Gold Exchange Bank. *Treasurer*, THOMAS L. RAYMOND, President, Produce Bank.

DIRECTORS.—RICHARD W. SWAN, Receiving Teller, Metropolitan National Bank. EDWARD T. BOARER, Collection Clerk, National Bank of Commerce. OCTAVIUS D. BALDWIN, Paying Teller, Fourth National Bank. WALTER COGGESHALL, Book-keeper, Bowery Savings Bank. LUTHER H. DONALDSON, Paying Teller, Bank of America. THOMAS W. S. MIDDLETON, Discount Clerk, American Exchange National Bank. . .

TRUSTEES.—M. F. READING, Cashier, National Mechanics' Banking Association. P. R. KISSAM, Note Teller, National Bank of Commerce. HENRY L. GEANT, 130 West 44th Street.

AN APPEAL IN AID OF THE BANK CLERKS' MUTUAL BENEFIT ASSOCIATION.

To Merchants, Bankers, Brokers, and others:

The Bank Clerks' Mutual Benefit Association of New York and Brooklyn was organized February 10, 1869, for the purpose of making some provision at the death of a member, for his widow and children, or, in the event of his not being married, for mother, sister, or others dependent upon him for a support. Also, to relieve the necessities of the aged and disabled.

There are over nine hundred members, who pay into the treasury the sum of fifty cents a month, and a like amount as part of a general assessment on the death of an associate. The family or representative of a member at his death receive, at the present rate of membership, over \$950.

Since the date of organization twenty-two have died, and the sum of \$29,490.50 has been paid to their families or heirs. It is expected there will be not less than ten deaths in each year.

In several cases there was pressing need of the relief afforded by the Association, and there will, doubtless, be many more of like character in the future. There can be no doubt that, in the majority of cases, the sum paid by the society to the families of the deceased was an important addition to the amount saved by provident father, husband or brother.

The society has a fund contributed by banks and private individuals, amounting at present to \$ 30,000, the interest only of which can be used in carrying out its objects.

The fund is in the hands of three trustees, of whom WILLIAM A. CAMP, manager of the Clearing House, is chairman.

To increase the permanent fund to an amount sufficient to provide for an increase in the number of deaths per annum, by reason of sickness, epidemic in character, or from other cause; to enlarge in time the benefits to the families of deceased members, to enable the society to care for those worn out and disabled in the service, and to add another to the benevolent organizations in which our citizens take pride, the liberal minded are invited to contribute.

Should the response be general, the aggregate will amount to a very handsome sum.

Believing the officers of the Association to be men of honor and integrity, giving their time and best efforts to this work of brotherly kindness, and without pecuniary reward, we are pleased to recommend this benevolent undertaking to the public.

(Signed by 24 merchants, bankers, &c.)

New York, April 20th, 1871.

The fourth annual meeting of the Association was held at the Hall of the Young Men's Christian Association, corner of 23d Street and Fourth Avenue, Thursday evening, December 5th, 1872. Addresses were delivered by J. D. VERMILYE, Esq., President of the Merchants' National Bank, Rev. CHARLES H. HALL, D. D. and ROBERT ANDERSON, Esq., of the Bowery Savings Bank. The meeting was called to order by the President of the Association, who introduced J. D. VERMILYE, Esq., Chairman of the meeting, as follows:

Ladies and Gentlemen:

We have assembled as members and friends of the Bank Clerks' Association for the purpose of celebrating its fourth anniversary. Having during the past year added to our resources, enlarged our membership, and increased the amount previously paid to the family or heirs of deceased members, we feel, by reason of our good fortune, more than ordinary pleasure in bidding you welcome this evening. I have the honor of introducing to you, as presiding officer on this occasion, the President of the Merchants' National Bank, J. D. VERMILYE, Esq.

ADDRESS OF THE CHAIRMAN, J. D. VERMILYE, Esq.
President of the Merchants' National Bank.

Gentlemen :

Since your President very kindly invited me to preside at your annual meeting, this evening, I have asked myself, what could have been the reason for selecting me for this honor? It certainly was not that I have displayed any peculiar skill or elegance as a speaker, nor aptness as a presiding officer, for these things have never been in my line; and to such qualities I can lay no claim. The only conclusion I can arrive at is, that from an experience of nearly forty years in connection with banks, as clerk and officer, through a great many changes in moneyed circles, he may have supposed that I had acquired some knowledge of the duties and trials which pertain to the service, and that I might, on *that* account, be able to impart some words of kindly counsel and good cheer to my younger brethren in this sphere of responsibility and labor. Perhaps he wished me to commiserate you gentlemen, upon the hard lot that has driven you from some honorable handicraft to the bank desk or counter, which I cannot really consent to do; or to congratulate you upon the most respectable position you occupy in the business world, and the delight which must thrill your hearts to be in constant contact with hoards of money; to count, to handle, and to pay it out. There are very few who enjoy the satisfaction of seeing so much as you do; of handling millions daily. Surely this is a great privilege, and the sight and knowledge that there is so much in the world, may enlarge *one's* *ideals*, even though it may *not* expand the pocket.

For your honorable position and these privileges, I am to tell you that you are expected to be very correct in department, to be very courteous to dealers, to give your time and mind to your duties from nine in the morning until four in the afternoon—with a full half hour for lunch; to enter checks, to post your ledgers, balance dealers' books, have your ledger balance made out, and on the cashier's desk on the first day of the month, by ten o'clock in the morning; the teller, after three o'clock, to balance his cash, look up differences, and if he finds they were the cashier's fault, to feel very Christian and kindly towards him, and always, in a word, to show great respect to your President, Cashier and Directors, and other human beings who may have any dealings with that grand institution of modern ages, that chief motive power of the world, known as a Bank! Certainly, gentlemen, to speak seriously, such things are included in your duties, when we take a practical view of your office; and upon the fidelity and thoroughness with which these particular acts are performed, upon the prompt and easy movement of each wheel of the complicated machinery, depends the harmonies and efficiency of the whole, and the benefit of the institution to the community around. Whatever be your cares and toils therefore, no one need disparage the *position*, for in real *utility*, we can claim that it yields to none in the business world.

Every clerk is an essential, and therefore a dignified part of the system, so long as he is competent, diligent and faithful in his place.

I think it was a happy idea that Bank Clerks, as a class, should form an association like the present.

There is always power in combination; the individual need not be merged in the mass, but should still exert his own faculties, and feel his personal responsibilities, and consider, that after all, it depends mainly upon his *own efforts*, whether he shall accomplish much or little; rise or fall in his calling. He who leans his whole weight on others, and looks to others to dictate his thoughts and actions, will never make much of a man in any sphere. Yet, "in union there is strength." The association gives importance to the profession. It makes its members feel that they are not isolated beings, but belong to a fraternity that is social, sympathetic, honorable and manly; and thus it fosters noble sentiments, and encourages each in his particular duties. Besides this kind of aid, there will be also *direct* advantages from your connexion. I suppose the "*Mutual Benefit*" your association aims at contemplates brotherly relief, in case sickness or disaster makes a brother's helping hand needful. What can be more just and commendable? To whom may one look more properly for kindness and aid in providential want, than to those of his own class? It seems to be implied, that besides what each appropriates of his earnings for his own necessities or comfort, the industry of the profession can be so economized and stored away, as to create a sort of common fund, to which the suffering member may resort for succor.

In addition to the consoling sympathy he enjoys from his fellows, he may also apply to that treasure their united efforts accumulated in seasons of health, when misfortune makes it necessary.

There is no degradation in this; nor need any sensitive spirit writhe under a sense of dependence, for he is now only reaping a share of what his *own* labor aided in gathering. By such forethought and a little self-sacrifice in health, the hour of sickness may be soothed, and himself and family spared the keen gnawings of want, with the sad feeling, there is none to feel for us, and none to help.

But "*Mutual Benefit*" will have also another direction. It very naturally means a proper pride in your calling, and the cultivation of a high tone of honor among members. Trustworthiness, stern integrity, truthfulness, are the strength and ornament of individual character; and they are the very pillars on which all commercial and money dealings must stand. *Confidence* in men is absolutely essential to a business community. Every official and agent in banking operations, must have these qualities; they must be (as I am glad to declare I think they have been, and now are), the characteristics of the bank agents among ourselves. Exceptions, of course, there have been; but they were the somewhat rare exceptions. When we consider what temptations, and what facilities for deception and dishonesty lie in the way of the weak, or wicked servant, it appears to me a high, but only a just compliment to our bank officials, that so

few, in proportion, have proved faithless to their trust. Villainy, in the misappropriation of money, theft, there has been enough of it, and on gigantic scales! But not often, nor in the largest sums, in the banks.

Some memorable instances, alas, may be cited; but for this rascality in its grandeur, for this stealing in its heroic achievements and boundless proportions! for impudence that may almost make the devil jealous, you must turn, not to the banks, but to *railroad* officials, and New York *politicians*. Now this good name of bank servants your associations will guard; this high tone of professional honor and uprightness, it is your object to foster.

A primary purpose of your union is, of course, to maintain and increase this noble "*esprit de corps*."

Permit me to speak on *another topic*. I mean the idea which naturally falls into your plan, Mutual Benefit, to wit: Mental Culture. A bank clerk is presumed to be a gentleman; his position and employment require intelligence, and a very considerable degree of information. He may not, indeed, have the kind of learning or mental training of college-bred men. But he cannot be without thought, and without intellectual activity, and be at all fit for his position. Of course, also, the more of them he has, the better will he be qualified to discharge his duties with ease and advantage, and to rise in his profession. Your labors, we know, must occupy the large share of your time, and are necessarily exacting and often exhausting, both to mind and body. But in this case, as in most others, relief will come more readily, often, by change of occupation, than by total relaxation. And in addition to bodily exercise, you may turn with advantage to cheerful instructive conversation, to some book, or some train of inquiry that will enlarge knowledge, while it interests and relieves the fatigued powers, and renews their vigor; as we find when one set of muscles are wearied, relief is frequently found by bringing a new set into play. So it is with the mind.

You must not be contented with the routine of daily drudgery; with the mechanical counting of coin or of bank notes; but every clerk should strive to become acquainted with the *principles of his business*.

Look how money enters into all the activities of life! Look at the wide influence it does and must exert in all the domestic, social, political, as well as mechanical and commercial relations. Money, saith the wise man, "answereth all things." It supplies the sinews of war, and advances the arts of peace. No agent of the civilized world is more universal, more powerful, more needful.

As the sun brings forth the products of the seasons, and fills the earth with life and beauty, so, *money* sets busy man in motion, and turns the inventions of many minds, and the industry of many hands, and the products of varied climes, to the comfort and improvement of earthly condition.

Thus the money interest holds its sway over the entire business of the globe.

And there can be no doubt, I think, that in time, New York will not only be, as now, the great commercial and money heart of this continent, but one of the centres, if not the *grand* centre, of monetary influence and power in the world.

Behind it lies the productiveness of one of the richest regions, and the activity of one of the most intelligent and enterprising races of men—New York will represent, not a nation, but a vast continent.

And this, gentlemen, may and probably will be in *your time*.

The more important does it become, therefore, that bank officials among us, should be a class of well-informed and thinking men, skilled in the practice, but also in the principles and theory of their profession. I hail a union of this kind, not for its social and benevolent features alone, but as it gives dignity to the calling, and creates a spirit that must lead to good results.

It will give a salutary impulse to the whole class of bank clerks; it may become a school of banking, and furnish a corps of bankers who may stand beside any in the world.

Such men will choose to conduct the business on its own legitimate principles and rules, free from speculative gambling so rife in our times; they will keep it on its true basis, as the safe depository of funds, and the auxiliary to mercantile energy and prosperity.

I hope, gentlemen, you will not think I am inclined to school you, (to play the lecturer), and will receive these remarks in the spirit of frankness in which they are given. I cannot be insensible to the honor of that calling in which my life, from my boyhood, has been passed, and everything which tends to its advancement and greater utility, must have my hearty good wishes. My connexion with many bank clerks, through many years, has only made me respect the class, for their industry and fidelity, and prompt me to say, *God speed* to the Bank Clerks' Mutual Benefit Association.

ANNUAL REPORT.

Members of the Bank Clerks' Mutual Benefit Association :

The Board of Management present for your consideration, a brief review of the transactions of the past year, congratulating you, at the same time, on the success attending your labors.

Argument is no longer needed to demonstrate the benefit of such an organization to its members, as well as the banking interests of

our city. The Association is now firmly established, each year affording additional evidence of public appreciation.

Beyond our own borders, its progress has been watched with interest by others, inciting them to unite upon a similar basis, for social and benevolent purposes.

Recalling the fact that little more than three years have elapsed since the inception of this enterprise, that a fund of a considerable amount has been created, a number of widows and others cared for, and provision made for several associates unfitted by disease for gaining a support by further labor, we have good reason to rejoice at our success.

Personal sacrifices may have been necessary, in some cases, to meet the claims of membership; still, the fraternal union has gained strength; for every want relieved and sorrow soothed, each, it is hoped, has received his reward in the satisfaction of being able, in part, to share the burdens of others.

The only drawback to the pleasure with which we present this report, arises from the fact that, with the exception of the sum of two hundred and fifty dollars received from the EMIGRANT INDUSTRIAL SAVINGS BANK, there have been no other contributions the past year from banks or savings banks, not already subscribers to the Permanent Fund.

Eighty-three banks in the cities of New York, Brooklyn, Jersey City, and Hoboken, together with twenty-three savings banks, are represented, by their clerks, in the association. That only forty-four of that number have, so far, extended us pecuniary aid, is a matter of deep regret; thereby retarding the growth of the fund, curtailing our usefulness, and depriving the movement of that interest in the eyes of the public, which would be otherwise secured by a unanimous endorsement on the part of the banks.

All admit the objects of the society to be praiseworthy, but many not feeling disposed to give in the same proportion as others, pass the matter by, without pausing to consider the good that might be accomplished by a smaller contribution.

That great results are produced by the combination of small forces, we see daily illustrated in the economy of nature, in various departments of labor, and in the success of co-operative associations at home and abroad. As an illustration, take the Railroad Conductors' Association. Taxing each member one dollar, whenever a brother is killed, dies by disease, or is incapacitated from working, there has been raised within four years, and paid to the families of their brothers, the sum of \$ 400,000.

Now fifty dollars, contributed annually by one institution, would be a small addition to our resources; but the same amount from forty banks, would add two thousand dollars each year to the fund. The interest arising from such increase, would enable us to add to the

amount at present paid to the representatives of deceased members, or to enlarge our work, by making provision during sickness, for those needing assistance.

This view of the subject is respectfully submitted to the consideration of bank officers and directors, hoping the next report will embrace in its list of contributors, every institution represented in our ranks.

The donations from private sources the past year, amount to \$1,675. Of that sum, five hundred dollars were contributed by JOHN DAVID WOLFE, Esq., the last act, almost, of a life made illustrious by noble deeds of public spirited generosity and Christian charity. In his death, and that of Messrs. JOSEPH SAMPSON and ROBERT J. DILLON, the association has experienced the loss of warm friends.

From Messrs. JNO. Q. JONES, RUSSELL DART, GEO. A. CLARK & BRO., and M. P. READ, Miss MARY S. JONES and Miss M. J. GELSTON, have been received one hundred dollars each, in addition to previous donations. From Miss E. CLARKSON JAY, and WM. R. HOLBROOK, fifty dollars each; ROBT. R. MORRIS, forty; JAMES GEMMEL, twenty; CLARK, LITTLE & Co., twenty. Also, in addition to last year, HENRY A. HURLBUT, one hundred dollars, ROBERT J. DILLON, fifty, and WM. HABRISHAW, twenty-five; besides other sums elsewhere acknowledged. Messrs. WM. HENRY GUNTHER and C. G. GUNTHER'S SONS, join J. R. PLATT, Esq., as annual subscribers of twenty-five dollars each, a manifestation of liberality we should be pleased to see emulated extensively by our merchants.

Since the closing of the accounts for the year, on the first of December, there have been received from JNO. Q. JONES, Esq., one hundred dollars, and JNO. R. PLATT, twenty-five dollars.

For these evidences of interest in the success of the association, we can scarce find words to express our heartfelt thanks.

To those contributing to the support of homes for the aged and infirm, asylums for orphans, and various other public institutions, there are daily presented opportunity of viewing the results of their bounty. In the case of this society, there is a marked difference. A member dies, and all are called on to meet the regular assessment; yet, outside of the institution with which he was connected, few, with the exception of the Board of Management, are familiar with the circumstances of those left behind him. A young man, with the hue of death upon his cheek, and breath scarce above a whisper, seeks the aid of the Board, to enable him to go South, in hope of getting through the winter. It is granted, without public mention of the fact. So in the case of others, lingering along with softening of the brain or paralysis, having no means of support.

Under such circumstances, every dollar contributed to the fund, by almost entire strangers to the members of the society, can only be re-

garded as an expression of confidence in our honor and good judgment. We appreciate the kindness and hope ever to prove worthy of the trust.

MEMBERSHIP.—At the last anniversary, the active members numbered 902; 5 were in arrears; 73 have been admitted during the year 1872, making a total of 978.

Allowing for 8 deaths, 1 case total disability, 6 resignations, 12 forfeitures, and 2 at present in arrears, making 29, we have at this time 951 members in good standing, being an increase of 49 during the year.

DECEASED MEMBERS.—There has been a loss of eight members by death, the youngest at the age of 24, the oldest 81. One continuing in the active discharge of duty, long past the period usually allotted to man; the other, in the flush of manhood, full of warm and generous impulses, with a bright future before him, cut off in the "twinkling of an eye," as the waves closed over him, and blotted out the hopes of parents and friends.

In looking over the list of those who have died since the society was organized, it will be seen that 17 out of 32 have been, in most cases, hurried to an early grave by consumption. The fact is startling, yet not to be wondered at, taking into consideration the slight attention paid, in most cases, to proper ventilation, the want of sufficient room, and the nature and amount of labor necessary within a limited number of hours, in order to keep up with the increasing demands of business.

DISABLED MEMBERS.—The name of another member has been added the past year, to the list of those unfitted by disease for labor, and having no means of support.

Mr. FRANK TODD, formerly of the CENTRAL NATIONAL BANK, having removed to the West, word was received that he was prostrated with disease of the brain and paralysis, his wife and children in destitute circumstances. After satisfactory investigation, the assessment was ordered, and the sum of twenty-five dollars per month will be paid him till one thousand dollars are exhausted.

Meetings of the Board, regular and special, have been held at various periods during the year, for the transaction of business. At an early date, a resolution was adopted, that the sum to be paid during the year to the heirs or relatives of deceased members, or in cases of permanent disability, be fixed at one thousand dollars, the difference between the amount named and that raised by assessment to be paid from the interest of the permanent fund.

DECEASED MEMBERS OF THE BANK CLERKS' ASSOCIATION—FOUR YEARS.

| <i>Nome.</i> | <i>Year.</i> | <i>Bank.</i> | <i>Age.</i> | <i>Cause of Death.</i> | <i>Am't of Benefit.</i> |
|--------------------------|--------------|---|-------------|-----------------------------------|-------------------------|
| J. J. M. Huston..... | 1869. | Third Avenue Savings Bank..... | 19 | Disease of the Heart..... | \$ 912 50 |
| Charles Conner..... | " | Bank for Savings..... | 60 | Rheumatism..... | 950 00 |
| Frank O. Earle..... | " | Manhattan Savings Bank..... | — | Consumption..... | 951 00 |
| Robert H. Ellison..... | " | Central National Bank..... | 22 | Consumption..... | 953 50 |
| Patrick J. Connor..... | " | Emigrant Industrial Savings Bank..... | 26 | Consumption..... | 954 50 |
| John T. Hunn..... | " | Tradesmen's National Bank..... | 40 | Consumption..... | 953 50 |
| D. T. Westerfield..... | 1870. | Bank of New York, N. B. A..... | 41 | Consumption..... | 952 50 |
| H. A. Nichie..... | " | National Bank of the Commonwealth..... | 52 | Consumption..... | 954 00 |
| E. B. Cooper..... | " | Nassau Bank..... | 50 | Pneumonia..... | 953 50 |
| George E. Farmer..... | " | Bowery Savings Bank..... | 30 | Typhoid Fever..... | 953 00 |
| Ichabod Condit..... | " | Ninth National Bank..... | 30 | Consumption..... | 959 00 |
| W. R. Sheddan..... | " | National Park Bank..... | 22 | Consumption..... | 500 00 |
| *J. S. Peters..... | " | Corn Exchange Bank..... | — | Pneumonia..... | 956 00 |
| W. H. Brinckerhoff..... | " | Greenwich Savings Bank..... | 39 | Consumption..... | 955 00 |
| George C. Hall..... | " | Metropolitan National Bank..... | 54 | Pneumonia..... | 954 00 |
| Edward Lumrey..... | 1871. | Emigrant Industrial Savings Bank..... | 50 | Paralysis of the Brain..... | 1,000 00 |
| E. P. Munn..... | " | Phenix National Bank..... | 33 | Typhoid Fever..... | 1,000 00 |
| W. Henry Vanderhoof..... | " | Bowery Savings Bank..... | 55 | Consumption..... | 1,000 00 |
| George M. Masterton..... | " | Manufacturers and Merchants' Bank..... | 26 | Consumption..... | 1,000 00 |
| John W. Hilyard..... | " | Gallatin National Bank..... | 28 | Consumption..... | 1,000 00 |
| W. W. Crapo..... | " | National Shoe and Leather Bank..... | 33 | Consumption..... | 1,000 00 |
| John S. Shapter..... | " | Fourth National Bank..... | 56 | Disease of the Heart..... | 1,000 00 |
| George M. Mumford..... | " | American Exchange National Bank..... | — | Consumption..... | 1,000 00 |
| H. M. Connett..... | " | Chemical National Bank..... | 36 | Consumption..... | 1,000 00 |
| William Housman..... | 1872. | First National Bank, Brooklyn..... | 27 | Consumption..... | 1,000 00 |
| Joseph W. Britton..... | " | National Butchers and Drivers' Bank..... | 27 | Consumption..... | 1,000 00 |
| H. T. Battin..... | " | Bank of America..... | 30 | Consumption..... | 1,000 00 |
| Thomas Moore..... | " | Bank of N. Y. National Banking Association..... | 24 | Consumption..... | 1,000 00 |
| T. M. Tutthill..... | " | Third Avenue Savings Bank..... | 52 | Pneumonia..... | 1,000 00 |
| Erastus Williams..... | " | Chemical National Bank..... | 81 | Disease of Liver, and Dropsy..... | 1,000 00 |
| James S. Sloan..... | " | Six-Penny Savings Bank..... | 72 | Bright's Disease..... | 1,000 00 |
| W. H. Woodgate..... | " | Fulton National Bank..... | 24 | Drowned..... | 1,000 00 |

* Assessment waived by request.

 CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. NOTARIAL DEMAND AFTER BANKING HOURS. II. LIEN OF A BANK UPON THE SHARES OF DEBTORS. III. REBATE OF INTEREST—PAYMENT BEFORE MATURITY. IV. INTEREST—GRACE ON SIGHT BILLS. V. THE LAW OF MARRIED WOMEN.

I.—NOTARIAL DEMAND.

NATIONAL BANK OF ———, Boston, December, 1872.

To the Editor of the Banker's Magazine.

In your number of the BANKER'S MAGAZINE for this month, in reply to Banker, page 416, you say it is not essential that a note or check should be presented during bank hours, but may be presented after bank hours if any of the officers are there to refuse payment. It has always appeared to me, that in order to make a legal demand upon which to establish a protest, the demand must be made during the business hours of the bank. It can be done as soon as the bank is open and any time during the day until the bank closes: but after that, no demand can establish a foundation for a notary's fee.

———— Banker.

Reply.

It is the usual practice to demand payment or certification of notes through the the Clearing House, in order to save time and trouble; the funds to meet them being generally provided by deposit the day before maturity; but where certification or payment is refused, the note must be (or generally is) in the Receiving Teller's hands or at his counter awaiting payment by the maker.

A demand of payment after banking hours at a bank, is strictly legal. It was *held* by the Supreme Court United States, in the case of *HILDEBURNE v. TURNER*, (see *Manual for Notaries and Bankers*, page 133,) that "a protest of a bill payable at, and held by, a bank, need not state to what officer it was presented, or who replied it would not be paid; a statement that it was presented at the bank, and payment refused, is sufficient."

Further, "If a bill or note be payable at a bank, and the bill or note is at the bank on the day of payment, and if any person is there authorized to receive payment and to give up the note, it is sufficient to charge the indorser."

Further, "A note payable at bank, was presented to the teller at the bank, by the notary, after the usual hour of closing as to other business, but within the time allowed, by the custom of the bank, for presentation." (See *Manual*, page 488, case before the Supreme Court of NEW YORK.) There are numerous other cases on this point, pages 487-489, in the same volume.

According to BROOKE'S *Treatise on the Office of a Notary*, "If the place of business or the residence of the acceptor, (or of the drawee if not accepted, as the case may be,) or the house or place where the bill is made payable by the acceptance be shut up, the bill must be taken there and an attempt made to present it for payment; and if the door be found locked or fastened, and no person there to give an answer, the bill is considered as dishonored. However, if there be any neighbor or person on the spot likely to afford information, inquiries are sometimes made of him respecting the party whose place is so shut up, but if made, they seem generally considered as in the nature of acts of courtesy, or abundant caution; not as being necessary."

II.—LIEN ON SHARES BY A BANK.

SECOND NATIONAL BANK OF ———, INDIANA.

To the Editor of the *Banker's Magazine*.

Will you be good enough to state whether a National bank can hold stock of a stockholder that is a debtor to the bank (by the provisions of the by-law against the transfer of stock without the consent of the directors) as against third parties. I think there was one precedent in this State, published in the *BANKER'S MAGAZINE* two or three years since, in which a third party, with a judgment in his favor, levied on the stock and had it transferred, notwithstanding the second party was debtor to the EVANSVILLE BANK.

Be good enough to respond at your earliest convenience, and oblige

———— Vice-President.

Reply.

The question you make is yet undecided finally by our Courts. In the *BANKER'S MAGAZINE* for December, 1871, (page 428) you will find an interesting case of assignees against the OLD NATIONAL BANK OF PROVIDENCE, R. I., in which the bank was allowed to hold stock against a debtor as provided by their by-laws—a case before the United States Circuit Court. In our March number, 1872, (page 667) you will find the case of the METROPOLITAN NATIONAL BANK *v.* the EVANSVILLE NATIONAL BANK, also before the United States Circuit Court, which was decided the other way. This was the case of the late prominent firm of WATTS, CRANE & Co., bankrupts, who had borrowed \$30,000 on the shares as collateral to the METROPOLITAN, with the power of transfer.

We take occasion here, as before, to remind our banking subscribers that they will find the value of this Magazine materially enhanced, by binding the respective volumes for future reference. Each volume begins in July, and ends in June following, making a volume of 1,000 pages with a copious index to all the subjects, and to all the cases during the year. As every bank has from ten to fifty persons engaged in its management, either as officers, directors, or clerks, the **BANKER'S MAGAZINE**, in bound volumes, is well worth preservation for future reference.

III.—REBATE OF INTEREST.

The STATE NATIONAL BANK, of ———, IOWA.

To the Editor of the Banker's Magazine.

Where a note is given payable at a certain time, with interest, can the interest on the three days grace be collected, provided the days of grace have not run or commenced?

For instance: A note at sixty days, payable with interest, is discounted by a bank, by adding sixty-three days interest to the principal and then discounting the amount so obtained for the time it has to run. The maker of the note, on the sixtieth day, offers to pay the principal and sixty days' interest only. Is the holder obliged to surrender the note on these terms, or may he demand the sixty-three days' interest or hold the note to maturity (sixty-three days)?

———— Banker.

Reply.

Where a note is given payable at a fixed time with interest, the holder has a right to demand interest until the last day of grace, and he is legally entitled to hold the note until such day. But we never knew a case where a holder of a note declined to receive payment in advance, with interest only to day of payment. In small transactions the maker of a note may have special reasons to desire possession of it before maturity, and is willing to submit to a loss of interest. In larger transactions the holder may properly claim the "pound of flesh," and insist upon a rigid compliance with the written contract.

To avoid all discussion between the maker and the holder, in such a case as our correspondent suggests, a note should be payable "on or before" such date. Then the maker has the option of payment at any day prior to maturity.

A promissory note is a written contract, binding in all its provisions, upon the maker and the endorsers: a contract in which the holder may legally insist upon a strict performance.

IV. INTEREST—GRACE ON SIGHT BILLS.

Banking House of ———, Wis.

To the Editor of the Banker's Magazine.

Is there any law or usage by which a note payable "on or before" a stated future date can be construed to draw interest for both the day on which it is dated and the day of its maturity?

2. One more question: In cases where, owing to the uncertainty of the law, it is deemed safest to protest sight drafts twice, should the first protest be for non-acceptance or for non-payment, or both?

———— Bankers.

Reply.

In reply to your inquiry of the 4th inst., we should say, that the ordinary rule with bankers is to make no charge for interest on the first day. A note at sixty days' date is chargeable with sixty-three days' interest, although the borrower has the use of the money sixty-four days, including the day of the date when he borrows and the day of payment; he pays for sixty-three only.

2. Owing to the uncertainty of the law, there is, in some States, some doubt as to allowing grace on sight bills. In such cases (where payment is refused on presentation at sight), protest for non-payment must be made the first day; and again on the third day after if payment is still refused. As all written (as well as verbal) agreements should be explicit and clear in phraseology, all drafts and bills "at sight" should be drawn payable "*without grace*," to avoid dispute between the holder and the drawee.

In the "*Manual for Notaries and Bankers*" our correspondent will find (pages 666-752) the laws of all the States on this latter question, with upwards of one thousand important cases. In the State of NEW YORK (pages 705-706) the statute provides that grace shall not be allowed on bills at sight, "but shall be deemed due and payable on presentation."

V. THE LAW OF MARRIED WOMEN.

———— SAVINGS BANK, Pittsburgh, PA.

To the Editor of the Banker's Magazine.

We have a case as follows (see note herewith) in which A. C. takes J. F. S.'s note for machinery sold him. J. F. S. represents himself as agent for his wife who owns the property and shop, and she endorses it as security to A. C. for its payment. Our board refuse the paper; however some members of the board claim that they or we could collect from the wife if he refused to pay it. I can not find a parallel case in our small law library. Will you, please, answer it through your next number of the Magazine, or sight me a *desition* of Court covering the case, and oblige,

\$ 500.

Pittsburgh, March 3d, 1873.

Four months after date I promise to pay to the order of A. C. Five Hundred Dollars at NATIONS BANK FOR SAVINGS, Allegheny City, PA., without defalcation. Value received.

No. _____

(Signed) J. F. S., Agt.

Endorsed as follows:

A. S. (the wife).

A. C. (the holder).

Reply.

We conceive that the liability of the wife as well as of the husband is clear in the above case, where both assent to the transaction, and in States where a married woman is by law allowed to transact business on her own account and for her own benefit.

It would be otherwise in States where there are no statutes to authorize married women to carry on business for their own account. This feature of the law of commercial paper is fully discussed in the "*Manual for Notaries and Bankers*" (pages 226-239).

In the State of NEW YORK it is provided that "a married woman may bargain, sell and assign, and transfer, her separate personal property, and carry on any trade or business, and perform any labor or services on her sole and separate account; and the earnings of any married woman from her trade, business, labor, or services, shall be her sole and separate property, and may be used or invested by her in her own name." (See *Manual*, page 235.)

As the law stands under the statutes of 1860 and 1862, in NEW YORK, a married woman may make "Contracts in relation to her separate business, in the same manner as though she were a single woman" (see *Manual*, page 237), but it may be otherwise in PENNSYLVANIA and other States.

NOTE.—There are several other inquiries before us, from subscribers, which claim attention and will be duly noticed in future Nos. of this work. In the mean time we take occasion to say that nearly every conceivable case of inquiry, by or before a banker, has had a precedent, and that the law on the subject will be found to be clearly laid down in some one of the following works:

1. The *Manual of Notaries and Bankers*, 8vo, pp. 800. 2. MORSE on Banking. 3. GRANT on the Law of Banking. 4. STORY on Bills of Exchange. 5. STORY on Promissory Notes. 6. PARSONS on the Laws of Business for Business Men.

Every bank and banker should be provided with these works for the use of their officers, clerks, notary, and directors.

THE DAILY PRICE OF GOLD AT NEW-YORK.

(Continued from page 820, April No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of March, 1873, compared with the same period in the years 1868-72. The figures in full-face denote the lowest and highest quotations of the month :

| Mar. 1873. | 1873. | 1872. | 1871. | 1870. | 1869. | 1868. |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 Saturday .. | 11½ 15½ | 10 10½ | 10½ 11½ | 15 16 | 31 32½ | Sun. |
| 2 Sunday .. | Sun. | 10½ 10½ | 10½ 11 | 15½ 16½ | 31½ 32½ | 40½ 41½ |
| 3 Monday .. | 14½ 15½ | Sun. | 10½ 11½ | 15½ 15½ | 31½ 32½ | 40½ 41½ |
| 4 Tuesday .. | 14½ 15½ | 10 10½ | 10½ 11½ | 13½ 14 | 31½ 32 | 40½ 41½ |
| 5 Wednesday | 15 15½ | 10 10½ | Sun. | 13½ 14 | 31 31½ | 41 41½ |
| 6 Thursday .. | 15 15½ | 10 10½ | 10½ 11 | Sun. | 30½ 31½ | 41½ 41½ |
| 7 Friday .. | 15½ 15½ | 10 10½ | 11 11½ | 12½ 13½ | Sun. | 40½ 41½ |
| 8 Saturday .. | 15½ 15½ | 10½ 10½ | 11½ 11½ | 10½ 12½ | 31½ 32 | Sun. |
| 9 Sunday .. | Sun. | 10 10½ | 11½ 11½ | 10½ 11½ | 30½ 31½ | 39½ 40½ |
| 10 Monday .. | 15 15½ | Sun. | 11½ 11½ | 10½ 11½ | 31½ 32 | 39½ 40½ |
| 11 Tuesday .. | 15 15½ | 10½ 10½ | 11½ 11½ | 12½ 13½ | 31½ 31½ | 39½ 39½ |
| 12 Wednesday | 15 15½ | 10½ 10½ | Sun. | 11½ 12½ | 31 31½ | 39½ 40½ |
| 13 Thursday .. | 14½ 15½ | 9½ 10 | 11½ 11½ | Sun. | 31½ 31½ | 39½ 40 |
| 14 Friday .. | 14½ 15½ | 10 10½ | 11½ 11½ | 11½ 13½ | Sun. | 38½ 39½ |
| 15 Saturday .. | 14½ 15½ | 10 10½ | 11½ 11½ | 11½ 12½ | 30½ 31½ | Sun. |
| 16 Sunday .. | Sun. | 10½ 10½ | 11½ 11½ | 11½ 12½ | 31½ 31½ | 39½ 39½ |
| 17 Monday .. | 15 15½ | Sun. | 11½ 11½ | 12 12½ | 31½ 31½ | 39 39½ |
| 18 Tuesday .. | 15½ 15½ | 10 10½ | 11 11½ | 11½ 12½ | 30½ 31½ | 38½ 38½ |
| 19 Wednesday | 15½ 15½ | 9½ 10½ | Sun. | 12 12½ | 30½ 31½ | 38½ 38½ |
| 20 Thursday .. | 15½ 15½ | 9½ 10 | 10½ 11½ | Sun. | 30½ 31½ | 38½ 38½ |
| 21 Friday .. | 15½ 15½ | 9½ 9½ | 11 11½ | 12½ 12½ | Sun. | 38½ 39½ |
| 22 Saturday .. | 15½ 15½ | 9½ 9½ | 10½ 11½ | 12½ 12½ | 31 31½ | Sun. |
| 23 Sunday .. | Sun. | 9½ 10 | 10½ 11½ | 12½ 12½ | 31 31½ | 38½ 39½ |
| 24 Monday .. | 15½ 15½ | Sun. | 10½ 11 | 12½ 12½ | 31½ 31½ | 37½ 38½ |
| 25 Tuesday .. | 15½ 15½ | 9½ 9½ | 10½ 10½ | 11½ 12½ | 31 31½ | 38½ 38½ |
| 26 Wednesday | 15½ 16½ | 9½ 10 | Sun. | 11½ 11½ | Good Fri. | 38½ 38½ |
| 27 Thursday .. | 15½ 16½ | 10 10½ | 10½ 10½ | Sun. | 31 31½ | 38½ 38½ |
| 28 Friday .. | 16½ 16½ | 10½ 10½ | 10½ 10½ | 11½ 11½ | Sun. | 38½ 38½ |
| 29 Saturday .. | 16½ 17 | Good Fri. | 10½ 10½ | 11½ 12 | 31½ 31½ | Sun. |
| 30 Sunday .. | Sun. | 10 10½ | 10½ 10½ | 11½ 12½ | 31½ 31½ | 38½ 39½ |
| 31 Monday .. | 16½ 18½ | Sun. | 10½ 10½ | 11½ 12½ | 31½ 31½ | 38½ 38½ |

The above record for March, 1873, confirms the suggestions contained in our gold table for February, on page 820, April No. The premium on the last day of March, 1873, was 100 per cent. beyond the lowest premium reported in March, 1872, and 50 per cent. beyond the premium of March, 1871.

The extraordinary importations from EUROPE this season will, of course, demand larger shipments of coin in liquidation ; and we cannot anticipate any material decline in the premium on gold during the present six months. The country cannot sustain much longer the enormous debts created in EUROPE, in addition to the heavy remittances of government bonds.

DIVIDENDS OF THE BOSTON BANKS.

Compiled by JOSEPH G. MARTIN, Stock Broker, No. 10 State Street, Boston.

| | <i>Total Capital.</i> | <i>Total Dividends.</i> | <i>Average.*</i> |
|------------------------|-----------------------|-------------------------|------------------|
| Total, April, 1873, .. | \$ 49,700,000 | \$ 2,432,500 | \$ 4.89.43 |
| Total, Oct., 1872, .. | 49,400,000 | 2,438,000 | 4.91.52 |
| Total, April, 1872, .. | 49,100,000 | 2,270,500 | 4.62.42 |
| Total, Oct., 1871, .. | 49,100,000 | 2,336,250 | 4.75.81 |
| Total, April, 1871, .. | 48,600,000 | 2,364,500 | 4.86.52 |

The table presents the capital of each bank, together with the last two semi-annual dividends, and the amount payable on Tuesday, April 1. Also the market value of each stock dividend on October 1, 1872, and at the present time.

The banks of Boston have done a profitable business the past six months, the average high price for money having enabled them to keep up their rate of dividends, besides adding moderately to the reserve, the evils of the November fire having proved to be less thus far than had been feared. The following are the changes as compared with October, 1872. The ATLANTIC alone increases from 5 to 6 per cent. The BROADWAY passes the April dividend. The FREEMAN's reduces from 6 to 5 per cent. It will be remembered that the entire loan of this bank, nearly \$800,000, was destroyed in the great fire, all of which was replaced except about \$9,000, and the full extent of loss from all sources will not exceed \$25,000. Since October the bank has increased its capital from \$600,000 to \$800,000, and now pays on the latter sum. The BOYLSTON has also increased from \$500,000 to \$600,000. The MARKET reduces from 4½ to 4 per cent., NORTH AMERICA 4½ to 4, and REVERE 5 to 4½ per cent.

The ELEVENTH WARD NATIONAL BANK, which commenced business May 20, 1872, now pays its first dividend of 4 per cent. The CENTRAL NATIONAL BANK will probably go into operation the 1st of May. A new bank, the FIRST WARD NATIONAL, is to be established in East Boston. Of the fifty-one banks in Boston, three pay 7 per cent., ten 6 per cent., twenty 5 per cent., two 4½ per cent., fifteen 4 per cent., and the BROADWAY passes. The average per centage is 4.89 per cent. against 4.93 the previous six months. This is a remarkable exposé in view of the extraordinary losses and heavy failures in the City of Boston, produced by the large fire, November 9th.

The aggregate capital of the banks in Boston is \$49,600,000. Their surplus profits were, in June, 1872, \$14,383,096; in October, 1872, \$13,705,891, or about 27.63 per cent. Some of them show 40 to 50 per cent. surplus beyond their capital; others less than 10 per cent. It is by the publication of statistics of this character that investors can ascertain the strength and dividend-paying capacity of the respective banks.

* These averages are ascertained (without the use of pen, paper, or head work), by a new instrument, entitled an ARITHMOMETER, a French invention, and now extensively used in FRANCE and ENGLAND by actuaries, accountants, and others.

DIVIDENDS OF THE BOSTON BANKS.

1. Capital of each Bank. 2. Dividend and market values of shares in April and October, 1872, and April, 1873. 3. Surplus fund of each.

| Name of Bank. | Capital. | Dividends. | | | | Shares. | | Surplus. Oct., 1872. |
|------------------------------|----------------------|------------|------|-------|------|---------|----------------------|-------------------------|
| | | 1872. | | 1873. | | 1872. | 1873. | |
| | | Apl. | Oct. | Apl. | Oct. | Apl. | Oct., 1872. | |
| Merchants' National.. | \$ 3,000,000 | 5 | 5 | 5 | 138 | 135 | \$ 1,208,500 | |
| Nat. B. of Commerce. | 2,000,000 | 5 | 5 | 5 | 131 | 129 | 641,602 | |
| Tremont National.... | 2,000,000 | 5 | 5 | 5 | 129 | 127½ | 175,916 | |
| State National..... | 2,000,000 | 3 | 4 | 4 | 114 | 109 | 100,410 | |
| National Revere.... | † 2,000,000 | 4 | 5 | 4½ | 128 | 121 | 402,740 | |
| Second National.... | 1,600,000 | 6 | 6 | 6 | 152 | 150 | 624,734 | |
| N. Bank of Republic | 1,500,000 | 5 | 5 | 5 | 132 | 130 | 374,023 | |
| N. Hide & Leather. † | 1,500,000 | 4 | 4 | 4 | 118 | 115½ | 110,137 | |
| Suffolk National.... | 1,500,000 | 5 | 5 | 5 | 132 | 130 | 289,546 | |
| Atlas National..... | 1,500,000 | 4 | 4 | 4 | 117 | 117½ | 284,512 | |
| National Webster.... | 1,500,000 | 0 | 4 | 4 | 108½ | 108 | 136,761 | |
| Blackstone National.. | 1,500,000 | 6 | 6 | 6 | 151 | 150 | 434,770 | |
| First National..... | 1,000,000 | 6 | 6 | 6 | 196 | 198 | 987,500 | |
| Nat. B. of Redemption | 1,000,000 | 5 | 5 | 5 | 145 | 142 | 475,586 | |
| North National..... | 1,000,000 | 4 | 4 | 4 | 123 | 123 | 274,855 | |
| National Exchange.. | 1,000,000 | 6 | 6 | 6 | 180 | 176 | 725,345 | |
| Eliot National..... | 1,000,000 | 5 | 5 | 5 | 127½ | 122 | 192,272 | |
| New England Nat'l.. | 1,000,000 | 5 | 5 | 5 | 145 | 140 | 416,240 | |
| National City..... | 1,000,000 | 4 | 4 | 4 | 116 | 114 | 158,968 | |
| Shoe & Leather Nat'l | 1,000,000 | 6 | 6 | 6 | 143½ | 148 | 227,636 | |
| N. B. of N. America | † 1,000,000 | 4½ | 4½ | 4 | 116 | 113 | 115,920 | |
| Faneuil Hall National | 1,000,000 | 5 | 5 | 5 | 143 | 141½ | 257,282 | |
| Globe National..... | 1,000,000 | 5 | 5 | 5 | 138 | 130 | 307,255 | |
| National Union..... | 1,000,000 | 5 | 6 | 6 | 147 | 150 | 511,398 | |
| National Eagle..... | 1,000,000 | 4 | 4 | 4 | 119 | 114 | 215,329 | |
| Columbian National.. | 1,000,000 | 5 | 5 | 5 | 133 | 133 | 384,489 | |
| Boston National.... | 1,000,000 | 4 | 5 | 5 | 123 | 125 | 251,258 | |
| Shawmut National. † | 1,000,000 | 5 | 5 | 5 | 125 | 126 | 219,387 | |
| Continental National. | 1,000,000 | 4 | 4 | 4 | 116 | 113 | 176,464 | |
| Howard National.... | 1,000,000 | 4 | 4½ | 4½ | 116 | 114½ | 105,483 | |
| Old Boston National. | 900,000 | 6 | 6 | 6 | 76 | 75½ | 285,225 | |
| Market National.... | 800,000 | 4 | 4½ | 4 | 120 | 112½ | 112,857 | |
| Massachusetts Nat'l.. | 800,000 | 4 | 5 | 5 | 128 | 125 | 221,397 | |
| Washington National | 750,000 | 6 | 6 | 6 | 145 | 143 | 272,641 | |
| Atlantic National.... | 750,000 | 5 | 5 | 6 | 136 | 139 | 280,247 | |
| Hamilton National.... | 750,000 | 5 | 5 | 5 | 125 | 126 | 171,443 | |
| Traders' National.... | 600,000 | 4 | 4 | 4 | 119 | 115 | 117,225 | |
| Freeman's Nat'l.... | † 300,000 | 6 | 6 | 5 | 150 | 131 | 219,684 | |
| Boylston National.... | 500,000 | 6 | 7 | 7 | 157 | 150 | 215,670 | |
| N. B. Commonwealth | 500,000 | - | 4 | 4 | 120 | 124 | 66,634 | |
| Maverick National.... | 400,000 | 5 | 5 | 5 | 126 | 126 | 132,630 | |
| Third National..... | 300,000 | 4 | 4 | 4 | 147½ | 145½ | 153,787 | |
| People's National.... | 300,000 | 6 | 7 | 7 | 157 | 155 | 161,834 | |
| National Rockland... | 300,000 | 7 | 7 | 7 | 165 | 162 | 162,308 | |
| Mechanics' National.. | 250,000 | 5 | 6 | 6 | 133 | 130 | 57,317 | |
| Broadway National.. | 200,000 | 5 | 5 | - | 130 | 125 | 42,978 | |
| Everett National.... | 200,000 | 5 | 5 | 5 | 138 | 136 | 65,247 | |
| Mount Vernon Nat. † | 200,000 | 5 | 5 | 5 | 133 | 130 | 58,673 | |
| National Security.... | 200,000 | 4 | 4 | 4 | 130 | 130 | 55,345 | |
| Blue Hill National.... | 200,000 | 5 | 5 | 5 | 125 | 125 | 57,266 | |
| Eleventh Ward Nat'l | 300,000 | - | - | 4 | 102 | 106 | 9,165 | |
| Totals, 51 Banks..... | \$ 49,600,000 | | | | | | \$ 13,705,891 | |

† Burned out, November 9th.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
Stock and Bond Brokers, 39 Wall St.

(Continued from page 823, April No.)

| STOCKS. | JAN., 1873. | | FEB., 1873. | | MAR., 1873. | |
|---|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| U. S. Six per cts. of 1881, Coupon Bds. | 114½ | 119½ | 118½ | 118½ | 118½ | 120½ |
| “ Five-Twenty of 1862, “ | 112½ | 115½ | 114½ | 115½ | 115½ | 117½ |
| “ “ 1864, “ | 113½ | 115½ | 114½ | 115½ | 115½ | 117½ |
| “ “ 1865, “ | 113½ | 116½ | 115½ | 116½ | 116½ | 118½ |
| “ “ 1865, New, “ | 112½ | 115½ | 114½ | 114½ | 114½ | 116½ |
| “ “ 1867, “ | 113½ | 116½ | 116½ | 116½ | 116 | 118½ |
| “ “ 1868, “ | 113½ | 117 | 116½ | 116½ | 116½ | 118 |
| “ Ten-Forty Coupon Bonds..... | 109½ | 115½ | 114½ | 115½ | 110 | 112½ |
| “ Five per cent. of 1881..... | 112 | 115½ | 113½ | 113½ | 112½ | 115½ |
| “ Six per cent. Currency..... | 112½ | 115½ | 114½ | 115½ | 113½ | 115 |
| Tenn. Six per cent. Bonds, Old..... | 79½ | 82½ | 79 | 83½ | 80 | 86 |
| “ “ “ New..... | 79½ | 82½ | 79 | 83½ | 79½ | 86 |
| Virginia Six per cent. Bonds, Old.. | .. | .. | 49 | 49 | 44½ | 46 |
| “ “ “ New..... | .. | .. | .. | .. | .. | .. |
| “ “ “ Consol.. | 54 | 56½ | 55½ | 56 | 55½ | 56½ |
| N. Carolina Six per ct. Bonds..... | 33½ | 34½ | 33 | 34 | 31½ | 32 |
| “ “ “ New..... | 17½ | 19 | 18½ | 18½ | 17 | 18 |
| “ “ “ Special Tax | 10 | 14 | 14 | 15 | 13 | 13 |
| S. C. Six per ct. Bds. Jan. & July.. | 21½ | 23 | 20½ | 22½ | 17 | 20½ |
| “ “ “ April & Oct.. | 25 | 25½ | 25 | 26 | 22 | 23 |
| Missouri Six per cent. Bonds..... | 92½ | 93½ | 93½ | 95 | 93½ | 96½ |
| Canton Company of Maryland..... | 100½ | 102½ | 100 | 102 | 93½ | 102½ |
| Delaware and Hudson Canal Co..... | 115½ | 119½ | 118½ | 124 | 117 | 123 |
| Consolidated Coal Co. of Maryland. | 43 | 48½ | 48 | 53½ | 51½ | 57½ |
| Quicksilver Mining Company..... | 43½ | 46½ | 43½ | 46½ | 40 | 45 |
| “ “ “ Preferred | 53 | 55½ | 55 | 57 | 50 | 54 |
| Mariposa Mining Company..... | ½ | 1 | ½ | ½ | .. | .. |
| “ “ “ Preferred | 2 | 2½ | 1 | 2 | 1 | 1½ |
| Western Union Telegraph Co..... | 78½ | 85½ | 83½ | 94½ | 83 | 90½ |
| Pacific Mail Steamship Company.. | 69½ | 75½ | 55½ | 76½ | 49 | 62 |
| Adams Express Company..... | 94 | 100½ | 94½ | 99½ | 94 | 95½ |
| Wells, Fargo & Co. Express Co..... | 83 | 86 | 85 | 86 | 80½ | 85½ |
| American Merchants' Union Express | 68 | 71 | 66 | 70 | 66 | 69½ |
| United States Express..... | 75½ | 82 | 70 | 78½ | 72½ | 76 |
| N. Y. Cent. and Hudson River R. R. | 99½ | 106½ | 101½ | 106½ | 100 | 106½ |
| Erie Railroad, Common..... | 58½ | 67 | 63 | 69½ | 62½ | 66½ |
| “ “ “ Preferred..... | 75 | 80½ | 78 | 82 | 74 | 79½ |
| Harlem Railroad, Common Shares. | 114½ | 122½ | 118½ | 130½ | 127 | 139 |
| Reading Railroad Shares..... | .. | .. | .. | .. | .. | .. |

| STOCKS. | JAN., 1873. | | FEB., 1873. | | MAR., 1873. | |
|--|-------------|----------|-------------|----------|-------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| N. York & New Haven R.R. Shares.. | 139 | 142 | 141 | 142½ | 139½ | 141 |
| Michigan Central Railroad Co. | 104 | 110 | 107½ | 111 | 105 | 108½ |
| Lake Shore & Mich. Southern R.R.. | 91½ | 97 | 90½ | 97½ | 91½ | 96½ |
| Panama Railroad Company Shares.. | 125 | 130 | 95 | 126½ | 106½ | 127½ |
| Union Pacific Railroad " .. | 34 | 39½ | 33 | 36½ | 33½ | 35½ |
| Illinois Central Railroad " .. | 120 | 126½ | 119½ | 120½ | 117½ | 123 |
| Cleveland & Pittsburgh R.R. " Gtd. | 89 | 90½ | 88½ | 92½ | 88 | 90½ |
| " Col., Cinn. & Ind. R.R. | 89½ | 93½ | 90 | 94½ | 87 | 90 |
| Chicago, Rock Island & Pacific R.R. | 109½ | 114½ | 111½ | 114½ | 112 | 117½ |
| " Burlington & Quincy " .. | 114 | 138½ | 117½ | 120 | 111 | 113 |
| " & Alton Railroad Shares.. | 112½ | 115 | 110 | 116 | 108½ | 112½ |
| " " " Pref. | 116 | 116 | 112½ | 119 | 112 | 114½ |
| " & Northwestern R.R. Shares | 80½ | 84 | 80 | 85 | 80 | 82½ |
| " " " Pref. | 87½ | 92 | 89 | 93½ | 87½ | 90 |
| Del., Lackawanna & West. R.R. Co. | 93 | 101½ | 100 | 103½ | 100½ | 102 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 91½ | 93½ | 92½ | 94 | 93½ | 95½ |
| Toledo & Wabash R.R. Co. Shares. | 71½ | 75½ | 71½ | 74½ | 71½ | 74½ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | 23½ | 25 |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 45½ | 49½ | 44½ | 49½ | 44½ | 46½ |
| Hannibal & St. Joseph R.R. | 46 | 50½ | 42½ | 52½ | 40 | 45½ |
| " " " Pref. | 70 | 71½ | 65 | 71 | 60 | 66 |
| Milwaukee & St. Paul R.R. Shares | 51½ | 54½ | 51½ | 54½ | 52½ | 60½ |
| " " " Pref. | 76½ | 79½ | 73½ | 79½ | 73 | 76½ |
| Boston, Hartford & Erie R.R. Shares | 6½ | 9½ | 8½ | 10½ | 2½ | 9½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 36½ | 41½ | 38 | 43½ | 36 | 42½ |
| Dubuque & Sioux City Railroad... | .. | .. | 63 | 63 | 63 | 63 |
| New Jersey Central Railroad Shares | 100 | 105½ | 103 | 106 | 103 | 105 |
| Morris & Essex Railroad Shares... | 89½ | 91½ | 91 | 91½ | 90½ | 91½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 92 | 93½ | 93 | 94½ | 94½ | 95 |
| Erie First Mortgage Bonds of 1868.. | 101 | 101½ | 101½ | 103 | 103 | 103½ |
| Long Dock Bonds | 92 | 93 | 92½ | 95½ | 95 | 95½ |
| Mich. Southern Sinking Fund Bonds | 103 | 104 | 103 | 103½ | 104 | 105 |
| " Seven p. ct. 2d Mtge. | 97 | 99½ | 98 | 99 | 98½ | 100½ |
| Central Pacific 1st Mortgage Bonds | 99 | 102 | 101½ | 104½ | 103 | 104 |
| Union " " " | 85 | 88 | 86½ | 89 | 85½ | 87½ |
| " " Land Grant Bonds.. | 74 | 80 | 76 | 79 | 77 | 79½ |
| " " Income Bonds | 71½ | 83½ | 72½ | 79½ | 70½ | 77 |
| Alton & Terre Haute 1st Mtge. Bds. | 99 | 100 | 100 | 100 | 100 | 101 |
| " " 2d " Pref. | 89 | 89 | 87 | 90 | 88½ | 89 |
| " " Income Bds. | 80 | 81 | 82½ | 82½ | 81½ | 81½ |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | 95 | 95 | .. | .. | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 91 | 92½ | 90½ | 91½ | 90½ | 91 |
| " " 1st Mortgage Bonds.. | 98½ | 100 | 97 | 98 | 98½ | 100 |
| Cleveland & Tol. Sinking Fund Bds. | 99½ | 102 | .. | .. | 101 | 101 |
| " & Pittsb'gh Consol'n Bds. | 97 | 97 | .. | .. | .. | .. |
| " " Second Mtge. | .. | .. | .. | .. | 99 | 99 |
| " " Third " | 97½ | 98½ | 97 | 98½ | .. | .. |
| " " Fourth " | 83 | 84 | 83½ | 85 | 85 | 86 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 100 | 102 | 101½ | 102 | 101½ | 104 |
| Milwaukee & St. Paul 1st Mortgage | 90½ | 92 | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 96½ | 99 | 94½ | 96 | 94½ | 95½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 88 | 90½ | 90 | 92½ | 90½ | 91½ |
| " " " 2d " | 72½ | 76½ | 73½ | 74½ | 72½ | 74½ |
| Toledo, Peoria & Warsaw 1st E.D. | 91½ | 92 | 91½ | 92 | 91 | 91½ |
| " " " 1st, W.D. | 90 | 91 | 88 | 89 | 88½ | 89 |
| " " " 2d, W.D. | .. | .. | 82 | 85 | 81 | 81 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 79½ | 82 | 82 | 82½ | 80 | 80 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 40½ | 45 | 37½ | 42½ | 38½ | 42½ |

PUBLIC DEBT OF THE UNITED STATES.
Abstract of the Official Statements, January, 1869, to April 1, 1873.

| | Jan. 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | March 1, 1873. | April 1, 1873. |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,589,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent. | ..... | ..... | 96,997,650 | 200,000,000 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1881..... | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 283,681,350 | 283,681,350 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,437,999,300 | 1,258,610,550 | 1,058,402,800 | 1,055,564,350 | 1,051,000,500 |
| | \$ 2,107,835,350 | \$ 1,935,342,700 | \$ 1,855,856,700 | \$ 1,756,651,450 | \$ 1,753,813,000 | \$ 1,749,309,150 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-cent. Bonds Pacific Railroad. | \$ 50,097,000 | \$ 64,618,832 | \$ 64,618,832 | \$ 64,623,512 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 43,550,000 | 22,625,000 | 2,780,000 | 1,310,000 | 650,000 |
| 4-per-cent. Certificates..... | ..... | 678,382 | 678,000 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent. | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 122,847,194 | \$ 101,321,832 | \$ 82,081,512 | \$ 80,611,512 | \$ 79,951,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 7,315,922 | \$ 1,739,938 | \$ 4,094,220 | \$ 3,093,240 | \$ 3,023,080 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 356,021,073 | \$ 356,101,056 | \$ 337,592,801 | \$ 358,612,295 | \$ 356,084,303 | \$ 358,591,735 |
| Fractional Currency..... | 34,215,715 | 38,995,089 | 40,767,577 | 45,722,063 | 45,292,106 | 45,169,374 |
| Gold Certificates of Deposit.... | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 24,024,980 | 24,141,000 |
| Currency, do. do..... | ..... | ..... | ..... | 25,370,000 | 27,770,000 | 24,450,000 |
| | \$ 417,272,808 | \$ 422,245,175 | \$ 434,419,378 | \$ 452,997,356 | \$ 453,171,389 | \$ 452,352,109 |
| Aggregate Debt..... | \$ 2,652,533,662 | \$ 2,437,750,892 | \$ 2,391,328,845 | \$ 2,295,814,588 | \$ 2,290,680,141 | \$ 2,284,685,851 |
| Coin and Currency in Treasury.. | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 98,301,684 | 96,641,217 |
| Debt, less coin and currency.. | \$ 2,540,707,201 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,186,208,689 | \$ 2,192,387,457 | \$ 2,187,994,634 |

Coin in the Treasury, April, 1873, \$ 69,537,377; Currency, \$ 27,103,840; total, \$ 96,641,217.

BANKING AND FINANCIAL ITEMS.

THE **BANKER'S MAGAZINE** contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the **BANKER'S ALMANAC** for 1873, now in preparation. No charge is made for the insertion of these names in the **BANKER'S MAGAZINE**, and in the **BANKER'S ALMANAC**. This is one of the most important features of the **MAGAZINE**, and one to the value of which, additions may be made by bankers in the city and country.

The **MAGAZINE** contains also a monthly list of changes of president and cashier of National and State banks. Notices of future changes are requested for publication, for the information of banks generally. Another feature of the work, is a list of dissolutions of banks and bankers, discontinuances and failures.

The cards of Banks and Bankers are inserted in the **BANKER'S MAGAZINE** (monthly) at thirty dollars per annum, and in the **BANKER'S ALMANAC**, annually at twenty-five dollars, and will thus reach every bank and banker in the **UNITED STATES**.

THE VALUE OF FOREIGN COIN.—*An Act to establish the Custom House value of the sovereign or pound sterling of GREAT BRITAIN, and to fix the par of Exchange.* Be it enacted by the Senate and House of Representatives of the **UNITED STATES OF AMERICA** in Congress assembled, That the value of foreign coin as expressed in the money of account of the **UNITED STATES**, shall be that of the pure metal of such coin of standard value, and the values of the standard coins in circulation of the various nations of the world, shall be estimated annually by the Director of the Mint, and be proclaimed on the 1st day of January, by the Secretary of the Treasury.

SEC. 2. That in all payments by or to the Treasury, whether made here or in foreign countries, where it becomes necessary to compute the value of the sovereign or pound sterling, it shall be deemed equal to four dollars, eighty-six cents and six and one-half mills, and the same rule shall be applied in appraising merchandise imported, where the value is, by the invoice, in sovereigns or pounds sterling, and in the construction of contracts payable in sovereigns or pounds sterling; and this valuation shall be the par of exchange between **GREAT BRITAIN** and the **UNITED STATES**; and all contracts made after the first day of January, eighteen hundred and seventy-four, based on an assumed par of exchange with **GREAT BRITAIN** of fifty-four pence to the dollar, or four dollars, forty-four and four-ninths cents to the sovereign or pound sterling, shall be null and void.

SEC. 3. That all acts and parts of acts inconsistent with these provisions be, and the same are, hereby repealed. Approved, March 3, 1873.

The Sovereign or Pound Sterling.—Congress having recently fixed the Mint value of the £ Sterling of **GREAT BRITAIN** at 4 dollars, 86 cents, 6½ mills in American Gold Coin, its real weight at our Mint, it is satisfactory to know that the same act forbids all recognition of the present and long accepted practice of calculating and selling exchange on London on the conventional basis of 4 dollars, 44 cents, 4 mills to the £ Sterling after the 1st of January next. All contracts thereafter made on this basis are declared null and void. The £ Sterling or Sovereign of **GREAT BRITAIN** being now worth 4 dollars, 86 cents, 6½ mills, the actual par of Exchange is 100 per cent., whereas the conventional value under the old practice is made 109½ per cent. After next New-Year, Exchange

will be quoted at a discount or at a premium on the real par, according to the ruling of the market. Thus, what we now call 107½ per cent., would be about 98 per cent., and what we call 110 per cent., would be about 100½ per cent.

IMPORTANT TO MERCHANTS.—By the coinage act of Congress, 1873, it is provided that gold coin, if reduced by wear more than one-half of one per cent. below the standard, after a circulation of twenty years, shall be re-coined. And all coins of less age than twenty years shall be received when their value is proportionally reduced by wear. Coins not so reduced, are to be received at their nominal value. When coin falling below the legal limit is offered for payment of duties, a conditional receipt is to be given; the coin will be sent to the mint, and a certificate of value will be sent to the customs officer, who, on receiving this certificate, will allow the importation to be withdrawn.

Mr. CATTELL'S MISSION.—At the dinner given Hon. A. G. CATTELL by the National bank Presidents of Philadelphia, Wednesday, April 9th, he said: The object of my mission abroad is known to you all. It is to facilitate and further as best I can, the refunding of our National debt at a lower rate of interest than that now existing, thus removing to this extent, the burdens from the shoulders of a heavily-taxed but patient people. Of course you know that the arrangements for carrying on this work have been made by an agreement between our Government and a syndicate composed of the most eminent and powerful bankers of our own country and of EUROPE. The parties to this syndicate are Messrs. JAY COOKE & CO., representing Messrs. H. M. ROTHSCHILD & SONS, Messrs. JAY COOKE, McCULLOCH & CO., and themselves, for one-half, and Messrs. L. P. MORTON and J. P. MORTON, representing Messrs. BARING, BROS. & CO., Messrs. J. S. MORGAN & CO., Messrs. MORTON, ROSE & CO., Messrs. DREXEL, MORGAN & CO., and Messrs. MORTON, BLISS & CO., for the other half; an association of capital and talent for the accomplishment of a financial measure that is without parallel in the history of the world. The work contemplated will be performed chiefly by these gentlemen. My duty is simply to render them such aid, under the direction of my Government, as will facilitate their work and insure success. Already, under the management of Mr. RICHARDSON, \$200,000,000 of six-per-cent. have been exchanged for five-per-cent. bonds, thus making an annual saving of \$2,000,000 in interest. And I see no good reason why the funding shall not continue at this or even at a less rate of interest; for why should not the credit of our Government be as good if not better than any in the world? Our heritage a continent, with boundless resources, agricultural, mineral, and industrial combined, and with the industry and activity of the people, its glorious form of government surely entitles it to rank among the foremost nations of the earth, and the rapidity with which its great war debt has been reduced, should as surely establish for it a credit second to that of no other nation on the globe.

BANKRUPT LAW.—An act approved March 3d, 1873, in reference to a uniform Bankrupt law, declares that the exemptions allowed the bankrupt should be the amount allowed by the constitution and laws of each State respectively, as existing in 1871, and that such exemptions be valid against debts contracted before the adoption and passage of such State constitutions and laws, as well as those contracted after the same, and against liens by judgment or decree of any State court, any decision of any such court rendered since the adoption and passage of such constitution and laws to the contrary notwithstanding.

New York.—A NEW TRANS-ATLANTIC STEAM-SHIP COMPANY.—A new Trans-Atlantic steam-ship company has been formed recently by German capitalists, with the object of still further developing the freight and passenger trade between this port and that of Hamburg. It is called the "Eagle" line, and the company will be known as the "German Trans-Atlantic Steam Navigation Company of the City of Hamburg." There are now building eight iron steamers, of 3,600 tons each, upon the Clyde, for the company. They are of superior model, and are intended to rank with the best steamships in the trans-Atlantic trade. They are each 375 feet long, of 40 feet beam, and with engines of 3,000 horse-power. Their names are those of German poets, GOETHE, SCHILLER, HERDER, LESSING, WIELAND, KLOPSTOCK, GELLERT, and TH. KOERNER. The contract price of each steamer is \$800,000. Trips will be made weekly. It is intended

to make the passenger accommodations superior to those of existing lines in many particulars. The second cabin passengers will be accommodated on the main deck, the same as the first class, and the steerage passengers will occupy that portion of the spar deck which, in most steamers, is used as the second cabin. This class will also have state-rooms, each accommodating eight or ten persons, instead of being huddled together promiscuously in one or two large apartments. There will also be a dining-room in the steerage, with tables, which, when not in use, may be raised out of the way to the ceiling.

For the accommodation of ships, freight, and passengers on this side of the sea, the company has purchased a large water-front adjoining the Hoboken Ferry, for which the sum of \$600,000 cash has been paid. Upon this property there is now being built one of the largest piers in New York harbor. It is 80 feet wide and 704 feet long. A shed is also being constructed over it 70 feet wide and 650 feet long.

A bonded warehouse will also be erected upon the premises, 100 feet long, 100 feet wide, and five stories high. The plans have already been drawn, and the contract given out for its construction. The improvements upon the Hoboken property, in the way of building the piers, shed, and warehouse, will cost \$250,000.

The steamers of the line will commence their trips upon the 1st of July. The agents in this city are KNAUTH, NACHOD & KUHN, No. 113 Broadway.

NEW YORK.—The new Drexel building is now completed at the south-east corner of Wall and Broad Streets. The following firms will occupy offices in this elegant structure: 1st, DREXEL, MORGAN & Co.; 2d, MORTON, BLISS & Co. The BANK OF BRITISH NORTH AMERICA have removed from No. 48 Wall Street (BANK OF NEW YORK) to No. 52, (City National Bank building.) Messrs. KNAUTH, NACHOD & KUHN, bankers and foreign bill drawers, remove from Broad Street to 113 Broadway. Messrs. J. B. ALEXANDER & Co. have removed from No. 49 to No. 65 William Street.

ROBBERY.—Messrs. H. T. GODET & Co., bankers and brokers, of 25 William Street, notified the New York Stock Exchange, to refuse to receive fifteen New Jersey Central convertible bonds of \$1,000 each, numbering from 2,744 to 2,758, registered in the name of JOHN MATTHEWS. No power of transfer has been given. Mr. GODET says the bonds were obtained from them on Thursday by a fraudulent check, but declines to give the names of the parties implicated. The valuables were the property of a customer of the house.

SPECIAL DEPOSITS.—In the case of DANIEL SCULL v. the KENSINGTON NATIONAL BANK, in which the jury rendered a verdict allowing \$37,000 to the plaintiff for the loss of his bonds by the robbery of the bank in February, 1869, Judge WILLIAMS has set aside the verdict and ordered a new trial.

DIVIDEND.—The Comptroller of the Currency has declared a second dividend of 25 per cent. in favor of the creditors of the WALKILL NATIONAL BANK, of New York, making, in all, dividends of 50 per cent.

Dividend.—The Comptroller of the Currency has declared a final dividend of 28 per cent. in favor of the creditors of the FIRST NATIONAL BANK, of Bethel, CONNECTICUT, making, in all, dividends of 98 per cent. in favor of the creditors of that bank.

GEORGIA.—The BANK OF THE STATE OF GEORGIA has commenced business at Atlanta, with a chartered capital of one million of dollars, over one hundred thousand dollars paid in. President, FRANCIS M. COKER, formerly President of the BANK OF AMERICUS; Cashier, WILLIAM W. BELL, formerly Vice-President of the NEBRASKA CITY NATIONAL BANK. Their correspondents are the FOURTH NATIONAL BANK, N. Y.; R. T. WILSON & Co., N. Y.; NATIONAL BANK OF COMMERCE, Chicago; FIRST NATIONAL BANK, St. Paul, MINN.

ILLINOIS.—The EDGAR COUNTY NATIONAL BANK of Paris, (No. 2100), was organized in April, with a capital of \$50,000, limited to \$100,000. President, CALVIN W. LEVINGS; Cashier, FREDERICK W. LEVINGS. This bank takes the business of the late firm of C. W. LEVINGS & Co., at that place. Their New York correspondent is the ST. NICHOLAS NATIONAL BANK.

INDIANA.—The **MERIDIAN NATIONAL BANK** at Indianapolis, has recently appointed Mr. B. F. WOOD as Assistant Cashier; Mr. JOHN H. FARQUHAR remains President; Mr. ALVA WALKER, Vice-President; Mr. JOHN G. KENNEDY, Cashier.

Michigan City.—The **FIRST NATIONAL BANK** of Michigan City, Laporte County, (No. 2101), was organized in April, with a capital of \$50,000, limited to \$150,000. President, HENRY H. WALTER; Cashier, WALTER VAIL.

KANSAS.—The **FIRST NATIONAL BANK OF MANHATTAN**, Riley County, KANSAS, (No. 2094), was organized in March, with a capital of \$50,000, limited to \$200,000. President, STEPHEN FRENCH; Cashier, J. K. WINSHIP; Vice-President, NATHAN TAYLOR. Their New York correspondent is the **FIRST NATIONAL BANK**.

KENTUCKY.—The **CITY NATIONAL BANK OF PADUCAH**, McCracken County, KY., (No. 2093), was organized in March, with a capital of \$100,000, limited to \$200,000. President, R. S. RATCLIFFE; Cashier, SAMUEL B. HUGHES.

MAINE.—The **LIME ROCK NATIONAL BANK OF ROCKLAND**, Knox County, MAINE, (No. 2097), was organized in April, with a capital of \$130,000, limited to \$300,000. President, JOHN T. BERRY; Cashier, GEORGE W. BERRY. This bank takes the place of the **LIME ROCK BANK**, which was chartered by the State. Preliminary steps were taken by this bank in August, 1865, to organize under the National bank act, but the plan was not fully executed.

BONDS.—The interest on the bonds of the Portland Water Company was not met in Boston, April 1st. A meeting of bondholders will be held soon, to devise means to relieve the company of its embarrassments. A writ has been filed by J. B. BROWN & SONS, to recover the sum of \$50,000, advanced the company, and the attachment for double that amount will be issued.

- **MASSACHUSETTS.**—Mr. EDWARD TURNER, of Quincy, formerly President of the **NATIONAL MOUNT WOLLASTON BANK**, and now President of the **QUINCY SAVINGS BANK**, has been elected President of the new **MANUFACTURERS' NATIONAL BANK OF BOSTON**.

Watertown.—Another new bank, the **WATERTOWN NATIONAL**, has been established. It has been organized with a capital of one hundred thousand dollars, with authority to increase to two hundred thousand.

Boston.—It is remarked, with pleasure, that ROBERT N. WOODWORTH, who was formerly Cashier of the **BRIGHTON BANK**, and who, through unfortunate speculations, left the bank under a cloud, has recently made his third payment of \$5,000, (\$15,000,) to his former bondsmen, with interest, and intends not only to pay the remaining \$5,000 due them, but also the amount of his indebtedness to the bank, if his life is spared, from all which he is legally absolved. Such rare cases are worthy of record.—*Boston Traveler, March 9th.*

Boston.—Mr. DANIEL HARWOOD, who goes to EUROPE, has resigned the Presidency of the **HIDE AND LEATHER NATIONAL BANK**, and Mr. WILLIAM CLAPLIN has been chosen his successor.

MICHIGAN.—The **FIRST NATIONAL BANK OF CENTREVILLE**, St. Joseph County, MICH., (No. 2095), was organized in March, with a capital of \$50,000, limited to \$100,000. President, C. T. CHAFFKE; Cashier, EDWARD TALBOTT; Vice-President, DANIEL F. WOLF. Their New York correspondent is the **NINTH NATIONAL BANK**.

Manchester.—Messrs. MACK, SCHMIDT & CO., bankers, have relinquished business in favor of the **PEOPLE'S BANK** of Manchester. L. D. WATKINS, President; J. D. VAN DUYN, Vice-President; O. F. HALL, Cashier. Their New York correspondent is the **NINTH NATIONAL BANK**.

MINNESOTA.—The **EXCHANGE BANK** of Northfield, and the banking house of J. A. SCRIVER, have merged their business with that of the **FIRST NATIONAL BANK** of Northfield, of which Mr. F. GOODSSELL is President, and GEORGE M. PHILLIPS, Cashier. Their New York correspondent is the **NINTH NATIONAL BANK**.

NEVADA.—The failure of WILSON & DUNLAP, mining-stock brokers, of Gold Hill, was announced March 29, making the third failure in this State caused by the recent heavy decline in stocks. DUNLAP has absconded, leaving liabilities amounting to \$40,000 or \$50,000, and no assets. He even sold his office furniture to his landlord to pay the rent, and disposed of his private property. His creditors embrace a large number of miners, merchants, and laborers. His books show five or six hundred individual accounts.

NEW JERSEY.—NEW JERSEY has had on her statute book for some years a six-per-cent. interest law for some counties, and a seven-per-cent. interest law for the counties near New York city. The *Newark Advertiser*, noticing the annual attempt to repeal the "Five-County Law," says: "The origin of the Five-County law was in the embarrassment experienced by counties bordering on New York, where the rate of interest is seven-per-cent., while in NEW JERSEY it is only six per cent. Other things being equal, under that difference NEW JERSEY capital would flow toward New York, and, moreover, contracts which were perfectly legal on the other side of the Hudson became usurious on this side. The first relief offered was to Jersey City and Hoboken, legalizing seven-per-cent. interest to those localities. This was soon extended to the entire county of Hudson, and next to Essex and the city of Paterson, and was finally enlarged to its present dimensions, which include the counties having large commercial relations with States in which the seven-per-cent. rate is legal. Other amendments were made from time to time to the interest law, all bearing upon the discrepancy occasioned by a difference in the rate of interest in different but closely connected localities. Thus railroad and corporation bonds and mortgages were made valid, although sold below their par value. Another supplement makes the interest seven per cent., where both or either of the parties reside in Hudson, Essex, or Paterson. Still another, in 1857, authorized the savings banks in all the State to loan money at seven per cent. A supplement passed in 1864 weakened the usury penalty by enabling the lender to collect all the money he actually loaned. The only penalty was in the loss of interest and the cost of suit—a practical estoppel of most usury suits at law. In 1866 the seven-per-cent. rule was extended to all personal property transactions. And sales of notes below their face value, if made in good faith, are not usurious."

NEW HAMPSHIRE.—The NATIONAL GRANITE STATE BANK, Exeter, N. H., has voted to repair the capital of the bank, which had been reduced from \$100,000 to about \$40,000, by the recent defalcation of its Cashier, N. APPLETON SHUTE. An assessment of sixty dollars upon each share is ordered to be paid by the stockholders, on or before the first day of May. The directors are to enforce the collection of this assessment, and the bond of \$20,000 against the late cashier and his sureties. The vote stood 656 yeas to 18 nays.

NORTH CAROLINA.—The Wilmington, Charlotte, and Rutherfordton Railway was sold at public auction April 12th, under a decree from the Superior Court of New Hanover County. EDWARD MATTHEWS, trustee for the first mortgage bondholders, became the purchaser at \$1,100,000.

OHIO.—The LAGONDA NATIONAL BANK of Springfield, Clark County, OHIO, (No. 2098), was organized in April, with a capital of \$100,000, limited to \$500,000. President, J. WARREN KEIFER; Cashier, D. P. JEFFERIES. This bank takes the place of FRYE, McMILLAN & Co., bankers. Their correspondents in New York are Messrs. WINSLOW, LANIER & Co. and the IMPORTERS AND TRADERS' NATIONAL BANK.

Caldwell.—The NOBLE COUNTY NATIONAL BANK of Caldwell, Noble County, (No. 2102), was organized in April with a capital of \$60,000, limited to \$150,000. President, W. H. FRAZIER; Cashier, C. T. LEWIS.

Cleveland.—A large number of the stockholders of the Cleveland, Columbus, Cincinnati and Indianapolis Railroad, among whom are such well-known citizens as W. S. C. OTIS, T. D. CRICKER, FAYETTE BROWN, Judge CADWELL, and others, have determined to resist the proposed increase of stock and lease of the road to the Atlantic and Great Western Company. These stockholders claim that the \$5,000,000 new stock is wholly uncalled for, and that it is proposed only for fraudulent and corrupt purposes, and that the Atlantic and Great Western,

with its \$109,000,000 of bonds, is hopelessly insolvent. The hearing in the application of the stockholders of the Cleveland, Columbus, and Cincinnati and Indianapolis Railway for an injunction restraining the proposed lease of the road and its dependencies to the Atlantic and Great Western Railway, was finished before Judge EMMINS, in the United States Circuit Court, April 15. Affidavits were presented by defendants in reply to allegations of plaintiffs, after which Judge EMMINS gave his decision granting the injunction as to the leasing of the road, but denying it as to an increase of capital. An injunction against both was granted in the Cuyahoga Common Pleas Court.

Toledo.—The loss by the robbery of the FIRST NATIONAL BANK, by burglars, in April, proves to be greater than at first reported. Papers belonging to V. H. KETCHAM, President of the bank, were taken, including twenty Toledo City bonds of \$1,000 each, Nos. 26 to 30, inclusive; and Nos. 37, 40, 75, 76, 77, and 87, of the date of November 9, 1872; and Nos. 83 to 86, inclusive, of May 4, 1870; also, No. 21, of the latter date, of \$500. The aggregate of the losses will reach \$25,000.

PENNSYLVANIA.—By a disastrous fire at Parker's Landing, Armstrong County, PA., on the third of April, the buildings occupied by the EXCHANGE BANK and by the PARKER SAVINGS BANK were destroyed; also, the Post-office and the Telegraph office. Country bankers will find a saving in the use of fire-proof buildings for their securities. Such buildings are desirable, not only on account of the valuable papers contained in them, belonging to proprietors and to customers, but they are frequently serviceable in preventing a further extension or loss by fire.

PENNSYLVANIA STATE LOAN.—The State Treasurer gives notice to holders of the five-ten year series (known as the first series) of the six-per-cent. loan of the Commonwealth of PENNSYLVANIA, under Act of February 2d, 1867, to the amount of five thousand dollars and under, that interest on their loan will cease on the 31st day of July next, and that said loan, with accrued interest, will be redeemed forthwith, on presentation at the FARMERS AND MECHANICS' NATIONAL BANK, Philadelphia.

Franklin.—The LAMBERTON SAVINGS BANK, at Franklin, PA., continues business under the management of C. W. GILFILLAN, President; R. L. COCHRAN, Cashier. They transact a general banking business. Their New York correspondent is the NINTH NATIONAL BANK. (See their card on the cover of this work.)

Pittsburgh.—Some facts have just been developed concerning the abstraction from the vaults of the SAFE DEPOSIT BANK, on Monday, April 7th, of a box containing a large amount of cash and valuable papers belonging to the ODD FELLOWS' SAVINGS BANK. The box contained about \$6,000 in cash, and paper representing \$200,000. It appears that the cashier of the savings bank deposited the box with the SAFE DEPOSIT COMPANY on Saturday evening, and when he applied for it on the following Monday morning, the officers of the latter company were unable to produce it or to account for its mysterious disappearance.

TENNESSEE.—The FOURTH NATIONAL BANK of Memphis, Shelby County, (No. 2096), was organized in March, with a capital of \$100,000, limited to \$300,000. President, THOMAS H. MILBURN; Cashier, WARREN C. MCCLURE; Vice-President, JAMES T. PETTIT. Their New York correspondent is the THIRD NATIONAL BANK.

TEXAS.—The NATIONAL EXCHANGE BANK of Houston, Harris County, TEXAS, (No. 2092), was organized in March, with a capital of \$100,000, limited to \$200,000. President, WILLIAM T. HUTCHINS.

TEXAS RAILROADS.—One of the important events of the day is the completion of the Houston and Texas Central Railroad which, with connecting lines, forms a through route by rail from New York to Galveston. The enterprise, since its inception, has been in the hands of men of experience in railroad construction as well as capitalists, and the road has been thoroughly built and has every prospect of doing a thriving business. Their bankers have negotiated securities to amount of \$10,000,000 first mortgage seven-per-cent. gold bonds.

FINANCIAL CHRONOLOGY.

MARCH, 1873.

- 3 Annual election Philadelphia Stock board. H. G. GOWEN, President.
- 4 Adjournment of the forty-second Congress. Inauguration of President GRANT for his second term.
- 5 Debate in the N. Y. State Senate on Usury laws.
- 6 Failure of PRICE BROTHERS, bankers, Cleveland, O.
- 7 Robbery of the TRADESMEN'S NATIONAL BANK, New York.
- 10 Death of Dr. TORREY, assayer, U. S. assay office, N. Y.
- 10 Robbery of FALLS CITY TOBACCO BANK, Louisville, KY.
- 10 Robbery of Teller NEW ORLEANS NATIONAL BANK, \$25,000.
- 14 Great fire at Lawrenceburg, KY.—Destruction of WITHERSPOON'S banking house.
- 14 Failure of the CRESCENT CITY NATIONAL BANK, N. O. Capital, \$500,000.
- 14 Suicide of T. F. ANDERSON, Cashier of LAMBERTON'S BANK, Franklin, PA.
- 17 Forgery by ODDIE & AUSTIN, of Railway bonds, made known.
- 17 Resignation of Secretary BOUTWELL. Appointment of WILLIAM A. RICHARDSON.
- 20 Suspension of the BULL'S HEAD BANK, New York city. Capital, \$200,000.
- 26 BANK OF ENGLAND advanced rate from 3½ to 4 per cent.
- 27 Failure of E. S. SCRANTON & CO., bankers, New Haven, CONN.
- 29 Failure of WILSON & DUNLAP, and other mining brokers, Virginia City, NEVADA.

APRIL.

- 1 Loss of the steamer Atlantic, near Halifax, N. S.
- 3 Bids opened for loan \$300,000 city of New York, 7 per cents.
- 3 Sale of \$1,500,000, gold, by U. S. Treasury, at 17.28 to 17.56 prem.
- 8 Fraud of \$26,000 discovered in HOBOKEN CITY SAVINGS BANK.
- 9 Purchase of \$500,000 U. S. bonds by the Treasury.
- 10 Sale of \$1,500,000, gold, by U. S. Treasury, N. Y., at 18.13 to 18.19 prem.
- 12 Good-Friday; observed as a holiday by the Stock and Gold Exchange, N. Y.
- 14 Failure of ESCHER & Co., Broome Street, \$1,200,000.
- 16 Suspension of BARTON & ALLEN, bankers, New York city.
- 17 Sale of \$1,500,000, gold, by U. S. Treasury, N. Y., at 17.26 to 17.50 prem.
- 17 Suspension of JOHN L. BROWNELL & BROTHER, brokers, New York.
- 18 Suspension of LOCKWOOD & Co., bankers, 94 Broadway.
- 24 Sale of \$1,500,000, gold, by the U. S. Treasury, N. Y., 17.49 to 17.71½.

RAILROADS.—The New Jersey Central Railroad Company has passed its usual quarterly dividend of 2½ per cent, and its stock consequently declined from 103½ to 98, but subsequently rallied to par. The omission of the dividend, under the circumstances of the money market, and the fact that the company are borrowers on their new bonds, is deemed both proper and prudent. The *Elizabeth Journal* is assured that the Central is earning money, and that the dividend is only deferred to the six months' term. President JOHNSTON proposed a scrip dividend, on account of the high price of money, but the Board did not ratify his views. Delaware and Lackawanna stock is selling at 99½ @ 100, and Morris and Essex at 90½ @ 91. Compare these prices with the roads out of this city: Camden and Amboy is selling at 120, Pennsylvania at 113, Reading at 116, Philadelphia, Wilmington, and Baltimore, at 110, and Lehigh Valley at 120.

NEW BANKS, BANKERS AND SAVINGS BANKS.

APRIL, 1873.

(Monthly List, continued from April Number, page 834.)

NEW YORK.

Tweedie & Osborne, 67 Exchange Pl. Vandeventer & Patton, 6 Wall St.

| <i>Place and State.</i> | <i>Name of Bank.</i> | <i>N. Y. Correspondent.</i> |
|-------------------------|------------------------------------|-----------------------------|
| Eufaula, ALA..... | E. M. Keels ..... | ..... |
| Opelika, " | W. G. McKenzie & Co. | Nat. Bank Republic. |
| Camden, ARK..... | Merrell & Magill | Jay Cooke & Co. |
| Los Angeles, CAL.... | Farmers and Merchants' Bank .. | Lees & Waller. |
| Merced, " | Wigginton, Blair & Co. | Lees & Waller. |
| Snelling, " | Wigginton, Blair & Co. | Lees & Waller. |
| Atlanta, GEO. | Bank of State of Georgia | Fourth National Bank. |
| Savannah, " | Triest & Herman | Irving National Bank. |
| La Grange, " | La Grange Banking Co. | Fourth National Bank. |
| Chicago, ILLS. | H. J. Christoph & Co. | Greenebaum Bros. & Co. |
| " " | Ten Eyck, Brothers & Co. | Ninth National Bank. |
| " " | Franklin Bank | German-American Bank. |
| Neoga, " | Voris, Minshall & Whitney | Union Nat. B'k, Chicago. |
| Pecatonica, " | D. A. Knowlton & Sons | Vermilye & Co. |
| Bloomington, " | Phenix Sav', Loan & Trust Co. | Importers & Traders' N.B. |
| Paris, " | Edgar County National Bank | St. Nicholas Nat. Bank. |
| South Bend, IND. | St. Joseph's Savings Bank ..... | ..... |
| Lebanon, " | Lebanon Bank | Third National Bank. |
| Des Moines, IOWA.... | State Savings Bank ..... | ..... |
| Monticello, " | Monticello National Bank | Ninth National Bank. |
| Laporte, " | City Exchange Bank | Greenebaum Bros. & Co. |
| Nashua, " | M. Rosenbaum & Co. | Importers & Traders' N.B. |
| Bedford, " | Crum & Van Fleet | Allen, Stephens & Co. |
| Ellsworth, KANSAS .. | D. W. Powers & Co. | Donnell, Lawson & Co. |
| Girard, " | F. Playfair | Brown, Wadsworth & Co. |
| Hutchinson, " | Reno County Bank | Fourth National Bank. |
| Parker, " | Parker, York & Co. .... | ..... |
| Arkansas City, " | Cowley County Bank | Northrup & Chick. |
| Neodosha, " | Neodosha Savings Bank | Northrup & Chick. |
| Ottawa, " | Ottawa Bank | Gilman, Son & Co. |
| Holton, " | Holton Exchange Bank | Ninth National Bank. |
| Paris, KY. | Citizens' Bank | Importers & Traders' N.B. |
| Boston, MASS. | Brown, Riley & Co. | E. Sweet & Co. |
| " " | G. W. Long & Co. | O. D. Ashley & Co. |
| Worcester, " | William H. Morse | E. Sweet & Co. |
| Bangor, ME. | Bowler & Merrill | Brewster, Sweet & Co. Best. |
| Mexico, MO. | Farmers & Traders' Bank | Merchants' Exch. N. B. |
| St. Louis, " | German-American Bank | German-American Bank. |
| Maysville, " | Maysville Exchange Bank | Donnell, Lawson & Co. |

| | | |
|----------------------|-------------------------|---------------------------------|
| Centreville, MICH. | First National Bank | Ninth National Bank, |
| Ishpeming, | " | First National Bank |
| Menominee | " | G. A. Woodford & Co. |
| Negaunee, | " | First National Bank |
| Niles, | " | Citizens' Savings & Loan Assoc. |
| Port Huron, | " | Port Huron Savings Bank |
| Virginia City, MONT. | Henry Elling | Kountze Brothers. |
| Hackensack, N. J. | Hackensack Savings Bank | |
| Brockport, N. Y. | Bank of Brockport | National Park Bank. |
| Fort Ann, | " | John Hall & Co. |
| Johnstown, | " | McIntyre & McLaren |
| Tonawanda, | " | Evans, Killmaster & Co. |
| Stuebenville, OHIO. | Exchange Bank | Henry Clews & Co. |
| Springfield, | " | Lagonda National Bank |
| Hellertown, PENN. | Sancon Savings Bank | Union Banking Co., Phila. |
| Mifflinburg, | " | Mifflinburg Bank |
| Pleasantville, | " | Citizens' Bank |
| Latrobe, | " | W. S. Head & Bro. |
| " | " | Latrobe Banking Co. |
| Cambridgeboro | " | J. L. & A. Kelly |
| Denison, TEXAS. | First National Bank | Northrup & Chick. |
| " | " | Perry, Shepherd & Co. |
| Fort Worth, | " | Loyd, Marklee & Co. |
| Memphis, TENN. | Fourth National Bank | Third National Bank. |
| Blacksburg, VA. | Montgomery Savings Bank | J. J. Nicholson & Sons, Balt. |

ENVELOPES addressed to all the Banks, Bankers, Savings Banks, Insurance Companies, Railroad Companies, in the United States and Canada (including a large number of new Savings Banks and Bankers, organized in the year 1873), may be had at the office of the BANKER'S MAGAZINE, viz: National Banks over 2,000 in number, State Banks 500; Savings Banks 500; Private Bankers over 2,000; Insurance Companies (old and new) 950; Railroad Companies 950; Insurance Companies and Bankers, Canada, 300. Address BANKER'S MAGAZINE Office, 251 Broadway, New York, or P. O. Box No. 4574, N. Y.

☞ The cards of banks and bankers inserted in this work, monthly, at thirty dollars per annum.

PUBLIC LIBRARIES.—The Mercantile Library Co., of Brooklyn, N.Y., in their recent annual report of donations, say: "The additions to the library by donation during the year that is now closing have been considerably in excess of those reported for the previous year, and amount to 398 bound volumes and 452 pamphlets, besides sundry engravings and other items. To GEORGE G. SAMPSON, Esq., we are indebted for fine sets, nearly complete, of *Hunt's Merchants' Magazine*, and of the BANKER'S MAGAZINE, comprising in all about eighty volumes. We take this occasion also to acknowledge our obligations for various favors to the Hon. HENRY W. SLOCUM, the Hon. THOMAS KINSELLA, J. CARSON BRUVOORT, Esq., and the proprietors of the leading newspapers of this city."

It would be well for subscribers to our work, in other cities, to donate at the end of the year, a copy of the BANKER'S MAGAZINE and of the BANKER'S ALMANAC to some public library, where the volumes would be valuable for future reference by those who use the library. Ten or twenty years hence these volumes will be valued for statistics, *not to be found in any other work*, in reference to banks, banking, finance, commercial record, &c. This will be specially the case in regard to monthly and annual prices of stocks, bonds, the staples of commerce, &c.

DISSOLVED OR DISCONTINUED.

NEW YORK CITY.

Eugene Lentilhon & Co., 24 Exchange Place, (*failed*).
Wheeler & Pettis, 51 Exchange Place.
Ludlow Patton & Co.

CONN.—E. S. Scranton & Co., *New Haven*, (*failed*).

GEORGIA.—John F. Moreland, *La Grange*, (succeeded by La Grange Banking and Trust Co).

ILLINOIS.—Carlin, Cross & Co., *Mt. Vernon*, (continue at *Jerseyville*); C. W. Levings & Co., *Paris*, (succeeded by First National Bank).

IOWA.—Ellwell & Ingersoll, *La Porte City*, (succeeded by City Exchange Bank); Crum, Moore & Van Fleet, (succeeded by Crum & Van Fleet).

KANSAS.—Graves & Niles, *Baxter Springs*, (*failed*).

MAINE.—Veasie Bank, *Bangor*, (succeeded by Veasie National Bank).

MINNESOTA.—Union Savings Bank, *Rochester*, (succeeded by Union National Bank); Exchange Bank, *Northfield*, (merged in First National Bank of N.)

MICHIGAN.—Mack, Schmidt & Co., *Manchester*, (succeeded by the People's Bank); Bentley & Crandon, *Niles*, (succeeded by the Citizens' Loan and Savings Association).

OHIO.—Frye, McMillan & Co., *Springfield*.

WYOMING.—J. W. Iliff, *Cheyenne*; J. W. Iliff & Co., *South Pass*.

NEW YORK.—East Chester National Bank, *Mount Vernon*, Westchester County, (transferred to German National Bank, *Evansville*, INDIANA); Waverly Bank, *Waverly*, (formerly Waverly National Bank) *failed*; J. D. Decker, *Brockport*.

TEXAS.—Bonham Bank, *Bonham*.

THE NATIONAL BANKS.—*The redistribution of National bank circulation.*—The Comptroller of the Currency, in a circular of April 1, for the New England States, says:

The \$54,000,000 of additional circulation has been apportioned to banks already organized, or in process of organization in the western and southern States; but the whole amount has not yet been issued, and may not be issued for some months to come—possibly not until the meeting of the next Congress. As soon as the whole amount shall be issued it will be my duty to make requisition upon the banks in New York city having more than \$100,000 circulation, and upon those in the States of RHODE ISLAND, CONNECTICUT, and MASSACHUSETTS, having more than \$300,000 circulation, for any excess beyond these amounts; but the date of such requisition is yet uncertain. Applications are frequently made to this office for an increase of the circulation of National banks for the organization of new National banks, circulation to be issued upon the condition that the same amount of notes of National banks which have closed business, shall be first returned to this office for destruction. The amount issued to the States of —, —, —, —, being largely in excess of the amount contemplated by the acts referred to, no further issue of circulation beyond the amount already approved, will be issued to National banking associations organized in those States.

CHANGES OF PRESIDENT AND CASHIER.

APRIL, 1873.

(Monthly List; continued from April No., page 836.)

| <i>Name of Bank.</i> | <i>Elected.</i> | <i>In place of</i> |
|----------------------------------|-----------------------------------|---------------------|
| First N. B., Suffield, CONN. | Byron Loomis, <i>Pres.</i> | Daniel W. Norton. |
| Saybrook Nat. Bank, " " | J. E. Redfield, <i>Pres.</i> | Cornelius B. Deane. |
| " " " " | C. S. Hough, <i>Cash.</i> | J. E. Redfield. |
| Pacific B., San Francisco, CAL. | O. H. Bogert, <i>Cash.</i> | F. H. Rogers. |
| National Bank of Athens, GEO. | James White, <i>Cash.</i> | F. W. Adams. |
| Delaware City Nat. B., DEL. | F. McIntyre, <i>Cash.</i> | W. W. Ferris. |
| Madison N. B., Richmond, KY. | Silas T. Green, <i>Pres.</i> | T. S. Moberly. |
| " " " " | Charles D. Chenault, <i>Cash.</i> | S. T. Green. |
| First Nat. B., Rockville, IND. | W. E. Livengood, <i>Cash.</i> | S. A. Herrick. |
| Richmond Nat. Bank, " " | Charles H. Coffin, <i>Cash.</i> | A. H. Blanchard. |
| Nat. Savings B., Waterloo, IOWA. | Allen T. Lane, <i>Pres.</i> | Edmund Miller. |
| First N. B., Belle Plaiue, " " | W. A. Scott, <i>Pres.</i> | David W. Read. |
| First N. B., Manhattan, KAN. | J. K. Winchip, <i>Cash.</i> | Isaac T. Goodnow. |
| Lechmere N B., Cambr'e, MASS. | C. E. Richardson, <i>Cash.</i> | John Savage. |
| Hide & Leather N.B., Boston, | William Clafin, <i>Prés.</i> | Daniel Harwood. |
| Second N. B., E.Saginaw, MICH. | R. G. Horr, <i>Pres.</i> | C. K. Robinson. |
| " " " " | W. H. Coats, <i>Cash.</i> | R. G. Horr. |
| First N. B., Canandaigua, N.Y. | E. G. Tyler, <i>Pres.</i> | Lucius Wilcox. |
| Niles Savings Ass., Niles, OHIO. | William Ward, <i>Pres.</i> | C. H. Andrew. |
| Second N. B., Cleveland, " " | Kennedy Clinton, <i>Cash.</i> | H. Garrettsen. |
| Toledo National Bank, " " | Horatio S. Young, <i>Cash.</i> | Paul Jones. |
| Nat. Eagle B., Providence, R. I. | Joseph Sweet, <i>Pres.</i> | James T. Rhodes. |
| DeseretNB, SaltLakeC'y, UTAH. | William H. Hooper, <i>Pres.</i> | Brigham Young. |
| Castleton N. B., Castleton, VT. | M. D. Cole, <i>Cash.</i> | I. M. Guy. |
| Northfield National Bank, " " | Frederick L. Ely, <i>Cash.</i> | H. G. Ely. |
| First N. B., Fairhaven, " " | E. H. Phelps, <i>Cash.</i> | S. W. Bailey. |
| " " " " | Joseph Adams, <i>Pres.</i> | Joseph Sheldon. |
| Farm's&M.Loan Co, Norf'k, VA. | Caldwell Hardy, <i>Cash.</i> | Frederick Hardy. |

GOOD FRIDAY—Good Friday was observed as a close holiday by the Stock and Gold Boards and by the Cotton and Produce Exchanges. The Cotton Exchange adjourned over until Monday morning. In London, Saturday and Monday were also observed as holidays. As Good Friday is not a legal holiday the banks had to remain open as usual, to meet the payment of drafts. The expediency, if not the propriety, of making the day a legal holiday, is getting to be more striking every year. Governor DIX might make the matter the subject of a special message to the Legislature, or the Legislature might take it up without any further suggestion.

NOTES ON THE MONEY MARKET.

NEW YORK, APRIL 22, 1873.

Exchange on London, at sixty days' sight, 108% @ 108% for gold.

The month has been remarkably stringent in its money features, producing heavy losses to borrowers, and resulting in the failures of several firms heretofore possessing large capital and good credit. Among these suspensions are Messrs. Barton & Allen, on the 16th inst., Brownell & Brother on the 17th, and Lockwood & Co. on the 18th. The rates prevailing for money in April have been quite as severe in Wall Street as at any previous period. The enlarged volume of stocks and bonds on the market, rapidly increasing during the last two years, has demanded fresh capital to sustain prices and the market. This capital has been liberally supplied from foreign and domestic sources, thereby creating higher prices. At the same time the stock exchange and its members have absorbed a large portion of the capital which is demanded for the legitimate wants of trade and commerce. The country bankers, far and near, have been importuned to place their cash balances in Wall Street, instead of keeping them at home; the promise of high rates of interest creating inducements for the transfer of capital to New York. Country bankers in former days kept from ten thousand to one hundred thousand dollars on hand in their vaults, to meet the ordinary cash demands of the day. Gradually, this "ready cash," instead of being kept dead in their vaults, has been largely transferred to New York, where four, five or six per cent. interest paid to the owners, would make these funds "active" instead of "dead." The principle is a vicious one, because the same money serves a double purpose, but at great risk. The exchange transactions with New York are so heavy and so constant, that balances in Wall Street are, by the country banker considered as cash in hand. The result has been, that these immense accumulations of capital owned in the South and West, instead of being "cash on hand," are loaned out "on call" by the city banker, thereby contributing to a fatal inflation of prices. The country banks thereby contribute indirectly to the stock gambling in New York, in order to realize interest on their daily balances here.

This scheme of stock gambling is fully exhibited in the enlarged cash transactions made through the clearing house. Twelve years ago the daily average sum was \$19,000,000. Ten years ago it increased to \$48,000,000. Five years ago it reached \$92,000,000. Last year the average reached \$105,000,000, whereas in March and April it covered \$780,000,000 to \$833,000,000 per week, or over \$180,000,000 per day.

The obvious necessity prevailing to place these accumulated country funds in "loans

on call," (loans on stocks), instead of commercial paper, so as to be ready at a moment's warning, for the country drafts, acts doubly. It encourages stock gambling, and carries prices above real values,—at the same time the legitimate demands of trade are denied, and the merchant and manufacturer suffer because they cannot compete with the stock operator in the rates for money. The merchant can afford to pay six per cent., rarely more, per annum. The stock operator who bids for a rise in market values, offers six per cent. *PER MONTH*, in many instances. Even this is not a maximum in Wall Street. In the month of April current, millions have been loaned at $\frac{1}{2}$ to $\frac{3}{4}$ per cent. *per day*; for carrying loans, and money was scarce, (or not attainable), at that. One of the firms recently suspended announced that they had paid, between the 1st March and 16th of April, \$50,000 *in extra interest!*

Is it surprising, with such prospects for money, that capital concentrates here from the wilds of Maine, the recesses of Connecticut, the prairies of the West, or the tobacco fields of the South, to be used at one or two per cent. per month, instead of six per cent. at home?

Is it surprising that the bubble will burst occasionally, and drive into a common ruin the speculators for a rise in stocks, or for a corner in some great staple of commerce?

We caution our country bankers to keep a healthy reserve at home, and not to trust too large a fund in Wall Street "on call."

Among the anomalies of the time is the shipment of gold from London to New York, in view of the extraordinary condition of the money market here and the low rates of bills on London. The latter have been sold as low as seven per cent. this month. Foreign exchange is now held at one-half of one per cent. advance; bankers ask $108\frac{1}{4}$ for 60 days sterling and $109\frac{1}{4}$ for short sight do. We quote: Bills at 60 days on London, $107\frac{1}{4}$ a $108\frac{1}{4}$ for commercial; $108\frac{1}{4}$ a $108\frac{1}{4}$ for bankers'; do. at short sight, $109\frac{1}{4}$ a $109\frac{1}{4}$; Paris at 60 days, $5.82\frac{1}{2}$ a $5.27\frac{1}{2}$; do. at short sight, $5.23\frac{1}{2}$ a $5.23\frac{1}{2}$; Antwerp, $5.82\frac{1}{2}$ a $5.26\frac{1}{4}$; Swiss, $5.82\frac{1}{2}$ a $5.26\frac{1}{4}$; Hamburg, 4 Reichsmark, $94\frac{1}{2}$ a $95\frac{1}{2}$; Amsterdam, $89\frac{1}{2}$ a $40\frac{1}{2}$; Frankfurt, $40\frac{1}{2}$ a $40\frac{1}{2}$; Bremen, 4 Reichsmark, $94\frac{1}{2}$ a $95\frac{1}{2}$; Prussian thalers, 71 a 71 $\frac{1}{4}$.

Rates for the three preceding months compare as follows:

| <i>Sixty days' Bills.</i> | <i>Jan. 21.</i> | <i>Feb. 20.</i> | <i>March 23.</i> | <i>April 23.</i> |
|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| On London, bankers'... | $109\frac{1}{2}$ @ $109\frac{1}{2}$ | $108\frac{1}{2}$ @ $108\frac{1}{2}$ | 108 @ $108\frac{1}{4}$ | $108\frac{1}{2}$ @ $108\frac{1}{4}$ |
| " commercial | $108\frac{1}{4}$ @ $109\frac{1}{4}$ | $108\frac{1}{4}$ @ $108\frac{1}{2}$ | $107\frac{1}{2}$ @ $107\frac{1}{2}$ | $107\frac{1}{2}$ @ $108\frac{1}{4}$ |
| Paris, francs, \$ dollar | $5.27\frac{1}{2}$ @ $5.23\frac{1}{2}$ | $5.27\frac{1}{2}$ @ $5.24\frac{1}{2}$ | $5.32\frac{1}{2}$ @ $5.27\frac{1}{2}$ | $5.32\frac{1}{2}$ @ $5.27\frac{1}{2}$ |
| Amsterdam, \$ guilder. | $40\frac{1}{4}$ @ $40\frac{1}{2}$ | 40 @ $40\frac{1}{4}$ | $39\frac{1}{2}$ @ $40\frac{1}{2}$ | $39\frac{1}{2}$ @ $40\frac{1}{2}$ |
| Frankfurt, \$ Scoria | $40\frac{1}{2}$ @ $41\frac{1}{4}$ | $40\frac{1}{4}$ @ 41 | $40\frac{1}{2}$ @ $40\frac{1}{2}$ | $40\frac{1}{2}$ @ $40\frac{1}{2}$ |
| Hamburg, \$ 4 R'mark | $95\frac{1}{2}$ @ $96\frac{1}{2}$ | 95 @ $95\frac{1}{2}$ | $94\frac{1}{2}$ @ 95 | $94\frac{1}{2}$ @ $95\frac{1}{2}$ |
| Prussian thalers | $71\frac{1}{4}$ @ $72\frac{1}{4}$ | $71\frac{1}{2}$ @ $71\frac{1}{4}$ | $70\frac{1}{2}$ @ $71\frac{1}{4}$ | 71 @ $71\frac{1}{4}$ |

The export of gold to Europe is again very heavy, showing a large accumulation of indebtedness by our merchants, part of which is liquidated by twenty-year bonds, the remainder by gold bullion and coin.

The coin shipments of the year are mainly on account of importations, now largely in excess of the means of the country to pay for, but many millions are now required annually to pay the coupons of our government bonds that are held abroad; and also to pay the expenses of thousands of our fellow-citizens who are traveling in Europe. The foreign export of coin and bullion this year, from New York alone (three and a half months) has been \$16,521,000, against \$6,610,000 for the same period last year. The comparative exports for fifteen years, to the middle of April, were as follows:

| | | |
|-----------------------|------------------------|----------------------|
| 1859 .. \$ 11,016,000 | 1864 ... \$ 11,780,000 | 1869 .. \$ 9,678,000 |
| 1860 .. 5,808,000 | 1865 5,153,000 | 1870 ... 7,064,000 |
| 1861 .. 2,333,000 | 1866 5,697,000 | 1871 ... 16,668,000 |
| 1862 .. 11,065,000 | 1867 7,080,000 | 1872 ... 6,610,000 |
| 1863 .. 16,196,000 | 1868 16,897,000 | 1873 ... 16,521,000 |

The following are the nominal quotations representing the price in gold for miscellaneous coin in this market :

American silver, large, 94 a 97; American silver, small, 94 a 98; Mexican dollars, old stamp, 105 a 107; Mexican dollars, new stamp, 102 a 103; English silver, 470 a 485; Five francs, 93 a 96; Thalers, 68 a 70½; English sovereigns, 480 a 487; Twenty francs, 380 a 386; Spanish doubloons, 15.60 a 16 00; Mexican doubloons, 15.40 a 15.65.

The bank deposits in New York are reduced \$ 30,000,000, compared with the highest figure this year. The loans are \$ 15,000,000 less. The legal tender reserve is far below the actual needs of the banks, and should be gradually enlarged to double the amount as in 1871.

| 1867. | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. | Weekly Clearings |
|-------------|----------------|---------------|----------------|---------------|----------------|------------------|
| Jan. 5 | \$ 257,852,460 | \$ 12,794,892 | \$ 65,026,121 | \$ 32,762,779 | \$ 202,533,564 | \$ 468,987,787 |
| Jan. 4, '68 | 249,741,297 | 12,724,614 | 62,111,201 | 34,134,391 | 187,070,786 | 483,266,304 |
| Jan. 4, '69 | 259,090,057 | 20,736,122 | 48,896,421 | 34,379,609 | 180,490,445 | 585,304,799 |
| Jan. 6, '70 | 250,406,387 | 31,166,908 | 45,034,608 | 34,150,887 | 179,129,394 | 399,355,375 |
| July 4 | 276,496,503 | 31,611,330 | 56,815,254 | 33,070,365 | 219,063,498 | 562,736,404 |
| Jan. 2, '71 | 263,417,418 | 20,028,846 | 45,245,358 | 32,153,514 | 188,238,995 | 467,692,982 |
| July 3 | 296,237,959 | 16,526,451 | 71,348,828 | 30,494,457 | 243,306,693 | 561,366,456 |
| Jan. 1, '72 | 270,534,000 | 25,049,500 | 40,282,800 | 28,542,800 | 200,409,800 | 511,802,964 |
| July 1 | 289,002,800 | 22,795,500 | 54,951,400 | 27,416,100 | 232,387,900 | 485,973,837 |
| Jan. 6, '73 | 277,720,900 | 19,478,100 | 41,165,400 | 27,613,800 | 203,808,100 | 642,834,841 |
| Feb. 3 | 286,879,600 | 18,612,200 | 45,802,100 | 27,501,000 | 217,168,500 | 661,411,941 |
| Mar. 3 | 281,344,900 | 16,370,500 | 40,724,000 | 27,601,300 | 202,066,100 | 818,260,209 |
| " 24 | 275,198,800 | 17,472,300 | 38,304,200 | 27,613,600 | 194,623,500 | 658,903,673 |
| " 31 | 274,348,700 | 16,179,100 | 38,729,800 | 27,635,700 | 193,508,700 | 640,361,792 |
| April 7 | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| " 14 | 271,516,900 | 16,134,300 | 35,493,800 | 27,714,400 | 186,899,200 | 659,075,391 |
| " 21 | 270,190,600 | 16,116,400 | 36,619,800 | 27,713,300 | 187,167,300 | 863,472,663 |

In order to show the progress in banking in this city during the past ten years, we add the corresponding returns for the third week in April, from 1862 to 1873.

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------|----------------|---------------|----------------|---------------|----------------|
| 1872 | \$ 273,050,000 | \$ 18,278,000 | \$ 39,909,000 | \$ 27,911,000 | \$ 195,630,000 |
| 1871 | 285,207,000 | 13,970,000 | 56,536,000 | 31,488,000 | 217,180,000 |
| 1870 | 269,016,000 | 25,310,000 | 53,119,000 | 33,616,000 | 203,583,000 |
| 1869 | 257,458,000 | 8,850,000 | 53,677,000 | 34,060,000 | 177,340,000 |
| 1868 | 252,314,000 | 14,934,000 | 53,866,000 | 34,227,000 | 180,307,000 |
| 1867 | 247,737,000 | 7,404,000 | 67,920,000 | 33,601,000 | 187,674,000 |
| 1866 | 245,017,000 | 8,243,000 | 80,589,000 | 25,377,000 | 202,718,000 |
| 1865 | 204,277,000 | 19,049,000 | 66,096,000 | 4,660,000 | 193,188,000 |
| 1864 | 194,157,000 | 24,067,000 | — | 5,636,000 | 164,578,000 |
| 1863 | 177,364,000 | 36,846,000 | — | 7,201,000 | 167,695,000 |
| 1862 | 133,406,000 | 35,175,000 | — | 8,482,000 | 109,634,000 |

From these returns it will be seen that the specie column at this time is far below that of 1869-1872, while the legal tenders are about one-half what they were some years ago. The banks are inclined to loan too heavily, and to maintain too light a reserve. If the surplus or undivided profits of each bank were added to the weekly list, it would enable the public to discriminate more readily as to the prospective value of bank shares.

The pressing demand for money in New York has diminished the active means of Boston. The loans there have declined \$ 4,000,000, and the deposits still further, or from \$ 77,000,000 in February, to \$ 68,000,000 in April. The fifty-one Boston banks have a combined capital of \$ 49,600,000, and surplus funds, \$ 13,700,000. We annex the returns for 1867-1872:

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------------------|---------------|--------------|----------------|---------------|---------------|
| Jan. 6. 1868.... | \$ 94,969,249 | \$ 1,466,246 | \$ 15,543,169 | \$ 24,626,559 | \$ 40,856,022 |
| Jan. 4. 1869.... | 98,423,644 | 2,203,401 | 12,938,342 | 25,151,340 | 37,538,767 |
| Jan. 3. 1870.... | 105,985,214 | 3,765,347 | 11,374,559 | 25,280,893 | 40,007,225 |
| Jan. 2. 1871.... | 111,190,173 | 2,484,536 | 12,872,917 | 24,662,209 | 46,927,971 |
| July 3 | 119,152,159 | 1,441,500 | 13,117,482 | 24,816,012 | 50,693,067 |
| Jan. 1. 1872.... | 115,878,481 | 4,469,483 | 9,602,748 | 25,715,976 | 46,994,488 |
| July 8..... | 112,164,800 | 2,740,100 | 9,471,800 | 24,877,000 | 48,875,500 |

The deposits (after this date) include the amount due to other banks.

| | | | | | |
|------------------|-------------|-----------|------------|------------|------------|
| Jan. 6. 1873.... | 122,872,700 | 2,075,400 | 11,122,500 | 25,614,400 | 74,113,500 |
| Feb. 3..... | 125,088,700 | 2,253,300 | 11,507,300 | 25,485,800 | 77,272,500 |
| Mar. 3..... | 124,390,400 | 1,015,100 | 11,185,600 | 25,457,500 | 74,833,700 |
| " 24..... | 121,164,500 | 802,200 | 9,857,500 | 25,417,200 | 64,478,100 |
| " 31..... | 120,209,400 | 718,500 | 10,055,400 | 25,412,700 | 63,447,200 |
| April 7..... | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| " 14..... | 118,783,700 | 932,100 | 8,452,200 | 25,677,000 | 63,130,100 |

The bank loans at Philadelphia are about one-half those of Boston, and one-fifth those of New York. The loans, deposits, and legal tenders do not vary much from our report a month ago. The Philadelphia banks continue to sell their specie, when it should be retained for their future wants. We annex a comparison with five previous years, as usual. The aggregate capital of the twenty-seven National Banks is \$ 16,235,000.

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|------------------|---------------|------------|----------------|---------------|---------------|
| Jan. 4. 1868.... | \$ 52,002,304 | \$ 235,912 | \$ 16,782,432 | \$ 10,639,000 | \$ 36,621,274 |
| " 4. 1869.... | 50,716,999 | 252,483 | 13,210,397 | 10,593,719 | 38,121,023 |
| " 3. 1870.... | 51,662,662 | 1,290,096 | 12,670,198 | 10,568,681 | 38,890,001 |
| " 2. 1871.... | 51,861,827 | 1,071,528 | 12,653,166 | 10,813,212 | 38,660,403 |
| " 1. 1872.... | 55,631,723 | 1,069,585 | 11,228,988 | 11,348,851 | 42,049,757 |
| July 1, " | 59,659,324 | 228,338 | 13,952,002 | 11,345,868 | 50,021,793 |
| Jan. 6. 1873.... | 55,370,011 | 424,458 | 10,578,155 | 11,331,579 | 40,861,114 |
| Feb. 3, " | 57,062,437 | 352,775 | 10,599,532 | 11,370,253 | 42,180,451 |
| Mar. 3, " | 56,867,858 | 271,544 | 9,917,655 | 11,369,972 | 41,495,605 |
| " 24, " | 57,063,527 | 142,551 | 9,945,846 | 11,423,753 | 40,858,795 |
| " 31, " | 57,742,122 | 130,204 | 9,686,728 | 11,446,941 | 39,985,615 |
| April 7, " | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| " 14, " | 57,129,734 | 128,371 | 10,317,071 | 11,482,752 | 41,571,881 |
| " 21, " | 57,894,111 | 142,800 | 10,909,241 | 11,479,014 | 43,288,268 |

The price of gold has advanced during the month to 18½ @ 19. Our readers will note that this was anticipated in our remarks in our last No., (page 820). The financial policy of the Treasury and of Wall Street is so strongly opposed to resumption of specie payments, and to any early steps or preparation therefor, that the market will, for the future, be exposed to all the fearful combinations of capitalists, and the lamentable results which must follow the present inflation of currency and prices.

Messrs. Duncan, Sherman & Co. are paying the New York Central dividend of 4 per cent., (half-yearly), on \$ 90,000,000 stock, to-day. It is stated that of the \$ 3,600,000 thus distributed to the stockholders, Mr. Vanderbilt and his family receive about \$ 1,700,000, or at the rate of 8 per cent. per annum.

The official returns of the foreign trade of the country, for the past nine months, fully account for the condition of our banks in their specie column. Our foreign importations for the current fiscal year are 319 millions, or 23 millions in excess of the extravagant period of 1872, and 60 millions!! in excess of the same period in 1870-71, viz:

Foreign imports at New York for nine months, ending March 31.

| | 1871. | 1872. | 1873. |
|-------------------------|----------------|----------------|----------------|
| Six months..... | \$ 156,339,208 | \$ 183,098,376 | \$ 199,326,050 |
| January..... | 28,792,062 | 35,679,496 | 37,903,691 |
| February..... | 35,491,394 | 38,906,143 | 38,860,517 |
| March..... | 38,696,064 | 39,218,968 | 43,440,681 |
| Total for 9 months..... | \$ 259,318,658 | \$ 296,132,183 | \$ 319,430,879 |
| Deduct specie..... | 7,616,366 | 2,180,768 | 5,879,210 |
| Total merchandise..... | \$ 251,702,292 | \$ 293,951,415 | \$ 313,551,669 |

The total of merchandise (excluding specie), for the first nine months of 1870, was \$208,217,000, the gain in two years being more than fifty per cent. This excess could be reduced hereafter if our banks would pursue a policy of contraction until their legal tenders were beyond the legal limit.

We now exhibit the exports for the same period, giving first the produce and merchandise in currency values, and adding the specie at the foot of the table:

Exports (exclusive of specie) from New York to foreign ports for nine months, ending with March 31.

| <i>Six months ending</i> | 1871. | 1872. | 1873. |
|--------------------------|----------------|----------------|----------------|
| January 1..... | \$ 107,654,919 | \$ 119,804,990 | \$ 130,400,614 |
| January..... | 18,837,876 | 18,951,004 | 20,050,550 |
| February..... | 18,739,742 | 17,915,169 | 21,139,008 |
| March..... | 22,139,332 | 16,530,019 | 21,969,909 |
| Total produce..... | \$ 167,371,869 | \$ 173,000,482 | \$ 193,572,575 |
| Add specie..... | 55,092,032 | 27,537,547 | 49,213,068 |
| Total export..... | \$ 222,463,901 | \$ 200,538,029 | \$ 242,785,643 |

The imports altogether at this port for nine months amount, as we have shown, to three hundred and thirteen and a half millions, of which only one hundred and six millions consisted of dry goods.

DEATHS.

In LAFAYETTE, INDIANA, on Sunday, March 16th, aged sixty-three years, HENRY S. MAYO, President of the SECOND NATIONAL BANK OF LAFAYETTE.

In PALMYRA, Mo., on Friday, April 11th, aged sixty-four years, THOMAS E. THOMPSON, a native of Warrenton, Va., President of the MARION COUNTY SAVING BANK, at Palmyra, from its organization.

THE
BANKER'S MAGAZINE,
AND
Statistical Register.

VOL. VII. THIRD SERIES. JUNE, 1873.

No. 12.

THE NEW COINAGE ACT OF 1873.

An important change in the coinage law of the UNITED STATES was adopted at the last session of Congress, by the passage of "An act revising and amending the laws relative to the Mints, Assay Offices and Coinage," which was passed February 12th, 1873.

The advantages to follow such a radical change will appear more fully upon the resumption of specie payments a few years hence. At present the country is bound down to a paper system which cripples its productive channels, and forces the supply of gold and silver to our foreign creditors. Although a gold-producing country, our people pay tribute annually to the laboring classes of EUROPE, for articles which could as well be manufactured here. We pay hundreds of millions annually, to our own people in paper money, beyond what would be required if we had a specie currency.

The annual expenditures of our Treasury, officially reported, are (besides interest on the public debt) about one hundred and fifty millions of dollars; one-fifth of which could be saved if we paid our salaries and contracts in specie instead of paper. The radical error of the Treasury consists in liquidating the bonds of the government instead of cancelling legal tenders by the surplus revenue. If a gradual reduction of the latter were effected to the extent of, say fifty millions per year, the value of the remainder in circulation would gradually (and more rapidly) approach a specie basis; for it is a principle, acknowledged by all able writers on political economy, and ascertained by all considerate men, that the value of any article in

the market will fall according to its redundancy, and will appreciate or advance according to its reduced quantity.

Whenever this return to specie payments shall be accomplished, the phases of specie will command closer attention. The coins of the country will be more closely scrutinized, and our foreign commercial policy will be wiser. Our farmers will then realize specie funds (constitutional currency) for their surplus products, and our manufacturers will be enabled to compete with foreign labor in the supply of articles created by domestic labor.

In order to inform our readers as to the practical workings of the new coinage act of Congress, we annex a brief synopsis of the several sections. The Mint is now controlled at Washington instead of Philadelphia. Dr. H. B. LINDERMAN was, on the first of April, appointed Director of the Mint, and has entered upon the discharge of his duties. The Secretary of the Treasury has notified the superintendents of Mints to proceed under the new coinage law, which took effect on that day.

Our readers will find in the March No. of the *BANKER'S MAGAZINE* (pp. 710-716), appropriate remarks by Dr. LINDERMAN on the coinage question, and on the supply of gold and silver on this continent.

COINAGE ACT OF 1873.

Synopsis.—It creates a Bureau in the Treasury Department for the control of all of the Mints and Assay Offices of the UNITED STATES. The chief officer of the Bureau is denominated the Director of the Mint, who is under the general control of the Secretary of the Treasury. The offices of the Treasurer and Superintendent of the Mint are consolidated into one called the Superintendent, the latter being the executive, receiving and disbursing officer.

The Mints at Philadelphia, San Francisco and Carson, and the Assay Office in New York, have each a superintendent, while the chief officer at the Assay offices other than at New York are termed "Assayers in charge," performing both the duties of executive officers and assayers.

No person is to be appointed to employment in the operative departments, except upon the nomination, in writing, of the respective heads thereof.

Standards.—The standards for both gold and silver coin are 900 parts of pure metal to 100 of alloy. The alloy of the silver coins to consist of copper, and of the gold coins, copper and silver; but the latter not to exceed one-tenth of the whole alloy.

The provision relating to silver in the alloy is based upon the refining of gold to 990 thousandths, the remaining ten thousandths of silver not being susceptible of being parted economically. The gold dollar, consisting of twenty-five and eight-tenths grains of standard gold, is declared to be the unit of value. The remedy of the mint,

with respect to fineness, is one-thousandth as to gold, and three-thousandths as to silver; and the remedy as to weight, on the double eagle and eagle, one-half of a grain; the half-eagle, three-dollar-piece, quarter-eagle and one-dollar-piece, one-fourth of a grain, but when the coins are delivered by the coiner to the superintendent, the deviation from standard weight must not exceed one-hundredth of an ounce in five thousand dollars in double-eagles, eagles, half-eagles, or quarter-eagles, or in one thousand three-dollar-pieces and one thousand one-dollar-pieces. The gold coins are a legal tender at their nominal value in all sums when within the tolerance allowed in manufacture, and when of less weight than standard and tolerance, they are a legal tender at a valuation in proportion to their actual weight. A legal limit of abrasion of one-half per cent. below the standard weight, after a circulation of twenty years, is provided, such coins being receivable at the Treasury of the UNITED STATES at their nominal value, and thus made current. Any pieces presenting evidence of artificial reduction are to be rejected. The silver coins consist of a trade dollar of the weight of 420 grains, troy, while the weight of the subsidiary silver coins (one-half dollar, one-quarter dollar and the dime), is to the dollar twelve and a-half grains, or three hundred, eighty-five and eight-tenths grains, troy. These coins are a tender at their nominal value, for any amount not exceeding five dollars in any one payment. The tolerance in their manufacture is one and one-half grains in each piece. The trade dollar which is designed for exportation to the Asiatic Nations, will have the weight and fineness stamped on the reverse. The coinage charge on gold is one-fifth of one per cent., and the charge for the coinage of the trade dollars will be one-half cent for each piece. The charge for the trade dollar and all others except the gold coinage charge, is fixed by the Director of the Mint with the approval of the Secretary of the Treasury, so as to equal, but not exceed, the actual average cost to each Mint and Assay Office, of the material, labor, wastage and use of machinery employed in each operation.

The subjects of charge are melting, refining, parting, toughening copper for alloy, and stamping of bars. The silver bullion required for the subsidiary silver coinage, and metals for the minor coinage, are purchased by the government at market rates, and manufactured into coin for its own account. At the Western Mints the subsidiary silver coin are issued only in exchange, at par, for gold coins, (the object being to keep these coins at par with gold, to the extent to which they are a legal tender) while at the Mint at Philadelphia, and Assay Office at New York, they are, for two years from the passage of the act, to be paid out for silver bullion purchased for coinage. This provision is to meet a demand for these coins for exportation. The seniorage or gain to the government on the subsidiary silver coinage is about four per cent. on that issued at Philadelphia and New York, and six per cent. on that issued at San Francisco and Carson, against which must be set the expenses of manufacture, distribution and wastage. The minor coins are issued at par in exchange for United States currency, and are redeemable

at par in the same money. Authority is given the Secretary of the Treasury to suspend the minor coinage whenever there is evidence of redundancy. Vouchers are required to be taken in all transactions with the Mint and Assay Offices, and transmitted with the bullion and ordinary accounts, when the latter are sent to the Treasury Department for adjustment.

The wastage allowed the operative officers is, in the case of the melter and refiner, one thousandth of the whole amount of gold, and one and one-half thousandths of the silver bullion operated on by him. In the case of the coiner it is one-half thousandth of the gold, and one thousandth of the silver. Unparted bullion may be exchanged for fine bars at any of the Mints on such terms and conditions as may be prescribed by the Director of the Mint, with the approval of the Secretary of the Treasury. The fineness, weight and value of the bullion given and received in exchange, is to be determined in all cases by the Mint Assay, and the charge to the depositor not to exceed that allowed in the exchange of unrefined for refined bullion. This provision is designed to encourage refining by private enterprise. The depositor has as heretofore the security of the Mint Assay, and accountability for the bullion. A sufficient fund is kept as a deposit, by the Treasury Department, at each of the Mints, out of which to pay the depositors the net value of their bullion, as soon as the same has been determined by the Mint Assay. Provision is made for taking from each delivery of coins a certain number of pieces, for the annual trial of the coinage. The moneys arising from all charges and deductions from gold and silver bullion, manufacture of medals, seniorage on silver and gain on minor coinage, are to be transferred from time to time to the Treasury of the UNITED STATES. The expenses of distributing the subsidiary silver coin and the minor coinage, are paid out of the profits of such coinage. With these exceptions, the expenditures of the Mint and Assay Offices are to be paid from appropriations made by law, on estimates furnished by the Secretary of the Treasury.

The operations of Assay Offices, other than that at New York, are confined to the receipt of gold and silver bullion for melting and assaying, and return to the depositors of the same, in bars, with the weight and fineness stamped thereon.

Offences against the coinage of the UNITED STATES are defined, and the punishment therefor, upon conviction, prescribed.

Summary.—The objects of the law are to insure first, the efficient administration of the business of the Mints and Assay Offices, and the prompt rendition and adjustment of their bullion and ordinary accounts. Second, to place the bullion and coinage interests of the UNITED STATES upon an equality with the most favored nations. It is expected that the new law will have the effect of having all the bullion products of the country minted at home, and which can be done without any appreciable increase of expenses, the capacity of the Mint establishment being double the present amount of business. Bullion being minted on these advantageous terms will only be ex-

ported when required to adjust balances with foreign countries, and not as heretofore for the mere out-turn. More than half the bullion product of the country consists of gold containing silver or silver containing gold, in quantities to require the separation of the one metal from the other before either can be put in shape for coinage or fine bars. A large portion of this bullion under former laws was exported direct, on account principally of there not being a sufficient market in the UNITED STATES for the silver. It is expected that this difficulty will, to a considerable extent, be removed by the issue of the trade dollar.

The old laws made no provision in relation to abraded coin, while the new coinage act has fixed a limit of wear, corresponding very closely with that of the principal European nations; but, with the exception of the worn coin in the Treasury of the UNITED STATES on the 1st of April last, the loss on gold coins below the legal limit of abrasion falls on the individual holder. As the loss from attrition arises while the coin was performing the function of the standard of value and circulating medium, it would appear to be just that the loss should fall upon the public and not upon the last holder, who has received it at its full nominal value.

This principle has been recognized in the recent coinage law of the German Empire, provision being made for the redemption, at par, of gold coins worn below the legal limit of abrasion, when not presenting evidence of a fraudulent reduction. Should a similar provision be enacted in this country, the redemption should take place at the Mints and not at the Treasury and Custom Houses, in order that the necessary scrutiny may be exercised by competent experts, to protect the government against fraudulent practices in respect to the coinage. It is proper to add that tampering with coin has never been carried on to any extent in the UNITED STATES, and it is believed that laws having for their object the keeping of the standard coin within reasonable limits of the prescribed weight, can be as efficiently administered as any other laws having for their object the prevention of offences and punishment of crime.

At a meeting of the Chamber of Commerce of the State of NEW YORK, held at their rooms, No. 63 William Street, in the City of New York, on the 6th of March, 1873, Hon. WILLIAM E. DODGE, President, in the chair, the following communication from Mr. SAMUEL B. RUGGLES, in respect to the coinage act recently passed by the Congress of the UNITED STATES, was presented and read for the information of the Chamber :

New York, March 5th, 1873.

To the Chamber of Commerce :

The undersigned, Chairman of the Committee of the Chamber on Coinage and Currency, being unavoidably prevented from attending the monthly meeting of the Chamber, to be held on the 6th of March

inst., begs leave to communicate the following facts in respect to the coinage bill recently passed by Congress. This bill, which is entitled "An Act revising and amending the laws relative to the mints, assay offices and coinage of the UNITED STATES," and contains sixty-seven sections, was introduced into the House of Representatives early in 1872, during the second session of the XLII^d Congress, which closed yesterday at noon. The bill, as introduced, proposed to reduce the weight of the then existing silver dollar from 412½ grains to 384 grains. The Chamber of Commerce of the State of NEW YORK, on examining and considering that provision, by resolution duly transmitted to Congress in June last, respectfully recommended that the weight of the silver dollar should be made precisely equivalent to that of the five franc silver coin of Europe, which would require an addition of less than one-half of one per cent. to the weight proposed in the bill. It being late in the session, the House passed the bill as at first introduced, and sent it to the Senate, where it was delayed to consider the amendment suggested by the Chamber.

On the 20th of October, 1872, the National Board of Trade, assembled in the City of New York, after full examination of the subject concurred, by unanimous resolution, in the recommendation of the Chamber, a copy of which resolution was duly communicated to the Chairman of the Finance Committee of the Senate of the UNITED STATES. On the 16th of December, 1872, that Committee reported to the Senate the amendment thus recommended by the Chamber and the National Board of Trade, but with an important modification, proposing, in disregard of all national prejudices or predilections, to discontinue the coinage of the silver *dollar* as then existing as a portion of the silver currency of the UNITED STATES, and to internationalize the silver *half dollar* in the manner proposed, by fixing its weight at 12½ metrical *grammes*, so that two half dollars would be precisely equivalent to the five franc silver coin of EUROPE and its equivalents, and would circulate by their side on terms of perfect equality in all the nations of the world using the franc system. This fundamental change, working, in fact, a total revolution in our silver currency, the Committee proposed to make still more effectual by a further amendment, which provided for the coinage, solely for purposes of commerce and not for currency, of a heavy silver trade dollar, to weigh 420 grains, exceeding in value by 27-100ths of one cent the Mexican dollar, now bearing a considerable premium, and very largely used in commerce with the Oriental nations of the Pacific.

The bill thus amended duly passed the Senate. The House disagreed to the amendments, which led to the appointment of committees of conference, consisting of Messrs. SHERMAN, SCOTT and BAYARD of the Senate, and Messrs. SAMUEL HOOPER, STOUGHTON and MCCREERY of the House. After much discussion in those committees, the amendments in question were unanimously approved, and the respective reports of the committees were unanimously concurred in by both Houses, to wit, in the Senate on the 6th, and in the House on the 7th of February, thus finally passing the bill, which

was approved shortly afterwards by the President. Previously thereto, on the 31st December, 1872, a statement, prepared by the undersigned, of the condition at that time of the measure, and of the facts and reasons urged in favor of the amendment proposed by the Chamber of Commerce and the National Board of Trade, and especially the importance of a preliminary unification of silver coin in greatly facilitating the eventual unification of the different coinages of gold, had been printed for the information of the members of the chamber, a copy of which is hitherto annexed. Separate copies of this statement had also been sent to each of the members of both Houses of Congress, who consequently legislated on the bill with full knowledge and appreciation of all the objects, aims, and contemplated effects of the proposed amendments.

The slight addition made by the act, of less than one-half of one per cent. to the 192 grains, the lately existing weight of the half dollars of the UNITED STATES, certainly will not prevent their free circulation, as heretofore, in most of the countries of NORTH and SOUTH AMERICA and the islands appurtenant to the Gulf of MEXICO and the Caribbean Sea; while their material internationalization will permit them, whenever carried to Continental EUROPE in commerce or by travelers, (to whom they will be peculiarly convenient and desirable,) to pass without recoinage, discount or other impediment, bearing the emblems of our Republic through all the populous nations now using the five franc silver coin, from the Atlantic Ocean to the eastern boundaries of GREECE. The wide diffusion and popularization of this international coin, extending through nearly one hundred and fifty degrees of longitude—from the "Golden Gate" on the Pacific to the mouth of the Dardanelles—will moreover exert an efficient and beneficial influence in hastening the necessary reform in most if not all of the other silver coinages of the world. The comparatively provincial circulation in separate portions of northern EUROPE of the "shilling," the "thaler," and the "rouble," all differing in weight and and none of them metrical, must inevitably yield in time to the uniform metrical silver coin of a higher and broader civilization. The friends of international coinage may now reasonably indulge the hope that the enlightened nations of the European world will all unite, ere long, in carrying into practical effect the memorable and emphatic declaration at St. Helena, by the first NAPOLEON, more than half a century ago, that "among the civilizing agencies most needed in EUROPE, was a common money."

It is proper to add, that the active interest manifested by our cosmopolitan city, in respect to a general international coinage of gold and silver, for the common use of the world at large, may be due, in part, to the important fact shown by the official tables, that during the period of four years ending in June, 1871, the foreign commerce of the port of New York, in exports, imports and re-exports of gold and silver coin and bullion, amounted to \$ 271,046,929; that of the port of San Francisco, during the same period, to \$ 77,343,662; that of New Orleans to \$ 5,500,699; that of Boston to \$ 1,993,359; and

that of Philadelphia to \$426,648. The aggregate of all the other ports of the UNITED STATES was comparatively unimportant.

A full and authenticated copy of this new coinage act, which takes effect by its terms on the first of April next, and which contains many important provisions in respect to gold and silver coin and bullion, in which our merchants and others dealing in the precious metals are directly and largely interested, should be printed for the use of the chamber.

SAMUEL B. RUGGLES, *Chairman.*

EXPLANATORY NOTE.—The statement in the preceding communications that the excess in value of the new silver “trade” dollar over the MEXICAN dollar amounts to $\frac{7}{100}$ of a cent, is taken from the official report to the Secretary of the Treasury of the UNITED STATES, made in November, 1872, by Doctor LINDERMAN, former Director of the Mint at Philadelphia, and Professor TORREY, present chief of the Assay Office in New York. That report shows, however, that the weight of the *fine* silver in the proposed trade dollar exceeds that in the MEXICAN dollar by *three-quarters of a grain* troy, equivalent very nearly to $\frac{3}{100}$ of a cent. If the latter be the true excess of value, it serves still further to strengthen the opinion expressed in that report, that the new “trade” dollar will, “in a short time, command a premium of 6 or 8 per cent.” Such a premium would affect very advantageously the price of our silver bullion, the yearly product of which, as stated in the same report, “has been increasing in the last three years, and now amounts to twenty millions of dollars.”

It becomes more and more evident, that although gold alone should constitute the legal standard value, silver, for commercial and practical purposes, must continue to form a large and necessary portion of the metallic money of the world.

I. The act of Congress creating this new office and authorizing new coins, was passed February 12, 1873. The first two sections refer to the new office, viz.:

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the mint of the United States is hereby established as a bureau of the Treasury Department, embracing in its organization and under its control all mints for the manufacture of coin, and all assay offices for the stamping of bars, which are now or which may be hereafter authorized by law. The chief officer of the said bureau shall be denominated the Director of the Mint, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President, upon reasons to be communicated by him to the Senate.

SEC. 2. That the Director of the Mint shall have the general supervision of all mints and assay offices, and shall make an annual

report to the Secretary of the Treasury of their operations at the close of each fiscal year, and from time to time such additional reports, setting forth the operations and condition of such institutions, as the Secretary of the Treasury shall require, and shall lay before him the annual estimates for their support. And the Secretary of the Treasury shall appoint the number of clerks, classified according to law, necessary to discharge the duties of said bureau.

II. REDEMPTION OF BASE COINS.—The Secretary of the Treasury has issued a circular advising all persons holding copper-bronze or copper-nickel coins, heretofore authorized by law, that they can exchange them for minor coins, namely: five, three, and one-cent pieces, authorized by the act of February, 1873, by presenting or forwarding them to the Philadelphia Mint, in sums not less than twenty dollars, or a multiple thereof, properly assorted by denominations, and advising the Superintendent of the amount and kind of coin desired in return. Persons desiring the redemption of any of the minor coins may forward them to the mint and receive a check therefor, or may present or forward them to the office of the Treasurer, some Assistant Treasurer, or designated depository of the UNITED STATES, in assorted quantities, advising the officer to whom sent of the amount and kind of coin forwarded, and the amount and kind of lawful money desired in return.

III. AMERICAN NUMISMATIC AND ARCHEOLOGICAL SOCIETY.—At the annual meeting of the above society, held March 27, at New York, the following were elected officers:

President, CHARLES E. ANTHON, LL. D.; *First Vice-President*, BENJAMIN BETTS; *Second Vice-President*, DANIEL PARISH, Jr.; *Corresponding Secretary*, L. WATSON; *Recording Secretary*, WILLIAM POILLON; *Librarian*, I. F. WOOD; *Curator*, E. GROH.

The treasurer's report exhibited a balance in favor of the society. A committee was appointed to examine the by-laws and prepare such amendments as would further the interests of the society and its usefulness.

IV. SCANDINAVIAN COINAGE.—The new Scandinavian coinage law, which is about to be adopted by SWEDEN, NORWAY, and DENMARK, fixes gold as the standard coin. The "crown" is the nominal unit, though a silver piece. Gold coin are to be minted in the value of ten and twenty-crowns. There are to be one and two-crown pieces in silver. The "crown" is subdivisible in a hundred oers, 5,221 oer pieces being coined of bronze, 50, 40, 25, and 10-oer pieces in silver; 248 crowns in gold are to hold a kilogramme of the pure metal.

V. **THE METRIC SYSTEM.**—It should not be forgotten that the plan for the unification of the currency, the international metric system of coins, now about to be adopted, originated with a Rhode Islander, the late THOMAS A. TEFFT, of Providence, whose plan received the warm commendation of some of the best minds of the age. Since his death, the able papers that he prepared on this subject, and brought into successful notice in ENGLAND and FRANCE, have been published by Rev. E. M. STONE, with a memoir of Mr. TEFFT. That plan is the basis of our new coinage and mint law.

—*Providence Journal.*

VI. **THE ASSAY AT THE MINT.**—The following-named gentlemen were appointed by the President as special Commissioners to attend at the annual assay at the United States Mint at Philadelphia, on Monday, February 10th: F. A. P. BARNARD, President of Columbia College, New York; Prof. JOHN TORREY, United States Assay Office; Prof. W. P. BLAKE, New Haven, CONN.; Prof. F. A. WALKER, of New Haven; Prof. R. W. RAYMOND, of New York; Prof. R. E. ROGERS, of Philadelphia; Hon. H. R. LINDERMAN, of Philadelphia; J. G. FELL, of Philadelphia; JOHN JAY KNOX, Comptroller of the Currency; E. HILGARD, Assistant Superintendent U. S. Coast Survey.

VII. **MELTING OF GOLD AT THE MINT.**—The United States Mint has commenced melting the first instalment (\$1,000,000) of twenty millions \$1 gold pieces, which, during the ensuing month are to be re-coined into larger denominations. These pieces were of inconvenient size, and the government has experienced trouble in issuing them in large quantities. This induced the government to take them from the Sub-Treasury in New York, where they have been idle the past few years, and place the metal in a more desirable shape.

From 1849, when the first one-dollar gold pieces were coined at the Mint in this city, to 1867, when the coinage was stopped, there has been \$17,709,442 made in the Philadelphia Mint alone. It is presumed that the whole issue of \$1 gold pieces will amount to over thirty millions.

One million of gold dollars, when first issued by the Mint, will weigh 3,686 pounds avoirdupois, or a fraction over one ton (twenty cwt.) and four-fifths. In twenty millions of dollars we have nearly thirty-three tons. The loss by abrasion in one million dollars is \$4,408 37. In other words, \$20,000,000, used ten years, loses \$88,167 40. If the twenty million pieces to be melted were piled in a perpendicular line, they would reach eleven and five-sixths miles. Were the pieces laid flat on a level plain, they would extend one hundred and fifty-eight miles.—*Phila. North American, March 4th.*

VIII. GERMAN COINAGE.—The *London Economist* of the 11th of January has the following concerning the new German coinage of gold:

According to the last statement, the German Government has been making rather less progress than usual with its gold coinage. For the most part of last year, the coinage was at the rate of nearly half a million a week, but in the interval between Nov. 23 and Dec. 21 the coinage was at a less rate:

| | Marks. | £. |
|---------------------------------|-------------|------------|
| On Dec. 21 the coinage was..... | 416,401,820 | 20,820,091 |
| On Nov. 23 it was..... | 390,293,890 | 19,514,694 |
| Increase | 26,107,930 | 1,305,397 |

Thus the increase is £ 1,305,000 in four weeks, or about £ 326,000 per week, against a previous weekly average of between £ 450,000 and £ 500,000. The German Government, in the interval, appears to have been coining 10-mark pieces almost exclusively, which accounts for the smaller out-turn in value, although an equal number of pieces may have been struck. The comparison is:

| | Coinage, Nov. 23. Marks. | .. | Coinage, Dec. 21. Marks. | .. | Increase, Marks. |
|---------------------|--------------------------------|----|--------------------------------|----|---------------------|
| 20-mark pieces..... | 337,634,380 | .. | 339,115,780 | .. | 1,481,400 |
| 10-mark pieces..... | 52,659,510 | .. | 77,286,040 | .. | 24,626,530 |
| Total..... | 390,293,890 | .. | 416,401,820 | .. | 26,107,930 |

IX. A RARE COLLECTION.—Mr. CHARLES G. NICHOLSON, of Baltimore, is the owner of a most unique, interesting and valuable collection of autographs, ancient coins, revolutionary and other documents, including also some rare curiosities from Pompeii and Herculaneum, and many Indian relics. Some of them may be considered almost fabulously valuable in consequence of their uniqueness and rarity. Among the revolutionary records is a muster-roll, in plain, legible writing, of two companies of Maryland artillery, commanded by Captains BROWN and DORSEY, joined by Col. HOWARD'S artillery on the 3d of June, 1778, and consolidated finally under Captain BROWN. This roll contains only fifty members. Muster-rolls bearing nearly the same date, from Camp Fredericksburg, Ticonderoga, Fort Schuyler, Camp Chester and Valley Forge are also in Mr. NICHOLSON'S possession. Of the autographs are those of kings, emperors and distinguished personages, some of whom lived a thousand years ago. One piece of silver dates back over three thousand years, whilst many others show great antiquity and rareness. At some future time it is quite likely these relics will be donated and placed by the owner in a position where the public can have free and permanent access to them.

X. OLD COINS RECOVERED.—The Rev. S. J. KNAPP, of Paterson, N. J., has received from his brother, in SPAIN, a collection of rare coins, which are thus described :

The two Roman coins were called AUREUS, having the date A. D. 397, or 1150 from the foundation of ROME, 753 B. C.

One has the image of the Emperor HONORIUS, with the inscription "D. N. HONORIUS, P. F. AVG."—that is, "Our Lord HONORIUS, AUGUSTUS" (emperor). On the other side is the picture of a Roman legionary soldier, with the Roman signum (or standard) in the right hand, and the representation of "Victory" perched on a globe and in the act of crowning the triumphant soldier—all held in the legionary's left hand. He is standing with his foot on the body of a prostrate Goth. The reading is, "The Victory of AUGUSTUS (the Emperor) over the Goths." The date is below: "C. O. M. O. L." (C—100; M—1000; L—50)—1150—A. D. 397.

The other coin is nearly the same, with the exception of the name ARCADIUS, instead of that of his brother HONORIUS.

These coins are in a handsome state of preservation. They are free from anything like tarnish, and the gold has a yellower, purer, clearer look than even the gold of to-day. The intricate representations upon them, with all the finest lines; the very expressions, not only in the vignettes of the emperors, but in the minute expressions of the smaller soldier and Goth, are as perfect as can be. Indeed, there is no United States coin of the present day that begins to have as clear outlines and perfect engraving. It would put to shame the majority of the die-sinkers to-day. It is an evidence that in some respects—and this is one—the ancients possessed a knowledge of art superior to that of the present day. The edges of the coins are not so finely finished as those of to-day, but in all other respects they are more perfect.

The first two silver coins are of the reign of AUGUSTUS CÆSAR, the first Emperor of ROME, who died A. D. 14. He was called *Pater Patriæ*, or "The Father of His Country," by a formal decree of the Roman Senate about twenty years before CHRIST. CHRIST was born under him, and he is the CÆSAR mentioned in LUKE ii, 1. The picture of this emperor appears upon the coins, as perfect as a freshly taken photograph.

The third silver coin is of the reign of TIBERIUS CÆSAR, who died A. D. 37. It was under him that CHRIST was put to death. He was the second Emperor of ROME. This is the "penny" of which CHRIST said, "Show me a penny!" (*Denarius*.)

The fourth coin is one of the reign of NERO, who died A. D. 68. It was he to whom PAUL appealed, saying: "I appeal unto CÆSAR," and before whom he was brought at ROME, and under whom he was put to death in A. D. 66—two years before the death of NERO himself. Judging from the coin, the features of NERO betray him as being precisely such a man as history records him. He was a hairless, blood-thirsty-looking emperor, holding his head up in a manneer

at once suggesting cruelty and arrogance. If there is any truth in the legend of NERO fiddling while ROME burned, this is the very man who did it.

All these coins are in a perfect state of preservation, the letters and pictures showing forth plainly, although a little worn. These coins appear to have been in use; while the gold ones are apparently new (if new can be applied to anything 1,476 years old)—we mean just from the “mint.”

The silver coins of AUGUSTUS are about 1,900 years old. That of TIBERIUS about 1,830 years old; that of NERO about 1,800 years old. All these were recently found in SPAIN, in a buried earthen jar; the latter, by the way, being apparently as perfect as when it was just molded.

XI. THE EARLY COINS OF AMERICA.—The committee of publication of the New England Numismatic and Archæological Society, at Boston, have commenced the publication of a work on the early coinage of America. It will include the Sommer Islands pieces; all the silver coinage of NEW ENGLAND; the Rosa Americana coins; the Granby tokens; the colonial pieces of VIRGINIA; the early coins of VERMONT, CONNECTICUT, NEW JERSEY, and MASSACHUSETTS; the Washington issues; together with the pattern pieces of the Mint, previous to its regular issues of 1793; also many tokens struck in EUROPE for circulation in this country, etc., etc. It is the intention of the committee to make it a more complete and thorough work on the early numismatic history of America than has ever been published; and to accomplish this, time, labor, and money have been freely given, as the book will abundantly testify. The work will, necessarily, embrace much of the early history of this country—a great deal of which has never been published—and will, therefore, commend itself to many antiquarians and historians outside of the numismatic ranks. An edition of but three hundred and fifty copies will be printed, and issued to subscribers only, in a series of about ten numbers, containing thirty-two quarto pages each, printed on fine tinted paper, with new type, and each number will contain at least one full page of accurate illustrations. *The price is One Dollar per number.* Owing to the heavy outlay attending its production, subscribers are required to accompany their orders with five dollars, one-half the estimated amount of subscription. No. 1 is now ready for delivery. Subscriptions to this work may be made through the office of the *BANKER'S MAGAZINE*.

XII. The “NUMISMATIC AND ANTIQUARIAN SOCIETY OF MONTREAL” have commenced the publication of the “Canadian Antiquarian and Numismatic Journal,” in quarterly numbers of 48 pages, with numerous engravings, edited by a committee of the society. Terms, \$ 1.50 per annum.

FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

FOR THREE MONTHS.

Monthly Report, Compiled by THOMAS DENNY & Co.,
 Stock and Bond Brokers, 39 Wall St.

(Continued from page 903, May No.)

| STOCKS. | FEB., 1873. | | MAR., 1873. | | APRIL, 1873. | |
|---|-------------|----------|-------------|----------|--------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| U. S. Six per cts. of 1831, Coupon Bds. | 118½ | 118½ | 118½ | 120½ | 118½ | 121 |
| “ Five-Twenty of 1862, “ | 114½ | 115½ | 115½ | 117½ | 116 | 118½ |
| “ “ 1864, “ | 114½ | 115½ | 115½ | 117½ | 116 | 118½ |
| “ “ 1865, “ | 115½ | 116½ | 116½ | 118½ | 117½ | 120½ |
| “ “ 1865, New, “ | 114½ | 114½ | 114½ | 116½ | 115½ | 118 |
| “ “ 1867, “ | 116½ | 116½ | 116 | 118½ | 116½ | 120 |
| “ “ 1868, “ | 116½ | 116½ | 116½ | 118 | 116 | 118 |
| “ Ten-Forty Coupon Bonds | 114½ | 115½ | 110 | 112½ | 111 | 114½ |
| “ Five per cent. of 1831 | 113½ | 113½ | 112½ | 115½ | 115½ | 116½ |
| “ Six per cent. Currency | 114½ | 115½ | 113½ | 115 | 112½ | 116 |
| Tenn. Six per cent. Bonds, Old | 79 | 83½ | 80 | 86 | 77½ | 80½ |
| “ “ “ New | 79 | 83½ | 79½ | 86 | 78½ | 80½ |
| Virginia Six per cent. Bonds, Old .. | 49 | 49 | 44½ | 46 | .. | .. |
| “ “ “ New | .. | .. | .. | .. | .. | .. |
| “ “ “ Consol. | 55½ | 56 | 55½ | 56½ | 52 | 54 |
| N. Carolina Six per ct. Bonds | 33 | 34 | 31½ | 32 | 30 | 30 |
| “ “ “ New | 18½ | 18½ | 17 | 18 | 16½ | 17 |
| “ “ “ Special Tax | 14 | 15 | 13 | 13 | 13 | 16½ |
| S. C. Six per ct. Bds. Jan. & July .. | 20½ | 22½ | 17 | 20½ | 17½ | 19½ |
| “ “ “ April & Oct. .. | 25 | 26 | 22 | 23 | 23 | 27 |
| Missouri Six per cent. Bonds | 93½ | 95 | 93½ | 95½ | 93½ | 94 |
| Canton Company of Maryland | 100 | 102 | 93½ | 102½ | 90 | 92½ |
| Delaware and Hudson Canal Co. | 118½ | 124 | 117 | 123 | 112 | 115½ |
| Consolidated Coal Co. of Maryland .. | 48 | 53½ | 51½ | 57½ | 53½ | 58½ |
| Quicksilver Mining Company | 43½ | 46½ | 40 | 45 | 38 | 40½ |
| “ “ “ Preferred | 55 | 57 | 50 | 54 | 50 | 50½ |
| Mariposa Mining Company | 1 | 1 | .. | .. | .. | .. |
| “ “ “ Preferred | 1 | 2 | 1 | 1½ | 1 | 1½ |
| Western Union Telegraph Co. | 83½ | 94½ | 83 | 90½ | 77½ | 87½ |
| Pacific Mail Steamship Company .. | 55½ | 76½ | 49 | 62 | 53 | 61½ |
| Adams Express Company | 94½ | 99½ | 94 | 95½ | 92½ | 95½ |
| Wells, Fargo & Co. Express Co. | 85 | 86 | 80½ | 85½ | 78 | 81½ |
| American Merchants' Union Express .. | 66 | 70 | 66 | 69½ | 65½ | 69 |
| United States Express | 70 | 78½ | 72½ | 76 | 71½ | 76½ |
| N. Y. Cent. and Hudson River R. R. .. | 101½ | 106½ | 100 | 106½ | 97 | 102½ |
| Erie Railroad, Common | 63 | 69½ | 62½ | 66½ | 63½ | 66½ |
| “ “ “ Preferred | 78 | 82 | 74 | 79½ | 73 | 77 |
| Harlem Railroad, Common Shares .. | 118½ | 130½ | 127 | 139 | 120 | 137½ |
| Reading Railroad Shares | .. | .. | .. | .. | .. | .. |

| STOCKS. | FEB., 1873. | | MAR., 1873. | | APRIL, 1873. | |
|--|-------------|----------|-------------|----------|--------------|----------|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| N. York & New Haven R.R. Shares.. | 141 | 142½ | 139½ | 141 | 135½ | 139 |
| Michigan Central Railroad Co. | 107½ | 111 | 105 | 108½ | 103½ | 105½ |
| Lake Shore & Mich. Southern R.R. . . | 90½ | 97½ | 91½ | 96½ | 88½ | 93½ |
| Panama Railroad Company Shares.. | 95 | 126½ | 106½ | 127½ | 103 | 112½ |
| Union Pacific Railroad " .. | 33 | 36½ | 33½ | 35½ | 25 | 35 |
| Illinois Central Railroad " .. | 119½ | 120½ | 117½ | 123 | 114 | 118 |
| Cleveland & Pittsburgh R.R. " Gtd. | 88½ | 92½ | 88 | 90½ | 88 | 89½ |
| " " Col., Cinn. & Ind. R.R. . . | 90 | 94½ | 87 | 90 | 82½ | 87½ |
| Chicago, Rock Island & Pacific R.R. | 111½ | 114½ | 112 | 117½ | 104½ | 114½ |
| " " Burlington & Quincy " .. | 117½ | 120 | 111 | 113 | 109 | 111 |
| " " & Alton Railroad Shares.. | 110 | 116 | 108½ | 112½ | 110 | 111½ |
| " " " " Pref. | 112½ | 119 | 112 | 114½ | 112 | 113½ |
| " " & Northwestern R.R. Shares | 80 | 85 | 80 | 82½ | 76 | 82½ |
| " " " " Pref. | 89 | 93½ | 87½ | 90 | 83 | 88 |
| Del., Lackawanna & West. R.R. Co. | 100 | 103½ | 100½ | 102 | 95 | 101 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 92½ | 94 | 93½ | 95½ | 91½ | 93½ |
| Toledo & Wabash R.R. Co. Shares. | 71½ | 74½ | 71½ | 74½ | 62 | 72½ |
| " " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | 23½ | 25 | .. | .. |
| " " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 44½ | 49½ | 44½ | 46½ | 40½ | 45½ |
| Hannibal & St. Joseph R.R. " .. | 42½ | 52½ | 40 | 45½ | 37 | 45½ |
| " " " " Pref. | 65 | 71 | 60 | 66 | 65 | 65 |
| Milwaukee & St. Paul R.R. Shares | 51½ | 54½ | 52½ | 60½ | 53 | 62½ |
| " " " " Pref. | 73½ | 79½ | 73 | 76½ | 68½ | 76 |
| Boston, Hartford & Erie R.R. Shares | 8½ | 10½ | 2½ | 9½ | 2½ | 4½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 38 | 43½ | 36 | 42½ | 35½ | 40½ |
| Dubuque & Sioux City Railroad... . | 63 | 63 | 63 | 63 | .. | .. |
| New Jersey Central Railroad Shares | 103 | 106 | 103 | 105 | 96 | 103 |
| Morris & Essex Railroad Shares... . | 91 | 91½ | 90½ | 91½ | 90 | 92 |
| N. Y. Central Six p. ct. Bds. of 1883 | 93 | 94½ | 94½ | 95 | 94½ | 95½ |
| Erie First Mortgage Bonds of 1868.. | 101½ | 103 | 103 | 103½ | 103 | 103½ |
| Long Dock Bonds..... | 92½ | 95½ | 95 | 95½ | 95½ | 97½ |
| Mich. Southern Sinking Fund Bonds | 103 | 103½ | 104 | 105 | 104½ | 105 |
| " " Seven p. ct. 2d Mtge. | 98 | 99 | 98½ | 100½ | 99 | 100 |
| Central Pacific 1st Mortgage Bonds | 101½ | 104½ | 103 | 104 | 102½ | 103½ |
| Union " " " " Bonds | 86½ | 89 | 85½ | 87½ | 85½ | 87½ |
| " " " " Land Grant Bonds.. | 76 | 79 | 77 | 79½ | 73½ | 75½ |
| " " " " Income Bonds..... | 72½ | 79 | 70½ | 77 | 72½ | 74½ |
| Alton & Terre Haute 1st Mtge. Bds. | 100 | 100 | 100 | 101 | .. | .. |
| " " " " 2d " " Pref. | 87 | 90 | 88½ | 89 | 88 | 88 |
| " " " " " " Income Bds. | 82½ | 82½ | 81½ | 81½ | 80 | 82 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | .. | .. | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 90½ | 91½ | 90½ | 91 | 90 | 91½ |
| " " " " 1st Mortgage Bonds.. | 97 | 98 | 98½ | 100 | 97 | 100 |
| Cleveland & Tol. Sinking Fund Bds. | .. | .. | 101 | 101 | 102 | 102 |
| " " " " & Pittsb'gh Consol'n Bds. | .. | .. | .. | .. | .. | .. |
| " " " " Second Mtge. | .. | .. | 99 | 99 | .. | .. |
| " " " " Third " " | 97 | 98½ | .. | .. | 100 | 100 |
| " " " " Fourth " " | 83½ | 85 | 85 | 86 | 84 | 85 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101½ | 102 | 101½ | 104 | 103½ | 104 |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 94½ | 96 | 94½ | 95½ | 94½ | 98½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 90 | 92½ | 90½ | 91½ | 85½ | 87 |
| " " " " " " 2d " " | 73½ | 74½ | 72½ | 74½ | 72½ | 73½ |
| Toledo, Peoria & Warsaw 1st, E.D. | 91½ | 92½ | 91 | 91½ | 89½ | 91 |
| " " " " " " 1st, W.D. | 88 | 89 | 88½ | 89 | 87½ | 88 |
| " " " " " " 2d, W.D. | 82 | 85 | 81 | 81 | .. | .. |
| Cedar Falls & Minn. 1st Mtge. Bds. | 82 | 82½ | 80 | 80 | 80 | 82 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 37½ | 42½ | 38½ | 42½ | 36 | 41½ |

THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 899, May No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of April, 1873, compared with the same period in the years 1868-72. The figures in full-face type denote the lowest and highest quotations of the month :

| | Ap'l, 1873. | 1873. | 1872. | 1871. | 1870. | 1869. | 1868. |
|----------------|---------------|----------|---------------|---------------|---------------|---------------|---------------|
| 1 Tuesday .. | 167 17 1/2 | 17 1/2 | 10 10 1/2 | 10 1/2 10 1/2 | 11 1/2 11 1/2 | 31 1/2 31 1/2 | 38 1/2 38 1/2 |
| 2 Wednesday | 16 1/2 17 1/2 | 17 1/2 | 9 1/2 10 | Sun. | 11 1/2 11 1/2 | 31 1/2 32 | 37 1/2 38 1/2 |
| 3 Thursday .. | 17 1/2 17 1/2 | 17 1/2 | 9 1/2 10 1/2 | 10 1/2 10 1/2 | Sun. | 31 1/2 31 1/2 | 37 1/2 38 1/2 |
| 4 Friday ... | 17 1/2 18 1/2 | 18 1/2 | 10 10 1/2 | 10 1/2 10 1/2 | 11 1/2 11 1/2 | Sun. | 38 1/2 38 1/2 |
| 5 Saturday .. | 18 1/2 19 | 19 | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 11 1/2 12 1/2 | 31 1/2 31 1/2 | Sun. |
| 6 Sunday | Sun. | Sun. | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 11 1/2 12 1/2 | 31 1/2 31 1/2 | 37 1/2 38 1/2 |
| 7 Monday ... | 18 1/2 19 1/2 | 19 1/2 | Sun. | Good Fri. | 11 1/2 12 1/2 | 31 1/2 31 1/2 | 37 1/2 38 1/2 |
| 8 Tuesday ... | 18 18 1/2 | 18 1/2 | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 12 1/2 12 1/2 | 31 1/2 32 1/2 | 38 1/2 38 1/2 |
| 9 Wednesday | 17 1/2 18 1/2 | 18 1/2 | 10 1/2 10 1/2 | Sun. | 12 1/2 13 1/2 | 32 1/2 33 1/2 | 38 1/2 38 1/2 |
| 10 Thursday .. | 17 1/2 18 1/2 | 18 1/2 | 10 1/2 10 1/2 | 10 1/2 10 1/2 | Sun. | 32 1/2 33 1/2 | Good Fri. |
| 11 Friday | Holiday. | Holiday. | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 13 1/2 14 1/2 | Sun. | 38 1/2 38 1/2 |
| 12 Saturday .. | 18 1/2 19 1/2 | 19 1/2 | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 12 1/2 13 1/2 | 32 1/2 33 1/2 | Sun. |
| 13 Sunday. | Sun. | Sun. | 10 1/2 10 1/2 | 10 1/2 10 1/2 | 12 1/2 12 1/2 | 32 1/2 32 1/2 | 38 1/2 39 |
| 14 Monday ... | 18 1/2 18 1/2 | 18 1/2 | Sun. | 10 1/2 10 1/2 | 12 1/2 13 | 32 1/2 33 1/2 | 38 1/2 38 1/2 |
| 15 Tuesday .. | 17 1/2 18 1/2 | 18 1/2 | 10 1/2 10 1/2 | 10 1/2 10 1/2 | Good Fri. | 32 1/2 32 1/2 | 38 1/2 38 1/2 |
| 16 Wednesday | 17 1/2 17 1/2 | 17 1/2 | 10 1/2 11 1/2 | Sun. | 13 1/2 13 1/2 | 32 1/2 33 1/2 | 38 1/2 38 1/2 |
| 17 Thursday .. | 17 17 1/2 | 17 1/2 | 10 1/2 11 1/2 | 10 1/2 10 1/2 | Sun. | 33 33 1/2 | 38 1/2 38 1/2 |
| 18 Friday | 17 1/2 18 1/2 | 18 1/2 | 10 1/2 11 1/2 | 10 1/2 11 1/2 | 13 1/2 13 1/2 | Sun. | 38 1/2 37 1/2 |
| 19 Saturday .. | 17 1/2 18 1/2 | 18 1/2 | 11 1/2 11 1/2 | 11 1/2 11 1/2 | 13 1/2 13 1/2 | 33 1/2 33 1/2 | Sun. |
| 20 Sunday. | Sun. | Sun. | 11 1/2 11 1/2 | 11 11 1/2 | 13 1/2 13 1/2 | 33 1/2 34 1/2 | 38 1/2 39 |
| 21 Monday ... | 17 1/2 17 1/2 | 17 1/2 | Sun. | 10 1/2 11 1/2 | 13 13 1/2 | 34 34 1/2 | 38 1/2 39 1/2 |
| 22 Tuesday ... | 17 1/2 17 1/2 | 17 1/2 | 11 1/2 11 1/2 | 10 1/2 11 | 12 1/2 13 1/2 | 34 34 1/2 | 39 1/2 40 1/2 |
| 23 Wednesday | 17 1/2 17 1/2 | 17 1/2 | 11 1/2 11 1/2 | Sun. | 13 1/2 13 1/2 | 33 1/2 33 1/2 | 39 1/2 40 1/2 |
| 24 Thursday .. | 17 1/2 17 1/2 | 17 1/2 | 11 1/2 12 1/2 | 10 1/2 10 1/2 | Sun. | 33 1/2 33 1/2 | 39 1/2 39 1/2 |
| 25 Friday | 17 1/2 17 1/2 | 17 1/2 | 12 1/2 12 1/2 | 10 1/2 11 | 13 1/2 13 1/2 | Sun. | 38 1/2 39 |
| 26 Saturday .. | 17 1/2 17 1/2 | 17 1/2 | 12 1/2 12 1/2 | 10 1/2 10 1/2 | 13 1/2 13 1/2 | 33 1/2 33 1/2 | Sun. |
| 27 Sunday. | Sun. | Sun. | 12 1/2 13 | 10 1/2 11 1/2 | 13 1/2 14 1/2 | 33 1/2 34 | 38 1/2 39 1/2 |
| 28 Monday ... | 17 17 1/2 | 17 1/2 | Sun. | 10 1/2 11 1/2 | 14 1/2 15 1/2 | 33 1/2 34 | 39 39 1/2 |
| 29 Tuesday .. | 16 1/2 17 1/2 | 17 1/2 | 12 1/2 12 1/2 | 11 1/2 11 1/2 | 14 1/2 15 1/2 | 33 1/2 34 | 39 39 1/2 |
| 30 Wednesday | 16 1/2 17 1/2 | 17 1/2 | 12 1/2 12 1/2 | Sun. | 14 1/2 15 1/2 | 34 34 1/2 | 39 39 1/2 |

The gold market for the month of April closed at about the same premium as the opening. The lowest rate for the whole month was 16 1/2 (30th); the highest was 19 1/2 (12th). The unfavorable features of the month, when compared with the same period in the years 1870, 1871, and 1872, are the positive and inevitable results of a bad policy encouraged by the banks, and fostered by the Treasury. These results follow the inaction of Congress on the subject of the currency. Instead of initiating a policy of contraction, whereby the banks, in a few years, might assist the Treasury in the resumption of specie payments, the Treasury is empowered to increase the paper circulation at its own option or will; and the banks are still authorized to sell the gold which should be retained for future uses, and until the specie reserve be made 10, 15 or 20 per cent. of their cash liabilities.

THE HISTORY AND PRINCIPLES OF BANKING.

(Continued from the May No., page 869.)

CHAPTER 1. The Origin and Progress of Banking. 2. The Rise of Banking in England. 3. The History of the Bank of England. 4. The London Bankers. 5. Country Banks. 6. Joint-Stock Banks. 7. Branch Banks. 8. Banks of Deposit. 9. Banks of Remittance. 10. Banks of Circulation. 11. Banks of Discount. 12. Cash Credit Banks. 13. Loan Banks. 14. Savings Banks.

CHAPTER FIFTEENTH.—THE PANICS OF 1857 AND OF 1866.

Mr. GILBART'S estimate of the effects of the Bank Charter Act of 1844, in producing that singularly similar sequence of variations in the rate of interest "to which we must always be liable as long as our currency is regulated by the act," has been amply verified by subsequent experience. Nor are these fluctuations of rise and fall in the bank rate more marked in the regularity of their fitfulness, than is the recurrence of those far more momentous periodic changes in the money market which entail misery upon thousands of happy households, and even bring nations themselves to the verge of bankruptcy.

There is a general impression that panics recur at regular intervals of about ten years each; nor can this be wondered at, seeing that the years 1825, 1837, 1847, 1857, and 1866 have, from various causes, been marked by the catastrophes so named. Judging by this recurrence of disasters at an apparently fixed period, it certainly seems as if there were a cycle, and this of but short duration, fated to bring in its train ruin to the monetary world and to millions outside of it. Going further back than the earliest years named above, we find no such fatal sequences; and when we take into consideration that, together with the immense development within the last few years of trade and commerce, there has grown up along with it not alone a wholesome feeling of caution, the fruit of bitter experience, but a fuller and wider knowledge as well of the invariable laws which prevail no less in the financial than in the physical world, one cannot but hope that the monetary whirlwinds called panics will eventually have their cause defined as accurately, and the means of escape from their destructive force as distinctly known, as are those of the fiercest storm-winds. The dominant causes of the panics of the years specified, and their distinguishing characters, differ in some essential particulars. In one feature, indeed, they are all alike—the unreasoning fear which heralds, accompanies, follows, always accelerates, and sometimes produces these devastating tornadoes.

The presumed derivation of the word attests its significance. Causeless dread occasioned by the voices of mountain or of forest,

which were ascribed to "the great god, PAN," became fossilized in the word "*Panic*;" or, according to another etymology, it originated in PAN, a general of BACCHUS, putting to ignominious flight an army (which, outnumbering his own, was preparing to fall upon him in a rocky valley) by ordering his soldiers to awaken the surrounding echoes; their shouts reverberating on all sides, seemed to proceed from an innumerable host, and the enemy fled in fear. A stampede of horses or of buffaloes in the prairies of AMERICA, the panic which will indifferently seize a disorderly mob or veteran troops, and a monetary crisis, are "of imagination all compact"—they paralyze the reason. They also mournfully resemble each other in another sad particular; the misery they bring upon thousands of innocent persons. In these two points a picture and description of one would serve for a counterpart of all.

Like the awful panic of 1825, that of 1857 came suddenly upon the public. A general delusion had prevailed in the former year, countenanced by the speeches from the throne on the opening and on the prorogation of Parliament, as well as by the complacent remarks of members of both houses, that the country was about to enjoy an era of unexampled prosperity. PERU and MEXICO were to pour into her lap the fabled wealth of EL DORADO, and the golden sands of PACTOLUS to be eclipsed by the treasures which every tide would bring up the Thames. By the end of the year those fairy visions had disappeared before stern realities. It was the same in 1857. Families that had been living in opulence, or reveling in fancied enjoyment of palaces like ALADDIN'S, were in a few brief agonizing hours reduced to beggary and plunged in despair—their fortunes gone, their hopes dreams. Labor was driven from its accustomed fields; commerce laid prostrate; credit all but extinct; energy paralyzed; fear and distrust in the ascendant; and enterprise a departed spirit. The gloom was universal, for thousands in every rank of life were ruined.

In sober truth, the crisis of 1857 fell upon the commercial world like a thunderbolt. Notwithstanding the extra expenditure entailed by the Crimean war, peace was concluded before the national resources had been strained beyond the limit their strength could bear.

"A period of nearly ten years," says an able writer, "uneventful as far as commercial disaster is concerned, may be passed over in silence, except to remark that in 1852 consols attained their maximum price since 1737, namely, 101½. The beginning of the memorable year, 1857, seemed to promise a long period of commercial ease, but the outbreak of the mutiny in INDIA, the consequent suspension of remittances from that quarter, and the inverse demand for specie, the demand for capital to supply materials of war to the government and the East India Company—all those causes tended to depress the funds. In January they reached 94½; in November they fell to 87½—lower than at any time since January, 1856, during the pressure of the Russian war."^{*}

* Commercial Panics, by ARTHUR LOCKER. *Companion to the British Almanac*, 1867.

Even so late in the year as the month of August, the public were unapprehensive of the storm soon to ensue, and few or none foresaw the severity with which it would rage. During the inquiry which followed, the Governor of the Bank stated :

“ Things were at this time pretty stationary ; the prospects of harvest were very good ; there was no apprehension that commerce was otherwise than sound. There were certain more far-seeing persons who considered that the great stimulus given by the war expenditure, which had created a very large consumption of goods imported from the East and other places, must now occasion some collapse ; and still more those who observed that the merchants, notwithstanding the enhanced prices of produce, were nevertheless importing as they had done successfully in the previous years. But the public generally viewed trade as sound, and were little aware that a crisis of any sort was impending, far less that it was so near at hand.”

The crisis of 1847 had been owing chiefly to excessive railway speculations at home ; this of 1857 was mainly due to overtrading abroad.

About the middle of September, the mails brought disastrous news from the UNITED STATES. American railway securities had fallen nearly twenty per cent. The railway accounts had long been “ cooked,” and the too well-known results of the process followed— sudden and enormous depreciations of railway stock, widely-spread distrust, a drain upon the American banks, and failures shaking commercial credit to its centre. The proximate cause of this terrible crisis in AMERICA was the stoppage of the Ohio Life and Trust Company ; an establishment which made advances on financial securities, and which, at the time it stopped payment, held deposits to the amount of £ 1,200,000. Hereupon a deliberately planned system of “ bearing ” operations was put in movement, which was described in the *Times*’ city article of September 10, 1857, as follows :

“ There is actually a powerful combination for the avowed purpose of bringing all the principal undertakings to ruin. A large body of active persons are known to be associated for the purpose ; they influence the press to work out their views, and are alleged not merely to operate with a joint capital, but to hold regular meetings and permanently retain legal advisers, whose chief vocation, it may be assumed, is to discover points that may enable the validity of each kind of security to be called in question, and thus to create universal distrust.”

The downfall of the Ohio Life and Trust Company had been quickly followed by the failure of one hundred and fifty banks in PENNSYLVANIA, MARYLAND, VIRGINIA, and RHODE ISLAND ; and since no less than eighty millions of American railway stock were computed to be held in ENGLAND, a large demand for bullion on American account set in here. The run for deposits in specie on the New York banks, brought about by the villainous “ bearing ” organization noticed above, swelled distrust in AMERICA into a panic, which soon reacted on ENGLAND. By the middle of October failures began

to be numerous here. Liverpool and Glasgow, ever necessarily the most sensitive to fluctuations in the American markets, exhibited unmistakable indications of the probable severity of the coming storm. Rumors spread affecting the **BOROUGH BANK OF LIVERPOOL*** and the **WESTERN BANK OF SCOTLAND**; and the alarm in London, where failures were following in quick succession, rose to its height when, on November 7th, the great firm of **DENNISTOUN & Co.**, which had numerous agencies in **AMERICA** and **AUSTRALIA**, stopped payment, with liabilities of about two millions sterling; and when, on the morning of the 9th, news arrived of the failure of the **WESTERN BANK OF SCOTLAND** for between six and seven millions. Together with this intelligence came a call for gold from **SCOTLAND**, a most unexpected, because unusual and exceptional circumstance, the predilection of the Scotch for their one-pound note currency, and the confidence justly reposed in their tried, tested, and proven system of banking, inclining the Scotch banks to forego keeping any large metallic reserves. Three hundred thousand sovereigns were despatched to meet this demand; and when, on the 11th of November, the city was excited by the suspension of **SANDERSON & Co.**, a great discount house, with liabilities to the amount of upwards of five millions, when further demands for gold came from **SCOTLAND**, when large calls followed from **IRELAND** as well, when tremendous failure succeeded tremendous failure, and the utter rottenness which had pervaded the commercial world became apparent, and general bankruptcy seemed imminent—recourse was had, for the second time, to the panacea—suspension of the Bank Act of 1844. Government authorized the **BANK OF ENGLAND** to exceed the prescribed limit of its issues by discounts and advances upon approved securities.

This authorization, which was given on the 12th, at once quieted the public mind; but there was this notable difference between the effects of the first suspension of the act in 1847 and of the present, that whereas in that year the mere notice of suspension had operated as a charm, and notes to the amount only of £ 400,000 were actually issued in excess of the statutory limit,—in 1857 the bank issued, from November 13th to the end of the month, no less than £ 6,776,000 of notes beyond the limit (£ 14,475,000) fixed by the act.† Nor did the reverses consequent upon fraudulent financial management and reckless overtrading end with the allaying of the general panic. Trade with **AMERICA** had acquired such development here and on the continent, in **GERMANY** especially, that failures in the **Hanse Towns** and other centres of commerce brought about the downfall of many English houses in this connection, and, superadded, were stoppages of large firms connected with the **Baltic trade**; among them the **NORTHUMBERLAND AND DURHAM BANK** for three millions sterling—so that it was hardly before the close of 1858 that the collapse of dishonest trading and fictitious credit was complete, and commercial affairs resumed their legitimate course.

We have said that the crisis came upon the world without a note of warning, and remarked that the consequences of the financial

* Not long afterwards it stopped payment.

† Now raised to £ 15,000,000.

earthquake which shook the moneyed institutions of America to their base, were severely felt on the continent, as well as in the UNITED KINGDOM. In the autumn of 1857, (August 17), the BANK OF ENGLAND entered into a negotiation with the East India Company to supply a million in specie for transmission to the East. At this date the bullion held was £ 10,606,000, the reserve £ 6,296,000, and the rate of discount $5\frac{1}{2}$ per cent. By the 8th of October, the bullion had fallen to £ 9,751,000, the reserve to £ 4,931,000, and discount was raised to 6 per cent. On the 12th, the rate was raised to 7 per cent., and on the 19th to 8 per cent. By this time the bullion had sunk to £ 8,991,000, and the reserve to £ 4,115,000. At Paris, discount had risen to $7\frac{1}{2}$, and at Hamburg to 9 per cent. On the 5th of November the BANK OF ENGLAND raised its rate to the latter figure, and on the 9th, to 10 per cent.; whilst the BANK OF FRANCE raised its rates to 8, 9, and 10 per cent. for one, two, and three months. By the 11th, the bullion in the bank was reduced to £ 6,666,000, and the reserve to £ 1,462,000. So that at this date there was a decrease, since the middle of August, of about four millions in the bullion, and of close upon five millions in the reserve. As soon as the pressure had begun to be felt, a great demand for gold on American account had set in; and in the interval between this period and the rise of the crisis to panic height, large amounts of specie had to be sent to SCOTLAND and IRELAND, whilst the discounts meantime were in proportion to the magnitude of the calls for assistance; on the 12th, they amounted to £ 2,373,000. The state to which the bank was reduced on the evening of this eventful Thursday, when the act was suspended, is shown by the startling fact that its total reserve in London was but £ 384,144, and at its branches, only £ 196,607 more. The bankers' balances alone against it on this very evening were £ 5,458,000. It is clear, therefore, that but for the suspension of the act the bank must have stopped.

We present the views taken at the time, by the more influential organs of public opinion, of the operation of the Bank Charter Act, premising that they concurred in approval of its suspension. The *Times* observed:—

“On the merits of this step” (the suspension) “we will say but little. It may be consistent with the maxims of political economy to regulate the issue of notes in ordinary times, and thus to check rash speculation and the embarkation in business of men destitute of capital, while when an actual dearth of money prevails, the chief banking institution of the country may be allowed to extend its issue of notes under a public guarantee. But if such is to be the principle of our monetary system, the sooner it is embodied into a law the better. If the bank is to extend its legal issue of notes as often as its rate of discount is necessarily raised above a certain point, then an Act of Parliament should establish the practice on sound and intelligible principles. The commercial interests of the country should not be subjected to a system by which a law is obeyed as long as obedience is easy, and temporarily swept away as often as pressure or panic supervenes. The houses which, in 1847 and 1857 have stopped

payment before the relaxation of the law, may well complain that, while they have been crushed by the operation of the Bank Charter Act, others not more solvent or of higher standing than themselves have been saved by the suspension of it."

The *Daily News* remarked:—

"This is not the first time that ENGLAND has awoke to find that she has been slumbering upon an incipient earthquake. We are too sincerely grateful for the escape of the country from a great danger to entertain any feeling of animosity towards the party who, whilst acting, doubtless, to the best of their judgment, have labored hard to close the safety-valve; but we must tell the supporters of the Bank Charter Act that they brought the nation, even so recently as yesterday, to the verge of an explosion which might have shattered the entire financial edifice, and carried deep distress into thousands of households."

The comments of the City-article writer in the *Morning Herald* are of a more hesitating and deliberative character:—

"Whether, by any alteration in the law, commerce might be benefited, is of course a matter for future consideration. The committee appointed to investigate this question have not yet brought their labors to a conclusion. Under the circumstances, therefore, it would be impossible for ministers to rush into the other extreme, and attempt, or even appear to sanction, a permanent alteration of the law."

The *Morning Chronicle* is more outspoken:—

"Even a fortnight since, the appearance of the ministerial letter we publish to-day would have averted many catastrophes, and spared the mercantile community a long series of calamities. . . . But the question is everywhere asked, why was the remedy withheld so long? It might have been applied in time to save the WESTERN BANK OF SCOTLAND, the CITY OF GLASGOW BANK, Messrs. SANDERSON, and many other firms of less note, but whose suspension will involve thousands in ruin. The delay has proved most disastrous to all the commercial interests of the country. . . . By the bigoted partisans of the act of 1844, the violation of its restrictive enactments now authorized will be regarded as something like a mortal sin. . . . The only peril which the partisans of convertibility anticipate from any relaxation in the Bank issues is that of a 'run for gold.' This was the bugbear of financial theorists during the early decades of the present century. In truth, the public mind in this country has outgrown any such suicidal tendency."

The commercial atmosphere having been cleared by the monetary hurricane of 1857, a period of comparative tranquility ensued. The bank rate of discount was not reduced below 5 per cent. until the bullion in its vaults exceeded £ 15,000,000; but, generally speaking, its rate was moderate throughout 1859 and 1860, and, with the exception of a rise to 8 per cent. in 1861, which was but of brief dura-

tion, the same may be observed of that year and of 1862. Owing to the large issues of paper money by the belligerent governments of the North and South, bullion soon disappeared from circulation in the warring States, and floated hither. Hence money was plentiful and its price easy. But the advantage was soon more than counterbalanced by the monetary derangement ensuing from the absence of the supply of cotton from the Southern States—itsself a consequence of the civil war then and there raging. The price of this great staple of British manufacture rapidly rose. Supplies had to be sought from new sources, and had to be paid for in cash. The drain which then set in, and the apprehension of over speculation excited by the number of new companies forming under the Limited Liability Act, which came into operation at this conjuncture, caused a general uneasiness. This state of feeling commenced in the fall of 1863. Between this date and the summer of 1864 the fluctuations in the bank rate of discount evidenced the feverish condition of the country. On one occasion the BANK OF ENGLAND raised its rate twice in one week, from 5 to 6, and then to 7 per cent. This was in the winter of 1863; and again in May, 1864, it raised its rate, twice in one week, to 9. In fact, the rate of discount during this period was continually oscillating. Similar disturbance of the money market was manifested in FRANCE; occasioned, primarily, by the American civil war, and the failure in the supply of cotton. Large amounts of specie were drawn from the BANK OF FRANCE, which raised its rate of discount several times concurrently with the BANK OF ENGLAND, and to the same figure.

“Already in March, 1864,” writes Mr. MACLEOD, “the number of new companies formed under the Limited Liability principle gave great uneasiness. Up to that time it appeared there were 263 companies formed, with the nominal capital of £78,135,000, out of which 27 were banks, and 15 discount companies. In August, 1864, the long-dated acceptances of the new financial companies began to press on the market, and lay the foundation of the crisis of 1866.”

On the 20th of June, 1865, the rate of discount reached its minimum, 3 per cent. From the 3rd of August to the 28th of September, the minimum rate of discount was 4 per cent.; on the 28th of the same month it was raised to 4½, on the 2nd of October to 5, on the 5th to 6, and on the 7th to 7 per cent.—a rise of 3 per cent. in nine days. In November a drain set in of gold to Paris, and of silver to the East. The bank raised its rate in January from 7 to 8. At the same time, the BANK OF FRANCE raised its rate from 4 to 5 per cent.; and this simultaneous rise seems to have exercised a healthy influence upon jobbers and speculators. February was a period of intense perturbation among the holders of miscellaneous securities. Some large firms engaged in railway contracts suspended payment. Investments became unmarketable which a few months before had been eagerly sought after, and the public scouted concerns which had “floated” readily during the Limited Liability mania. Suspicion everywhere prevailed, and all kinds of securities were thrown upon

the market at once. The editor of the *BANKER'S MAGAZINE*, reviewing the events of the previous month, pertinently remarked in April, 1866:—

“Company winding-up seems likely to become one of our national institutions. By the mere force of circumstances it has, for nearly all practical purposes, established a court of its own. . . . Many weeks ago, Lord ROMILLY was complaining of the degree to which this particular kind of business was stopping the way for everything else; keeping ordinary suitors waiting, and rendering his court almost unavailable for its proper purpose of a court of original jurisdiction in Chancery. If this complaint were well founded in the beginning of January, it applies with infinitely greater force in the middle of March. The process of winnowing company wheat from company chaff has, during that period, been going on with a regularity and rapidity entirely unexampled. . . . The number of cases in which once promising concerns are now going through the Chancery mill is quite sufficient to show that for many months past there has been something very rotten in the state of DENMARK. Several general companies for pottery manufacture, ship-building, mining, cork-cutting, and hotel-keeping have figured in the official list; and last, but not least, that gigantic example of directorial mismanagement, the JOINT-STOCK DISCOUNT COMPANY. . . Only a very slight acquaintance with the requirements of the money market was needed to satisfy any one that the creation of companies demanding a hundred millions of money a year could not be kept up for ever. Yet there were those who, in the flush of a financial fever, were ready to maintain this or any other equally absurd proposition.”

It was the break-up of the JOINT-STOCK DISCOUNT COMPANY, mentioned in the above extract, which first sounded the tocsin; and the alarm-bell pealed more loudly upon the stoppage in April of BARNED'S BANK, at Liverpool, with liabilities of three and a half millions. The sounds became “deeper and deeper still,” and more and more ominous of fright culminating into universal panic. On the 3rd of May, 1866, the bank raised its discount from 6 per cent., the quotation for the previous month, to 7; on the 8th, to 8; on the 9th, to 9; and on the 10th (which brought with it the most disastrous failure that ever filled the city with panic and dread, the stoppage of the great house of OVEREND, GURNEY & Co., for upwards of ten millions sterling) the rate was raised to 10 per cent. This momentous news was only known after banking hours; but when made public by the papers the next morning, that of Friday, the 11th, the scene of excitement which then took place is said to have thrown all previous wild terrors of the kind into the background; it was, said the Chancellor of the Exchequer, next evening in the House, declared by the oldest inhabitants of the City to have been without a parallel.

“At midday,” writes Mr. PATTERSON, “the panic was at its height. Lombard Street was actually blocked up by crowds of respectable persons who thronged the doors of the banks and other establishments. Lothbury, Bartholomew Lane, and the adjoining streets, were

also thronged with excited knots of people. While depositors rushed to withdraw their money, a body of onlookers gathered before each bank or financial establishment, expecting to see it close its doors. Every one was on the alert for bad news, and discussed only too freely the dangers which threatened the various establishments. A list of the shareholders of the fallen firm of **OVEREND, GURNEY & CO.**, published at the high price of one shilling, was eagerly bought up at 2s. 6d. The penny papers, in like manner, were bought at threepence—so great was the eagerness to learn the latest news or rumors. Consols were unsaleable: no one mistrusted their value, but there was no currency wherewith to purchase them. The **BANK OF ENGLAND** itself would not give loans upon them.*

The following was the account given by the *Times*, in its impression of May 12th, 1866, of this bewildering scene of unreasoning fear, immeasurably idle, irreflective curiosity, and bitterly painful anxiety:—

“The doors of the most respectable banking houses were besieged, more, perhaps, by a mob actuated by the strange sympathy which makes and keeps a mob together, than by creditors of the banks; and throngs, heaving and tumbling about Lombard Street, made that narrow thoroughfare impassable. The excitement on all sides was such as has not been witnessed since the great crisis of 1825, if indeed the memory of the few survivors who shared that panic can be trusted when they compare it with the madness of yesterday. Nothing had happened since the day before to justify such a fear as was everywhere shown. Rumor, however, like the false woman in the Laureate’s legend, ‘ran riot amongst the noblest names,’ and left no reputation unassailed. Each man exaggerated the suspicions of his neighbor; and until a report, at that time unfounded, was circulated in the afternoon, that the Government had authorized the bank directors to issue notes to the extent of five millions beyond the limit imposed by the Bank Charter Act, it seemed as if the fears and distrust of the commercial world had become boundless.”

This ominous day, known in the city annals as “Black Friday,” is thus described in the *Revue des Deux Mondes* by M. WOLOWSKI, an eminent writer on banking and finance:—

“The 11th of May will be long remembered in London; it was a day of distress and terror, and seemed to be the signal of general ruin. No one was sure of any one else, or of himself, the moment it became known that the great house had closed its doors. It was by hundreds of millions that the engagements of that gigantic financial firm, whose fall made the very ground tremble, were counted. The settlement of a great portion of the commerce of the world is concentrated in **ENGLAND**; the settlement of the commerce of **ENGLAND** was concentrated in the City; and the house of **OVEREND, GURNEY, & Co.**, held one of the foremost places among the small number of establishments in whose houses is the settlement of the commerce of the City. For a long time it enjoyed immense credit; it disposed of

* PATTERSON’S Science of Finance, p. 233.

enormous securities; a renown more than European had multiplied the number of its customers, and augmented the amount of deposits confided to it. Thus, the fatal Friday which witnessed the disaster continues to be popularly known as the 'Overend Friday.'

Sensational writing has invaded every province of our literature, and no wonder that the swelling hyperboles of romance should be used to typify the magnitude of disasters which have been occasioned by carrying imagination and the *ignis fatuus* spirit of speculation into the domain which ought by right to belong to sober calculation alone. Homelier language, however, even of a familiar and every-day character, is often more suggestive, more pregnant with meaning and presents the true consequences of a momentous event more fully and vividly to the mind than rounded periods or ornate phrases and when we find it stated in a monthly publication, already quoted that "the only word that can give an adequate idea of the extent of the collapse is the significant word 'Crash,'" we feel the truth of the assertion, and the thorough comprehensiveness of the idiomatic word. The writer goes on to say: "A greater crash has never taken place in any one week in any country in the world. Looking at the list of suspensions, it will be seen that their business ramifications are more than European. More or less they embrace all the four quarters of the world, and we have yet to feel the reaction from the effect which the news will produce as it extends from point to point.

The fever was at its height, the crisis had set in, and, for the third time, suspension of the Bank Charter Act wrought the cure. In reply to the questions certain to be asked in the House of Commons on emergencies of the kind, the Chancellor of the Exchequer said:—

"I stated in the commencement of the evening that representation had been made to me from quarters of the greatest influence and credit with respect to the extraordinary state of the market, and the distress prevailing in the City to-day. I stated that those representations had come from gentlemen representing in particular the private banks of London, and I expected that I should shortly have received similar representations from those connected with the joint-stock banks. Those representations I have received accordingly, and they were pressed even more earnestly and urgently than I anticipated. I stated also, at the time when I had the honor of addressing the House, that the effects of the day's proceedings through the BANK OF ENGLAND had not been fully given to us. Since then we have become acquainted with them, and we find that the bank, through desire to extend relief, has raised its loans and discounts to-day to a sum of something more than £4,000,000. The effect of that large accommodation was to reduce the reserves of the bank to a sum not very far short of £3,000,000 of money. Under these circumstances, as far as the facts are known, and there being no reason to believe that any great change has occurred in the state of things, the estimate is sufficiently accurate for all practical purposes, we find the bank reserves reduced in a single day from a sum approaching £6,000,000 to a little exceeding £3,000,000. The Government have felt that

this is a state of things which, combined with the public feeling, calls for intervention on their part. We have taken the opportunity during the evening of considering the state of the facts, and the result has been that we have addressed a letter to the governor and deputy-governor of the bank, substantially the same as was addressed to those high officers in 1847 and 1857. That is to say, if the bank, proceeding upon its usual prudent rules of administration, shall find occasion to make such advances from the issue department as shall exceed the limits allowed by law, we recommend that they should not hesitate to make that issue, and we undertake to make immediate application to parliament for its sanction. (Cheers.) There are other points of detail, but that is the substance of the letter which shall be in the hands of the governor and deputy-governor of the bank to-morrow, and which I earnestly hope may have the effect of allaying the feeling of uneasiness which prevails in the country, especially as it does not arise from any general unsoundness in the condition of our commercial relations, but only from causes of a peculiar and specific character. In that respect we are able to draw a favorable distinction between the present crisis and others in former times; but there is also another distinction, and that is the extraordinary rapidity with which the crisis has come upon us, and which has prevented the adoption of measures which otherwise would have been taken for its relief. We have not, however, hesitated to act, to address ourselves to the subject with all the means in our power, and we trust that our proceedings will meet with the approbation of Parliament." (Cheers.)

The foregoing took place on the evening of the 11th May; and on the 17th the Chancellor was again interrogated as follows:—

Captain GRIDLEY asked the Chancellor of the Exchequer—

"Whether he was aware that the Directors of the BANK OF ENGLAND had declined to make advances upon the lodgment of Government securities, on the ground that they ought to be realized; and whether he considered the directors had complied with the express understanding that they, on getting permission to increase the issue of bank notes, were to afford accommodation to bankers and merchants."

Mr. WYLD asked the Chancellor of the Exchequer—

"If it were true that the BANK OF ENGLAND had refused to make advances on consols, and had otherwise neglected to give to merchants, bankers, and others, the accommodation not only implied, but expressed, when they obtained power to increase their issue of notes."

The Chancellor of the Exchequer:

"It may be convenient that, in answering the questions of the hon. members, I should combine them together, as they are so nearly akin. In the first place, I may say that I have not received complaints from any persons who consider themselves aggrieved by the conduct of the BANK OF ENGLAND. At the same time, certain rumors have gone abroad, and it is in respect of those rumors, as embodied in the questions of the hon. members, that I give my reply. The two

points principally raised are these. First, whether I am aware that the Directors of the BANK OF ENGLAND have declined to make advances upon the lodgment of Government securities, on the ground that they ought to be realized; and secondly, whether I am of opinion that the directors have complied with the express understanding that they, on getting permission to increase the issue of bank notes, were to afford accommodation to bankers and merchants. I think these questions have been very opportunely put, because they enable me to remove a misapprehension that has got abroad, and which appears, from all that I can see, to have taken possession, to a certain extent, of the public mind. The misapprehension refers equally to the subject of advances upon bills and discounting of bills, and to advances upon Government securities. The best account that can be given of the operations of the BANK OF ENGLAND with regard to these two great branches of banking, is to state the figures relating to them, and I think it will be found on referring to them that the BANK OF ENGLAND has not refused to make advances on Government securities. These figures are as follows:—The advances made by the BANK OF ENGLAND on Government securities on Friday, the day of the panic, amounted to £919,000, on Saturday to £747,000, and on three subsequent days various amounts, making up the total amount advanced on these securities, in five days, to £2,874,000. (Hear, hear.) Then with regard to the accommodation of commerce in general, the best measure that can be given of the manner in which the Bank has exercised its functions is shown in this—that it has made advances upon bills and has discounted bills to the extent of £9,350,000, making a total of advances and discounts in five days of £12,225,000. (Hear, hear.) Looking at these figures, I do not think that a very strong *prima facie* case has been made out of the bank having declined to afford to commerce the accommodation it should have given, but it is only due to the bank that I should point out certain words in the letter of Government which were expressly intended to serve as a notice to the world that the BANK OF ENGLAND was not to be expected, in the then circumstances of difficulty, to depart from all rules of caution. The conditional promise made in the letter, signed by the First Minister and myself, was a promise to apply to Parliament for its sanction, in case it should happen that necessity should require the bank, for the purpose of making advances and discounting bills, to issue notes beyond the limit fixed by law, subject to the restriction that the bank was not to give to everybody everything that was asked, but that it should be governed by those prudent rules of caution by which it was generally guided. That was a very important limitation, and it reserved, I think, entirely, as it was meant to do, the discretion of the gentlemen of the BANK OF ENGLAND, in whom we have every reason to place confidence. With regard to the Government securities and other points, the foundation upon which the rumors rest is of the slightest possible nature. I cannot find that there is any possible ground for supposing that any limit was placed by the bank on its advances on securities, either upon Friday, the day of the severest pressure, or

upon Saturday, which was also a critical day; but on Monday, when the panic began to subside, and when Government securities were brought to the bank for advances, the bank directors suggested, in various instances, to the holders of those securities, that it would be better for them to try the open market and to realize for themselves. (Hear, hear.) In consequence of that view—in my opinion, not an unreasonable one on the part of the directors of the bank—certain sales of securities were effected. These sales, I believe, were effected, by one, two, or three persons only; and whenever representations were made to the bank that sales could not be made—meaning, I presume, thereby, without serious loss—the bank met all the reasonable demands of the parties. With respect to other kinds of accommodation, commercial accommodation strictly so called, I have not been able to discover, nor are the authorities at the bank aware of any other ground for the rumors existing than the circumstance that applications did arise from one or two quarters, not for an amount of discount to a given limit, but for an unlimited amount of discount to be made use of in case necessity should arise. The Directors of the BANK OF ENGLAND did not consider that their duty compelled them to accede to such demands, and as far as I am able to judge, I think that, under the circumstances of the times, they acted wisely in giving no engagement to meet an unlimited amount of discount. That, I believe, to be the sole foundation for the rumors which are abroad. I think the explanation I have given is one which the House will be glad to receive, and I believe that the authentic figures which I have stated to the House will do more than any mere verbal statement to explain the liberal, yet judicious manner in which the operations of the BANK OF ENGLAND are conducted at critical periods. I hope the effect of such communications will be that all that hereafter transpires with respect to the state of the bank will tend not to disturb, but further to compose the public mind.” (Cheers.)

Annexed is the correspondence which passed between the government and the bank on this momentous occasion :

“BANK OF ENGLAND, May 11, 1866.

“SIR :

“We consider it to be our duty to lay before the government the facts relating to the extraordinary demands for assistance which have been made upon the BANK OF ENGLAND to-day, in consequence of the failure of Messrs. OVEEREND, GURNEY & CO.

“We have advanced to the bankers, bill brokers, and merchants in London, during the day, upwards of four millions sterling, upon the security of government stock and bills of exchange—an unprecedented sum to lend in one day, and which, therefore, we supposed would be sufficient to meet all their requirements, although the proportion of this sum which may have been sent to the country must materially affect the question.

“We commenced this morning with a reserve of £5,727,000,

which has been drawn upon so largely that we cannot calculate upon having so much as £ 3,000,000 this evening, making a fair allowance for what may be remaining at the branches.

“ We have not refused any legitimate application for assistance, and unless the money taken from the bank is entirely withdrawn from circulation, there is no reason to suppose that this reserve is insufficient.

“ We have the honor to be, sir,

“ Your obedient servants,

“ H. L. HOLLAND, *Governor.*

“ THOMAS NEWMAN HUNT, *Deputy-Governor.*

“ The Right Hon. the Chancellor of the Exchequer, M. P.”

“ *To the Governor and Deputy-Governor of the Bank of England.*

“ Downing Street, 11th May, 1866.

“ GENTLEMEN,

“ We have the honor to acknowledge the receipt of your letter of this day to the Chancellor of the Exchequer, in which you state the course of action at the BANK OF ENGLAND, under the circumstances of sudden anxiety which have arisen since the stoppage of Messrs OVEREND, GURNEY & Co., limited, yesterday.

“ We learn with regret that the bank reserve, which stood so recently as last night at a sum of about five millions and three quarters, has been reduced in a single day by the liberal answer of the bank to the demands of commerce during the hours of business, and by its great anxiety to avert disaster, to little more than half the amount, or a sum (actual for London and estimated for the branches) not greatly exceeding three millions.

“ The accounts and representations which have reached Her Majesty’s government during the day exhibit the state of things in the city as one of extraordinary distress and apprehension. Indeed deputations, composed of persons of the greatest weight and influence and representing alike the private and joint-stock banks of London have presented themselves in Downing street, and have urged, with unanimity and with earnestness, the necessity of some intervention on the part of the State, to allay the anxiety which prevails, and which appears to have amounted, through great part of the day, to absolute panic.

“ There are some important points in which the present crisis differs from those of 1847 and 1857. Those periods were periods of mercantile distress, but the vital consideration of banking credit does not appear to have been involved in them, as it is in the present crisis.

“ Again, the course of affairs was comparatively slow and measured, whereas the shock has in this instance arrived with an inten-

rapidity, and the opportunity for deliberation is narrowed in proportion. Lastly, the reserve of the BANK OF ENGLAND has suffered a diminution without precedent relatively to the time in which it has been brought about, and in view especially of this circumstance her Majesty's government cannot doubt that it is their duty to adopt, without delay, the measures which seem to them best calculated to compose the public mind, and to arrest the calamities which may threaten trade and industry. If, then, the directors of the BANK OF ENGLAND, proceeding upon the prudent rules of action by which their administration is usually governed, shall find that, in order to meet the wants of legitimate commerce, it be requisite to extend their discounts and advances upon approved securities, so as to require issues of notes beyond the limits fixed by law, her Majesty's Government recommend that this necessity should be met immediately upon its occurrence, and in that event they will not fail to make application to Parliament for its sanction.

"No such discount or advance, however, should be granted at a rate of interest less than 10 per cent., and her Majesty's Government reserve it to themselves to recommend, if they should see fit, the imposition of a higher rate. After deduction by the bank of whatever it may consider to be a fair charge for its risk, expense, and trouble, the profits of these advances will accrue to the public.

"We have the honor to be, gentlemen,

"Your obedient Servants,

"(Signed) RUSSELL.

"W. E. GLADSTONE."

The official correspondence is completed by the following letter and accompanying resolutions:—

To the Right Hon. Earl Russell and the Right Hon. W. E. Gladstone, M. P.

BANK OF ENGLAND, May 12.

MY LORD AND SIR:

Having laid before the court of directors the letter received from you yesterday with respect to a further issue of notes, if necessary, beyond the limit affixed by the act of 1844, we have now the honor to enclose a copy of the resolutions of the court thereupon.

We have the honor to be, my Lord and Sir,

Your most obedient servants,

H. L. HOLLAND, *Governor.*

THOS. N. HUNT, *Deputy-Governor.*

"(Copy of Resolutions Enclosed.)

"At a court of Directors of the bank, on Saturday the 12th of May, 1866,

Resolved,—That the governors be requested to inform the First Lord of the Treasury and the Chancellor of the Exchequer that the

court is prepared to act in conformity with the letter addressed to them yesterday.

“Resolved,—That the *minimum* rate of discount on bills not having more than ninety-five days to run be raised from 9 to 10 per cent.

“HAMMOND CHUBB, *Secretary.*”

The announcement of the suspension of the Bank Charter Act of 1844, for the third time operated like a charm. Mr. MACLEOD winds up his account of the crisis as follows :

“The bank raised its rate to 10 per cent., and everything was calmed down; and subsequently to this some other stoppages took place, yet the knowledge that the bank had power to make advances on good securities abated the panic. . . . The sum that was paid away during the panic can probably never be known, but it was something perfectly fabulous. It has been said, though, of course we know not on what authority, that *one* great bank alone paid away £2,000,000 in six hours.”

Mr. PATERSON observes in his work “ON FINANCE” :—

“It was midnight before the announcement was made. In the interview which the deputation from the banks had with the Chancellor of the Exchequer, the necessity of suspending the act was urged upon the Government by all present, except the representative of the BANK OF ENGLAND. This was mere bravado on the part of the Bank. The other banks could have shut it up at once, simply by withdrawing the reserves which they keep at the Bank. Indeed, one of the representatives of the joint-stock banks is reported to have said plainly, addressing the Bank’s representative, ‘I can draw a couple of cheques to-morrow morning which will shut you up at once.’ The Bank Directors knew this quite well; but they knew also that they could indulge in bravado safely, as it was perfectly certain that the Bank Act must be suspended. . . . The effect of the announcement of the suspension of the Bank Act was so salutary that next day (Saturday) it was generally thought that the crisis was at an end. But, as became visible in a day or two, the crisis was not at an end—the panic revived. Large commercial failures began, imperiling the banks which held the bills of the fallen merchants; the ‘bearing’ operations went on; a run for deposits was kept up on several of the banks. It was impossible for these establishments to convert their securities into bank notes in sufficient amount to meet the run upon them. After paying out 50 per cent. of its deposits in cash, the BANK OF LONDON (a substantially solvent establishment) had to stop; as almost every bank in like circumstances must do. When the BANK OF LONDON stopped, the CONSOLIDATED BANK came to the rescue. . . . But as the CONSOLIDATED BANK did not engage to take over the ‘acceptances’ of the BANK OF LONDON, the legality of the arrangements between the two banks was challenged, and the CONSOLIDATED BANK was threatened with a suit in Chancery. . . . In these circumstances the COX

SOLIDATED BANK was unable to meet the run upon it; and after paying out a large sum to the depositors of the BANK OF LONDON as well as its own during a struggle of three days, it closed its doors. After a still longer struggle—and mainly in consequence of a lying telegram sent from this country to Bombay, announcing its failure—the AGRA and MASTERMAN'S BANK was likewise compelled to suspend payment.

“Contemplate the magnitude of the disaster. OVEREND, GURNEY & Co., the oldest and most powerful discount-house in the kingdom—the ENGLISH JOINT-STOCK BANK, which fell because a large portion of its deposits was locked up in the stoppage of OVEREND & Co.—the IMPERIAL MERCANTILE CREDIT COMPANY, the EUROPEAN BANK, the BANK OF LONDON, the CONSOLIDATED BANK, and the AGRA & MASTERMAN'S, with its wide-spread connections, were wrecked during that terrible season of panic. All three—the BANK OF LONDON, the CONSOLIDATED BANK, and the AGRA & MASTERMAN'S—were perfectly solvent establishments; and the two latter subsequently resumed business. Their suspension (which was only momentary in the case of the CONSOLIDATED BANK) was caused not by a want of assets, but from the impossibility of converting their assets into currency (Bank of England notes), in order to meet the unusual demand upon them.”

—*Patterson's Science of Finance*, pp. 237–239.

The several panics that have occurred have originated, or are supposed to have originated, in as many distinct causes. Thus, the panic of 1825 has been ascribed to anticipated profits on working foreign mines; that of 1836 chiefly to the rapid extension of joint-stock banks; that of 1847 to excessive railway undertakings; that of 1857 to reckless over-trading; and the last, that of 1866 (mainly due to a mistaken estimate of the advantages of the Limited Liability Act, which led to the too rapid formation of financial companies), has been styled a “banking panic.” But, although it be true that each crisis of the kind is in large part produced by a distinct proximate cause, yet the primary cause of each and all is inordinate speculation begotten of the lust of gold. Men are in haste to be rich. This is no new thing. It has been observable in all times and in all countries. But the fact is more patent now than ever. Men live, as they journey, at railroad pace. So long as appearances can be kept up they “lay the flattering unction to their souls” that some lucky hit will make all right. Honesty gives place to expediency. Shifts, evasions, trickery undermine the moral sense, and grow into confirmed habits. The shams of private life are transported into men's public business. To seem is to be. Existence is undervalued unless men can “grow to what they seem” as respects wealth, that is; or, at least, can manage to make their “Brummagem lacquer” look like gold. Hence petty frauds develop into gigantic swindles. Covetousness—a maddening desire to bound at once, say, from competence to riches—hurries the flies into the meshes cunningly woven for them, and the weak become the victims.

The disclosures elicited by the Select Committee of the House of Commons (appointed, after the panic of 1857, to inquire into the operation of the Bank Act of 1844), and published in their report issued the succeeding year, show, so instructively, the mechanism of the "bubble-blowing," whose brilliant but evanescent colors dazzle and bewilder the public eye so as to cheat the multitude into a belief of the airy nothings being globes of solid metal, that we quote largely from its warning pages. It is to be regretted that a like inquiry was not instituted after the panic of 1866. Revelations of even more startling character would, most probably, have been the result. The exposure of the machinery of commercial fraud, of banking incapacity, and of general gullibility which we proceed to extract, will, however, apply, *mutatis mutandis*, to every monetary crisis yet recorded; and affords far too valuable a lesson to be omitted. The committee, then, report as follows:

"The first occurrence in this country which caused alarm, was the failure of the house of MACDONALD & Co., of Glasgow and London, which took place in October, and was accompanied by the failures of MONTEITH & Co., and WALLACE & Co., of GLASGOW. The house of MACDONALD employed a great many work-people in sewing muslin goods for the home trade and for the American market, and this they carried on to a very large extent. They had been in fair credit till very nearly the time of their failure, but shortly before that period they are described as having given out that they had changed their mode of doing business, for the purpose of embracing a wider field. This, however, is represented as having been a deception, intended to cover a system to which they had recourse of drawing fictitious bills, and to give to those bills the appearance of genuine business transactions.

"From the records of the public tribunals, it appears that a very considerable number of persons (one of the partners is said to have admitted as many as seventy-five) in London and other places, were employed by this firm, for a small commission, to put their names to fictitious bills, which were then discounted, a large proportion of them in Glasgow; and when the house of MACDONALD failed, it was found to be indebted to the WESTERN BANK £422,000.

"For a general review of the failures which occurred in ENGLAND your committee have been indebted to Mr. COLEMAN and to Mr. BALL, of the firm of Messrs. QUILTER & BALL, both eminent accountants in London. These gentlemen do not profess to have studied abstruse questions of currency; they do not represent themselves as particularly conversant with the operation of the act of 1844. They, however, assign what appears to your committee an adequate cause for the recent commercial crisis. Availing themselves of their experience in 1847, the affairs of which have now been finally closed, to illustrate the transactions of 1857, which still appear in estimate, and are therefore liable to correction, they ascribe the calamities of both periods to the same principal cause, viz., the great abuse of credit and consequent over-trading. They notice also this difference between the two periods: many of the houses which

fell in 1847, they say, had once been wealthy, but had long ceased to be so. Those of 1857 had, with few exceptions, never possessed adequate capital, but carried on extensive transactions by fictitious credit. In 1847, for example, one house, which had been originally wealthy, failed, with liabilities amounting, in the whole, to upwards of £ 1,800,000, of which not quite £ 1,000,000 were to be paid by other parties, leaving more than £ 800,000 the direct liabilities of the house. The capital, as represented in their books at the time of suspension, was £ 215,000, and the assets, according to their own valuation, £ 800,000, or nearly sufficient to meet the whole of their liabilities. Very different, however, was the valuation of the accountant, who estimated their assets at £ 185,000, and even that was materially diminished in the result. *The dividend ultimately paid was only nine pence in the pound!* This firm, originally merchants, insensibly advanced their capital to planters in the EAST INDIES, until it became necessary for them to be planters themselves. They then were compelled to obtain advances from others, which they accomplished by the sale and circulation of bills in the EAST INDIES upon the house, to a great extent. Obtaining credit in that manner they postponed their fall many years, and ultimately fell, paying only ninepence in the pound. In this case, advances had been made on the credit of the next year's crop. This was an extreme case, and was connected with peculiar considerations at that time effecting the price of colonial produce, the principal property of the house. But Mr. COLEMAN, from whose evidence these particulars have been taken, says that the estates which came under his notice as insolvent in that year paid generally very small dividends, not averaging more than 4s.

"Another example of the same period is described by Mr. BALL as follows: It was that of a house which failed in 1847; they were engaged very largely as merchants in this country, and they were a house of very old standing. In the course of their business, they came under advances to a house in one of the colonies, on the security of the crops to be sent forward from time to time. The parties to whom those advances were so made failed to repay them; that is to say, to recoup the London house for them; and eventually the London house was obliged to take upon themselves the business which was originally conducted by those whom they accommodated with advances; in other words, the merchant in London did practically become the planter and the owner of estates. After he had so become the planter, his position was changed from that of being a person who made advances, and he himself found it necessary to obtain advances. Most likely the course would be this, that the house on the other side, perhaps the correspondents themselves of the London house, would draw upon the London house, or draw upon some third party, and remit to the London house; which bill the London house would take to its banker and get discounted, and by that process would be placed in funds to provide from time to time for its own engagements. The result of which would be to sustain for some time the credit of the house, after the capital of the house had been exhausted. The

effect would be to enable them to hold produce in expectation of better prices; the longer it was continued, the heavier would be the ultimate loss. After an interval of ten years, this house has, within the last few months, paid a final dividend, *making a total of 1s. 10d. in the pound.*

“Mr. BALL is asked,—

“‘Looking back to the experience of the year 1847, were the dividends that were paid by the insolvent houses generally very small?’—‘The average dividend would be small, so far as I recollect. Here and there would be a house which would pay in full, or would pay a very large dividend; but the general result was, that a small dividend upon the whole was received by the creditors.’

“‘Looking back now, with your experience, to the results of 1847, is it your opinion that if the law had afforded greater facilities for obtaining credit at that time for the purpose of sustaining these houses longer, the result would have been more advantageous to the houses themselves, or to the community at large?’—‘Knowing what I do of the internal state of those houses when they did stop, I should say that had they been able to obtain further credit for a continued period of time, it would only have had a temporary effect upon their position, and that most of them (of course I have a reserve of some good cases in my mind), from their internal condition being worn out, and from the want of real capital in their concerns, must have failed ultimately, and that the *longer the assistance was continued simply upon their credit, the greater the ultimate loss would be.*’

“‘Such is your view of the failures that took place in 1847, speaking generally?’—‘That is my view.’

“Your committee have thought it not irrelevant to place on record these instances which it was not in the power of their predecessors in 1848 to give, because they furnish an instructive example how readily misfortunes are at the time attributed by the sufferers, and others sympathising with them, to the operation of statutory enactments, which misfortunes, upon a full review of all the circumstances attending them, it is obvious that *no wisdom of the legislature, no regulation of the currency could have prevented.*

“Your Committee have before them the particulars of thirty houses which failed in 1857. The aggregate liability of these houses is £9,080,000; of this sum the liabilities which other parties ought to provide for amount to £5,215,000, and the estimated assets, to £2,317,000. Besides the failures which arose from the suspension of American remittances, another class of failures is disclosed. The nature of these transactions was the system of open credits which were granted; that is, by granting to persons abroad liberty to draw upon the house in ENGLAND to such extent as had been agreed upon between them; those drafts were then negotiated upon the foreign exchanges, and found their way to ENGLAND, with the understanding that they were to be provided for at maturity. They were principally provided for, not by staple commodities, but by

other bills that were sent to take them up. There was no real basis to the transaction, but the whole affair was a means of raising a temporary command of capital for the convenience of the individuals concerned, merely a bare commission hanging upon it; a banker's commission was all that the houses in ENGLAND got upon those transactions, with the exception of receiving the consignments probably of goods from certain parties, which brought them a merchant's commission upon them; but they formed a very small amount in comparison with the amount of credits which were granted. One house, at the time of its suspension, was under obligation to the world to the extent of about £ 900,000. Its capital at the last time of taking stock was under £ 10,000. Its business was chiefly the granting of open credits, *i. e.*, the house permitted itself to be drawn upon by foreign houses without any remittance previously or contemporaneously made, but with an engagement that it should be made before the acceptance arrived at maturity. In these cases the inducement to give the acceptance is a commission varying from $\frac{1}{2}$ to $1\frac{1}{2}$ per cent. The acceptances are rendered available by being discounted, as will appear hereafter, when the affairs of the banks which failed come under our notice.

“The obvious effect of such a system is first, unduly to enhance, and then, whilst it continues, to sustain the price of commodities. In 1857, that fall of prices which, according to Mr. NEAVE, ‘far-seeing people had anticipated,’ actually occurred. Tables have been put in by more than one of the witnesses, exhibiting an average fall of twenty or thirty per cent., in many instances much more, upon the comparison of July, 1857, with January, 1858. It needs no argument to prove what effect such a fall must have upon houses which had accepted bills, on the security of produce consigned, to the extent of one hundred times the amount of their own capital.

“The witness is asked :

“‘In the case which you are now describing to the committee, these transactions had gone on to the extent of £ 900,000. The real guarantee was partly produce and partly bills of exchange; to whatever extent that produce was depreciated, of course the liability of the firm to failure would arise, and the capital of that firm, to meet such depreciation of produce, was about one hundredth part of the whole of their liabilities?’ ‘That is so.’

“‘Do you consider that case to be a fair illustration of the recent commercial disasters which have occurred?’ ‘I think it is, though I should mention that in some cases the proportion of capital possessed was larger than that which I have mentioned. . . .’

“The commercial crisis was very little felt in IRELAND until the failure of some of the banks in ENGLAND and SCOTLAND. The trade of IRELAND, with the exception of that of Belfast, being little connected with the UNITED STATES, did not feel directly the effect of the failures there, but when failures began to take place at home there was an internal pressure consequent upon them, which, about the early part of the month of November, manifested itself severely

in a demand for gold by depositors and holders of notes, and there was a run on the savings banks. The BANK OF IRELAND advanced to the banks in IRELAND requiring gold to the extent of about £ 250,000; and they were obliged to draw from the BANK OF ENGLAND from £ 1,000,000 to £ 1,200,000 besides. Belfast has a large trade with the UNITED STATES, as well as a constant intercourse with SCOTLAND, but there was no alarm until the time of the Scotch bank failures. *There was then, what had never been known before in Belfast since the institution of the joint-stock banks, a considerable run for gold in exchange for their notes.* But the amount of gold which they held under the act of 1845 was a source of strength. The banks appear to be well constituted, and no serious results ensued.

“Your committee have examined Mr. JOSHUA DIXON, who in August, 1857, first assumed the post of managing director of the BOROUGH BANK; Mr. FLEMING, who has been, since July, 1857, assistant manager, manager or liquidator of the WESTERN BANK OF SCOTLAND; and Mr. KIRKMAN HODGSON, a member of the House, and director of the BANK OF ENGLAND, who, being well acquainted with the trade of Newcastle, went to that town in November, for the purpose of ascertaining how far it was right that the BANK OF ENGLAND should give assistance to the NORTHUMBERLAND BANK.

“The state of these three banks at the time of their failure may be collected from the following summary, viz:

“Mr. JOSHUA DIXON, for many years resident in the UNITED STATES, and once a private banker at New Orleans, settled at Liverpool in 1852, and soon afterwards became a shareholder and director of the BOROUGH BANK. This institution was originally a private bank, that of Messrs. HOPE, in whose hands it was prosperous, and they retired as wealthy men about the year 1834. In 1847, however, the BOROUGH BANK was under the necessity of obtaining assistance from the BANK OF ENGLAND. When Mr. DIXON became connected with it, he found that the Board, which consisted of twelve directors, chose two managing directors and a chairman. The entire management of the bank was amongst the managing directors and the manager. On the 1st of August, 1857, Mr. DIXON himself became a managing director, and thus describes the state in which he found the affairs of the bank:—Its position, he says, was that of its available means being very much reduced, being far smaller than was at all consistent with the sound and safe position of the bank. Speaking irrespectively of any general commercial pressure, he tells your Committee that, from the 1st of August, when his attendance at the bank was daily, as he became more and more thoroughly acquainted with the position of individual accounts, and with the whole circumstances of the bank in proportion as time lapsed, he became more and more convinced that the position of the bank was one of exceeding danger. When the commercial crisis showed itself, of course the danger to the BOROUGH BANK became imminent, and they made an application to the BANK OF ENGLAND for assistance, some time between the 20th

and the 23rd of October. The position, in general terms, of the bank was, that its assets were all locked up and unavailable, and that some £ 600,000 or £ 700,000 of its assets or claims on its debtors, which had until a short time previously been considered good; could not be relied upon, even for ultimate realization. About £ 3,500,000 bills were at that time in LONDON under the indorsement of the BOROUGH BANK OF LIVERPOOL; of which from £ 700,000 to £ 1,000,000 *had no negotiable validity at all*, except the indorsement of the BOROUGH BANK OF LIVERPOOL.

“ Pending the negotiations with the BANK OF ENGLAND, there appeared in the *Times*, of October 27th, an article stating that arrangements had been made for giving assistance to the BOROUGH BANK; in consequence of which a run took place, and the doors of the bank were closed. That run lasted only two or three hours, but the cash at their command was reduced to between £ 15,000 and £ 20,000, while their liabilities on deposit were in all £ 1,200,000, of which £ 800,000 were at call, and the remainder at periods varying from two to six months. The dividend of this bank, which had previously been seven per cent., had, at the last meeting, held on 10th July, 1857, been reduced to five; and the sum of £ 165,000 was, on the face of the report, acknowledged to have been lost. *The total loss*, so far as the witness could estimate it, amounted to £ 940,000, *being the total capital of the bank*. It is ascribed, not to advances improperly made to favored persons, but to want of discretion in the management.

“ The WESTERN BANK OF SCOTLAND was founded in 1832. In 1834 it was already in difficulties, and their correspondents in London dishonored their bills. They applied to the other banks for assistance, and received it upon certain conditions. In the year 1838 they applied to the Board of Trade for letters patent, which were refused. At this time the BANK OF SCOTLAND and other banks addressed a memorial to Mr. POULETT THOMSON, alleging the breach of the conditions referred to.

“ In 1847 the WESTERN BANK was again in difficulties, and was assisted by the BANK OF ENGLAND, receiving an advance of £ 300,000. The then manager, Mr. DONALD SMITH, appears to have taken alarm from the occurrences of 1847, and in 1852, when he retired, the bank, though not in a satisfactory position, stood better than it had stood before since 1847. When it failed on 9th November, 1857, it appeared that the four insolvent houses of MACDONALD, MONTEITH, WALLACE, and PATTISON, *were indebted to it in the sum of £ 1,603,000; the whole capital of the bank being only £ 1,500,000*. One of the conditions of the co-partnership was, ‘that if it shall at any time appear, on balancing the company’s books, that a sum equal to £ 25 per centum on the advanced capital stock of the company has been lost in prosecution of the business of the company, such loss shall, *ipso facto*, and without the necessity of any further procedure, dissolve and put an end to the company.’

“ Mr. FLEMING became assistant manager in July, 1857, and at

once examined the affairs. He estimated that even supposing the debts of these four houses (which had not yet become insolvent) were assumed to be good, there appeared on the face of the books as good assets £ 573,000 of bad debts; and deducting the rest and guarantee fund, which then amounted to £ 246,000, there remained an apparent deficiency or encroachment on the capital of the bank of £ 327,000. This of itself nearly approached the limit which dissolved the partnership and put an end to the existence of the board; and of this state of affairs Mr. FLEMING believes that up to that time the directors were in a state of almost entire ignorance. In 1853, previously to the first meeting of the shareholders after Mr. SMITH's departure, an examination was instituted preparatory to the annual balance. From a confidential paper, having marks upon it in the handwriting of the then manager, it appears that a sum of £ 260,000 was reported to him as irrecoverable on one branch of the assets, *which nevertheless appeared as good assets in the published balance sheet.* The modes in which this kind of disguise can be accomplished will perhaps be best understood by stating the manner in which a debt called 'SCARTH'S debt,' comprised in a different branch of the assets, was disposed of. That debt amounted to £ 120,000, and it ought to have appeared among the protested bills. It was, however, divided into four or five open credit accounts, bearing the names of the acceptors of SCARTH'S bills. These accounts were debited with the amount of their respective acceptances, and insurances were effected on the lives of the debtors to the extent of £ 75,000. On these insurances £ 33,000 have since been paid as premiums by the bank itself. These all now stand as assets in the books. Though this substitution took place in 1848, yet down to the time when Mr. FLEMING'S examinations began to bring to light the true state of affairs, the six directors appear to have regarded these sums as part of the available property of the shareholders. This being the actual state of the accounts, the dividend was raised in 1854 from 7 to 8 per cent., and in 1856 to 9 per cent. *Nine per cent. was the dividend declared in June, 1857, at which date a very slight acquaintance with the books must have led to the strongest suspicion, not to say to the clear conviction, that for some time a considerable portion of the capital had been lost.*

"This bank had 101 branches throughout SCOTLAND. It had connections in AMERICA, who were allowed to draw upon it for the mere sake of the commission. At home it made advances upon 'indents;' or, in other words, provided the manufacturer with the capital with which yet unmade cloth was thereafter to be produced. Its discounts, which in 1853 were £ 14,987,000, had been increased in 1857 (till 9th November) to £ 20,691,000. With what care this business was conducted may appear from the circumstances *that MACDONALD'S bills were accepted by 124 different parties; that only 37 had been inquired about, and in the case of 21 the reports received from the correspondents of the bank were unsatisfactory, or positively bad.* Yet the credit given to MACDONALD continued undiminished. The rediscounts of the bank in LONDON, which in 1852 had been £ 407,000, rose in 1856 to £ 5,407,000. The exchanges of notes in EDINBURGH

have been always against the WESTERN BANK, and for an average of the last six years to an extent of not less than £ 3,000,000 a year. This circumstance is accounted for by Mr. FLEMING chiefly by reference to the nature of the transactions with MACDONALD'S and other houses in accommodation bills; £ 988,000 were due to the bank from its own shareholders.

"About the end of October the NORTHUMBERLAND AND DURHAM BANK applied for assistance to the BANK OF ENGLAND. It was declined, as they could not give any satisfactory explanation of their real position. They applied a second time, urging the great peril in which they were placed by the continued discredit, and by the constant drain of small deposits; they urged also the fear of disturbances and breach of the peace which might ensue if they were to fail, they being so largely connected with collieries and iron-works. Accordingly, on Tuesday, 24th November, Mr. HODGSON went down to Newcastle, and told the directors that he had been sent down by the BANK OF ENGLAND to examine into their books, and see whether it was possible to render them such assistance as would enable them to go on; but that the first condition of the bank doing anything was that they should prove themselves solvent. The result was that Mr. HODGSON found the liabilities, as then stated, amounting to £ 2,600,000, of which there were £ 1,350,000 of deposits, £ 1,150,000 accounts current, and they had rediscounted £ 1,500,000, of which they expected that £ 100,000 would come back upon them, and for which they would ultimately be liable, making altogether £ 2,600,000. Their assets were of a very peculiar nature indeed, the early realization of which would be almost impossible. They held about £ 1,000,000 in securities of different kinds. They held in trade bills, that is to say, small bills on shopkeepers of Newcastle, about £ 250,000, bills which were probably good in themselves, but which were not available anywhere out of Newcastle; they were not bills which could have been discounted in any other part of the money market. They had in overdrawn accounts £ 1,664,000, without any specific securities attached to them. Of these £ 1,664,000, there were £ 400,000 which one of the directors very candidly confessed must be considered as totally bad, *and which ought to have been written off long before, but which still remained in the account as good debts.* The capital of the concern was £ 656,000 nominally, but in reality it was considerably less than that; because in 1847 they had been in trouble, and in order to get out of that trouble they had made a call of £ 5 or £ 10 a share, which was not paid upon some of the shares, which shares were forfeited, and taken by them into the stock of their bank, to be reissued should occasion warrant their doing so. The consequence was that the subscribed capital of the bank was about £ 600,000. This statement at once showed that any attempt to help them, short of taking up the whole concern and liquidating it for them, would be perfectly useless. It was evident that the whole capital was gone; and, looking at the character of the securities, Mr. HODGSON came to the conclusion, not only that the capital was gone, *but that the bank was totally insolvent.* Being very much struck with

the extraordinary loss which had taken place in the bank, which, when a private bank, he knew to have been a very flourishing one, he inquired whether there was not some old sore of which nothing had as yet been said. He was told that there was one; there was rather a disinclination to mention what it was, but he felt it his duty to press it, and they told him they had a very large debt with the Derwent Iron Company. He inquired the amount of this debt, and found, much to his astonishment, that it amounted to £ 750,000, the capital of the bank being £ 600,000. For that debt there was a kind of security, which consisted of £ 250,000 of what were called Derwent Iron Company's debentures, which were, however, in reality *nothing but the promissory notes of the directors*, there being very few persons in this Derwent Iron Company. The bank had also £ 100,000 mortgage on the plant, and the remaining £ 400,000 was totally unsecured. In addition to this original debt then mentioned of £ 750,000, there is now another charge upon it of £ 197,000, resulting from bills which have not been paid, and which, in order that the Derwent Iron Company might get them discounted, the bank has endorsed or otherwise guaranteed. These have now come back, so that the total liability for which the Derwent Iron Company is indebted to the bank is about £ 947,000; very nearly £ 1,000,000. The Derwent Iron Company appears to have been, almost from the time of the conversion of the bank into a joint-stock bank, very intimately connected with it. Mr. JONATHAN RICHARDSON, who was the moving spring of the whole bank, in fact the person who managed everything, was, *though not a partner in the Derwent Iron Company, very largely interested in it* as holding the royalties upon the minerals which they worked. It appears that the concern has been worked extremely badly; that it has never made any profits at all, even in the very finest years, for the iron masters, *and it has gone on absorbing the money of the bank unchecked by the directors.*

"Mr. HODGSON says that £ 1,000,000 of securities were taken of the most extraordinary nature for any bank to hold that he ever saw; that £ 1,000,000 of securities, which was the only tangible asset which they had against the £ 2,600,000 of liabilities, consisted of £ 350,000 of the Derwent Iron Company's obligations, £ 250,000 being debentures, and £ 100,000 mortgage on the plant. They had besides these, £ 100,000 on a building speculation at Elswick, near Newcastle, which however was not a primary mortgage, there being a mortgage of £ 20,000 on that land belonging to Mr. HODGSON HINDE. They had also another £ 100,000 on other building land and houses in the neighborhood of Newcastle. They had about £ 350,000 in securities of works and manufactures of different sorts, and they had about £ 50,000 in navigation bonds guaranteed by the railways, but which railway was the only security to which they could look any given time to realize any sum of money; that made about £ 1,000,000 altogether. The other securities were absolutely unmarketable. This bank had derived assistance from the BANK OF ENGLAND in the former crisis, that of 1847. Almost exactly the same circumstances arose then which arose in 1857, and almost fr

the same cause. The bank, however, applied at that time to the agent of the BANK OF ENGLAND at Newcastle, and he, on his own responsibility, made them a very large advance, which carried them through; he taking at the same time a very considerable security from them in various mortgages, pretty much of the character which has been above mentioned, but better in quality, although not any more banking securities than these; between £ 700,000 and £ 800,000 altogether.

“The whole of the advance made in 1847 was repaid to the BANK OF ENGLAND, was it not?”—“Yes. With regard to the late occasion I represented at the same time that, though the bank could not be assisted, yet the fact of its failing, which it would do the moment it was known that the BANK OF ENGLAND would not help it, would be at that moment a very serious thing for the district, because it was so much connected with the collieries and iron-works that it paid every week, either for persons who had balances with it, or for persons whose bills it discounted, and thus gave them the money, about £ 35,000, on which the wages of 30,000 people were dependent; and as their pay-day was on the Friday, and the bank would stop on the Thursday, it was very desirable that something should be done to prevent the confusion which would arise if there was no preparation made for that conjuncture. In consequence of that the BANK OF ENGLAND requested me to go down again that night, with full powers to make arrangements with all persons who might have any tangible and good security, though, perhaps, not perfectly regular security, so as to provide them with the means of making their pays on the Friday. I went down accordingly, and arranged with almost everybody, or with everybody, I may say, to make such advances as would enable them to meet the pays for that week and for the next, should it be necessary. I also advised the manager of the savings bank to open his bank on Saturday for payments, though it was not the usual day, and authorized him to draw upon the BANK OF ENGLAND for any sum of money which he might require for the purpose of making any payment; but owing to the fact of the BANK OF ENGLAND thus enabling the proprietors, the coal mines, and the works, to make their weekly payments, there was no run whatever upon the savings bank, and everything passed off quite quietly.”

“Was there any limit to the authority which you had from the BANK OF ENGLAND to give assistance in Newcastle?”—“No, there was no limit, it was left to my discretion to do what might be necessary. We knew very well that it could not amount to a sum, under any circumstances, of much more than from £ 50,000 to £ 70,000.”

“Are there any other particulars connected with the NEWCASTLE BANK which you are able to lay before the committee?”—“I will, if the committee wish, give them the actual result of the accounts of the bank when it was finally wound up in January this year, as compared with those in November 1857; it will show a little difference. In November, 1857, the liabilities of the bank were £ 2,600,000; these consisted of deposits, £ 1,350,000; accounts current, £ 1,150,000;

and estimated liabilities on rediscounts, £100,000. In January when the bank was positively wound up and the thing ascertained, appeared that there were of deposits £1,256,000; in accounts current £766,000; and in liabilities on rediscounts, £231,000. The only great difference was in the accounts current, which were diminished about £400,000. This was principally, I believe, from the fact that many persons who had accounts current had deposit accounts also; they kept two accounts, one of which had a balance in its favor, and the other was overdrawn; therefore, one account being set against the other, it diminished it by so much, and at the same time diminished the amount of overdrawn accounts; the assets which were estimated in November at £2,500,000 had fallen in January to £2,000,000, and there was one peculiarity, which was, that while the debt of the Derwent Iron Company was taken as an asset in November £750,000, in January it was taken as an asset at £947,000, and that it is an asset of a very doubtful nature; *the position of the bank is much worse in reality than is shown by the statement of the figures.*

“This disclosure was the result of an examination which lasted about two hours; *yet the bank had declared, at the last half-yearly meeting, a dividend of seven per cent., making to the shareholders a statement, the substance of which showed a very prosperous state of their affairs.* Mr. HODGSON mentions that he remarked on the fact of their having declared a dividend in June, when it was admitted that half the capital was lost, and he asked how they could have done so; it was stated, in reply, that there were so many persons who depended entirely for their livelihood on the dividends received, that they really could not bear to face them without paying any dividend.

“Each of these three banks had been in peril in 1847, and though by the assistance of the BANK OF ENGLAND they were enabled to surmount it, they fell on the next occasion of severe commercial pressure, under circumstances still more injurious both to their own proprietors and to the public. Two bill-broking houses in London suspended payment in 1847; both afterwards resumed business. In 1857 both suspended again. The liabilities of one house in 1847 were round numbers, £2,683,000, with a capital of £180,000; the liabilities of the same house in 1857 were £5,300,000, the capital much smaller, probably not more than one-fourth of what it was in 1847. The liabilities of the other firm were between £3,000,000 and £4,000,000 at each period of stoppage, with a capital not exceeding £45,000.

“These five houses contributed more than any others to the commercial disaster and discredit of 1857. It is impossible for your committee to attribute the failure of such establishments to any other cause than *to their own inherent unsoundness, the natural, the inevitable result of their own misconduct.*

“Thus we have traced a system under which extensive fictitious credits have been created by means of accommodation bills and overdrafts, great facilities for which have been afforded by the practice of joint-stock country banks discounting such bills, and rediscounting

them with the bill brokers in the London market, upon the credit of the bank alone, without reference to the quality of the bills otherwise. The rediscounter relies on the belief that if the bank suspend and the bills are not met at maturity, he will obtain from the BANK OF ENGLAND such immediate assistance as will save him from the consequences. Thus, Mr. DIXON states, 'In incidental conversation about the whole affair, one of the bill brokers made the remark that if it had not been for Sir ROBERT PEEL'S act the BOROUGH BANK need not have suspended. In reply to that, I said that whatever might be the merits of Sir ROBERT PEEL'S act, for my own part I would not have been willing to lift a finger to assist the BOROUGH BANK through its difficulties, if the so doing had involved the continuance of such a wretched system of business as had been practiced; and I said, if I had only known half as much of the proceedings of the BOROUGH BANK while I was a director (referring to the time previous to the 1st of August, when I became a managing director) as you must have known, by seeing a great many of the bills of the BOROUGH BANK discounted, you would never have caught me being a shareholder;' the rejoinder to which was, 'Nor would you have caught me being a shareholder; it was very well for me to discount the bills, but I would not have been a shareholder either.'

The subjoined illustrative table supplies its own commentary:

ABSTRACT STATEMENT of the (estimated) position of sixteen firms who suspended payment during the monetary crisis of 1857-58.

| | <i>Estimated Capital.</i> | <i>Total Liabilities at Date of Suspension.</i> | <i>Estimated Assets.</i> |
|----|---------------------------|---|--------------------------|
| 1 | None. | £ 107,000 | £ 14,000 |
| 2 | None. | 54,000 | 5,000 |
| 3 | None. | 56,000 | 3,000 |
| 4 | £ 9,000 | 900,000 | 80,000 |
| 5 | 400 | 41,000 | 3,000 |
| 6 | 3,000 | 180,000 | 12,000 |
| 7 | 7,000 | 320,000 | 37,000 |
| 8 | 16,500 | 440,000 | 40,000 |
| 9 | 23,000 | 580,000 | 90,000 |
| 10 | 70,000 | 905,000 | 140,000 |
| 11 | 40,000 | 460,000 | 80,000 |
| 12 | 14,000 | 162,000 | 22,000 |
| 13 | 11,500 | 120,000 | 14,000 |
| 14 | 7,000 | 50,000 | 2,500 |
| 15 | 18,000 | 105,000 | 36,000 |
| 16 | 2,000 | 16,000 | 2,000 |
| | £ 221,400 | £ 4,496,000 | £ 580,500 |

The foregoing disclosures are as beacon lights to warn against the dangers of the rocks and shoals and quicksands which beset the track of modern adventurers in search of the Golden Fleece. Disclosures of the kind could be multiplied almost *ad infinitum*. But, once the gold-fever sets in, it rages until the moment of the crisis. And what follows then? We cannot answer the query better than by quoting from her *History of the Thirty Years' Peace*, Miss MARTINEAU'S

description of the consequences resulting from the terrible panic of 1825:—

“There are many now living,” wrote that talented lady in 1846, “who remember that year with bitter pain. They saw parents grow white-haired in a week’s time; lovers parted on the eve of marriage; light-hearted girls sent forth from home as governesses or sempstresses; governesses, too old for new situations, going actually into the workhouse; rural gentry quitting their lands; and whole families relinquishing every prospect in life, and standing as bare under the storm as LEAR and his strange comrades upon the heath!”

Must these vicissitudes continue? A recent writer on the subject* remarks—

“If crises must work their will when they arise, how are they to be prevented in the future? The problem is difficult, yet not absolutely insoluble. The difficulty lies more in moral than in physical or trade forces: it is the want of knowledge, and still more of observation and reflection, which generates real crises. . . . Crisis is not merely another word for poverty. If the diminution of wealth is met by wise curtailment of speculation even in its legitimate form, property may dwindle, but the convulsions peculiar to a crisis will not be developed. Then, again, if farmers never drained except with the surplus of a good harvest, if manufacturers never built new mills except out of realized profits, if goods were not produced except under a very strong presumption that they were in demand, if bankers never lent except upon solid and realizable security, no crisis would ever desolate the world. Traders and bankers, like sailors, have a difficult task in predicting the coming weather; and, like sailors, they must try to acquire the sailor’s eye—the faculty of discerning small signs and judging their significance accordingly. The vital point is that they should notice the right things, the causes which are at work in brewing mischief. They must be studied at their origin. The difference between the intelligent merchant or banker, and the unintelligent, lies in the ability to understand the forces which make deposits and their withdrawals great or small—in the skill *rerum cognoscere causas*. This is a wide study beyond doubt. It is easier, no doubt, to float down the stream as it runs in the present, to make profits and to let to-morrow take its chance, or to set up some empirical rule, some high-sounding jargon, without stopping to inquire whether it possesses the reality as well as the look of knowledge. But if men choose to let their actions be guided by such methods, they must look out for crises—sharp, sudden, and overwhelming crises. The responsibility weighs heaviest upon banks, not upon the BANK OF ENGLAND only, as some proclaim, but upon all bankers collectively. Everything depends on the sagacity and prudence they bring to bear on the loans they grant. The periodical recurrence of these convulsions seems to indicate that prudence lasts a year or two after disaster has punished folly; care and caution are developed in all commercial classes; and the energy and industry of

* Mr. Benjamin Price, in No. cvl of the *North British Review*.

the people restore the losses incurred. Prosperity follows; prudence gradually disappears; then heedlessness encourages every kind of enterprise; and again the thunder and lightning avenge forgotten virtue."

In other words, a cynic may remark on the above, when men shall become strictly moral and profoundly wise, the financial cataclysms, called panics, will be things of the past.

Although not expecting mankind to advance to that pitch of perfection which the writer just quoted seems to consider not only possible, but essential for the prevention of these catastrophes, our faith, as we intimated early in the present chapter, inclines to the hopeful. The panic of 1866 seems to have sunk deep into the public mind. Its effects on the rash spirit of eager speculation are still felt; indeed, undertakings which may fairly be called legitimate are looked upon coldly, and are with difficulty launched. The secrets of the manufacture of companies by promoters and directors, who, as soon as the market is "rigged," and shares at a premium, make their fortunes upon the ruin of the victimized purchasers, are now patent to most; and there are few, comparatively speaking, who do not understand that the holding out the inducement of exorbitant interest means certain risk to the capital invested, if not its sure loss. Yet, at this very moment of writing, an event is about to take place which, whilst it will rejoice every feeling heart, and gladden the whole civilized world, is already marking a change in the aspect of monetary affairs, so that what was true of their state but a few seconds ago, as it were, is quickly becoming a misrepresentation of the present, and of most questionable accuracy as respects the future. Peace will, too probably, ban as well as bless. Speculation is already watching its opportunities with open eyes: and the prophet is not yet born who can foretell whether the next decennial cycle will, like the past, be black with doom, or inaugurate a new, a brighter, and a more auspicious era.

AMERICAN BANKS.—The London *Economist*, concludes a long article on our City Banks going below the 25 per cent. line of reserves, in this manner:

Our conclusion is that, on the whole, the regulation of the American banking system—that the banks shall keep a certain per centage of their reserves against all liabilities in cash—is very far from a success. It lays down a hard and fast line, which fetters some banks and is superfluous for others, while it can hardly be said, looking at the strain upon the New York banks, that it suffices to secure an ample reserve in the proper quarter. The fixing of a definite proportion of 25 per cent. is, in truth, rather likely to mislead than otherwise. At the same time, by prohibiting new business when the banks are below their minimum proportion, the banks which really hold the final cash reserve are debarred from making a free use of it, and this will be an aggravation of any panic which may arise. In this view, the mere fixing of a proportion appears to us especially mischievous.

And in this the *Economist* takes the view which we have always expressed.

INTEREST LAWS IN NEW ENGLAND.

RHODE ISLAND, MASSACHUSETTS, AND CONNECTICUT.

I. RHODE ISLAND. March 17, 1865.

SECTION 1. Interest in rendition of judgments, and in all business transactions where interest is secured or paid, shall be computed at the rate of six dollars on a hundred dollars for one year, *unless a different rate is expressly stipulated.*

SEC. 2. All acts or parts of acts inconsistent herewith are hereby repealed.

II. MASSACHUSETTS. March 6, 1867.

SECTION 1. When there is no agreement for a different rate of interest of money, the same shall continue to be at the rate of six dollars upon one hundred dollars for a year, and at the same rate for a greater or less sum, and for a longer or shorter time.

SEC. 2. It shall be lawful to contract to pay or reserve discount at any rate, and to contract for payment and receipt of any rate of interest: *Provided, however,* That no greater rate of interest than six per centum per annum shall be recovered in any action, except when the agreement to pay such greater rate of interest is in writing.

SEC. 3. Sections three, four, and five of chapter fifty-three of the General Statutes, and all acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 4. This act shall not affect any existing contract or action pending, or existing right of action, and shall take effect on the first day of July next.

III. CONNECTICUT. July 2, 1872.

SECTION 1. When there is no agreement for a different rate of interest of money, the same shall be at the rate of six dollars upon one hundred dollars for one year, and at the same rate for a greater or less sum, and for a longer or shorter time.

SEC. 2. It shall be lawful to contract or pay or reserve any discount at any rate, and to contract for payment and receipt of any rate of interest: *Provided, however,* That no greater rate of interest than six per centum per annum shall be recovered in any action, except when the agreement to pay such greater rate is in writing.

SEC. 3. That the first, second, third, and fourth sections of an act entitled "An act to restrain the taking of usury," and all acts inconsistent herewith, are hereby repealed.

SEC. 4. This act shall not affect any existing contract or suit not pending.

POST OFFICE STATISTICS.

COMPARATIVE STATEMENT OF THE BUSINESS AND EXPENDITURES OF THE U. S. POST OFFICE DEPARTMENT DURING THE FISCAL YEAR ENDED JUNE 30, 1868, AND THE FISCAL YEAR ENDED JUNE 30, 1872, EXHIBITING THE INCREASE DURING THE FOUR YEARS, TOGETHER WITH THE PERCENTAGE OF THE SAME.

| | Year ended June 30, 1868. | Year ended June 30, 1872. | Increase in 1872. | Per ct. of Increase. |
|--|------------------------------|------------------------------|----------------------|-------------------------|
| No. of Post Offices in U. S. | 26,481 . | 31,868 . | 5,382 . | 20.32 |
| Am't salaries paid postmasters. . | \$ 4,548,137 . | \$ 5,620,045 . | \$ 1,071,908 . | 23.56 |
| Sp. Agents, R't & Local Agents, Mail R't Messengers & Bag- gage masters in service. | 812 . | 1,164 . | 352 . | 43.34 |
| Am't salary paid same. | \$ 686,770 . | \$ 1,065,701 . | \$ 378,931 . | 55.17 |
| Railway Mail Clerks in service | 297 . | 649 . | 352 . | 118.51 |
| Miles of road run by this service | 7,019 . | 14,117 . | 7,098 . | 101.11 |
| Miles daily service. | 16,180 . | 33,690 . | 17,510 . | 108.22 |
| “ annual “ | * 5,064,340 . | 12,296,850 . | 7,232,510 . | 103.32 |
| Compensat'n of R'lway M'ls Cl'ks | \$ 329,700 . | \$ 821,600 . | \$ 491,900 . | 149.19 |
| No. Carriers Free Deliv. service | 1,198 . | 1,443 . | 245 . | 20.45 |
| No. Free Delivery Offices. | 48 . | 52 . | 4 . | 8.33 |
| “ Mail letters Delivered. | 64,340,486 . | 127,098,828 . | 62,758,342 . | 97.54 |
| “ local “ | 14,081,906 . | 33,003,880 . | 18,921,974 . | 134.37 |
| “ newspapers “ | 16,910,715 . | 36,627,368 . | 19,716,653 . | 116.59 |
| “ letters collected. | 63,164,625 . | 115,117,321 . | 51,952,696 . | 82.24 |
| Amount paid carriers, including incidental expenditure. | \$ 995,934.59 . | 1,385,965.76 . | \$ 390,031.17 . | 39.16 |
| Am't of postage on local matter | \$ 475,982.36 . | \$ 907,351.93 . | \$ 431,369.57 . | 90.62 |

* Estimated.

EXTENSION OF THE FREE DELIVERY SYSTEM.

The act of March 3, 1873, authorizing the extension of the free delivery system to cities having not less than 20,000 population, goes into operation July 1, 1873. The following cities having the requisite population, according to the census of 1870, the service will be established therein July 1, 1873 :

| | Population. | | Population. | |
|-------------------------|-------------|----|--------------------------|--------|
| Charleston, S. C. | 48,956 | .. | Evansville, IND. | 22,830 |
| Scranton, PA. | 39,092 | .. | Oswego, N. Y. | 20,910 |
| Columbus, O. | 31,274 | .. | Elizabeth, N. J. | 20,838 |
| Paterson, N. J. | 33,579 | .. | Savannah, GEORGIA. | 20,233 |
| Kansas City, MO. | 32,260 | .. | Poughkeepsie, N. Y. | 20,080 |
| Mobile, ALA. | 32,034 | .. | Camden, N. J. | 20,045 |
| Fall River, MASS. | 26,766 | .. | Davenport, IOWA. | 20,045 |
| Springfield, MASS. | 26,703 | .. | St. Paul, MINN. | 20,031 |
| Peoria, ILL. | 25,787 | .. | Kingston, N. Y. | — |
| Covington, KY. | 24,505 | .. | Newtown, N. Y. | — |
| Quincy, ILL. | 24,053 | .. | Hoboken, N. J. | — |

The service will probably be established in such other cities as may be able to show that they have reached the minimum population, 20,000, since the taking of the last census.

FORTY-EIGHT FIRE AND LIFE INSURANCE COMPANIES OF CANADA.

1. Name and Location. 2. Name of General Agent, Manager or Secretary. 3. Amount of deposit for security of policy holders. 4. Amount of premiums received, 1872. 5. Amount of Losses paid, 1872.

| Name of the Company. | General Agent, Manager or Secretary, and Location. | Amount of Deposit. Dollars. | Year 1872. | |
|---|--|--------------------------------|----------------------|----------------------|
| | | | Premiums. | Losses paid. |
| * 1 Ethna Insurance Co. of Hartford, Conn. | Robert Wood,† Montreal. | \$ 53,580 | \$ 177,943 | \$ 142,928 |
| 2 Ethna Life Ins. Co. of Hartford, Conn. | William H. Orr, Manager, Montreal. | 140,000 U. S. bonds | 277,355 | 49,127 |
| * 3 Agricultural Insurance Co., Watertown | Henry Cline,† Kingston | 100,000 | 73,613 | 33,616 |
| * 4 Agri. Mut. Ass. Assoc. of Canada, London, O. | D. C. Macdonald, Secretary | 25,000 stock | 43,858 | 41,556 |
| 5 Atlantic Mut. Life Ins. Co., Albany, N. Y. | J. J. Howson, M. D., Manager, Toronto. | 80,222 stock | 63,717 | 11,000 |
| * 6 British-America Assurance Co., Toronto. | T. W. Birchall, Manag'g Dir., Toronto | 50,000 stock | 174,047 | 89,828 |
| 7 Briton Med. & Gen. Life Assoc.; London, Eng. | Jas. B. M. Chipman, Man'r, Montreal | 100,343 stock | 41,522 | 25,390 |
| 8 Canada Guarantee Co. | Edward Rawlings, Manager, Montreal | 16,666 | — | — |
| 9 Canada Life Assurance Co., Hamilton | A. G. Ramsay, Manager, Hamilton | 50,000 stock | 327,500 | 46,400 |
| * 10 Commercial Union Assur. Co. of London, G. B. | Morland, Watson & Co.,† Montreal. | 150,966 | 79,803 | 89,867 |
| 11 Confederation Life Association of Canada | W. McCabe, Manager, Toronto | 50,000 stock | 35,195 | — |
| 12 Conn. Mut. Life Ins. Co. of Hartford, Conn. | R. Wood,† Montreal | 140,000 U. S. bonds | — | — |
| 13 Edinburgh Life Assurance Company | D. Higgins,† Toronto | 150,515 stock | 25,022 | 4,868 |
| 14 Equitable Life Assurance of the U. S., N. Y. | R. W. Gale, Manager, Montreal | 100,000 stock | 128,601 | 2,000 |
| * 15 Guardian Fire & Life Assur. Co., London, G. B. | R. Simms & Co. & G. Denholm,† Mont. | 100,343 stock | 32,947 | 22,910 |
| * 16 Hartford Fire Insurance Co., Hartford, Conn. | R. Wood,† Montreal | 87,090 U. S. bonds | 80,687 | 96,795 |
| * 17 Imperial Insurance Co. of London, G. B. | Rintoul Bros.,† Montreal | 100,069 | 102,750 | 80,965 |
| * 18 Isolated Risk Fire Insurance Co. of Canada | John Maughan, jr., Secretary, Toronto. | 82,704 | 59,122 | 10,074 |
| * 19 Lancashire Insurance Company | W. Hobbs,† Montreal | 100,000 stock | 43,987 | 53,670 |
| 20 Life Association of Scotland | P. Wardlaw,† Montreal | 150,000 stock | 141,776 | 68,403 |
| | | 50,000 | 970,174 | 952,885 |

| | | | | |
|---|--------------------------------------|--------------------------|---------|---------|
| *22 London Assurance Corporation, England... | Romeo H. Stephens,† Montreal | 150,000 | 67,385 | 82,492 |
| 23 London and Lancashire Life Assurance... | W. Robertson, Manager, Montreal | 100,000 stock | 15,750 | 3,233 |
| 24 Metropolitan Life Insurance Co. of N. Y... | Thomas A. Temple,† St. John, N. B. | 50,000 U. S. bonds | 16,654 | — |
| 25 Mutual Life Association of Canada... | Wm. Powis, Act'y & Man'r, Hamilton | 33,333 cash | 27,235 | — |
| 26 National Life Insurance Co. of the U. S... | Livingston, Moore & Co.,† Toronto | 60,000 U. S. bonds | 34,833 | 3,028 |
| 27 New York Life Insurance Company... | W. Burke,† Montreal | 100,000 U. S. gold bonds | 197,327 | 16,597 |
| *28 North British & Mercantile Insurance Co... | Macdougall & Davidson,† Montreal | 150,253 | 245,795 | 134,058 |
| *29 Northern Assur. Co. of Aberdeen & London | Taylor Bros.,† Montreal | 100,000 | 69,906 | 60,945 |
| 30 N. W. Mut. Life Ins. Co. of Milwaukee... | W. A. Schofield,† Brockville | 100,000 U. S. bonds | 5,298 | — |
| *31 Phoenix Fire Assurance Co., London, G. B. | Gillespie, Moffat & Co.,† Montreal | 100,297 | 108,215 | 86,920 |
| 32 Phoenix Mut. Life Ins. Co., Hartford, Conn. | Simpson & Bethune,† Montreal | 130,000 U. S. 5-20 bonds | 166,527 | 26,700 |
| *33 Provincial Insurance Company of Canada... | A. Harvey, Manager, Toronto | 24,547 stock | 161,158 | 119,791 |
| *34 Quebec Fire Assurance Company... | W. L. Fisher, Secretary, Q.ébec | 100,000 stock | 77,508 | 60,630 |
| *35 Queen Fire & Life Insurance Co., England | A. M. Forbes,† Montreal | 151,100 | 162,228 | 102,500 |
| 36 Reliance Mut. Life Assur. Soc., London, Eng. | J. Grant, Manager, Montreal | 100,000 stock | 16,875 | 2,433 |
| *37 Royal Insurance Company... | Routh & Beddell,† Montreal | 150,515 | 348,754 | 166,984 |
| 38 St. Louis Mutual Life Insurance Company... | R. S. Baird, Agent, Toronto | 50,000 U. S. bonds | — | — |
| 39 Scottish Amicable Life Assurance Society... | J. Nelson,† Montreal | 150,000 stock | 13,870 | 6,363 |
| *40 Scottish Imperial Insurance Co... | H. J. Johnson,† Montreal | 71,067 stock | 55,793 | 45,030 |
| 41 Scottish Provincial Institution... | James Croil, Agent, Montreal | 100,343 stock | 8,218 | 3,893 |
| 42 Scottish Provincial Assurance Co... | G. W. Ford, Secretary, Montreal | 150,790 | 67,498 | 11,720 |
| 43 Standard Life Assurance Co., Scotland... | W. M. Ramsay, Manager, Montreal | 150,000 | 147,742 | 65,178 |
| 44 Star Life Assurance Society of England... | A. W. Lauder, Gen'l Treas'r, Toronto | 100,343 stock | — | — |
| 45 Sun Mutual Life Insurance Co. of Montreal | M. H. Gault, Manag'g Dir., Montreal | 50,000 stock | 41,673 | — |
| 46 Travelers' Insurance Co. of Hartford, Conn. | T. E. Foster,† Montreal | 140,000 | 56,841 | 15,690 |
| 47 Western Mutual Life Insurance Co. of Maine. | — | 100,000 | 104,422 | 6,000 |
| *48 Western Assurance Co., Toronto | B. Haldan, Managing Director | 50,000 | 262,206 | 179,981 |

\$ 4,679,320
 \$ 2,316,454

* Fire Insurance Companies.
 † General Agents.

COINAGE AT HOME AND ABROAD.

From the *British Almanac* for 1878.

There are not many subjects—if we except religion—upon which people have such obstinate differences of view, and remain so entirely uninfluenced by each other's arguments, as the theory of money and currency. Those who have opinions at all on the abstract questions to which the management of "circulating media" gives rise, are, indeed, but few in number; and the actual control of the currency, like most other matters in ENGLAND, is conducted by those whose business it is, with very little reference to theory, and with a proportionate amount of success.

The superintendence of the issue of money in ENGLAND, as in all other countries which have attained a stage of civilization, is a demand for a systematic circulating medium arises, not only with the sovereign power; it is not, however, and has not been in modern times, a prerogative of the Crown, for it is controlled in various directions by acts of Parliament; though, so far as the issue of money is concerned, it is a business carried on with a special relation to the prestige of the throne. The Royal Mint, however, issues no paper-money; the right to do this is delegated by the sovereign power, first, to the BANK OF ENGLAND, (a trading corporation of such dignity and importance that it is frequently taken to be a department of government,) and, secondly, to some 1,200 banks and branch banks in various parts of the kingdom. But of these only the BANK OF ENGLAND issues notes which are a legal tender; and that is to say, can only be satisfied (except by the consent of the creditor) either by coin of the realm or notes of the BANK OF ENGLAND.

The first historical trace of the administrative conduct of coinage in ENGLAND, dates from about the time of CANUTE. The Anglo-Saxon coins bear the name of the sovereign, but are also impressed with the names of the Mint officers. In the course of history the right to coin—over which, as in the case of other matters, the secular and third estates of the realm, in their unformed condition, asserted no constitutional control—was delegated by the Crown to various nobles, spiritual and temporal, and to several of the more important monasteries. Cardinal WOLSEY had a Mint when Bishop of Durham and as Archbishop of York; the right of the Archbishops of Canterbury to coin money only disappeared, with other prelatical privileges, at the Reformation. The London Mint, moreover, had branches in the accommodation of the provinces; of these there were thirty-four in the time of ÆTHELRED; but the gradual increase in the means of intercommunication over the face of the country diminished, as it

gressed, the necessity for these branch establishments; the obvious advantage of centralization in such a delicate and important matter as the coinage, serving, by the time of WILLIAM OF ORANGE, to extinguish the provincial mints, the last of which was abandoned during the reign of this monarch, and the issue of metal money confined henceforward to London. As regards manufacture, the Mint itself does not do all that is requisite; in a considerable degree our money is made at Birmingham under contract with the Master of the Mint; and one Birmingham firm, Messrs. RALPH HEATON & Co., have been considered to possess better machinery than the Mint on Tower Hill.

The material of the English coinage, as is well known, is of three kinds: Gold (so-called), silver (so-called), and copper (so-called). In the gold coinage, however, one-twelfth is authorized alloy; in the silver, 18 dwts. of alloy is thrown in to the pound Troy; and the copper or bronze money now in use in ENGLAND has no pretensions to an intrinsic, equal to its nominal, value. Gold alloyed with silver is technically termed electrum; silver is, on the continent, very largely alloyed with copper, the result being "billon"—a dirty and inelegant material, as instanced in the *groschen* of NORTH GERMANY; and bronze—that is to say, copper and tin—ordinarily and unobjectionably does duty for pure copper. Metal money, however, is older than coin; unstamped metal, in bars, spikes, and rings, having existed in very early ages as a means of exchange. A State guarantee of the weight and fineness of pieces of metal was, naturally, soon found a convenience, and a State stamp upon a lump of metal, indicating its weight and fineness, was the first form of coining.

The earlier coins of ENGLAND are Roman, made by our first conquerors; the Emperor CONSTANTINE, it is believed, had a branch mint in London. The first native coinage consisted of silver and copper pieces, *skeattæ* and *stycæ*. These rude specimens appear to have been issued for the kings of NORTHUMBRIA; a bird, a profile, and some symbols, not now understood, appear upon them, but no inscription. Silver pennies came in with the Heptarchy, and with occasional issues of halfpennies, served ENGLAND for sole currency down to the time of EDWARD III. On the Heptarchy pennies we find a name—the king's or the moneyer's; after the establishment of Christianity, the sacred symbol of the cross appears on the penny; and in time there began to be attempted profiles of the reigning monarch. King ALFRED's pennies are occupied, on the reverse, by a rude monogram of the letters which spell London; an attempt, on the obverse, at a portrait of the great Saxon king is grotesquely unsuccessful, and was subsequently abandoned, a cross and circle taking its place. A cross, with pellets in the angles, became the usual reverse or back device, of the Norman and Plantagenet coins.

The first step in improving our coinage was taken by EDWARD III. By this time, art, in some branches, had reached in ENGLAND a singular beauty; and it was not to be wondered at that the builder of so truly regal a monument as Windsor Castle, should introduce a more

artistic form of metal money. To pennies, halfpennies, and farthings were now added groats (*i. e.* greats,) and half groats, worth four and two pence respectively; and what was a more striking step, a coin was issued in the form of a "noble," worth six shillings and eight pence. EDWARD'S pet ambition, his pretension to the throne of FRANCE, shows itself in the design of this handsome piece, in which the monarch is represented in a ship, a sword in his right hand, and his left a shield quartered with the arms of FRANCE and ENGLAND. The legend is a text of Scripture in Latin, "*Jesus autem transiit per medium illorum ibat.*" Another text, "*Posui Deum adiutorem meum,*" appeared on the groats; and the words "*Dei gratia*" were assumed for the first time in connection with the claim expressed by the words "*Rex Francie.*"

This introduction of Latin for the legend of English coins—a pardonable affectation at the time when it was a current tongue for the learned classes—has survived ever since; though, as a matter of taste it is very much open to question. A coin should, of all things, be national and historical, and the retention of Latin inscriptions on our existing pieces is an absurd anachronism. When, moreover, we have a Latin legend on the obverse of a coin, and on its reverse the inscription, in the vulgar tongue, "One Shilling," or "One Florin—one-tenth of a pound," the incongruity of the designs of the English Mint becomes palpable.

EDWARD III's noble went up in value till it became worth ten shillings; and to represent its first value, six shillings and eightpence HENRY VI, or some person acting for this weak occupant of the throne, coined an "angel." This piece was so named from its principal design (or obverse), which represented St. MICHAEL transfixing a dragon; on the reverse is a ship with a cross for mast. The nobles of EDWARD III were now named "rials" (compare the latter term "reals"); double reals were coined by the first Tudor king, and here—the coin being worth twice ten shillings—we have the first appearance of what is now so well known throughout the world, the English sovereign. The face of the double rial has King HENRY VII on a throne, with sceptre and orb; and on the back, in the centre of a heraldic rose, the arms of FRANCE and ENGLAND. Naturally the double rial (or royal) acquired the designation of sovereign, though it was, by no means, in anything but value, the equivalent of the sovereign of the present day. It was in this reign, however, that our present coin-system first took definite shape. Not only the sovereign, as a double real, but the shilling, under the name of "testoon," appeared.

The historical basis of the English coinage, it will thus be seen, is the silver penny, which developed upwards to the sovereign in successive steps; a piece of fourpence value being the first step, then a piece of twenty groats, the noble; and lastly, the noble, under a new name of a rial, was doubled, and the rial having increased in value to ten shillings, a double rial represented what we now call the sovereign. St. GEORGE and the Dragon first appeared on a noble

sued by HENRY VIII, forming the obverse of the coin, not as in the last coined sovereigns, its reverse. A ship formed the reverse of HENRY VIII's nobles. Under EDWARD VI appeared crowns and half-crowns, having for principal device the king (crowned) on horseback. With PHILIP and MARY appeared Spanish insignia, impaled with those of ENGLAND; the Irish harp was introduced under JAMES I, with the nuptial motto, "*Que Deus conjunxit nemo separet.*"

Up to this point the English coinage—omitting from account the discounted Northumbrian stycæ—did not comprise copper; but the want of a material more ponderable than silver, at low values, had begun to make itself felt, and "tokens," or private coins of copper, had got into extensive, unauthorized circulation. An issue of copper money ensued, in the form of farthings; the lowest denomination being that in which, of course, the inconvenient smallness of silver would first be felt: these have on the obverse a crown, a sword, and a sceptre; and on the reverse the Irish harp. Noble looking ten and twenty-shilling pieces were coined in silver by CHARLES I; and presently, with the influx of gold from AFRICA, the most precious of the three money metals established itself in our coinage, under the familiar name, geographically derived, of "guinea." Sensibly enough, the guinea was intended to represent twenty shillings; but it rose, as the noble had done, before it settled itself eventually, at the comparative value as reckoned with shillings of 21 to 1. The first guinea borrowed a device from the fauna of the continent whence its material came, having an elephant on one of its sides. This fine English gold piece enjoyed an official life extending to 1817. It exists now, but rather as a curiosity than a piece of currency; a curious sentiment has, however, attached itself to the name, so that it is still customary for professional fees, subscriptions to charities, and prices of works of art, to be in guineas instead of pounds; to give a physician a pound and a shilling, rather than a sovereign, or rather (even) than a sovereign and two shillings, preserving the transaction in some degree from the ordinary mercantile flavor.

The coins of the Commonwealth had, at first, no profile; these, in accordance with sound taste, discarded Latin for the simple inscription in native, "The Commonwealth of England," the motto being also in the vulgar, "God with us." CROMWELL, however, showed in this matter a tendency to play the monarch, and issued a few coins with his own bust and title as Protector, and on the reverse his own arms, combined with national emblems. These were exceedingly good-looking pieces. In the early coins of CHARLES II, the monarch appears in the dress of the period; but the tendency to conventionality, which so often spoils coinage, prevailed in the later years of his reign, and the frivolous STUART is clothed in drapery of the times of the CÆSARS. On these last coins the head of the king looks to the left hand; and a curious practice has since been observed of changing the direction in which the profile looks, with each successive monarch. Latin reappeared as the language of the motto, that now chosen being "*Decus et tutamen.*" Halfpennies were presently added to the copper

coinage, and the conventional figure of Britannia—a personification of our country due originally to the Romans—who not only conquered BRITAIN, but loved it—made its appearance.

True to the law by which coinage reflects dynastic changes, the metal money of the Hanoverians broke out in devices associated with HANOVER and NASSAU; with GEORGE III the Roman conventionalism gave way—in coinage as in other things—to a Grecian revival; St. GEORGE, and even his dragon, were Grecianized. Copper pennies now at length appeared, and put an end gradually to the system of private “tokens,” under which stamped bits of lead, tin, and even leather, representing the lower values, had long had currency on suffrage, being issued by city corporations, vintners, grocers, and tavern-keepers, to supply a want which the Mint was slow to recognize. The twenty shilling gold coin known as a sovereign was substituted for the guinea in 1817, and has acquired such a prestige that it has, perhaps, the best chance of any existing piece of money of becoming the basis of an universal currency, if ever that great desideratum should be realized. Fourpenny pieces were issued under WILLIAM IV; threepenny pieces and “florins”—value two shillings—have followed in the reign of VICTORIA I. The florin has already passed through more than one edition; it was at first issued with the usual pious words “*Dei gratia*” omitted from its legend, whence arose an outcry which led to the restoration of the initial letters of this Latin phrase in a subsequent issue. The special object of the florin was decimalization; but the coin has taken no great root in the minds of the common people, who look upon it and call it a “two-shilling piece;” its introduction into accounts, as the decimal of a pound, has not yet made any progress. Its name of florin seems to have been prompted by a desire to establish its exchangeability with the coin of the same designation and value which is the unit of account in AUSTRIA and the South of GERMANY. There is, however, little or no indication of substantial progress in EUROPE in the direction either of decimal money reckoning, or international coinage. A bewildering variousness of moneys subsists among the various countries of the globe, and the efforts which are being made by theorists and methodical-minded reformers to attain a universal currency meet, as yet, with little encouragement.

We have now traced the growth of the English system of coins; it results that we have in present circulation for English use, twelve metallic pieces. These are the sovereign, the half-sovereign, the crown, the half-crown, the florin, the shilling, the sixpence, the fourpenny piece, the threepenny piece, the penny, the halfpenny, and the farthing. Of these, it is scarcely necessary to note, the two first mentioned are of gold, the three last named of “copper” (so-called), the rest of silver. The sovereign, shilling, and penny, are the moneys of account or reckoning, the rest are coins of convenience. Gold pieces of other values have been published at times; five-pound, three-pound and two-pound pieces, half guineas, and a gold bit of seven shillings—one-third of a guinea. The fractions of a guinea perished with it, c

before it; five-pound pieces and two-pound pieces are still theoretically current, but none have been struck at the Mint during the present reign.

The commercial basis of the English currency is the *sovereign*. The stability of this coin is ensured by a legislative enactment which makes all gold ingots saleable to the BANK OF ENGLAND at the price of an equal weight of sovereigns. The sovereign, therefore, is always worth its weight in gold; but no legislature or power can really regulate value, and as gold itself becomes less rare, its value, coined or uncoined, necessarily falls; it is, in other words, not exchangeable for the same quantities as before of other articles which men need or desire, food, clothing, or articles of delight to the eye and the ear.

The *half-sovereign* is a coin of convenience, representing, however, its true value as metal.

The *crown*, or silver piece of five shillings, is being dropped from the present coinage; its origin has already been described. It is a coin of convenience, not of account, and its convenience is not, in the present day, much appreciated.

The *half-crown*, in spite of murmurs in letters to the *Times* from various persons who fear that the "two-shilling piece" may take its place in certain customary gratuities, is also being dropped to make more elbow-room for the decimal florin. The half-crown also is a coin of convenience only.

Of the *florin*, and the motives which have called it into existence, we have already spoken. Hopes were entertained that, as the decimal of a pound, it would become a coin of account instead of the shilling, but towards this there is, as yet, no movement.

The *shilling* is the silver coin of account, carrying a nominal value of one-twentieth part of a sovereign; but this value is conventional only, and not realizable beyond a limited extent. Forty shillings tendered in satisfaction of a debt of two pounds must be taken, but a creditor may decline forty-one shillings in payment of a debt of two pounds and one shilling. Nor is the BANK OF ENGLAND (as representing the Mint) compelled to take silver and return it in the shape of an equal weight of shillings. Roughly speaking—to make the matter plain—the silver of five pounds' worth of shillings, if melted down and sold to the Mint, would fetch for the seller about four sovereigns. The shilling, in short, is what is technically termed a token coin.

The *sixpence* is a coin of convenience, representing, in all respects, the half of a shilling, and partaking, like all the other silver pieces, of its disabilities.

The *fourpenny piece* is being discontinued, the *threepenny piece* is still issued.

The time-honored *penny*, the original of English coinage, though no longer its basis, is now a copper token coin, worth, in gold, very much less than its nominal value; at the last issue of it and the *half-penny*, a great reduction in weight was made, to the sensible conve-

nience of everybody, and with impunity so far as regards its exchangeability. Nor has a copious introduction of French copper coins, to do duty as English pennies, produced any appreciable result, or provoked any but theoretical resentment.

Glancing now at the present condition of money-coining in ENGLAND, it may be interesting to note that the Mint, according to the last report of the Deputy-Master, was making for English use two gold coins, the sovereign and its half; four silver coins, namely: florins, shillings, sixpences, and threepences; and two bronze pieces, pence and halfpence. There was also struck in 1871, the year reviewed in the report just mentioned, the toy money for the Queen, called "Maundy money," consisting of silver fourpences (no fourpences being struck for ordinary use), silver twopences, and silver pence. (The value of the Maundy money made in the year 1871, was £ 155 8s. 4d.) Pieces of other denominations were made for the colonies, namely: silver coins of fifty cents, twenty-five cents, ten cents, and five cents, for CANADA; silver coins of twenty cents, ten cents, and five cents, for the Straits Settlements; nickel pence and halfpence for JAMAICA, and bronze pence and halfpence for JERSEY. In the coins for the Straits Settlements it is satisfactory to see that the affectation of a Latin inscription has been abandoned, and the effigy of Her Majesty is surrounded with the plain English words, "VICTORIA, Queen." No farthings were coined; the stock in circulation being sufficient. The colony of PRINCE EDWARD ISLAND being in want of money, a million of bronze cents were struck for it, under the superintendence of the Mint, by HEATON & SONS, of Birmingham.

Gold was coined by the English Mint in 1871, to the extent of £ 9,798,735, which is a great excess upon the annual average, the latter being about £ 5,000,000. A sudden demand for gold coin arose in the autumn, after the conclusion of peace between FRANCE and GERMANY; and the Mint could hardly keep pace with it. Apart from its magnitude, the gold coinage was not marked, during that year, by any special feature. The BANK OF ENGLAND continues to be, practically, the only provider of gold bullion for the Mint; though Colonel TOMLINE, M. P., whose peculiar views of the coinage have resulted, of late, in some amusing correspondence with the Chancellor of the Exchequer, availed himself, on one occasion, of the section of the Coinage act which enables "any person" to bring gold to the Mint for coinage. The honorable and gallant Colonel sent an ingot for conversion into a hundred sovereigns.

Gold coin is specially sensible to continental influences, as well as to home commercial conditions; but the demand for silver, it being but a token currency, is an index only to the state of English trade. The commercial activity of the year 1871 was great, and the demand for silver coin, which in 1867, just after the last great "city crisis," was nil (£17,000 more being paid into the BANK OF ENGLAND than was paid out), and which, in the four following years rose to £ 328,000 reached, in 1871, the sum of £ 650,000. There was a sustained de-

mand for bronze; and the Mint had to get some of the preliminary processes for making pence and halfpence performed at Birmingham, so much was its own machinery occupied; meanwhile, urgent applications were satisfied by arrangements with firms of London brewers, in whose hands large quantities of pence and halfpence are constantly accumulating—the prices of pints of beer sold by their publicans.

A change in the design of the sovereign, as is well known, was brought into effect by the Mint in 1871; coins bearing the reverse of St. GEORGE and the Dragon having been issued concurrently with others of the old type.

The Royal Mint in ENGLAND, as now constituted, is a department of the Treasury. The Chancellor of the Exchequer is Master of the Mint, *ex officio*, but has no salary in that capacity; the working head of the establishment is the Deputy Master. This arrangement, however, dates only from 1870. In earlier, though comparatively modern, times, the management of the Mint had got into a very complicated state. The Master was a political officer, changing with the Cabinet, and, as a natural result, had been compelled to allow the growth of authorities under him who were practically not amenable to his control. The Comptroller performed his duties by the good old tory system of deputy, and the deputy rendered accounts separately from the Master; thirdly the Melter, and fourthly the "Queen's Assay Master," had certain perfectly uncontrolled functions; and, lastly, jurisdiction over certain points was reserved to a Board consisting of five principal officers: the Master or Deputy Master, the Comptroller, the Queen's Assay Master, the Queen's Clerk, and the Superintendent of Machinery. Nor was this all; there was a privileged body of "Moneyers," who contracted with the Master for the actual coining, and claimed a prescriptive monopoly of the work. Fees and perquisites of uncertain, and in some cases extravagant, amount supplemented avowed salaries, and some of the officials had the right to carry on, in the Mint premises, the business of a private refiner. When the first instalment of the Chinese indemnity arrived in ENGLAND, in the shape of immense quantities of silver, it was proposed to melt it and extract what was known to be the more than average trace of gold in it. The Melter and Refiner at the Mint was told that he would have to perform this operation; he replied that it was not "in his contract." So a special agreement had to be drawn up between this official and the Treasury before the required service could be exacted. These abuses were remedied, in a great measure, in 1850, when all independent authorities in the Mint were subordinated to the Master, and the operations of the establishment entrusted throughout to salaried officials, responsible to its head. Ten thousand a year was saved by the new arrangements. By reorganization in 1870, finally, £2,500 a year more was saved, the officials were required to pass examination by the Civil Service Commissioners, and the element of writers—a sort of mechanic penman much affected by the existing reformers of government offices—was introduced, in place of a certain proportion of the clerks.

It has already been stated that, as regards gold coining, any person may bring gold to the Mint, and the establishment must coin it without charge. That the right is not exercised, arises from the fact that the BANK OF ENGLAND is bound by act of Parliament to purchase gold at £3 17s. 9d. per ounce standard, and, as the Mint only gives 1½d. an ounce more, the time it takes to coin the metal and deliver it back would, in most cases, be better employed by the owner of the gold in using his money at interest. The Bank gives notes for gold brought to it.

As a means of keeping the gold coinage in good condition, there is a statutory obligation laid upon every English subject, to "cut, break, or otherwise deface," any defective coin tendered to him in payment. Few private individuals, however, pay much attention to this, their legal duty; only the banks and a few public institutions systematically attempt it. Light sovereigns are bought at the BANK OF ENGLAND at the price of uncoined standard gold.

The English gold coinage is not much counterfeited. The density of gold makes it difficult to manufacture spurious coins which shall not be at once detected by weight: the most successful imitation of sovereigns are made of platinum, electroplated with standard gold. A more usual fraud is the reduction of sovereigns by the galvanic battery. Jewelers also work up sovereigns for trade purposes, owing to the convenience of being able to obtain, by this means, metal of a known standard.

In the matter of silver coinage, the Mint, as has been shown, makes considerable profit; and it would of course neutralize this profit, as well as bring to the establishment an inordinate amount of silver metal, if silver were to be coined, as gold is, on the application of any person bringing it. Colonel TOMLINE, it will be remembered, has made this a grievance, but it is obvious that, so long as shillings are "a token coinage," passing, that is to say, for more than the intrinsic value of the metal; the Mint must not be expected to coin it for all comers without charge. Silver bullion for coining is bought from time to time by the Treasury, through the Master of the Mint; and the silver section of the coinage is kept in good condition—or shall we say in passable condition—at the expense of the State. The actual operation is performed at the BANK OF ENGLAND, where a clerk "garbles" all silver coins received, and the worn pieces are sent periodically to the Mint. The Mint receives them at their nominal value, and the loss is defrayed by a vote in the Mint estimates, usually £15,000.

Counterfeiting silver coins is much easier, and, consequently, more prevalent, than counterfeiting gold. Lead and iron are chiefly used by the illicit coiner of shillings and florins.

The mode in which silver currency is distributed throughout the Kingdom has been briefly explained by the Chief Cashier at the BANK OF ENGLAND, as follows:—Every banker in the Kingdom has an agent in London; and every London banker has an account with the BANK OF ENGLAND, in which establishment there is a department

devoted to the issue and receipt of silver coin. If there is a deficiency of silver in a district, the local bankers are the first to find it out. They write to their London agents, who draw on their account with the BANK OF ENGLAND, and obtain what silver is required, which they send to the country banker. On the other hand, if there is a surplus of silver in a district, it accumulates in the coffers of the local bankers, who send it up to their London agents, and they send it into the BANK OF ENGLAND. If there is a general demand for silver currency, the stock which the BANK OF ENGLAND endeavors to keep on hand becomes unduly diminished, and immediate notice of the fact is conveyed to the Mint authorities, who proceed to coin a supply. Thus, remarks the Chief Cashier, "the BANK OF ENGLAND has its finger on the pulse of the whole kingdom, and through the Bank the Mint is always kept informed, and is always ready to supply whatever coin may be required."

It has been already noted that no progress has recently been made towards the desideratum of an international coinage; unfortunately, the most important step in Minting recently taken in EUROPE has been in a retrograde direction. When GERMANY determined last year to mark its newly-consolidated unity by the issue of a common coinage for the Empire, it was hoped that a piece practically identical with the English sovereign might be adopted. The sovereign contains 7.32 grammes of pure gold; and as the United States half-eagle contains 7.52 grammes, and the 25-franc piece proposed for FRANCE, and the States associated with her in the Monetary Convention of 1865, is to contain 7.26 grammes, the adoption by the new European Empire of a coin within these limits would have been a considerable step in advance. Nevertheless, the actual coin adopted was a 20-mark piece containing but 7.16 grammes of pure gold, the issue of which, as the Deputy Master of the Mint remarks, "creates a further divergence from that uniformity which is so much to be desired, and forms an additional obstacle to the adoption of an international gold coin."

However little the new German coinage may contribute to unity of system, it will, nevertheless, be welcome to travelers as a simplification, so far as it goes. There will henceforth be current, throughout the States of which the Prussian King is Emperor, 20-mark gold pieces, worth (as compared with English sovereigns), about 19s. 7d.; 10-mark pieces, equivalent nearly to the English half-sovereign; "marks," which will but slightly deviate from English shillings, and "pfennings," of which 100 are to go to a mark. This system, it will be seen, is decimal, the unit being the mark (or shilling). Provision was made in the law which establishes this new coinage, for the gradual withdrawal of all the gold coins now current in the several German States; and of the various large silver coins; while the coinage of any pieces other than those newly established was prohibited. These coins of the Empire are to have a common obverse of the imperial German eagle with the words "*Deutsches Reich*" (German Empire); the reverse varies according to the State which mints the piece.

JAPAN has made, in the year under review, a remarkable monetary reform. Before the recent development of trade with the European nations who have of late forced their attentions upon her, this country had a singularly clumsy series of coins in currency. One of these, the *itzbu*, is a bit of silver of the shape of a domino; others were circular and oval discs with a square hole stamped in the centre to admit of their being strung together. Stamped bars of gold, of very large value, were also formerly current, and are still hoarded in Japanese families, as property in a concentrated state. The most utter ignorance of the principles and practice of exchange prevailed on the opening up of the ports of this singular people to European trade, and large fortunes were made by merchants and others by the simplest possible operations of exchange at the treaty ports.

Sir HARRY PARKES, the great and persevering laborer for the interests of civilization in CHINA and JAPAN, has at length induced the Japanese to replace their clumsy and, in a great degree, spurious coinage, by one of superior make and undoubted purity; the mint formerly used in the English Colony of Hong Kong, has been bought by the Japanese government, and the machinery established at Osaka, one of the treaty ports, under the management of Major KINDER, late Master of the Hong Kong Mint. A public holiday was declared at its opening, a banquet was given to the foreign representatives, and Sir HARRY PARKES, replying to the toast of "All Sovereigns and Rulers of Powers in alliance with Japan," took up a piece of the new money, and concluded a graceful speech by expressing his hope "that the policy of His Majesty's government might ever be as distinguished by the ring of the true metal" (ringing the piece) "as that which was so sterling a recommendation of the new coin."

The Japanese, prompted no doubt by Sir HARRY PARKES, took more thought for international convenience than the German Empire. In a dispatch marked by that quaintly-expressed common sense which distinguishes the Japanese, the British Chargé d'Affaires was informed how that, "after careful consideration of the (general) convenience of the gold and silver coinage systems of EUROPE and AMERICA, after referring to books (*sic*) and taking the opinion of experienced persons," the Japanese Government had arrived at the conclusion that a gold standard was "in accordance with general and self-evident principles." "And would not," asks the State communication naively, "would not the gradual assimilation of the standards and of the weights of the coins of all countries facilitate, in a great measure, the operations of commerce?" "We have heard," so runs the dispatch, "that some years ago a conference was held at Paris for the purpose of reforming the coinage of all nations; and we believe that this was also earnestly desired by the subjects of the different Powers." Wherefore this unsophisticated State paper goes on to say, the Japanese Government has resolved to adopt a gold standard, and to coin gold pieces, which—it will be seen upon examination—fall in with the English sovereign, the American half-eagle, and the 25-franc piece proposed by the monetary conference of Paris. This new

Japanese coinage is a system of which a piece called the "yen" is the unit; the 5-yen piece containing 7.5 grammes of pure gold, or within one-fiftieth of a gramme of the half-eagle or 5-dollar piece of the UNITED STATES. Substantially, then, the Japanese "yen" will be the American dollar; their 5-yen piece being virtually of the metallic value of the English sovereign. The new system includes a series of subsidiary coins in silver, called respectively 50-sen, 20-sen, 10-sen, and 5-sen pieces; and a copper series consisting of one sen, one-half sen, and one-tenth of a sen (called a "rin"). JAPAN, therefore, is now in possession of a series of coins which is both internationally convenient and decimal, the rin, the sen, and the yen. The rin bears the proportion of 1000, and the sen the proportion of 100 to the unit of the series, namely: the yen, and five yen, as has been seen, are equal to a pound sterling, the unit itself being practically the same thing as the American dollar. To quote the admirably-simple instruction to the people, issued by the Japanese authorities on the principles of the new coinage: "The yen is the title of the basis; and all calculations," here we have the very ideal simplicity, "are made by adding the numbers to the appellation 'yen,' no matter what their amount. The subdivisions of the yen are sen (the hundredth part of a yen), and rin (the tenth part of the sen), which are to be used in calculating small sums. The decimal system is used in reckoning; ten rin make one sen; ten sen make one ten-sen; ten times ten-sen (or 100 sen) make one yen. Above one yen, a ten, hundred, thousand, myriad, all advance one degree by multiplying by ten. In addition, the half-sen, the 5 sen, the 50 sen, and the 5 yen are decimal fractions of each other; 20 sen, 2 yen, and 20 yen, are multiples of ten, and are not foreign to the rule." Thus do we see principles of currency which struggle almost in vain in EUROPE, adopted, in all their symmetry and utility, by an Asiatic Power from which we would scarcely deign to take a lesson.

RETURNS OF CANADIAN INSURANCE COMPANIES

For the year 1872.

(From the Monetary Times of Toronto.)

| | <i>Fire Insurance Cos.</i> | <i>Life Insurance Cos.</i> | <i>Total, 1872.</i> |
|----------------------------------|----------------------------|----------------------------|---------------------|
| Premiums of the year. | \$ 2,610,368 | .. \$ 2,068,953 | .. \$ 4,679,321 |
| Amount policies, (<i>new</i>) | 277,787,181 | .. 20,367,271 | .. 298,154,452 |
| Amount at risk | 250,725,941 | .. 61,265,648 | .. 311,991,589 |
| Losses paid | 1,899,371 | .. 417,082 | .. 2,316,453 |
| Claims in suspense... | 359,828 | .. 90,080 | .. 449,908 |
| Claims resisted | 68,600 | .. — | .. 68,600 |
| No. Policies, (<i>new</i>).... | 141,997 | .. 11,456 | .. 153,453 |
| No. Losses " | 2,681 | .. 246 | .. 2,927 |

THE SAVINGS BANKS OF VERMONT.

| Location. | Name of Bank. | Deposits. 1888. | Deposits. | |
|-----------------------------|---------------------------|--------------------|--------------------|--------------------|
| | | | 1872. | No. Depositors. |
| 1. Bellows Falls.. | Bellows Falls Sav. Inst.. | \$250,657 | \$282,080 | 3,352 |
| 2. Brattleboro ... | Brattleboro Savings Bank | — | 114,360 | 691 |
| 3. " .. | Windham Provident Inst. | 751,551 | 1,213,093 | — |
| 4. Bradford | Bradford Sav. & Trust Co. | — | * 124,762 | — |
| 5. Burlington | Burlington Savings Bank. | 146,512 | 854,908 | — |
| 6. Montpelier | Montpelier Sav. & Tr. Co. | — | * 110,057 | 630 |
| 7. Newfane | Windham Co. Sav. Bank. | 111,214 | 168,785 | 845 |
| 8. Northfield | Northfield Savings Bank. | — | 7,044 | 103 |
| 9. Rutland | Rutland " " | 285,313 | 475,673 | 6,468 |
| 10. St. Johnsbury . | Passumpsic " " | 83,283 | 143,160 | 1,091 |
| 11. Springfield | Springfield " " | 73,871 | 130,869 | 1,006 |
| 12. St. Albans..... | National Trust Co .. | — | * 332,319 | 846 |
| 13. Wilmington ... | Wilmington Sav. Bank... | 22,826 | 42,206 | — |
| 14. Winooski Falls | Winooski " " .. | — | 39,668 | — |
| 15. Windsor | Windsor " " .. | 208,536 | 264,714 | 96 |
| 16. Woodstock .. | Ottawaquehee Sav. Bank. | 94,166 | 136,570 | — |
| Total Deposits | | \$2,027,934 | \$4,438,268 | 15,98 |

There were sixteen savings banks in VERMONT in the year 1872 including Trust companies, with combined deposits amounting to \$4,438,268. Ten of these companies report the number of depositors at that time; the others (six) do not mention them. Hence, the aggregate number cannot be ascertained. The official report in these particulars is quite defective and is without any tabular statement showing the aggregate amount of deposits. Not one word of comment accompanies the report, nor is any remark made on the increase since the former report. It is by no means creditable to the office of the State.

NEW COINS OF THE WORLD.—The *BANKER'S ALMANAC* for 1873, illustrated with engravings of thirty-three new coins of England, France, Germany, Russia, Sweden, Denmark, Canada, Spain, Austria, Mexico, Portugal, Italy, Wurtemberg, Frankfurt and Japan, with a description of each coin, and engravings of new bank buildings of New York, Chicago, Baltimore, etc., is now ready for delivery. It contains a list of all the National and State banks in operation to date, 2,500 in number; the location, names of officers, capital, and New York correspondent of each. A list of the private bankers in the UNITED STATES; 2,300 in number; with population of each place. A list of chartered Savings banks in NEW ENGLAND, NEW YORK, MARYLAND, NEW JERSEY, CALIFORNIA, and PENNSYLVANIA; 500 in number. An alphabetical list of cashiers in the UNITED STATES; with a new list of assistant cashiers; with other details of value to bankers, and to merchants abroad and at home. The names of other assistant cashiers throughout the U. S. should be made known immediately to the office for the second edition of this volume.

* Including capital stock.

PUBLIC DEBT OF THE UNITED STATES.
Abstract of the Official Statements, January, 1869, to May 1, 1873.

| | Jan. 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | April 1, 1873. | May 1, 1873. |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| INTEREST PAYABLE IN COIN: | | | | | | |
| 5-per-cent Bonds..... | \$ 221,589,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 | \$ 214,567,300 |
| New Loan of 1871, 5 per cent | ..... | ..... | 96,397,650 | 200,000,000 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1861..... | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 283,681,350 | 282,736,350 |
| 6-per-cent. 5-20s..... | 1,602,568,650 | 1,437,089,300 | 1,258,610,550 | 1,058,402,800 | 1,051,060,500 | 1,051,002,300 |
| | \$ 2,107,835,350 | \$ 1,935,342,700 | \$ 1,853,456,700 | \$ 1,736,651,450 | \$ 1,749,309,150 | \$ 1,748,306,950 |
| INTEREST IN CURRENCY: | | | | | | |
| 6-per-ct. Bonds Pacific Railroad. | \$ 50,097,000 | \$ 61,618,832 | \$ 61,618,832 | \$ 64,623,512 | \$ 64,623,512 | \$ 64,623,512 |
| 3-per-cent. Certificates..... | 55,865,000 | 43,550,000 | 22,625,000 | 2,780,000 | 650,000 | 215,000 |
| 4-per-cent. Certificates..... | ..... | 678,362 | 678,000 | 678,000 | 678,000 | 678,000 |
| Navy Pension Fund, 3 per cent | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |
| | \$ 119,962,000 | \$ 122,847,194 | \$ 101,321,832 | \$ 82,081,512 | \$ 79,951,512 | \$ 79,516,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes..... | \$ 7,463,503 | \$ 7,315,822 | \$ 1,789,938 | \$ 4,084,220 | \$ 3,023,080 | \$ 2,524,550 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes..... | \$ 856,021,073 | \$ 356,101,086 | \$ 357,592,801 | \$ 358,642,295 | \$ 358,591,735 | \$ 357,231,586 |
| Fractional Currency..... | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 45,169,374 | 45,664,625 |
| Gold Certificates of Deposit..... | 27,036,020 | 26,149,000 | 38,049,710 | 23,263,000 | 24,141,000 | 24,787,400 |
| Currency, do. do. .... | ..... | ..... | ..... | 25,370,000 | 24,450,000 | 25,120,000 |
| | \$ 417,272,808 | \$ 422,245,175 | \$ 434,419,378 | \$ 452,987,356 | \$ 452,352,109 | \$ 452,803,610 |
| Aggregate Debt..... | \$ 2,652,533,662 | \$ 2,487,750,892 | \$ 2,391,328,846 | \$ 2,295,814,538 | \$ 2,284,635,851 | \$ 2,283,150,622 |
| Coin and Currency in Treasury... | 111,896,461 | 138,086,572 | 127,291,320 | 109,605,849 | 96,641,217 | 105,094,311 |
| Debt, less coin and currency... | \$ 2,540,707,201 | \$ 2,349,664,320 | \$ 2,264,034,528 | \$ 2,186,208,689 | \$ 2,187,994,634 | \$ 2,178,056,311 |

Coin in the Treasury, May, 1873, \$ 76,976,440; Currency, \$ 28,117,871; total, \$ 105,094,311.

COMPARATIVE PRICES IN NEW YORK—TWELVE YEARS.

COMPARATIVE PRICES OF STAPLE ARTICLES IN NEW YORK, MAY 1ST, 1862-1873.

(From the NEW YORK JOURNAL OF COMMERCE.)

| | 1862. | 1853. | 1864. | 1865. | 1866. | 1867. | 1868. | 1869. | 1870. | 1871. | 1872. | 1873. |
|--------------------------------------|----------|----------|---------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| BREADSTUFFS—Wheat Flour, State, bbl. | \$5.00 | \$6.00 | \$7.10 | \$6.90 | \$7.10 | \$10.70 | \$10.00 | \$5.90 | \$4.90 | \$5.10 | \$6.75 | \$6.85 |
| Rye Flour, fine, bbl. | 3.25 | 4.00 | 6.00 | 6.10 | 3.57 | 6.75 | 2.00 | 6.75 | 5.50 | 5.50 | 6.25 | 5.25 |
| Corn Meal, Jersey, bbl. | 2.45 | 4.15 | 6.00 | 3.15 | 3.57 | 6.40 | 6.00 | 4.70 | 4.75 | 3.90 | 5.00 | 3.25 |
| Wheat, prime white, bush. | 1.62 | 1.60 | 1.75 | 1.75 | 2.23 | 2.40 | 3.15 | 1.90 | 1.75 | 1.75 | 2.00 | 1.95 |
| Rye, bush. | .40 | 1.35 | 1.53 | 1.71 | .73 | 1.58 | 2.15 | 1.80 | 1.05 | 1.10 | 1.40 | 1.40 |
| Oats, State, bush. | .75 | .84 | 1.26 | 1.45 | .94 | 1.85 | 1.85 | .90 | .60 | .65 | .92 | .85 |
| Corn, yellow, bush. | .75 | .84 | 1.26 | 1.45 | .94 | 1.40 | 1.90 | .90 | .60 | .65 | .92 | .85 |
| Corn, white, bush. | .75 | .84 | 1.26 | 1.45 | .94 | 1.40 | 1.90 | .90 | .60 | .65 | .92 | .85 |
| CANDLES—Mould, lb. | 1.14 | 1.14 | 1.26 | 1.45 | .94 | 1.40 | 1.90 | .90 | .60 | .65 | .92 | .85 |
| Soap in c. | .58 | .58 | .58 | .58 | .58 | .58 | .58 | .58 | .58 | .58 | .58 | .58 |
| Coal—Anthracite, ton | 4.75 | 7.25 | 8.50 | 10.00 | 8.50 | 10.00 | 5.00 | 5.50 | 5.50 | 9.00 | 4.50 | 6.00 |
| Copper—Ingots | 19 1/2 | 32 | 47 1/2 | 30 1/2 | 38 | 34 | 22 1/2 | 34 | 15 1/2 | 21 1/2 | 1.16 | * 37 1/2 |
| Copper—Brazil, lb. | 35 1/2 | 37 | 59 1/2 | * 22 1/2 | * 25 1/2 | 32 | * 22 1/2 | 35 | 22 | * 22 | * 31 | * 31 |
| Java, lb. | 35 1/2 | 37 | 59 1/2 | * 22 1/2 | * 25 1/2 | 32 | * 22 1/2 | 35 | 22 | * 22 | * 31 | * 31 |
| Cotton—Mid. Upland, lb. | 38 1/2 | 69 1/2 | 83 | 8 25 | 4.50 | 35 | 22 1/2 | 7.50 | 6.25 | 6.50 | 15.00 | 6.00 |
| Fish—Dry Cod, old | 3.62 1/2 | 6.12 1/2 | 7.00 | 8.25 | 4.50 | 6.50 | 6.00 | 7.50 | 6.25 | 6.50 | 15.00 | 6.00 |
| Macarel, No. 1, Mass. keg | 15.50 | 19.00 | 18.00 | 16.00 | 18.50 | 18.50 | 23.50 | 23.00 | 27.00 | 25.00 | 15.00 | 22.00 |
| FRUIT—Raisins, box | 3.12 1/2 | 4.12 1/2 | 4.50 | 4.75 | 3.75 | 3.65 | 3.90 | 3.00 | 3.90 | 2.65 | 2.65 | 2.30 |
| Currents | .69 | 1.14 | 1.30 | * .00 | 1.15 | 1.11 1/2 | 3.11 1/2 | 3.11 1/2 | 3.11 1/2 | 2.65 | 2.65 | 2.30 |
| Dried Apples, lb. | .65 | .65 | 1.00 | 1.00 | 1.15 | 1.15 | .08 | .15 | .06 | .06 | .11 | .08 |
| HAY—hundred lbs. | .65 | .90 | 1.00 | 1.00 | .60 | 1.90 | .80 | .60 | .30 | 1.15 | 1.50 | 1.25 |
| Hemp—Manilla | .07 1/2 | .12 | .17 1/2 | .14 | * .10 | * .11 1/2 | * .10 1/2 | * .12 1/2 | * .14 | * .11 1/2 | * .11 1/2 | * .10 1/2 |
| Hemp—Buenos Ayres | .23 1/2 | .26 1/2 | .34 | .35 | .18 1/2 | * .21 | * .20 1/2 | * .22 | * .26 1/2 | * .26 1/2 | .28 | .25 |
| Hemp—do | .15 | .15 | .23 | .25 | .65 | .60 | .60 | .10 | .31 | .11 | .65 | .50 |
| Indigo—Manilla, lb. | 24.00 | 1.12 1/2 | 1.90 | 1.35 | 1.35 | 1.30 | .90 | .10 | .90 | 1.90 | * 1.10 | * .85 |
| do | 24.00 | 1.12 1/2 | 1.90 | 1.35 | 1.35 | 1.30 | .90 | .10 | .90 | 1.90 | * 1.10 | * .85 |
| LEON—Scotch, Pkg, ton | 55.00 | 75.00 | 60.00 | 50.00 | 41.00 | 42.00 | 40.50 | 41.50 | 33.00 | 33.00 | 50.00 | 50.00 |
| Comp. Eng. Bar, ton | 1.00 | 125.00 | 125.00 | 137.00 | 94.00 | 90.00 | 85.00 | 85.00 | 75.00 | 75.00 | 105.00 | 110.00 |
| Comp. Eng. Bar, ton | 1.15 | 1.45 | 1.75 | 2.25 | 3.00 | 3.25 | 3.00 | 3.00 | 2.15 | 2.35 | 2.50 | 2.35 |
| LEATHER—M. | 1.15 | 1.45 | 1.75 | 2.25 | 3.00 | 3.25 | 3.00 | 3.00 | 2.15 | 2.35 | 2.50 | 2.35 |
| do | 1.15 | 1.45 | 1.75 | 2.25 | 3.00 | 3.25 | 3.00 | 3.00 | 2.15 | 2.35 | 2.50 | 2.35 |
| LEATHER—Hem, sole, lb. | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 | .21 1/2 |
| Lime—Com. Rockland, bbl. | .68 | 1.00 | 1.40 | 1.00 | 1.50 | 1.70 | 1.50 | 1.25 | 1.25 | 1.25 | 1.50 | 1.50 |
| LIQUORS—Cogn. Brandy, gal. | 4.25 | 5.75 | 9.00 | 27.00 | 3.96 | * 5.50 | 5.25 | * 5.00 | * 5.00 | * 4.00 | * 4.00 | 5.00 |
| do | 4.25 | 5.75 | 9.00 | 27.00 | 3.96 | * 5.50 | 5.25 | * 5.00 | * 5.00 | * 4.00 | * 4.00 | 5.00 |
| Dom. Whiskey, gal. | .45 | .50 | 1.00 | 1.05 | 1.10 | 1.00 | 1.00 | .95 | 1.05 | 1.05 | 1.00 | 1.00 |
| do | .45 | .50 | 1.00 | 1.05 | 1.10 | 1.00 | 1.00 | .95 | 1.05 | 1.05 | 1.00 | 1.00 |
| MONSIEUR—New Orleans, gal. | .38 | .46 | .95 | 1.45 | .87 1/2 | .77 | .75 | .55 | .45 | .45 | .70 | .55 |
| do | .38 | .46 | .95 | 1.45 | .87 1/2 | .77 | .75 | .55 | .45 | .45 | .70 | .55 |
| do | .38 | .46 | .95 | 1.45 | .87 1/2 | .77 | .75 | .55 | .45 | .45 | .70 | .55 |

COMPARATIVE PRICES IN NEW YORK—TWELVE YEARS—Continued.

| | | | | | | | | | | | |
|--------------------------------------|--------|--------|-------|-------|-------|--------|-------|-------|-------|--------|--------|
| Ous—Whale, crude, gal..... | .47½ | 1.14 | 1.26 | 1.00 | .96 | .75 | 1.05 | .70 | .60 | .73 | .67 |
| Whale, manf., gal..... | 1.80 | 1.25½ | 2.00 | 2.25 | 2.40 | 2.00 | 1.90 | 1.85 | 1.80 | 1.63 | 1.53 |
| Sperm, crude, gal..... | 1.82 | 1.85 | 2.00 | 2.45 | 2.90 | 2.25 | 2.00 | 1.85 | 1.45 | 1.60 | 1.70 |
| Sperm, manf., gal..... | 1.82 | 1.65½ | 1.80 | 1.45 | 1.36 | 1.14 | 1.08 | .98 | 1.45 | .98 | 1.00 |
| Petroleum, gal, ref., bond, gal..... | .25 | .56 | 1.54 | .43 | .94 | 1.26 | .33½ | .30½ | .33½ | .33 | .30½ |
| Provisions—Pork, mess, bbl..... | 12.63½ | 96.50 | 96.00 | 26.00 | 22.80 | 28.00 | 31.00 | 36.50 | 18.50 | 15.65 | 18.50 |
| Pork, prime, bbl..... | 6.00 | 23.87½ | 25.00 | 24.00 | 19.00 | 23.00 | 25.75 | 22.00 | 14.75 | 11.85 | 15.00 |
| Beef, mess, country, bbl..... | 4.50 | 7.00 | 14.00 | 20.00 | 16.00 | 23.00 | 19.00 | 15.00 | 14.00 | 8.00 | 9.00 |
| Beef, prime, bbl..... | 4.05½ | 7.00 | 14.00 | 17½ | 15 | 17 | 17 | 15½ | 16.00 | 13.00 | 18.00 |
| Pickled Hams, lb..... | .08½ | .15½ | .16 | .17½ | .18 | .18½ | .15½ | .15½ | .08½ | .10 | .13½ |
| Pickled Shoulder, lb..... | .08½ | .11½ | .11½ | .13 | .09½ | .13 | .13 | .11½ | .08½ | .10 | .07½ |
| Lard, lb..... | .18 | .10½ | .18 | .20 | .19½ | .18 | .18 | .16½ | .11½ | .11 | .09½ |
| Butter, State, lb..... | .08½ | .81 | .85 | .50 | .26 | .48 | .38 | .35 | .34 | .30 | .38 |
| Cheese, lb..... | .08½ | .13 | .20 | .30 | .19 | .15 | .22 | .16 | .14 | .16 | .16 |
| Rice, 100 lb..... | 1.65 | 10.50 | 10.50 | 9.09½ | 10.50 | 10.08½ | 9.00 | 10.07 | 1.60 | 1.50 | 1.55 |
| Salt, Liv. ground, sack..... | .07½ | 2.30 | 2.50 | 2.75 | 2.60 | 1.90 | 2.00 | 1.50 | 1.60 | 1.50 | 1.55 |
| SEEDS—Clover, lb..... | 11.00 | 30.00 | .80 | .12 | .15 | .10 | .13½ | .15 | 4.35 | 8.00 | 4.35 |
| Linseed..... | 2.10 | 4.25 | 3.17½ | 2.65 | 2.50 | 2.37½ | 2.30 | 2.35 | 2.35 | 2.70 | 2.70 |
| SOAP—Castile..... | .13½ | .21 | .16½ | .14 | .18 | .17 | .13½ | .12 | 1.10 | 1.11 | .90 |
| SPICES—Pepper, lb..... | .65 | .87 | .88 | .23 | .29 | .23 | .24 | .27½ | .16½ | .18 | .20 |
| Nutmegs, lb..... | .07 | 1.47½ | 1.30 | .98 | .98 | .90 | .90 | .88 | .88 | .95 | .95 |
| SUGARS—Cuba, lb..... | .70 | 1.16 | 1.12 | .12 | .12 | .13 | .11½ | .09½ | .09 | .08½ | .07½ |
| Refined white, lb..... | .70 | .25 | .19½ | .15 | .15 | .16½ | .15 | .13 | .13 | .13 | .10½ |
| TALLOW—lb..... | .70 | 1.45 | 1.25 | 1.11 | .11 | .12½ | .11½ | .09½ | .09 | .08½ | .09½ |
| TEAS—Young Hyson, lb..... | .50 | 1.00 | 1.00 | 1.30 | 1.05 | 1.05 | 1.30 | .78 | .60 | .65 | .60 |
| Souchong, lb..... | .78 | 1.20 | 1.00 | 1.00 | 1.05 | 1.30 | 1.10 | .85 | .65 | .60 | .55 |
| Oolong, lb..... | .82½ | .54 | .26 | .21 | .21 | .34 | .33 | .34 | .33 | .40 | .38 |
| TIN—Straits, I. C. char, box..... | 8.25 | 15.00 | 13.00 | 10.25 | 9.25 | 8.25 | 8.75 | 8.75 | 8.50 | *13.00 | *13.00 |
| TOBACCO—Kentucky, lb..... | .80 | .30 | .25 | .30 | .16 | .16 | .25 | .25 | .08½ | *14.00 | *14.00 |
| Manufactured, lb..... | .75 | .65 | .70 | .75 | .70 | .75 | .70 | .70 | .35 | .35 | .35 |
| WHALEBONE—Polar, lb..... | 2.75 | 1.60 | 1.45 | 1.30 | .91 | .66 | .90 | .85 | 2.85 | 1.68 | .95 |
| WINE—Port, gal..... | 5.00 | 8.00 | 8.00 | 6.00 | 8.00 | 8.00 | 8.00 | 8.00 | 3.00 | 3.00 | 3.00 |
| Madira, gal..... | 5.00 | 5.00 | 12.00 | 8.00 | 7.00 | 8.00 | 8.00 | 4.00 | 3.50 | 3.50 | 4.00 |
| Wool—Common, lb..... | .42 | .70 | .65 | .65 | .48 | .45 | .45 | .44 | .48 | .70 | .45 |
| 3-4 blood, lb..... | .45 | .75 | .67 | .62 | .56 | .54 | .50 | .50 | .54 | .75 | .57 |
| Merino, lb..... | .40 | .75 | .70 | .62 | .56 | .54 | .50 | .50 | .54 | .75 | .55 |
| Pulled, No. 1, lb..... | .31 | .60 | .64 | .45 | .43 | .37 | .35 | .35 | .38 | .57 | .35 |

+ Gold in bond.

* Gold.

COMMERCIAL FAILURES OF 1872.

From the Annual Circular of DUN, BARLOW & Co., 835 Broadway.

| States. | 1870. | | 1871. | | 1872. | |
|------------------------|------------------|----------------------|------------------|----------------------|------------------|-----------------------|
| | No. of Failures. | Am't of Liabilities. | No. of Failures. | Am't of Liabilities. | No. of Failures. | Am't of Liabilities. |
| Alabama | 31 | \$ 788,000 | 26 | \$ 525,000 | 75 | \$ 1,501,000 |
| Arkansas | 4 | 22,000 | 15 | 95,000 | 20 | 217,000 |
| California | 60 | 2,423,000 | 89 | 4,279,000 | 80 | 2,434,000 |
| Colorado | — | — | — | — | 8 | 147,000 |
| Connecticut | 68 | 1,820,000 | 77 | 3,915,000 | 70 | 2,370,000 |
| Delaware | 14 | 197,000 | 11 | 208,000 | 20 | 189,000 |
| District of Col... .. | 5 | 28,000 | 9 | 158,000 | 8 | 59,000 |
| Florida | 7 | 91,000 | 2 | 11,000 | 15 | 179,000 |
| Georgia | 98 | 1,403,000 | 42 | 964,000 | 73 | 1,293,000 |
| Illinois | 214 | 5,919,000 | 172 | 5,820,000 | 185 | 11,470,000 |
| Indiana | 86 | 960,000 | 60 | 860,000 | 80 | 991,000 |
| Iowa | 67 | 732,000 | 69 | 797,000 | 91 | 876,000 |
| Kansas | 45 | 504,000 | 58 | 790,000 | 90 | 860,000 |
| Kentucky | 75 | 1,194,000 | 80 | 1,163,000 | 99 | 2,059,000 |
| Louisiana | 30 | 1,886,000 | 45 | 2,437,000 | 85 | 3,100,000 |
| Maine | 105 | 1,374,000 | 81 | 1,420,000 | 90 | 1,072,000 |
| Maryland | 58 | 1,383,000 | 61 | 1,194,000 | 75 | 5,045,000 |
| Massachusetts | 267 | 7,598,000 | 210 | 8,241,000 | 353 | 25,374,000 |
| Michigan | 168 | 3,227,000 | 125 | 1,521,000 | 175 | 2,720,000 |
| Minnesota | 43 | 568,000 | 37 | 471,000 | 43 | 407,000 |
| Mississippi | 24 | 296,000 | 30 | 355,000 | 53 | 591,000 |
| Missouri | 115 | 2,281,000 | 99 | 1,996,000 | 175 | 2,670,000 |
| Nebraska | 6 | 152,000 | 11 | 251,000 | 17 | 201,000 |
| New Hampshire | 40 | 261,000 | 21 | 129,000 | 37 | 447,000 |
| New Jersey | 93 | 1,121,000 | 72 | 597,000 | 126 | 2,036,000 |
| New York | 388 | 5,692,000 | 321 | 9,051,000 | 423 | 8,417,000 |
| New York City | 430 | 20,573,000 | 324 | 20,740,000 | 385 | 20,684,000 |
| North Carolina | 31 | 738,000 | 35 | 390,000 | 30 | 282,000 |
| Ohio | 266 | 7,956,000 | 189 | 4,077,000 | 226 | 6,569,000 |
| Pennsylvania | 418 | 10,982,000 | 357 | 7,110,000 | 445 | 9,422,000 |
| Rhode Island | 23 | 958,000 | 21 | 303,000 | 40 | 1,179,000 |
| South Carolina | 21 | 315,000 | 30 | 801,000 | 40 | 801,000 |
| Tennessee | 31 | 821,000 | 42 | 369,000 | 56 | 1,438,000 |
| Texas | 28 | 1,007,000 | 38 | 673,000 | 75 | 860,000 |
| Utah | — | — | — | — | 7 | 105,000 |
| Vermont | 35 | 537,000 | 25 | 282,000 | 30 | 229,000 |
| Virginia & W. V. | 76 | 1,178,000 | 76 | 1,722,000 | 103 | 1,635,000 |
| Wisconsin | 74 | 1,107,000 | 61 | 386,000 | 66 | 1,127,000 |
| Total.... | 3,551 | \$ 88,242,000 | 2,915 | \$ 85,252,000 | 4,069 | \$ 121,056,000 |

The figures exhibit an increase in the number of failures and amount of liabilities for 1872 over the two preceding years, which is somewhat startling at first sight, but a little consideration will show that a large proportion of this increase is due to the great fires in Chicago and Boston, and therefore is no

chargeable to the *ordinary* casualties of business. It is true the Chicago fire occurred in October, 1871, but its effects were not fully manifested till the beginning of the following year, and hence the losses caused thereby came under the returns of 1872. This is observable by the increase of liabilities for the State of ILLINOIS, viz.: from \$5,820,000 in 1871 to \$11,470,000 in 1872. Taking into account these items, the exhibit is not, after all, so discouraging, and although the year 1872 has not been, strictly speaking, a money-making year, still it has not been made disastrous by heavy credit losses, except so far as relates to the fires above named.

PHILADELPHIA BANK DIVIDENDS.

November, 1871, May and November, 1872, and May, 1873.

| Name of Bank. | Capital. | Dividend. | | | | Profits, Oct., 1872. |
|----------------------------|---------------|----------------|---------------|----------------|---------------|-------------------------|
| | | Nov., 1871. | May, 1872. | Nov., 1872. | May, 1873. | |
| Farmers & Mech. N. B. | \$ 2,000,000 | .. 5 | .. 5 | .. 5 | .. 5 | \$ 633,820 |
| Philadelphia Nat. Bank | 1,500,000 | .. 7 | .. 7 | .. 7 | .. 7 | 898,711 |
| Manufacturers' Nat. B'k | 1,000,000 | .. 5 | .. 4 | .. 4 | .. 4 | 246,733 |
| Girard National Bank.. | 1,000,000 | .. 6 | .. 6 | .. 6 | .. 6 | 677,596 |
| National B'k of Republic | 1,000,000 | .. 3½ | .. 3½ | .. 3½ | .. 3½ | 86,300 |
| Commercial Nat. Bank. | 810,000 | .. 5 | .. 5 | .. 5 | .. 5 | 259,130 |
| Mechanics' Nat. Bank.. | 800,000 | .. 6 | .. 6 | .. 6 | .. 6 | 414,156 |
| Central National Bank. | 750,000 | .. 5 | .. 5 | .. 5 | .. 5 | 412,877 |
| N. B. Northern Liberties | 500,000 | .. 10 | .. 10 | .. 10 | .. 10 | 627,930 |
| Penn National Bank... | 500,000 | .. 5 | .. 6 | .. 6 | .. 6 | 164,617 |
| Corn Exchange Nat. B'k | 500,000 | .. 6 | .. 6 | .. 6 | .. 6 | 225,032 |
| Western National Bank. | 400,000 | .. 5 | .. 5 | .. 5 | .. 5 | 176,098 |
| City National Bank.... | 400,000 | .. 6 | .. 6 | .. 6 | .. 6 | 289,653 |
| Consolidation Nat. Bank | 300,000 | .. 6 | .. 6 | .. 6 | .. 6 | 234,675 |
| Commonwealth Nat. B'k | 300,000 | .. 3 | .. - | .. - | .. 3 | 29,790 |
| Union National Bank... | 300,000 | .. 5 | .. - | .. 5 | .. 5 | 114,919 |
| Second National Bank.. | 300,000 | .. 5 | .. 5 | .. 5 | .. 5 | 118,619 |
| Third National Bank... | 300,000 | .. 5 | .. 5 | .. 5 | .. 5 | 81,449 |
| Southwark Nat. Bank.. | 250,000 | .. 12 | .. 8 | .. 12 | .. 8 | 231,009 |
| Kensington Nat. Bank. | 250,000 | .. 5 | .. 6 | .. 6 | .. 6 | 204,882 |
| Nat. Bank of Commerce | 250,000 | .. 5 | .. 4 | .. 4 | .. 4 | 69,526 |
| Seventh National Bank. | 250,000 | .. 5 | .. - | .. 5 | .. 5 | 54,391 |
| Germantown Nat. Bank | 200,000 | .. 7½ | .. 7½ | .. 7½ | .. 7½ | 130,238 |
| Sixth National Bank... | 150,000 | .. 5 | .. 5 | .. 5 | .. 5 | 37,249 |
| Tradesmen's Nat. Bank | 200,000 | .. - | .. 10 | .. 10 | .. 10 | 547,756 |
| <i>National Banks</i> | \$ 14,210,000 | .. | .. | .. | .. | *\$ 6,967,156 |
| Union Banking Co..... | 200,400 | .. - | .. - | .. - | .. 4 | — |
| Bank of America..... | 170,000 | .. - | .. 4 | .. 4 | .. 4 | — |
| People's Bank..... | 100,000 | .. 5 | .. 5 | .. 6 | .. 6 | — |
| West Philadelphia Bank | 100,000 | .. 3½ | .. 3½ | .. 3½ | .. 3½ | — |
| | \$ 14,520,000 | .. | .. | .. | .. | |
| †First National Bank .. | 1,000,000 | .. 6 | .. 6 | .. 6 | .. 6 | 543,146 |
| †Eighth National Bank. | 275,000 | .. 5 | .. 5 | .. 5 | .. 5 | 101,742 |
| †Bank of North America | 1,000,000 | .. 10 | .. 10 | .. 10 | .. 10 | 1,080,232 |
| †National Security Bank | 250,000 | .. - | .. - | .. 3 | .. 3 | 15,528 |

* Average profits over 48 per cent. † January and July.

NEW YORK BANK DIVIDENDS.

PAYABLE MAY, 1873.

With the capital and surplus profits of each, October, 1872.

(Continued from December No., page 480.)

| Name of Bank. | Capital. | Dividend. | | Surplus, Oct., '72. |
|----------------------------------|--------------|------------|-----------|------------------------|
| | | Nov., '72. | May, '73. | |
| American Exchange Nat. Bank. | \$ 5,000,000 | .. 4 | .. 4 | .. \$ 1,461,375 |
| National Bank State N. Y..... | 2,000,000 | .. 4 | .. 4 | .. 634,233 |
| Union National Bank..... | 1,500,000 | .. 5 | .. 6 | .. 861,949 |
| National City Bank..... | 1,000,000 | .. 10 | .. 10 | .. 1,298,167 |
| Mechanics & Traders' Nat. Bank | 600,000 | .. 5 | .. 5 | .. 416,547 |
| Fulton National Bank..... | 600,000 | .. 5 | .. 5 | .. 587,318 |
| Chemical National Bank..... | * 300,000 | .. - | .. 15 | .. 2,827,646 |
| Nat. Mechanics' B. Association.. | 500,000 | .. 4 | .. 4 | .. 157,580 |
| Pacific Bank †..... | * 422,700 | .. 3 | .. 3 | .. 371,300 |
| Mercantile National Bank..... | 1,000,000 | .. 5 | .. 5 | .. 383,479 |
| Nassau Bank †..... | 1,000,000 | .. 4 | .. 4 | .. 119,600 |
| Gallatin National Bank..... | 1,500,000 | .. 4 | .. †4 | .. 635,500 |

* Quarterly.

† State Banks.

‡ October and April.

TRUSTEES.—If through any misapprehension on the part of a trustee, he makes a payment to a person not authorized by the terms of the trust to receive it, he will be held personally responsible for the misapplication, to the persons who can establish a better right; and the advice of counsel will not protect him in making a wrong payment. There is a *dictum* to the contrary in *VEZ v. EMERY*; but the general rule prevails. But if trustees act in *good faith* in such case, and under the advice of counsel, the court will not impose costs. If the payment is to be made according to the laws of the domicile of the trustees, they must be taken to know the law, and, if they mistake the law they are personally responsible; but they are not bound to know the laws of foreign countries unless called to their notice; if, therefore, they proceed in the ordinary manner, according to the *prima facie* line of their duty, they will be excused if they mistake the laws of foreign lands. But as personal property is regulated by the law of the domicile of the owner, it is always safer for the trustee to inquire as to the law, if the *cestui que trust* is domiciled abroad; although he may not be liable for a mistake, if the difference between the laws is not brought to his notice.—PERRY on Trusts.

BANKING AND FINANCIAL ITEMS.

THE **BANKER'S MAGAZINE** contains a monthly list of new National banks, State banks, Savings banks and private bankers. Subscribers are requested to furnish additional names for the new edition of the **BANKER'S ALMANAC** for 1873, now in preparation. No charge is made for the insertion of these names in the **BANKER'S MAGAZINE**, and in the **BANKER'S ALMANAC**. This is one of the most important features of the **MAGAZINE**, and one to the value of which additions may be made by bankers in the city and country.

The **MAGAZINE** contains also a monthly list of changes of president and cashier of National and State banks. Notices of future changes are requested for publication, for the information of banks generally. Another feature of the work is a list of dissolutions of banks and bankers, discontinuances and failures.

The cards of Banks and Bankers are inserted in the **BANKER'S MAGAZINE** (monthly) at thirty dollars per annum, and in the **BANKER'S ALMANAC** (annually) at twenty-five dollars, and will thus reach every bank and banker in the UNITED STATES.

NEW YORK.—The **ATLANTIC NATIONAL BANK OF NEW YORK CITY** suspended payment on the 26th of April, in consequence of the abstraction of funds to the extent of \$200,000 by the cashier. A receiver has been appointed.

BROKEN NATIONAL BANKS.—The Comptroller of the Currency has declared a dividend of 32 per cent. in favor of the creditors of the **UNADILLA NATIONAL BANK**, Unadilla, N. Y.; and also a dividend of 25 per cent. in favor of the creditors of the **SCANDINAVIAN NATIONAL BANK OF CHICAGO**, payable as soon as the schedule of creditors can be prepared and examined. The Comptroller has also directed the receiver of the **EIGHTH NATIONAL BANK OF NEW YORK** to make a requisition of 54 per cent. upon the shareholders of that bank to supply the deficiency required for the full payment of the creditors. A small requisition is also to be made upon the shareholders of the **FARMERS AND CITIZENS' NATIONAL BANK OF BROOKLYN**, for the same purpose.

ASSETS OF THE OCEAN NATIONAL BANK.—At the sale of bonds and stocks forming a portion of the assets of the **OCEAN NATIONAL BANK**, by order of **THEO. M. DAVIS**, receiver, notice was read by the attorneys of the Portage Lake and Lake Superior Ship Canal and Iron Company of an order to restrain the sale. By order of Mr. **DAVIS**, however, the sale was proceeded with as follows: \$10,000 in bonds of Portage Lake and Lake Superior Ship Canal Company at 7 per cent.; \$4,000 at 10½ per cent.; \$1,000 at 10 per cent.; \$20,000 at 8 per cent.; \$13,000 at 9 per cent.; \$40,000 at 9 per cent.; \$17,000 at 9 per cent.; fifty-nine Chicago and Illinois Railroad bonds at 3 per cent.; \$2,000 in Decatur, Sullivan and Mattoon Railroad bonds at 10 per cent., and \$162,000 Lake Superior and Ship Canal and Iron Company at 7½ per cent. Five thousand shares of the Portage Lake and Lake Superior Ship Canal and Iron Company, par value \$100 each, were sold in one lot for \$625.

NEW YORK.—There were many rumors afloat, on 30th April, of the insolvency of the **CENTINENTAL NATIONAL BANK**, and, though they could not be traced to any authoritative source, it was thought prudent that an examination be made by the Clearing House Committee. This was accordingly done after the close of business, and the committee report that the bank is abundantly able to pay its depositors, and that, in the opinion of the committee, the capital stock is impaired less than five per cent.

New York.—The officers of the **MERCHANTS AND MANUFACTURERS' BANK** have stated that there was no truth in the rumor that the bank is in danger of

failing. It has had no connection whatever with Pacific Mail. The Howe Sewing Machine Company has had an account at the bank for years, but the bank has abundant securities for all its loans.

NEW YORK.—Notices were issued by Mr. ALBIN MANN, the receiver of the EIGHTH NATIONAL BANK, in accordance with the direction of the Comptroller of the Currency, to the stockholders of the bank, making a requisition on them for 54 per cent. of the amount of their stock to supply the amount required for the full payment of the creditors.

NEW YORK.—The BANK OF BRITISH NORTH AMERICA has just been removed to the large and handsome offices lately occupied by the Sun Mutual Insurance Company, in the City Bank Building, No. 52 Wall street. From its last annual report we learn that the business of this well-managed institution has been very prosperous during the past year. The bank has a paid-up capital of one million pounds sterling, a reserved fund of two hundred thousand pounds sterling, and its stock now pays two per cent.

NEW YORK.—Messrs. DREXEL, MORGAN & Co. now occupy the capacious offices in the new Drexel Building, corner of Wall and Broad streets. The following firms also have offices in the same building: Messrs. MORTON, BLISS & Co.; BERRY & HEISER; F. S. HEISER & Co; FARNHAM, MCFADDEN & Co.; W. M. CLARKE.

The Stock Exchange Association, by over a two-thirds vote, has resolved to insure the lives of its members to the amount of \$10,000 each, out of their own contributions of ten dollars each, on a membership of one thousand. On the death of any member, assuming ten deaths per annum, the contribution is one dollar, or one per cent. In consequence of this arrangement the price of seats has advanced from \$6,000 to \$8,000 each. The heirs of every holder of such seats, in the event of his death, are assured of at least \$18,000.

New York.—Messrs. J. L. BROWNELL & BROTHER have resumed business at No. 28 Broad street, and are prepared to execute orders for stocks, bonds, gold, government securities, and other investments. Messrs. BROWNELL & BROTHER have all the capital required to fill such orders from responsible parties.

New York.—Messrs. L. S. LAWRENCE & Co. have removed from their old location in Printing House square, to the fire-proof building corner of Fulton and Nassau streets, where more ample accommodations exist for the increasing business of this firm. They sell drafts for small and large sums on England, Ireland and Scotland.

Rochester. — The FARMERS AND MECHANICS' NATIONAL BANK OF ROCHESTER, Monroe County, N. Y., has relinquished business under the National charter, and has organized under a State charter, with the same capital. E. DARWIN SMITH, President; THOMAS RAINES, Vice-President, JOHN F. HOLMES, Cashier.

Penn Yan.—The FIRST NATIONAL BANK OF PENN YAN, Yates County, was organized in April as successor to the FIRST NATIONAL BANK OF WATKINS. President, JOHN C. SHEETZ; Vice-President, WILLIAM S. BRIGGS; Cashier, GEORGE H. LAPHAM; Assistant Cashier, FRANK R. DURRY.

ALABAMA.—The system of savings banks has been successfully adopted of late years in ALABAMA. Prudence and economy have become more generally the rule, in place of the extravagance of former years in the South-West. The MOBILE SAVINGS BANK reports fifty per cent. increase in the line of deposits since 1869, viz.:

| | | | | |
|----------------|------------|----|----------------|------------|
| Year 1869..... | \$ 166,300 | .. | Year 1872..... | \$ 213,600 |
| “ 1870..... | 140,800 | .. | “ 1873..... | 249,700 |

CONNECTICUT.—Mr. JOSEPH A. SMITH, heretofore Cashier of the YALE NATIONAL BANK of New Haven, has been made Vice-President. He is succeeded as Cashier by Mr. JOHN A. RICHARDSON. Their New York correspondent is the NINTH NATIONAL BANK.

CALIFORNIA.—The BANK OF CHICO, Butte County, CALIFORNIA, was established by State charter of 1872. President, Mr. JOHN CONLY; Cashier, Mr.

ALEXANDER H. CHEW. Capital, \$250,000. They draw on Messrs. WELLS, FARGO & Co., New York.

ILLINOIS.—The **FIRST NATIONAL BANK OF CAIRO** was organized in 1863, and, until recently, its stock has been controlled by non-residents. It is now owned, controlled and under the management of some of the best merchants and business men, and will continue to do a banking business with increased facilities. Mr **ROBERT W. MILLER** succeeds Mr. **DANIEL HURD** as president; and Mr. **CHARLES CUNNINGHAM** becomes cashier in place of Mr. **CICERO N. HUGHES**; Mr. **J. M. PHILLIPS** has been elected vice-president. Their New York correspondent is the **FOURTH NATIONAL BANK**.

Chicago.—Mr. **HENRY H. NASH** succeeds Mr. **WILLIAM M. SCUDDER** as cashier of the **NATIONAL BANK OF ILLINOIS** at Chicago. Mr. **GEORGE SCHNEIDER** remains president, Mr. **WILLIAM H. BRADLEY**, vice-president, and Mr. **A. L. H. MINTY**, assistant cashier. Capital, \$500,000. New York correspondent, the **MERCANTILE NATIONAL BANK**.

INDIANA.—Mr. **JESSE R. COPE** has been elected president of the **FIRST NATIONAL BANK OF DANVILLE, IND.**, as successor to Mr. **ALLEN HESS**. Mr. **BENJAMIN F. THOMAS** succeeds Mr. **N. T. HADLEY** as cashier.

IOWA.—Mr. **HIRAM PRICE** succeeds Mr. **IRA M. GIFFORD** as president of the **FIRST NATIONAL BANK OF DAVENPORT**. Mr. **JAMES THOMPSON** remains vice-president, and Mr. **DAVID C. PORTER**, cashier. Their New York correspondents are the **NINTH NATIONAL BANK** and the **FOURTH NATIONAL BANK**.

Marshalltown.—Mr. **GEORGE GLICK** succeeds Mr. **G. M. WOODBURY** as president of the **FIRST NATIONAL BANK OF MARSHALLTOWN**. Mr. **JOHN P. WOODBURY** remains vice-president, and Mr. **CHARLES W. FRACKER** cashier.

KENTUCKY.—Mr. **THOMAS L. BARRET**, heretofore cashier of the **BANK OF KENTUCKY** at Louisville, was, in May, elected president, as successor to the late Mr. **GRISWOLD**. Mr. **W. G. HUME** succeeds Mr. **BARRET** as cashier. Mr. **JAMES TRABUE** remains vice-president. Their New York correspondent is the **BANK OF AMERICA**.

Winchester.—Mr. **JOHN W. BEAN** was recently elected president of the **CLARK COUNTY NATIONAL BANK** of Winchester, Ky., in place of Mr. **THOMAS H. ROBINSON**. Mr. **RICHARD H. PREWITT** remains vice-president, and Mr. **M. G. TAYLOR**, cashier. Their New York correspondent is the **NATIONAL PARK BANK**.

KANSAS.—Mr. **PRESTON B. PLUMB** has been chosen president of the **EMPIRIA NATIONAL BANK** in place of Mr. **LEMUEL T. HERITAGE**; Mr. **HERITAGE** takes the place of cashier, as successor to Mr. **I. E. PERLEY**; Mr. **WILLIAM T. SODEN** remains vice-president. Their New York correspondent is the **FOURTH NATIONAL BANK**.

LOUISIANA.—Mr. **CHARLES POTTHOFF** has been elected President of the **TEUTONIA NATIONAL BANK** of New Orleans, in place of Mr. **RUDOLPH SIEG**. Mr. **J. R. WILDERMOUR** has been made vice-president, Mr. **J. M. WAGNER** remains cashier. Their New York correspondent and redeeming agent is the **IMPORTERS AND TRADERS' NATIONAL BANK**.

MASSACHUSETTS.—Mr. **ALMARIN TROWBRIDGE**, for many years chief book-keeper, was, in April, elected assistant cashier of the **UNION NATIONAL BANK** of Boston. Mr. **LEMUEL GULLIVER** remains cashier, and Mr. **GEORGE C. RICHARDSON** president.

Boston.—**JAMES A. COE**, charged with fraud in State street, was arrested at his residence in Worcester street, May 14. Among his alleged operations are raising certificates of three shares of the Michigan Central Railroad to 300 shares; two of the Boston and Albany Railroad to 200 shares; one of the Eastern Railroad to 100 shares; three certificates of Old Colony Railroad stock from two to 200, and three certificates of one share to 100 each. The Boston Water Power Company's stock is also said to have been operated on in a similar manner. The altered certificates have been used as collaterals, and it is supposed that about \$200,000 have been fraudulently obtained. It is reported that one concern suffered by the forgeries to the extent of \$50,000, another \$20,000,

one \$10,000, one \$7,000, and another \$20,000: amounting in all to upwards of \$100,000, with more to hear from. The THIRD NATIONAL BANK in January last loaned COE \$20,000, taking as collateral a certificate for 200 shares of Old Colony Railroad stock, which now proves to have been raised from a genuine certificate for two shares.

Boston.—The CENTRAL NATIONAL BANK OF BOSTON, (No. 2103), was organized in April, with a capital of \$500,000. President, HENRY SMITH; Cashier, LEWIS W. YOUNG.

Natick.—The NATICK NATIONAL BANK, (No. 2107), was organized in May, 1873, at Natick, Middlesex County, MASS., with a capital of \$100,000, limited to \$300,000. President, LEONARD WINCH.

MICHIGAN.—Mr. HENRY K. WHITE succeeds Mr. ENOCH J. WHITE as president of the FIRST NATIONAL BANK OF LAPEER. Mr. B. MOORE is made vice-president, and Mr. CHESTER G. WHITE succeeds Mr. H. K. WHITE as cashier. Their New York correspondent is the NATIONAL PARK BANK.

MINNESOTA.—The FIRST NATIONAL BANK OF ST. PAUL has selected Mr. HENRY P. UPHAM as cashier, as successor to Mr. HENRY M. KNOX. Mr. HORACE THOMPSON remains president, and Mr. LATHROP E. REED, vice-president. The capital and surplus of the bank are \$1,200,000. Their New York correspondents are the FOURTH NATIONAL BANK and the METROPOLITAN NATIONAL BANK.

MONTANA.—The PEOPLE'S NATIONAL BANK OF HELENA, Lewis and Clark County, Montana, (No. 2105), was organized in May, with a capital of \$50,000 limited to \$100,000. President, GEORGE W. FOX; cashier, C. J. LYSTER, both of the late banking firm of FOX, LYSTER & ROE, of that place.

Missoula.—The MISSOULA NATIONAL BANK, at Missoula, Missoula County, Montana, (No. 2106), was organized in May, 1873, with a capital of \$50,000 limited to \$100,000. President, C. P. HIGGINS; Cashier, FERDINAND KENNETT.

NEBRASKA.—The MERCHANTS' BANK OF LINCOLN, NEBRASKA, will commence operations on 1st July, under the management of JOHN FITZGERALD, president; A. C. KENDAL, vice-president; and GEORGE P. EATON, cashier. They will draw upon SAUNDERS & HARDENBERG, bankers, New York City, and upon the CHEMICAL NATIONAL BANK, New York; also upon the VALLEY NATIONAL BANK, St. Louis, and the UNION NATIONAL BANK, Chicago; and the MERCHANTS' NATIONAL BANK, Cincinnati.

PENNSYLVANIA.—Mr. WILLIAM HACKETT, for some years cashier of the ETON NATIONAL BANK, was elected president on the 4th April in place of JOHN DAVIS, deceased. Mr. WILLIAM HACKETT, Jun., succeeds his father as cashier.

Greece.—The PRODUCER'S BANK has commenced business at Greece, Butler County, PA., also at Butler, in the same county, with a capital of \$100,000. E. KAY, cashier at Butler; H. HORNE, assistant cashier at Greece. (See *the card on the cover of this work.*)

Denison.—The FIRST NATIONAL BANK of Denison, Grayson County, TEXAS (No. 2099), was organized in April, with a capital of \$50,000, limited to \$100,000. President, A. D. JAYNES; Cashier, EDWARD PERRY.

UTAH.—Mr. WILLIAM H. HOOPER, hitherto a director in the DESERET NATIONAL BANK of Salt Lake City, has been elected President as successor to Mr. BRIGHAM YOUNG. Mr. H. S. ELDRIDGE remains Vice-President; Cashier, Mr. LEWIS S. HILLS. Their correspondents are DUNCAN, SHERMAN & CO. KOUNTZE BROTHERS, New York; BANK OF CALIFORNIA, San Francisco; UNION NATIONAL BANK, Chicago; The EXCHANGE BANK, St. Louis.

NOVA SCOTIA.—Messrs. CUTLER, McLEAN & CO., of Boston, who failed on 11th April, had large transactions with parties in Liverpool, NOVA SCOTIA, in consequence of the failure the two Liverpool banks—the BANK OF LIVERPOOL and the BANK OF ACADIA—have both suspended payment. It is believed the suspensions will only be temporary.

DISSOLVED OR DISCONTINUED.

[Monthly list, continued from May No., page 915.]

NEW YORK CITY.

| | |
|---------------------------------|----------------------------------|
| Pinckney & Co., Specie Brokers. | De Forest & Marston, 17 New. |
| Reid, Leo & Content. | F. D. Cobb & Co., 19 Broad St. |
| P. J. & A. Armour, 65 Wall. | Joslyn, Bach & Co., 78 Broadway. |
| E. H. Van Schaick. | H. A. Foster. |
| | C. S. Otis. |

ALABAMA.—Partridge & Co., *Selma*; Goldthwaite & Co., *Mobile*.

GEORGIA.—Noah Felton & Co., *Greenville*; Ketchum & Hartridge, *Savannah* (*failed*); First National Bank, *Newnan*, (changed to National Bank of Commerce, *Atlanta*).

INDIANA.—D. J. Baldwin, *Michigan City*, (succeeded by First National Bank.)

IOWA.—Burrows & Cowles, *Osceola*, (succeeded by G. H. Cowles.)

KANSAS.—D. W. Powers & Co., *Saline*, (removed to *Ellsworth*); John R. Foster & Co., *Garnett*, (succeeded by the Anderson County Bank).

MICHIGAN.—Griffiths & Dunham, *Three Rivers*; Wilkins & Smith, *Marquette*. (succeeded by the Citizen's Bank, same officers).

MISSOURI.—National Bank of *Springfield*, (changed to First National Bank of *Springfield*.)

NEBRASKA.—Smith & Hinton, *Falls City*.

NEW YORK.—First National Bank, *Watkins*, (removed to *Pewee Van*, *Yates Co.*)

OHIO.—Noble County Bank, *Caldwell*, (succeeded by Noble County National Bank); A. G. Burt & Co., *Cincinnati*, Ohio.

PENNSYLVANIA.—H. Grambo, *Philadelphia*, (*failed*, and under arrest for fraud); People's Fire Insurance Co., *Carlisle*.

TENNESSEE.—Memphis Life & General Insurance Co., *Memphis*, (*failed*); Jackson Insurance Company, *Memphis*.

TEXAS.—Griffith & Co., *Denison*; Halsey & Goldthwaite, *Galveston*.

ALABAMA.—The cause of the business complication between BROWN BROTHERS & Co., of New York, and their correspondent at Mobile, ALA., is thus explained: In a Mobile newspaper of May 11, appeared a card announcing the dissolution of the firms of HALSEY & Co., New Orleans; GOLDTHWAITE & Co., Mobile, and HALSEY & GOLDTHWAITE, Galveston, the dissolution being dated May 10. Powers of attorney given by the three firms were revoked, and W. F. HALSEY was alone authorized to sign in liquidation. These firms represented the house of BROWN, BROTHERS & Co., in the cotton markets of the South. The trouble which caused the dissolution was that sterling bills against cotton shipped to Liverpool had been purchased, and when the sale of cotton failed to meet the sums advanced, and reclamation was made in due course, it proved that the maker of the bills was not responsible, and that GOLDTHWAITE was jointly interested in his speculation. The amount of the loss which falls upon BROWN, BROS. & Co., is reported to be about \$100,000.

NOTES ON THE MONEY MARKET.

NEW YORK, MAY 22, 1873.

Exchange on London, at sixty days' sight, 108% @ 109¼ for gold

The month of April was among the most stringent in its money features, and has been followed by more moderate rates for money in Wall street. The terms to borrowers remain severe to those who are compelled to resort to brokers. The banks have apparently increased their loans to the extent of nine millions since the close of April, but are yet several millions below the loan column of January and February. There were some indications, at the first of the month, of a panic in New York, brought on by the failure of one of the National banks, and by rumors of weakness in others. There have been several heavy mercantile failures during the month, showing recklessness in credits, and over-trading on limited capitals.

These were followed by a sudden panic in the money channels of Vienna, Berlin, and other continental points, accompanied by numerous failures in Vienna to an alarming extent. The Bank of England promptly advanced the rate of discount from 4½ to 5 per cent., in order to check the prevailing tendency to speculation and over-trading in England. The financial papers of London are filled with new schemes, foreign and domestic, for investment, all promising large profits on the outlays.

The London money market has rarely presented more extraordinary features than in the last three months, in the formation of new companies; all requiring liberal capital, ranging from £100,000 to £1,000,000, or more, each. These embrace banking companies, railroads, coal mining, steam, hotels, &c., amounting to forty-one millions sterling, as follows:

| | <i>Capital.</i> |
|--|-----------------|
| Month of February, 1873, 94 new companies..... | £10,964,000 |
| “ of March, “ 97 “ “ | 17,980,000 |
| “ of April, “ 99 “ “ | 12,786,000 |

While many of these schemes will never be commenced, and others will be commenced but not fully consummated, there will be many which will be carried into effect, and will absorb the nominal capital named in the prospectus. When we recollect that the subscriptions in London to new companies and to old companies, in the year 1872, were over three hundred millions sterling, of which 187 millions were payable and paid in advance, (see *BANKER'S MAGAZINE*, March, 1873, page 786), and that these speculative movements are going on in the year 1873, it will occasion no surprise that an occasional panic will occur in the London market, and that the minimum rate of interest is occasionally six per cent. in that great money centre.

The banking movement at New York indicates expansion, prompted by the pressing demand for money from merchants and brokers. Now that the pressure is over, it would be well for the banks to curtail their loan column at the rate of one million per week for three months, in order to strengthen their legal tenders, which are now twenty millions too low, or 48 millions instead of 68 millions.

The legal tender reserve is far below the actual needs of the banks, and should be gradually enlarged to double the amount, as in 1871.

| 1867. | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. | Weekly Clearings. |
|-------------|----------------|---------------|-------------------|---------------|----------------|----------------------|
| Jan. 5 | \$ 257,852,460 | \$ 12,794,892 | \$ 65,026,121 | \$ 32,762,779 | \$ 202,533,564 | \$ 466,967,767 |
| Jan. 4, '68 | 249,741,297 | 12,724,614 | 62,111,201 | 34,134,391 | 187,070,786 | 483,266,304 |
| Jan. 4, '69 | 259,090,057 | 20,736,122 | 48,896,421 | 34,379,609 | 180,490,445 | 585,304,739 |
| Jan. 3, '70 | 250,406,387 | 31,166,908 | 45,034,608 | 34,150,887 | 179,129,394 | 399,355,375 |
| July 4 | 276,496,503 | 31,611,330 | 56,815,254 | 33,070,365 | 219,083,428 | 562,736,404 |
| Jan. 2, '71 | 263,417,418 | 20,028,846 | 45,245,358 | 32,153,514 | 188,238,995 | 467,692,982 |
| July 3 | 296,237,959 | 16,526,451 | 71,348,828 | 30,494,457 | 243,308,693 | 561,366,458 |
| Jan. 1, '72 | 270,534,000 | 25,049,500 | 40,282,800 | 28,542,800 | 200,409,800 | 561,802,964 |
| July 1 | 289,002,800 | 32,795,500 | 54,951,400 | 27,416,100 | 232,387,500 | 485,973,837 |
| Jan. 6, '73 | 277,720,900 | 19,478,100 | 41,165,100 | 27,613,800 | 203,808,100 | 642,834,841 |
| Feb. 3 | 286,879,600 | 18,612,200 | 45,802,100 | 27,501,000 | 217,168,500 | 661,411,841 |
| Mar. 3 | 281,344,900 | 16,370,500 | 40,724,000 | 27,601,300 | 202,066,100 | 812,260,202 |
| April 7 | 273,534,000 | 15,664,400 | 34,949,500 | 27,715,800 | 187,687,000 | 780,498,483 |
| " 28 | 269,301,900 | 15,989,700 | 37,690,600 | 27,737,700 | 188,220,600 | 693,515,909 |
| May 5 | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471,900 | 698,098,785 |
| " 12 | 274,687,900 | 20,261,600 | 41,944,300 | 27,523,500 | 202,819,100 | 655,385,410 |
| " 19 | 278,074,400 | 20,698,900 | 43,102,200 | 27,489,200 | 207,834,100 | 618,076,093 |

The excessive importations of foreign goods are encouraged by excessive discounts. If the banks would re-tore a more conservative commercial system, their loans should be lessened until their legal tenders are fully twenty-five per cent. of their cash liabilities; and this percentage should be persistently maintained in order to discourage foreign imports, now largely in excess of the ability of the country to pay.

The banks of Philadelphia are also adding to their loan column unnecessarily; but their legal-tender reserve is stronger than that of New York or Boston. The deposits have increased during the month nearly six millions. We annex comparative tables for 1868-1873,

| | Loans. | Specie. | Legal Tenders. | Circulation. | Deposits. |
|--------------|--------------|-----------|----------------|--------------|--------------|
| Jan. 4, 1868 | \$52,002,304 | \$235,912 | \$ 16,782,432 | \$10,639,000 | \$36,621,274 |
| " 4, 1869 | 50,716,999 | 252,483 | 13,210,397 | 10,593,719 | 38,121,023 |
| " 3, 1870 | 51,662,662 | 1,290,096 | 12,670,198 | 10,568,681 | 38,890,001 |
| " 2, 1871 | 51,861,827 | 1,071,528 | 12,653,166 | 10,813,212 | 38,660,403 |
| " 1, 1872 | 55,631,723 | 1,069,585 | 11,228,988 | 11,348,851 | 42,049,757 |
| July 1, " " | 59,659,324 | 228,338 | 13,952,002 | 11,345,868 | 50,021,793 |
| Jan. 6, 1873 | 55,370,011 | 424,458 | 10,576,155 | 11,331,579 | 40,861,114 |
| Feb. 3, " " | 57,062,437 | 352,775 | 10,599,532 | 11,370,253 | 42,120,451 |
| Mar. 3 " " | 56,867,858 | 271,544 | 9,917,655 | 11,329,973 | 41,495,605 |
| April 7, " " | 57,075,617 | 130,936 | 9,663,671 | 11,475,119 | 40,124,310 |
| " 28, " " | 56,462,873 | 110,614 | 11,452,267 | 11,469,983 | 44,166,214 |
| May 5, " " | 59,006,414 | 238,944 | 11,641,739 | 11,438,679 | 45,177,300 |
| " 12, " " | 58,117,174 | 236,537 | 13,456,177 | 11,420,098 | 45,199,223 |
| " 19, " " | 59,458,900 | 123,379 | 13,641,800 | 11,429,148 | 45,992,160 |

The following are the nominal quotations representing the price in gold for miscellaneous coin in this market:

American silver, large, 94 a 95; American silver, small, 94 a 96; Mexican dollars, old stamp, 107 a 108; Mexican dollars, new stamp, 103 a 104; English silver, 470 a 485; Five francs, 93 a 96; Thalers, 69 a 71; English sovereigns, 426 a 490; Twenty francs, 324 a 388; Spanish doubloons, 15.80 a 16.20; Mexican doubloons, 15.50 a 15.70.

The banks of Boston do not present as strong features as those of Philadelphia. The legal tenders are less than fifteen per cent. of the aggregate cash liabilities of the banks. We annex returns for six years:

| | <i>Loans.</i> | <i>Specie.</i> | <i>Legal Tenders.</i> | <i>Circulation.</i> | <i>Deposits.</i> |
|------------------|---------------|------------------|-----------------------|---------------------|-------------------|
| Jan. 6. 1868.... | \$ 94,969,249 | ... \$ 1,466,246 | ... \$ 15,543,169 | ... \$ 24,626,559 | ... \$ 40,856,022 |
| Jan. 4. 1869.... | 96,423,644 | ... 2,203,401 | ... 12,938,342 | ... 25,151,340 | ... 37,538,767 |
| Jan. 3. 1870.... | 105,985,214 | ... 3,765,347 | ... 11,374,559 | ... 25,280,893 | ... 40,007,225 |
| Jan. 2. 1871.... | 111,190,173 | ... 2,484,536 | ... 12,672,917 | ... 24,662,209 | ... 46,927,971 |
| July 3..... | 119,152,159 | ... 1,441,500 | ... 13,117,482 | ... 24,816,012 | ... 50,693,067 |
| Jan. 1, 1872.... | 115,878,481 | ... 4,469,483 | ... 9,602,748 | ... 25,715,976 | ... 46,994,488 |
| July 8..... | 112,164,800 | ... 2,740,100 | ... 9,471,800 | ... 24,877,000 | ... 48,875,500 |

The deposits (after this date) include the amount due to other banks.

| | | | | | |
|------------------|-------------|---------------|----------------|----------------|----------------|
| Jan. 6, 1873.... | 122,872,700 | ... 2,075,400 | ... 11,122,500 | ... 25,614,400 | ... 74,113,500 |
| Feb. 3..... | 125,088,700 | ... 2,253,300 | ... 11,507,300 | ... 25,485,800 | ... 77,272,500 |
| Mar. 3..... | 124,390,400 | ... 1,015,100 | ... 11,185,600 | ... 25,457,500 | ... 74,833,700 |
| April 7..... | 120,001,600 | ... 922,600 | ... 8,939,300 | ... 25,519,400 | ... 64,623,200 |
| " 28..... | 117,530,500 | ... 1,030,700 | ... 9,055,300 | ... 25,619,100 | ... 64,008,200 |
| May 5..... | 117,501,100 | ... 1,401,100 | ... 9,191,600 | ... 25,625,700 | ... 65,809,400 |
| " 12..... | 117,070,500 | ... 1,839,900 | ... 9,052,100 | ... 25,566,300 | ... 66,611,000 |
| " 19..... | 117,018,600 | ... 1,757,700 | ... 9,441,600 | ... 25,475,900 | ... 67,605,500 |

Foreign exchange has advanced since our last monthly report, but is yet a fraction below par. No further shipments of coin are expected from London to this port. Bankers 60 days' sterling bills are offered at 109½; do. at short sight 110½. We quote: Bills at 60 days on London, 108¼ a 108¾ for commercial; 108½ a 109½ for bankers'; do. at short sight, 110 a 101¼; Paris at 60 days, 5.27½ a 5.22½; do. at short sight, 5.18½ a 5.17½; Antwerp, 5.26¼ a 5.21¼; Swiss, 5.26¼ a 5.21¼; Hamburg, 4 Reichsmark, 95½ a 96¼; Amsterdam, 39½ a 40½; Frankfort, 40% a 41%; Bremen, 4 Reichsmark, 95½ a 96¼; Prussian thalers, 71½ a 72¼.

The Rates for the three preceding months were as follows:

| <i>Sixty days' Bills.</i> | <i>Feb. 20.</i> | <i>March 23.</i> | <i>April 23.</i> | <i>May 22.</i> |
|----------------------------|------------------|------------------|------------------|----------------|
| On London, bankers'... | 108% @ 108% .. | 108 @ 108¼ .. | 108% @ 108% .. | 108% @ 109½ |
| " commercial | 108¼ @ 108% .. | 107½ @ 107% .. | 107% @ 108% .. | 108¼ @ 108¾ |
| Paris, francs, \$ dollar.. | 5.27½ @ 5.24% .. | 5.32½ @ 5.27½ .. | 5.32½ @ 5.27½ .. | 5.27½ @ 5.22½ |
| Amsterdam, \$ guilder. | 40 @ 40% .. | 39% @ 40% .. | 39½ @ 40% .. | 39% @ 40% |
| Frankfort, \$ florin .. | 40% @ 41 .. | 40% @ 40% .. | 40% @ 40% .. | 40% @ 41% |
| Hamburg, \$ R'mark.. | 95 @ 95% .. | 94% @ 95 .. | 94% @ 95% .. | 95½ @ 96¼ |
| Prussian thalers | 71% @ 71% .. | 70% @ 71% .. | 71 @ 71% .. | 71½ @ 72¼ |

The foreign export of coin this year, (4¼ months), is \$19,128,000. We annex a comparative table of the export for same period during the last twenty years.

| | | | | | | | |
|---------------|--------------|-------|---------------|---------------|-------|---------------|---------------|
| Year 1853. .. | \$ 4,891,000 | ..... | Year 1860. .. | \$ 11,314,000 | ..... | Year 1867. .. | \$ 11,161,000 |
| " 1854. .. | 10,583,000 | ..... | " 1861. .. | 2,904,000 | ..... | " 1868. .. | 25,849,000 |
| " 1855. .. | 11,457,000 | ..... | " 1862. .. | 15,371,000 | ..... | " 1869. .. | 11,340,000 |
| " 1856. .. | 9,477,000 | ..... | " 1863. .. | 17,867,000 | ..... | " 1870. .. | 9,490,000 |
| " 1857. .. | 11,423,000 | ..... | " 1864. .. | 19,816,000 | ..... | " 1871. .. | 28,026,000 |
| " 1858. .. | 11,333,000 | ..... | " 1865. .. | 6,693,000 | ..... | " 1872. .. | 14,827,000 |
| " 1859. .. | 20,431,000 | ..... | " 1866. .. | 8,200,000 | ..... | " 1873. .. | 19,128,000 |

NEW YORK CITY STOCKS.—The City Comptroller opened bids May 8th, for \$ 1,045,500 new City stocks bearing seven per cent. interest.

| | |
|---|------------|
| Payable August 1, 1900..... | \$ 150,000 |
| " November 1, 1900..... | 75,500 |
| Park Improvement Stock, thirty years..... | 70,000 |
| Croton Water Stock, payable November 1, 1891..... | 150,000 |
| City Improvement Stock, payable November 1, 1892..... | 600,000 |

The interest at seven per cent. per annum will be payable May 1 and November 1. To effect a more satisfactory negotiation of the new city bonds, it is suggested to the Comptroller to give longer notice of the proposed issue in future cases. The New ENGLAND and New YORK savings banks are continually making fresh investments in city and State loans, and a public notice to the community would, perhaps, secure better prices. A month's notice, instead of ten days, would enable foreign capitalists to make proposals for new issues of such city bonds, which should command ten or fifteen-per-cent. premium. The high rate of seven per cent. should produce a better price than heretofore. The City of New York could command par for its five-per-cent bonds, if (like Boston) specie were paid for the semi-annual interest. The loss to the City of New York, annually, by the use of paper currency, is enormous.

The transactions in government loans are yet on a large scale, both for home investment and for export abroad. The treasury opened bids on the 21st, for the sale to the government of \$ 500,000 six-per-cent. bonds. The bids were \$ 1,685,850, at 15.94 c 16.49 premium. The accepted bids were at 116.94 c 116.99. The current market values this week are as follows:

| | Offered. | Asked. | | Offered. | Asked. |
|-----------------------------------|----------|--------|-----------------------------------|----------|--------|
| U. S. Currency 6c | 115% | 116 | U. S. 5-20, '65, Coup., July..... | 112% | 112% |
| U. S. 6c, 1881, Registered | 118% | 118% | U. S. 5-20, '67, Coup., July..... | 120% | 121 |
| U. S. 6c, 1881, Coupon | 121% | 122 | U. S. 5-20, '68, Coup., July..... | 118% | 118% |
| U. S. 5-20 Reg., May and Nov..... | 115% | 116 | U. S. 10-40, Registered | 112% | 112% |
| U. S. 5-20, '62, Coupon, " | 116 | 116% | U. S. 10-40, Coupon | 114% | 114% |
| U. S. 5-20, '64, Coupon, Nov..... | 116% | 116% | U. S. 5s of '81, Registered..... | 114% | 115 |
| U. S. 5-20, '65, Coupon, Nov..... | 117% | 118 | U. S. 5s of '81, Coupon..... | 114% | 113 |
| U. S. 5-20, '67, Reg.,..... | 118 | 118% | | | |

The latest report of American securities in London, by cable, was 91½ for 1865c, old, 93½ for 1867s, 88¾ for the 10-40s, and 88¾ for the new 5s. Consols were quoted 93½ for money and 93¾ for account. The latest quotation for 5-20s at Frankfurt, which was up to the 19th inst., was 95¾.

DEATHS.

In DEDHAM, MASS., on Sunday, April 27th, aged forty-two years, JOHN H. B. THAYER, Cashier of the DEDHAM NATIONAL BANK.

In HUNTINGTON, INDIANA, on Friday, April 25th, aged fifty-seven years, SAMUEL H. PURVIANCE, President of the FIRST NATIONAL BANK OF HUNTINGTON.

In NORTHBORO', MASS., Saturday, April 26th, aged sixty years, GEORGE C. DAVIS, President of the NORTHBORO' NATIONAL BANK, and of its predecessor, the NORTHBOROUGH BANK, from 1854 until his death.

*End of Volume twenty-seventh, of the BANKER'S MAGAZINE,
from July, 1872, to June, 1873, inclusive.*