# The Bankers' magazine, and statistical register

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

EDITED BY I. SMITH HOMANS.

*"No expectation of forbearance or indulgence should be encouraged. Favor 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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# GENERAL INDEX

TO THE

TWENTY-SEVENTH VOLUME (OR SEVENTH VOLUME, THIRD SERIES)

OF THE

# BANKER'S MAGAZINE AND STATISTICAL REGISTER

FROM

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

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## ENGRAVINGS.

# LEGAL MISCELLANY.

**Cases reported in the Banker's Magazine, for the year ending June, 1873.**

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

VOL. VII. THIRD SERIES. JANUARY, 1873. 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 324.

| *Resources*, 1864-1867. | *Oct.*, 1864. 508 *banks.* | *Oct.*, 1865. 1513 *banks.* | *Oct.*, 1866, 1644 *banks.* | *Oct.*, 1867. 1642 *banks.* |
|---|---|---|---|---|
| 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 |
| *Liabilities*, 1864-1867. | | | | |
| 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 | 293,887,941 |
| 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 |

| *Resources*, 1869-1872. | *Oct.*, 1869. 1617 *banks.* | *Oct.*, 1870. 1615 *banks.* | *Oct.*, 1871. 1767 *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 | 128,180,542 |
| 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 |
| *Liabilities*, 1869-1872. | | | | |
| 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 six 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 | 45,260,000 | 44,801,000 | —— | 157,028,000 |
| 1865. | Jan... | 639 | 135,618,000 | 66,769,000 | 4,481,000 | $ 72,535,000 | 288,966,000 |
| " | 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 | 168,426,000 | 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.. | 1634 | 414,170,000 | 267,753,000 | 12,627,000 | 201,408,000 | 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 | 18,103,000 | **161,476,000 | 679,353,000 |
| " | April. | 1643 | 420,676,000 | 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 | 29,626,000 | 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 | 140,223,000 | 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. | 1688 | 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 | 460,225,066 | 318,265,000 | 29,595,000 | 117,404,000 | 773,590,000 |
| 1872. | Feb... | 1814 | 464,143,000 | 321,634,000 | 25,507,000 | 119,123,000 | 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.* | *Dividends to capital and surplus.* | *Earnings to capital and surplus.* |
|---|---|---|---|---|---|---|---|---|
| | | | | | | *P. ct.* | *P. ct.* | *P. ct.* |
| Aug. 31, 1869 | 1,481 | $401,650,802 | $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 | 91,630,620 | 21,080,343 | 26,813,885 | 4.96 | 4.08 | 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.* 1870–1871. | *Year.* 1871–1872. | *Estimated.* 1872–1873. | *Estimated.* 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.* 1870–1871. | *Year.* 1871–1872. | *Estimated.* 1872–1873. | *Estimated.* 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 |
| Micellaneous........... | 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 growing 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.

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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.

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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*.

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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.

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*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.

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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.

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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 | 83,437 67 |
| Bronze " " " . . . | 7,405,794 | 74,057 94 |
| Bronze Two " " . . . | 3,125,247 | 62,504 94 |
| Nickel Three " " . . . | 673,040 | 20,191 20 |
| Nickel Five " " . . . | 4,343,883 | 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 |
| | 36,364,271 | $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 $3\frac{1}{3}$ silver thalers, or $5\frac{5}{8}$ florins of South Germany, or 8 marks $5\frac{1}{3}$ 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 $\frac{2}{7}$ of one per cent. for twenty mark pieces, and $\frac{3}{7}$ 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.

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## 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. | Br'nch 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. | ENTIRE COINAGE. 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 08 | 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—

| *More than* | *Not over* | *Notice.* |
|---|---|---|
| $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.

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## 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* 434.)

## 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 recoining, "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.

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|---|---|
| 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, during 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. | .... | .... | | £0 | 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, 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. 10½d.), 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 liberalty 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. | .... | .... | .... | | 0s. | 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 foreign loans contracted in ENGLAND, with the amounts of the same, the names of the contractors, the years in which the contracts were made, and the prices at which they were issuod.

| | | | | | | |
|---|---|---|---|---|---|---|
| Austrian..... | £ 2,500,000 | 5 Per Ct. | N. M. Rothschild...... | 1823 | .. 82 | Per Ct. |
| 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 " | Hullett 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 | .. 89¾ | " |
| 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 | " |
| " | 616,000 | 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 | .. 30½ | " |

*(To be continued.)*

# WHAT IS MONEY?

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

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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.*

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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 CRŒSUS 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 CRŒSUS; 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 everybody 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, unconnected 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 *im*ported implies that a *useful thing* is *ex*ported, 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 som 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 impressible 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..... | 11⅞ | 12⅝ | 12 | **12⅝** | 11¼ | 11½ | 28 | **28⅝** | Sun. | | 40½ | 41⅛ |
| 2 | Saturday .. | **11⅝** | 12 | 12 | 12¼ | 10⅞ | 11¼ | 27¼ | 28 | 33 | 33¼ | 40¾ | 40½ |
| 3 | **Sunday.** | Sun. | | 11⅝ | 12 | 10½ | 10⅞ | 27⅛ | 27⅝ | 33¼ | 33¾ | Sun. | |
| 4 | Monday ... | 11⅝ | 12⅜ | 11¾ | 12 | **10** | 10½ | 26⅞ | 27¼ | 33 | 33¾ | 39¾ | **41⅛** |
| 5 | Tuesday... | Holiday. | | Sun. | | 10¼ | 10½ | 26¼ | 27¼ | 32⅝ | 32¾ | 39½ | 40⅝ |
| 6 | Wednesday | 11⅞ | 12⅝ | 11⅞ | 12⅛ | Sun. | | 26½ | 27⅜ | **32⅛** | 33 | 38⅝ | 39¼ |
| 7 | Thursday.. | 12⅜ | 12¾ | Holiday. | | 10½ | 10⅞ | Sun. | | 33¾ | 34½ | 38½ | 39⅛ |
| 8 | Friday .... | 12⅝ | 13 | 11¾ | 11⅞ | 10½ | 10¾ | 26⅝ | 26⅞ | Sun. | | 38¾ | 39⅛ |
| 9 | Saturday .. | 13⅛ | 13¾ | 11⅝ | 11⅞ | 10⅝ | 10⅝ | 26¾ | 27⅜ | 34⅛ | 34¾ | 38½ | 39¼ |
| 10 | **Sunday.** | Sun. | | 11¼ | 11⅝ | 10⅝ | 10¾ | 26⅞ | 27⅛ | 34⅝ | 35¾ | Sun. | |
| 11 | Monday .. | 13⅝ | **14¼** | 11⅝ | 11½ | 10¾ | 11⅛ | 26½ | 27 | 33¾ | 34⅞ | 38¾ | 39 |
| 12 | Tuesday .. | 13⅝ | 13⅞ | Sun. | | 11 | 11⅝ | 26⅝ | 27 | 33⅝ | 34½ | 39 | 39⅝ |
| 13 | Wednesday | 13¼ | 13⅝ | 11⅛ | 11⅝ | Sun. | | 26¾ | 27 | 33⅞ | 34 | 39½ | 40¼ |
| 14 | Thursday.. | 13⅛ | 13½ | 11 | 11⅝ | 11¾ | 12¾ | Sun. | | 34¼ | 35 | 39⅞ | 40⅞ |
| 15 | Friday .... | 13¼ | 13¾ | 11⅛ | 11⅝ | 10⅞ | 11½ | 26⅝ | 27¼ | Sun. | | 40½ | 41⅛ |
| 16 | Saturday .. | 13½ | 13¾ | 11 | 11¼ | 11¾ | 12½ | 27⅛ | 27¼ | 35½ | **37** | 39¾ | 40⅛ |
| 17 | **Sunday.** | Sun. | | 11⅛ | 11¼ | 12⅝ | 13½ | 26⅞ | 27⅛ | 34¼ | 36⅝ | Sun. | |
| 18 | Monday ... | 13½ | 13¾ | 11 | 11⅛ | 12½ | **13¼** | Holiday. | | 33⅞ | 35⅛ | 39⅝ | 40¼ |
| 19 | Tuesday .. | 13¼ | 13⅝ | Sun. | | 12⅛ | 12¾ | 26½ | 26¾ | 34½ | 35 | 39½ | 39⅞ |
| 20 | Wednesday | 13 | 13⅝ | 10¾ | 11 | Sun. | | 26⅝ | 26⅝ | 34¼ | 35 | 39⅞ | 40 |
| 21 | Thursday.. | 13 | 13⅝ | 10⅝ | 10¾ | 11½ | 11¾ | Sun. | | 34⅝ | 34¾ | 39⅛ | 39⅞ |
| 22 | Friday .... | 13 | 14 | 10⅝ | 10⅞ | 11⅝ | 12 | 26⅝ | 26½ | Sun. | | 38⅞ | 39½ |
| 23 | Saturday .. | 12⅝ | 13⅝ | 10⅝ | 10⅞ | 11⅝ | 12⅛ | 26½ | 26⅞ | 34 | 34¾ | 39¼ | 40⅛ |
| 24 | **Sunday.** | Sun. | | 10¾ | 11⅛ | Holiday. | | 26 | 26⅝ | 34½ | 34⅞ | Sun. | |
| 25 | Monday ... | 12⅝ | 13⅛ | 10¾ | 10⅞ | 11¾ | 12⅛ | 24⅞ | 25¾ | 34½ | 35½ | 39¾ | 40⅞ |
| 26 | Tuesday .. | 12¾ | 13 | Sun. | | 11¾ | 12 | 24⅝ | 24⅞ | Holiday. | | 39¼ | 40 |
| 27 | Wednesday | 12⅝ | 12⅞ | 10¾ | 11 | Sun. | | 24¾ | 25⅛ | 35 | 35⅞ | 39¼ | 39¾ |
| 28 | Thursday.. | Holiday. | | 10¾ | 11 | 11¼ | 11½ | Sun. | | 34¾ | 35⅝ | Holiday. | |
| 29 | Friday .... | 12⅝ | 12⅝ | **10⅝** | 10½ | 11 | 11⅝ | 21½ | 23 | Sun. | | 38⅞ | 39¼ |
| 30 | Saturday .. | 12½ | 12¾ | | | 10¾ | 11 | **21⅛** | 23⅛ | 35⅛ | 35¾ | **37⅞** | 38¾ |

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

| DATE. | 1867. | | 1868. | | 1869. | | 1870. | | 1871. | | 1872. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January ... | 32 | 37⅞ | 33¼ | 42¼ | 34⅝ | 36⅞ | 19⅝ | 23¼ | 10½ | 11¼ | 8½ | 10⅛ |
| February .. | 35¼ | 40⅛ | 39⅝ | 44 | 30⅞ | 36⅛ | 15 | 21¼ | 10¾ | 12¼ | 9½ | 11 |
| March ..... | 33⅝ | 40⅝ | 37⅞ | 41⅝ | 30¼ | 32½ | 10¼ | 16 | 10⅛ | 11⅝ | 9¾ | 10½ |
| April ...... | 32¾ | 41⅞ | 37¾ | 40⅝ | 31⅝ | 34¾ | 11½ | 15⅝ | 10⅛ | 11¾ | 9⅞ | 13¼ |
| May ....... | 34⅞ | 38⅞ | 39⅛ | 40½ | 34⅝ | 44¼ | 13¾ | 15½ | 11 | 12¼ | 12⅛ | 14⅝ |
| June ...... | 36⅝ | 38¾ | 39⅝ | 41¼ | 37 | 39⅝ | 10⅞ | 14¾ | 11¾ | 13⅛ | 13 | 14¾ |
| July ...... | 38 | 40¾ | 40⅛ | 45¼ | 34 | 37⅞ | 11⅛ | 22¾ | 11¾ | 13⅝ | 13½ | 15¼ |
| August .... | 39¾ | 42⅝ | 43½ | 50 | 31¼ | 36⅝ | 14¾ | 22 | 11⅝ | 13¼ | 12⅛ | 15⅝ |
| September . | 40⅞ | 46⅝ | 41⅛ | 45¼ | 33⅛ | 62½ | 12¾ | 16¾ | 12¾ | 15⅝ | 12¾ | 15⅛ |
| October .... | 40¼ | 45¾ | 33¾ | 40⅝ | 28⅛ | 31¾ | 11⅛ | 14¼ | 11½ | 15 | 12¼ | 15⅛ |
| November.. | 37½ | 41½ | 32⅛ | 37 | 21⅛ | 28⅝ | 10 | 13¼ | 10⅝ | 12⅝ | 13⅝ | 14¼ |
| December.. | 33 | 37⅞ | 34½ | 36¾ | 19 | 24 | 10½ | 11⅝ | 8⅝ | 10⅝ | — | — |

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.

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(*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. | 114⅞ | 116½ | 115⅝ | 117 | 116⅛ | 117⅛ |
| " Five-Twenty of 1862, " | 113 | 115⅝ | 115¼ | 116⅛ | 111⅝ | 113 |
| " " 1864, " | 113¼ | 114½ | 114⅝ | 116 | 111⅝ | 113¼ |
| " " 1865, " | 114 | 114⅝ | 115½ | 116⅜ | 112 | 113¼ |
| " " 1865, New, " | 112 | 113⅞ | 113½ | 114⅞ | 114⅜ | 115⅝ |
| " " 1867, " | 112¼ | 114⅝ | 113¾ | 115¼ | 114 | 116⅛ |
| " " 1868, " | 112¾ | 114 | .. | .. | 114⅛ | 115⅞ |
| " Ten-Forty Coupon Bonds | 107⅝ | 108¾ | 107¾ | 108⅝ | 107⅝ | 108½ |
| " Five per cent. of 1881 | 109¾ | 111¾ | 111 | 111⅝ | 110 | 111 |
| " Six per cent. Currency | 111⅝ | 112¾ | 111 | 114 | 113¼ | 114½ |
| Tenn. Six per cent. Bonds, Old | 72¼ | 74 | 72½ | 75⅛ | 74 | 76 |
| " " " New | 71 | 74⅛ | .. | .. | 73½ | 76¼ |
| Virginia Six per cent. Bonds, Old | 45 | 45 | 44½ | 44½ | .. | .. |
| " " " New | .. | .. | .. | .. | 52 | 52 |
| " " " Consol | 50½ | 51⅛ | 50 | 54½ | 54¼ | 56 |
| N. Carolina Six per ct. Bonds | 33 | 34 | 33 | 33½ | 33½ | 36 |
| " " New | 20 | 21 | 20 | 20 | .. | .. |
| " " Special Tax | .. | .. | 11 | 14 | 13½ | 14½ |
| S. C. Six per ct. Bds. Jan. & July | 22¾ | 25⅞ | 23½ | 27 | 23½ | 26 |
| " " April & Oct. | 22½ | 26½ | 24½ | 24½ | 25¾ | 30 |
| Missouri Six per cent. Bonds | 92 | 93¼ | 92 | 93½ | 93 | 95½ |
| Canton Company of Maryland | 90 | 95 | 93 | 106¾ | 100 | 106 |
| Delaware and Hudson Canal Co. | 116½ | 119 | 115 | 118 | 115 | 117½ |
| Consolidated Coal Co. of Maryland | 40 | 42¾ | 41 | 45¾ | 43 | 48⅞ |
| Quicksilver Mining Company | 40 | 44½ | 43 | 49 | 44 | 48½ |
| " " Preferred | 51½ | 55⅝ | 54 | 59 | 52 | 57½ |
| Mariposa Mining Company | .. | .. | 1¾ | 2¼ | 1½ | 2¼ |
| " " Preferred | 2⅛ | 2½ | 2 | 4⅞ | 1½ | 4¼ |
| Western Union Telegraph Co. | 67½ | 72⅝ | 69⅝ | 81½ | 73¾ | 80 |
| Pacific Mail Steamship Company | 67½ | 75¾ | 74⅛ | 102⅞ | 83⅝ | 95¾ |
| Adams Express Company | 89 | 95½ | 91¾ | 95½ | 91 | 95 |
| Wells, Fargo & Co. Express Co. | 79 | 86 | 85 | 88½ | 80 | 88 |
| American Merchant's Union Express | 65½ | 72 | 67¼ | 71½ | 64 | 71⅞ |
| United States Express | 75½ | 82¼ | 75½ | 81⅝ | 72 | 79¾ |
| N. Y. Cent. and Hudson River R. R. | 92¼ | 100⅝ | 92 | 96¾ | 91¾ | 96¼ |
| Erie Railroad, Common | 47¼ | 54 | 47¼ | 54¾ | 48 | 57 |
| " Preferred | 69 | 71⅞ | 70 | 74½ | 71 | 74½ |
| Harlem Railroad, Common Shares | 109 | 114¼ | 110 | 115½ | 111 | 116½ |
| Reading Railroad Shares | .. | .. | .. | .. | .. | .. |

| Stocks. | Sep., 1872. Lowest. | Sep., 1872. Highest. | Oct., 1872. Lowest. | Oct., 1872. Highest. | Nov., 1872. Lowest. | Nov., 1872. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 145 | 147 | .. | .. | .. | .. |
| Michigan Central Railroad Co..... | 115 | 115 | 115 | 117 | 113½ | 115½ |
| Lake Shore & Mich. Southern R.R.. | 87¾ | 90 | 86⅛ | 93½ | 86¾ | 95½ |
| Panama Railroad Company Shares.. | 125 | 145¾ | 140 | 150 | 130 | 143 |
| Union Pacific Railroad " .. | 35⅞ | 39¾ | 37⅜ | 40¾ | 32½ | 39⅜ |
| Illinois Central Railroad " .. | 127 | 133 | 122 | 129 | 119 | 127½ |
| Cleveland & Pittsburgh R.R. "Gtd. | 88 | 90⅜ | 87 | 90 | 86½ | 90 |
| " Col., Cinn. & Ind. R.R... | 89 | 94 | 88 | 91½ | 88 | 91¼ |
| Chicago, Rock Island & Pacific R.R. | 106¾ | 111 | 106 | 112½ | 105 | 111½ |
| " Burlington & Quincy " | 130 | 135 | 133¾ | 140 | 132 | 135 |
| " & Alton Railroad Shares.. | 110 | 113 | 109 | 113 | 108 | 113 |
| " " " Pref. | 114¾ | 116 | 114 | 115 | 113 | 113 |
| " & Northwestern R.R. Shares | 70⅝ | 74¼ | 68½ | 82⅝ | 80 | 190 |
| " " " Pref. | 84¾ | 90½ | 84⅞ | 90 | 83⅞ | 95⅜ |
| Del., Lackawanna & West. R.R. Co. | 96½ | 103¼ | 93½ | 99½ | 94 | 99 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 90 | 96 | 93 | 96 | 92 | 94¾ |
| Toledo & Wabash R.R. Co. Shares. | 69 | 74½ | 68 | 74⅝ | 66½ | 77⅝ |
| " " " Pref. | .. | .. | 88½ | 90 | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 41¾ | 44½ | 42½ | 48⅝ | 42 | 48½ |
| Hannibal & St. Joseph R.R. " | 30 | 38 | 31¾ | 38 | 29 | 35¾ |
| " " " Pref. | 48 | 53½ | 50 | 56 | 48 | 51½ |
| Milwaukee & St. Paul R.R. Shares | 53⅞ | 56 | 53¾ | 58⅜ | 51½ | 56¾ |
| " " " Pref. | 74½ | 76 | 74⅜ | 77⅜ | 72⅜ | 76 |
| Boston, Hartford & Erie R.R. Shares | 6⅜ | 7½ | 7¼ | 9¼ | 6⅜ | 8⅞ |
| Col., Chic. & Ind. Cen. R.R. Shares | 34⅝ | 37⅞ | 33¼ | 37 | 29¼ | 36¼ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | 62 | 64 |
| New Jersey Central Railroad Shares | 100 | 106½ | 98½ | 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 | 104¼ | 100 | 101½ |
| " Seven p. ct. 2d Mtge. | 98 | 98 | 100 | 100 | 95 | 97¼ |
| Central Pacific 1st Mortgage Bonds | 99⅜ | 101 | 99 | 101½ | 99¾ | 101 |
| Union " " " | 86½ | 88½ | 86⅝ | 89¼ | 86 | 88⅞ |
| " " Land Grant Bonds.. | 78½ | 81 | 75 | 77¾ | 73½ | 77½ |
| " " Income Bonds...... | 77⅝ | 82 | 78 | 80⅞ | 76 | 86 |
| Alton & Terre Haute 1st Mtge. Bds. | 100 | 100 | 101 | 101 | 101 | 101 |
| " " 2d " Pref. | .. | .. | 90 | 90 | 90 | 90 |
| " " " Income Bds. | 82¾ | 84 | 80½ | 83 | 78¼ | 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 | 96¼ | 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 | 101⅞ | 101⅜ | 102 |
| Milwaukee & St. Paul 1st Mortgage | 91½ | 92½ | 92¼ | 93 | 91¼ | 91½ |
| St. Louis & Iron Mountain R.R. Bds. | 93 | 96 | 93½ | 95 | 92 | 92 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 91½ | 92½ | 85⅞ | 88 | 86⅝ | 88 |
| " " " " 2d " | 74 | 76 | 73 | 73½ | 72½ | 73¼ |
| Toledo, Peoria & Warsaw 1st, E.D. | 94 | 94 | 91 | 92 | 94 | 94 |
| " " " 1st, W.D. | 88¾ | 89 | 88½ | 88½ | 87½ | 89 |
| " " " 2d, W.D. | 86 | 86 | 81 | 81½ | 81 | 81¼ |
| Cedar Falls & Minn. 1st Mtge. Bds. | 81 | 83½ | 82 | 83 | .. | .. |
| Boston, Hart. & Erie 1st Mtge. Bds. | 37 | 41½ | 39 | 42 | 36 | 42⅜ |

# 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 1881 | 283,677,400 | 283,678,100 | 283,678,100 | 283,681,200 | 263,681,200 | 283,681,250 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,602,683,300 | 1,437,099,300 | 1,258,610,550 | 1,064,240,700 | 1,061,453,700 |
| | $2,107,835,350 | $2,107,950,700 | $1,935,342,700 | $1,853,856,700 | $1,762,489,200 | $1,759,702,250 |
| **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 | 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 | $5,483,980 | $4,210,440 |
| **BEARING NO INTEREST:** | | | | | | |
| United States Notes | $356,021,073 | $356,106,256 | $356,101,086 | $357,592,801 | $360,652,816 | $358,135,643 |
| Fractional Currency | 34,215,715 | 39,878,684 | 39,995,089 | 40,767,877 | 42,316,786 | 43,726,689 |
| 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 |
| | $417,272,808 | $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 | $2,487,750,892 | $2,391,328,848 | $2,301,236,294 | $2,293,848,434 |
| Coin and Currency in Treasury | 111,826,461 | 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, $34,583,111; 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 recognizances 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. KEITH, 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 ANTONIO 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. NEILL, 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 *mesne* 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 MCDOUGALL, 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 c ntraction 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.

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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, 300 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.

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NEW COINS. The years 1871 and 1872 are conspicuous for the variety of new coins brought before the world. In order to make the fac similes 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, WURTEMBURG, 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 dispense 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. EDSON, 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:

| *Name of Bank.* | *Former Location.* | *Present Location.* |
|---|---|---|
| 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 R. 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 NATIO AL 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.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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 & Huntting | 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 Schambery | 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. | ........ |
| Bridgwater, | " | 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. Iliff | 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.

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

* Deceased.

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

| | | *Increase.* | *Present Capital.* |
|---|---|---|---|
| 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,* 109⅜ @ 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 ¼ 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 12⅝ a 13¼ to 11½ a 12⅜. 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 | 24,862,000 |

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

American silver large, 95½ a 97½; American silver, small, 95 a 97; Mexican dollars, old stamp, 104½ a 105½; Mexican dollars, new stamp, 101½ a 103; English silver, 480 a 485; Five francs, 95 a 97; Thalers, 70½ a 72; English sovereigns, 490 a 495; Twenty francs; 383 a 386; Spanish doubloons, 15.70 a 16.00; Mexican doubloons, 15.55 a 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 109⅜ @ 109½. We quote: Bills at 60 days on London, 108½ @ 109⅛ for commercial; 109¼ @ 109½ for bankers'; do. at short sight, 110⅜ @ 110⅝; Paris at 60 days, 5.27½ @ 5.23⅛; do. at short sight, 5.18¾ @ 5.18¼; Antwerp, 5.26¼ @ 5.20; Swiss, 5.26¼ @ 5.20; Hamburg, 4 Reichsmark, 95¼ @ 96; Amsterdam, 40 @ 40½; Frankfort, 40⅞ @ 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' | 107¼ @ 107½ | 108¾ @ 109 | 108¼ @ 108⅜ | 109¼ @ 109½ |
| " commercial | 106⅝ @ 107¼ | 108⅜ @ 108¾ | 107½ @ 108 | 108½ @ 109⅛ |
| Paris, francs, per dollar | 5.35 @ 5.14¼ | 5.32½ @ 5.27½ | 5.31¼ @ 5.37½ | 5.23¾ @ 5.27½ |
| Amsterdam, per guilder | 39 @ 40 | 40 @ 40½ | 39¼ @ 39⅝ | 40 @ 40¼ |
| Frankfort, per florin | 40⅛ @ 40¾ | 40⅜ @ 41¼ | 40⅛ @ 40⅜ | 40⅞ @ 41¼ |
| Hamburg, per marc-banco | 35 @ 35⅜ | 35⅜ @ 35½ | 34⅝ @ 35⅜ | 95¼ @ 96 |
| Prussian thalers | 70½ @ 71¼ | 71½ @ 72 | 70¼ @ 71 | 71½ @ 72 |
| Bremen, per 4 Reichsmark | 93½ @ 94¼ | 95¼ @ 95¾ | 93¾ @ 94½ | 95¼ @ 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 | $466,987,787 |
| July 6 | 264,361,237 | 10,853,171 | 33,669,397 | 191,524,312 | 71,196,472 | 494,081,990 |
| 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 | 467,692,982 |
| 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 | 23,986,100 | 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 | 626,459,868 |
| 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 | 219,036,200 | 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 | 678,212,043 |
| " 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 | 178,503,752 |
| 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 | 200,811,290 |
| 1865 | 239,445,730 | 15,331,769 | 71,134,966 | 17,990,689 | 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.

| | *Legal Tenders.* | *Loans.* | *Specie.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| 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 | 53,653,471 | 233,906 | 10,625,426 | 44,824,398 |
| June 4, 1869 | 13,210,397 | 50,716,999 | 252,483 | 10,593,719 | 38,121,023 |
| February 1 | 14,296,570 | 52,632,813 | 302,782 | 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 | 51,083,136 | 800,705 | 10,814,300 | 38,682,809 |
| 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 | 55,631,723 | 1,069,585 | 11,348,851 | 42,049,757 |
| Feb. 5 | 11,296,888 | 56,578,932 | 980,489 | 11,358,645 | 42,295,844 |
| Mar. 4 | 11,067,565 | 55,420,238 | 363,722 | 11,359,927 | 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 | 12,489,388 | 59,612,473 | 267,427 | 11,357,705 | 47,493,586 |
| Sept. 2 | 10,892,744 | 57,874,699 | 231,782 | 11,866,786 | 43,104,260 |
| Oct. 7 | 10,419,592 | 55,852,031 | 130,890 | 11,379,972 | 40,665,109 |
| Nov. 5 | 10,396,592 | 55,501,652 | 173,774 | 11,364,647 | 40,576,166 |
| " 26 | 9,881,821 | 55,218,299 | 146,933 | 11,418,932 | 39,622,804 |
| Dec. 2 | 10,888,145 | 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 | 132,627 | 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 $49,060,000, and surplus funds, $12,872,000. We annex the returns for 1867–1872:

| 1867. | *Loans.* | *Specie.* | *Legal Tenders.* | *Deposits.* | *Circulation.* |
|---|---|---|---|---|---|
| August 5 | $96,387,558 | $472,045 | $15,111,084 | $38,398,850 | $24,655,075 |
| Jan. 6, 1868 | 94,969,249 | 1,466,246 | 15,543,169 | 40,856,022 | 24,686,559 |
| July 6 | 100,110,830 | 1,617,638 | 15,107,307 | 43,458,654 | 25,214,196 |
| Jan. 4, 1869 | 98,423,644 | 2,203,401 | 12,938,342 | 37,538,767 | 25,151,340 |
| Jan. 3, 1870 | 105,985,214 | 3,765,347 | 11,374,559 | 40,007,295 | 25,280,893 |
| Dec. 5 | 108,544,507 | 2,105,536 | 12,612,076 | 44,345,792 | 24,653,930 |
| 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 | 50,693,067 | 24,816,012 |
| Dec. 4 | 114,748,031 | 1,510,054 | 10,387,633 | 44,847,412 | 25,713,611 |
| 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 | 25,654,600 |
| 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 | 114,481,200 | 3,255,800 | 7,609,200 | 47,371,000 | 25,803,600 |
| June 3 | 115,567,100 | 2,244,300 | 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 | 25,678,500 |
| " 25 | 114,776,100 | 1,021,200 | 10,161,800 | 48,150,300 | 25,659,900 |
| Dec. 2 | 115,834,200 | 1,077,200 | 10,637,400 | 50,304,400 | 25,669,300 |
| " 9 | 116,731,300 | 1,143,600 | 10,814,000 | 50,421,100 | 25,638,200 |
| " 16 | 118,496,700 | 1,065,100 | 10,800,400 | 51,062,700 | 25,608,40 |

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. |
|---|---|---|
| U. S. Currency 6s | 112⅝ | 112¾ |
| U. S. 6s, 1881, Registered | 114¼ | 114½ |
| U. S. 6s, 1881, Coupon | 117⅝ | 117⅞ |
| U. S. 5-20 Reg., May and Nov. | 112¼ | 112½ |
| U. S. 5-20, '62, Coupon, Nov. | 112¼ | 112½ |
| U. S. 5-20, '64, Coupon, Nov. | 112¼ | 112½ |
| U. S. 5-20, '65, Coupon, Nov. | 112⅝ | 112⅞ |
| U. S. 5-20, '67, Reg., Jan. & July. | 112¼ | 114½ |
| U. S. 5-20, '65, Coup., Jan. & July. | 115⅝ | 115¾ |
| U. S. 5-20, '67, Coup., Jan. & July. | 116¼ | 116⅜ |
| U. S. 5-20, '68, Coup., Jan. & July. | 116⅜ | 116⅝ |
| U. S. 10-40, Registered | 109⅜ | 109¾ |
| U. S. 10-40 Coupon | 109⅜ | 109¾ |
| U. S. 5s of '81, Registered | 111¼ | 112 |
| U. S. 5s of '81, Coupon | 111¼ | 112 |
| Central Pacific Gold Bonds | 102¼ | 102¾ |

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

## DEATHS.

In New York City, on Monday, December 2, aged eighty years, Thomas Jeremiah, 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 7,820,683, 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 Bleecker 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:

| *Date.* | *Name.* | *Appointed.* | *Died or Resigned.* | *Age at Death.* |
|---|---|---|---|---|
| 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.

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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.*

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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:

| *Year.* | *Total production.* | *Year.* | *Total production.* |
|---|---|---|---|
| 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:

| | *Debt on the 30th September*, 1872. | | *Balance of Sinking Funds on the 30th September*, 1872. | | *Balance of debt after applying Sinking Funds.* |
|---|---|---|---|---|---|
| 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 it 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 provide 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.* 30, 1870. |
|---|---|---|---|
| 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.* 30, 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 30, 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 :—

| *City.* | *Debt*, 1871. | *Debt*, 1872. | *Increase in* 1872. |
|---|---|---|---|
| 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.

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

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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 accompanied 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 rqeuest 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 consigned 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. R., 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.—(THIEDEMANN *v.* GOLDSCHMIDT & al., 1 DEG., 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 promissee 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 quæstio* 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 decried 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 dispend 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 554.*)



## 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 ackowledgement 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; beeause 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 WROTTESLEY, 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 circulation. 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 whochose 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."

| | | | |
|---|---|---|---|
| Amo unt 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.
Sir R. Peel, Bart.
Lord John Russell.
Mr. Goulburn.
Sir J. Graham, Bart.
Mr. J. Smith.
Mr. Robarts.
Sir M. Ridley, Bart.
Mr. Attwood.
Mr. J. Newport, Bart.
Mr. Haywood.
Lord Visct. Ebrington.
Mr. Lawley.
Sir J. Wrottesley, Bart.
Lord Cavendish.
Mr. Herries.
Mr. Poulett Thomson.
Mr. Courtenay.
Colonel Maberly.
Sir H. Parnell, Bart.
Mr. Vernon Smith.
Mr. Baring.
Mr. Irving.
Mr. Warburton.
Mr. G. Phillips.
Mr. J. Morrison.
Lord Viscount Morpeth.
Mr. Alderman Wood.
Mr. Strutt.
Mr. Bonham Carter.
Mr. E. J. Stanley.
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 FAUNTLEROY'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 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 twelvemonth'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 management 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 mentioned, 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 | 98½ | 93¾ | 102¼ | 97 | 103 | 95 | 99½ |
| Do. 6's new | 98¾ | 102⅝ | 99⅛ | 103 | 99 | 103¼ | 99⅛ | 102¼ |
| Do. 5's | 88 | 92 | 87 | 99 | 92 | 94¼ | .... | .... |
| Pennsylvania 5's, transferable | 95 | 100 | 99 | 103¼ | 92 | 92 | .... | .... |
| Do. 5's coupon bonds | 91½ | 95½ | 93½ | 104 | 95 | 104 | 94 | 102½ |
| Do. 6 per cent's | 100 | 103¼ | 100¾ | 106 | 99¾ | 102 | 100⅝ | 100⅝ |
| Do. 6's registered | 100 | 100½ | 100¾ | 106 | 100¼ | 101¾ | .... | .... |
| Do. 6's 1st series | 101 | 105½ | 102 | 106¼ | 100 | 105½ | 100 | 103 |
| Do. 6's 2d " | 103½ | 109 | 104 | 109¾ | 103 | 108 | 103 | 107½ |
| Do. 6's 3d " | 104½ | 113 | 106 | 112⅝ | 105 | 109 | 106⅛ | 109½ |
| Do. Inclin'd Plane L'n | 105 | 105 | 105 | 111 | 104 | 107 | .... | .... |
| United States 6's 1881 | 112⅛ | 124¾ | 115½ | 117⅝ | .... | .... | 92½ | 92½ |
| Do. registered | 109 | 124⅝ | 109¾ | 114 | 116⅝ | 116½ | 115⅝ | 119⅛ |
| Do. 5–20's, 1862 | 112 | 123¼ | 107⅛ | 109⅛ | 109⅝ | 115⅝ | .... | .... |
| Do. 5–20's, " reg. | 111 | 121½ | 108½ | 108⅝ | 111 | 113¾ | 110½ | 110½ |
| Do. 5–20's, 1864 & 1865 | 106½ | 122⅛ | 107⅛ | 115¼ | 112¾ | 112¾ | 111⅝ | 111⅝ |
| Do. 5–20's, " reg. | 106½ | 115⅞ | 106¾ | 115 | .... | .... | 115½ | 115½ |
| Do. 5–20's, July, 1865 | 106⅞ | 121 | 107 | 114⅝ | 108½ | 114 | 110⅝ | 111 |
| Do. 5–20's, " reg. | 108¾ | 120¼ | 109⅝ | 109⅝ | 111 | 111 | .... | .... |
| Do. 5–20's, July, 1867 | 107 | 122⅛ | 107¼ | 114¾ | 110⅝ | 112¼ | 112⅝ | 113 |
| Do. 5–20's, " reg. | 108⅞ | 120 | .... | .... | .... | .... | .... | .... |
| Do. 10–40's | 105½ | 114¼ | 105⅝ | 105½ | 110 | 110 | .... | .... |
| Do. 10–40's, registered | 102¾ | 110¾ | 109 | 109 | 109½ | 109½ | .... | .... |
| Allegheny County Coupon 5's | 74½ | 80 | 75½ | 77¾ | 76½ | 80 | 76½ | 78½ |
| Do. 5 per cent. scrip | 74 | 74 | 74 | 74 | 77½ | 77½ | 75 | 75 |
| Allegheny City 4 per cent's | 61 | 65 | 63½ | 63½ | .... | .... | .... | .... |
| 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 | 77½ |
| Do. 6 " | 90 | 95 | 90 | 98 | 90 | 97 | 90 | 100⅛ |
| Do. scrip | 68 | 69½ | .... | .... | .... | .... | 71 | 71 |
| New Jersey 6 per cent's | 100½ | 104 | 102 | 105 | 103 | 107½ | 100⅞ | 105½ |
| *Camden & Amboy R. R. Shares | 117 | 131¾ | 113¼ | 122¼ | 116 | 136¼ | 112½ | 129 |
| Do. 6's, 1875 | 89 | 92½ | 92½ | 98½ | 95 | 98½ | 93 | 98 |
| Do. 6's, 1883 | 83¼ | 89¼ | 83¾ | 95½ | 89 | 97 | 90 | 98 |
| Do. 6's, 1889 | 82 | 86¼ | 92 | 92¾ | 88 | 94 | 89 | 92 |
| Cam. & Amboy R. R., mtg., 1889 | 91¾ | 96½ | 92⅝ | 97¾ | 93¾ | 98 | 93¾ | 99 |

* Ex. Dividend.

| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|---|---|---|---|---|---|---|---|---|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Pennsylvania Railroad shs., $50.. | 53⅛ | 60¼ | 54¾ | 62⅞ | 55¼ | 66½ | 55⅝ | 64⅞ |
| Do. 1st mortg. bonds... | 97 | 102 | 96⅞ | 105 | 97½ | 104 | 99 | 103½ |
| Do. 2d mortg. " ... | 94 | 98½ | 96⅛ | 103¾ | 96½ | 103¼ | 97 | 101 |
| Do. deben. bonds...... | 95 | 95 | 95⅝ | 95⅝ | 101 | 101 | .... | .... |
| Do. R. R. gen. mtg. 6 per cent. loan, 1910.. | .... | .... | .... | .... | 90¼ | 95 | 92 | 97½ |
| Do. " " regis. | .... | .... | .... | .... | 90½ | 96½ | 92½ | 97⅜ |
| Do. allotments ......... | 56 | 58⅛ | .... | .... | 58 | 61⅞ | 57 | 59⅜ |
| Reading Railroad Shares, $50.... | 45⅛ | 50¾ | 46 13/16 | 54⅝ | 48¾ | 59⅝ | 54⅞ | 62 |
| Do. 6's, 1880.......... | 88 | 91½ | 88 | 100 | 90 | 97 | 90 | 99 |
| Do. 6's, 1886.......... | 94¾ | 97¼ | 94¼ | 100 | 98 | 103¾ | 114½ | 114½ |
| Do. new 7's........... | 102 | 106 | 102 | 107 | .... | .... | 111½ | 106½ |
| Do. deben. bonds...... | 82 | 85 | 80 | 84½ | 79 | 84 | 81 | 85 |
| North Pennsylvania R. R. $50... | 33½ | 39¼ | 36 | 47⅝ | 44¾ | 51 | 47 | 51 |
| Do. 6's ............... | 87 | 91 | 85½ | 101¼ | 98 | 103 | 98 | 102½ |
| Do. 7's ............... | 84 | 91 | 86 | 95 | 93⅝ | 100½ | 90¾ | 97 |
| Do. 7 per cent. scrip... | 80 | 85 | 83¼ | 92 | .... | .... | .... | .... |
| Do. Chattel 10's ........ | 109 | 109 | 108 | 112 | 110 | 112 | 110 | 110½ |
| Little Schuylkill Railroad, $50... | 41 | 45 | 40½ | 46 | 42¾ | 47½ | 45½ | 48¾ |
| Do. 7's ............... | 95½ | 99 | 99 | 100½ | .... | .... | 99½ | 102 |
| Lehigh Valley R. R. Shares, $50. | 52 | 57½ | 52⅝ | 60⅞ | 57¾ | 62⅞ | 56⅛ | 63⅜ |
| Do. bonds, 6's, 1873.... | 92 | 96½ | 95⅝ | 101 | 98 | 100 | 101½ | 101½ |
| Do. new 6's........... | 92½ | 95½ | 92⅛ | 99 | 94 | 98 | 90 | 98⅜ |
| Do. new regis......... | 93 | 97½ | 95 | 100 | 95½ | 100 | 94¾ | 96¼ |
| Philadelphia & Erie R. R., $50.. | 25 | 33⅞ | 25⅛ | 30½ | 23 | 29½ | 25 | 29¼ |
| Do. bonds, 6's......... | 85 | 90½ | 88 | 94 | 86 | 95 | 88¾ | 92¼ |
| Do. 7's, 2d mortg...... | 79 | 90½ | 82½ | 93½ | 84 | 90¼ | 86 | 95 |
| Phila. & Trenton R. R. Shares... | 115 | 29¾ | 115 | 118 | 115⅝ | 130 | 121 | 126¾ |
| Elmira & Williamsp't R. R., $50. | 30 | 31 | 28 | 30 | 28¼ | 46⅝ | 27¼ | 31 |
| Do. preferred.......... | 39 | 41½ | 38 | 40 | .... | .... | 40 | 42 |
| Do. bonds, 5's......... | 58 | 60 | 58¼ | 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 | 25¼ | 16 | 23 |
| Do. preferred.......... | 32⅛ | 40 | 34¾ | 39 | 37¾ | 50 | 41¼ | 57 |
| Do. 5 per cent. bonds.. | .... | .... | .... | .... | .... | .... | .... | .... |
| Do. 1st m. 7 p. c. bonds. | .... | .... | .... | .... | 95 | 95½ | 97 | 101 |
| Harrisburg Railroad Shares, $50. | 55 | 55 | 56¼ | 56¼ | 52 | 55 | 50 | 52 |
| Do. 6's ............... | 90 | 91½ | 89 | 95 | 92⅝ | 97¾ | 91¼ | 92 |
| Phil., Balt. & Wilm't'n R. R. $50. | 51½ | 54 | 50 | 55¼ | 50½ | 57 | 54½ | 57½ |
| Do. 6's ............... | 93 | 93 | 93¾ | 93¾ | .... | .... | 109 | 109 |
| Camden & Atlantic R.R., preferred | .... | .... | .... | .... | 30 | 36 | 28 | 40¼ |
| 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 | 39¾ | 49 | 38⅝ | 43¼ | 37½ | 40½ |
| Do. bonds, 1900 ....... | 84½ | 84½ | 81 | 89 | 88¾ | 99¾ | 88 | 88 |
| Do. bonds, 1885 ....... | 83¼ | 83¼ | 90¾ | 90¾ | 92 | 93½ | .... | .... |
| Minehill Railroad Shares, $50... | 52½ | 56 | 50 | 54¾ | 50½ | 54¼ | 52 | 55 |
| East Pennsylvania R. R. Shares.. | 36 | 41 | 40 | 42½ | 38 | 40½ | 38⅝ | 42 |
| West Chester R. R. bonds, 7's ... | 97¼ | 97¼ | 94 | 97¾ | 95 | 97 | 93¾ | 103¾ |
| Oil Creek & Allegh'y River, $50. | 36 | 44¼ | 38 | 47¾ | 44¾ | 53½ | 34 | 48 |
| Do. 7 per cent. bonds .. | 80 | 80 | 76 | 83⅝ | 78¾ | 90 | 75 | 85⅝ |
| Indiana 1st mortgage bonds ..... | 70¼ | 76 | 72½ | 75 | 73 | 83 | .... | .... |
| Hnnt. & Broad Top R. R. Shs., $50 | .... | .... | .... | .... | 9 | 10½ | 3½ | 13¼ |
| Do. 1st mortg. bonds... | 75 | 83 | 78 | 91 | 92¾ | 103¾ | 100 | 103 |
| Do. 2d " " ... | .... | .... | .... | .... | 83 | 86¾ | 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 |

| STOCKS. | 1869. | | 1870. | | 1871. | | 1872. | |
|---|---|---|---|---|---|---|---|---|
| | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. | Lowest. | Highest. |
| Belvidere & Del. R. R. 3d mtg. bonds | 76½ | 80 | 83 | 86 | 81 | 87 | 80½ | 84 |
| Camden & Burlington R. R. 6's.. | 85 | 86 | 84 | 90 | 87 | 88 | 84⅝ | 87½ |
| Connecting Railroad bonds, 6's.. | 83 | 89 | 83 | 86⅛ | 80 | 89 | 86 | 89¾ |
| Junction Railroad bonds, 6's .... | 89 | 95 | 89 | 89 | 88 | 88 | .... | .... |
| Junction Railroad, 2d mortg..... | 90 | 92 | 88 | 90 | 90 | 90 | 91¾ | 91¾ |
| Penn. & New York Canal, 7's.... | 88 | 93 | 89 | 93½ | 91 | 98 | 94 | 99 |
| Phila. & Sunbury, 7 per cent's... | 90½ | 96 | 95½ | 100 | 97 | 101¼ | 98 | 99½ |
| Sunbury & Erie R. R. bonds, 7's. | 95 | 100 | 96½ | 104 | 99¾ | 102¼ | 99½ | 101 |
| Warren & Franklin bonds, 7's... | 80 | 85 | 83 | 87½ | 84¾ | 92 | 85½ | 91½ |
| West'n Pennsylvania, 6 per cent's. | 79 | 81⅝ | 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 | 97¼ |
| Do. 7 per cent's ..... | 95 | 95¼ | 92 | 97½ | 96⅞ | 103½ | 100½ | 103½ |
| Lehigh Navigation Co., $50..... | 28⅝ | 38 | 30 | 36⅛ | 33 | 39 | 36 | 47⅝ |
| Do. bonds, 6's, 1884.. | 80½ | 84½ | 82 | 88½ | 82½ | 88½ | 84½ | 92 |
| Do. " 6's, 1897.. | 83 | 89¼ | 87 | 92¾ | 90 | 94½ | 92 | 97¼ |
| Do. " conv't. l'n. | 76 | 84 | 76 | 81 | 78½ | 85½ | 80 | 96 |
| Do. gold loan....... | 88 | 100 | 87½ | 94¼ | 85¾ | 95 | 90⅝ | 97 |
| Schuylkill Navigation Co., $60.. | 9 | 10⅝ | 6 | 8⅞ | 7½ | 9⅝ | 7¼ | 8⅜ |
| Do. preferred shares. | 15 | 21¼ | 14 | 19 | 15 | 18¾ | 13⅝ | 17⅝ |
| Do. Imp. loan....... | 63¾ | 64 | 66 | 72 | 80 | 88 | .... | .... |
| Do. bonds 6's, 1872.. | 77 | 89 | 70 | 85 | 77 | 80 | 72 | 83 |
| Do. " 6's, 1876.. | 61¾ | 67 | 50 | 70 | 74¼ | 81¼ | 77 | 77 |
| Do. " 6's, 1882.. | 51⅛ | 70 | 50 | 76¾ | 72¾ | 81 | 76½ | 81 |
| Do. boat 6 per cent's. | .... | .... | .... | .... | 75 | 80 | 77 | 78 |
| Do. boat 7 per cent's. | 70 | 74 | 75 | 75 | 77 | 85½ | 84½ | 86 |
| Morris Canal Co. shares......... | 29 | 30 | 25 | 33 | 34 | 53 | 48 | 52 |
| Do. preferred........ | 57¼ | 72 | 58 | 72 | 75 | 125¼ | 120 | 127¼ |
| Do. 1st mortg. bonds. | 80 | 87 | 70 | 85 | 87 | 92½ | 90 | 95 |
| Do. 2d mortg. " | .... | .... | 75 | 75 | .... | .... | 88¼ | 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 | 13⅛ | 4 | 6 | 5 | 10½ | 7¼ | 8 |
| Do. bonds, 6 per ct's. | 55 | 58 | 45 | 48 | 48 | 63¾ | 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 | 75⅝ | 75⅝ | .... | .... |
| Second & Third Sts. P. R. W., $50 | 40 | 50¾ | 39¾ | 56 | 55⅝ | 66¾ | 58¼ | 66¾ |
| Fourth & Eig'h Sts. P. R. W., $50 | 27 | 33 | 27¾ | 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 | 19⅛ | 19 | 25 | 21½ | 25¾ | 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 | 34¾ | 31½ | 34 |
| Chestnut & Walnut Sts. R. R., $50 | 45½ | 48¼ | 43 | 45 | 44 | 54¼ | 55 | 58½ |
| Girard College R. R., $50....... | 27⅝ | 29 | 30½ | 45 | 33½ | 40 | 42½ | 44½ |
| Green & Coates Sts., $50....... | 37 | 39¾ | 37 | 39 | 43 | 47 | 45½ | 47 |
| Hestonville Railway, $50 ....... | 10⅛ | 13½ | 12 | 17 | 16 | 23 | 17¾ | 22½ |
| Ridge Avenue R. R. shares, $50. | 9 | 9 | 7¼ | 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 | 37¼ | 37¼ | 30¼ | 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 | 60¼ | 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 | 6¼ | 5½ | 7½ | 6 | 6½ | 6½ | 6½ |
| Buck Mountain " " 50 | 36½ | 40 | 35¼ | 35¼ | 26 | 30 | 32½ | 32½ |
| Clinton " " 10 | ½ | ¾ | ½ | ½ | ½ | ½ | .... | .... |
| Feeder Dam " " 1 | ⅜ | ½ | ¼ | ¾ | ¼ | ½ | ⅛ | ⅛ |
| Fulton " " 5 | 4½ | 6 | 4¼ | 4¾ | 5 | 5¾ | 5½ | 5¾ |
| Locust Mountain " " 50 | 45 | 49 | 42½ | 42½ | .... | .... | .... | .... |
| New Creek " " 10 | ¼ | ½ | 7/16 | 7/16 | 13/16 | ¼ | .... | .... |
| New York & Middle Coal Co., $25 | 4⅛ | 7 | 4¼ | 5⅛ | 4 | 5½ | 4½ | 4½ |
| Shamokin " par $25 | 4½ | 6 | 4½ | 5½ | 5½ | 7 | .... | .... |
| Shamokin " bonds | 71½ | 71½ | .... | .... | .... | .... | .... | .... |
| St. Nicholas " par $10 | 1 | 3¼ | 2¾ | 2⅞ | ¼ | ⅝ | .... | .... |
| Allegheny Valley R. R. 7 3-10's | .... | .... | 91 | 91 | 91¼ | 95¼ | 91 | 98½ |
| Perkiomen R. R. 6 per cent's | .... | .... | 76 | 80 | 77 | 81 | 80 | 86 |
| Warren & Franklin R.R., 2d mtg. | .... | .... | 95 | 95 | 99 | 100¾ | .... | .... |
| Wilmington & Reading R. R. 7's | .... | .... | 90¼ | 94 | 94¾ | 100 | 95¾ | 104 |
| Central Transportation Co., $50 | .... | .... | 49¾ | 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 |
| InsuranceCo.of State of Penn $200 | .... | .... | 229 | 229 | .... | .... | 240 | 244 |
| American Buttonhole Co., $12.50 | .... | .... | 12½ | 20 | 16 | 32 | 14⅞ | 25 |
| BANKS:—* | | | | | | | | |
| Central National Bank | 124 | 125 | 120 | 125 | 123 | 131 | 128¼ | 139 |
| City National Bank, $50 | 73 | 73¼ | 73½ | 73½ | 73½ | 73¾ | 75 | 75 |
| Commercial National Bank, $50 | 53½ | 60 | 57¼ | 61 | 60 | 62½ | 61 | 62½ |
| Commonwealth Nat. Bank, $50 | 58¾ | 61 | 55 | 60 | 50 | 55½ | 41 | 50 |
| Corn Exchange Nat. Bank, $50 | 68¾ | 70 | 67¼ | 71 | 70 | 70 | 70 | 70 |
| Consolidation Nat. Bank, $30 | 42 | 43½ | 45 | 45¼ | 47 | 47 | .... | .... |
| Farmers & Mechanics' Nat. Bank | 117 | 125 | 117 | 124 | 122¾ | 130 | 127 | 137 |
| Girard National Bank, $40 | 56 | 60 | 56½ | 62 | 61 | 70 | 61 | 65⅜ |
| Kensington National Bank, $50 | 117 | 117 | 120½ | 129 | 90 | 121 | 85 | 93 |
| Manufacturers' Nat. Bank, $25 | 29¼ | 31⅛ | 30 | 32½ | 29 | 31½ | 27 | 31¼ |
| Mechanics' National Bank, $20 | 30⅞ | 34 | 31 | 33 | 31¼ | 34 | 31⅞ | 33 |
| Bank of North America | 231 | 243 | 221½ | 232 | 230 | 237¼ | 234 | 244 |
| N. B. Northern Liberties, $50 | 115 | 123 | 123 | 126 | 121 | 124 | 125 | 130 |
| Penn National Bank, $35 | 58¾ | 60 | 60 | 60¼ | 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 | 58⅞ | 56 | 57 | 56 | 60 | 60½ | 60½ |
| Western National Bank, $50 | 71 | 87½ | 64 | 76 | 64¾ | 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 | 84¾ | 84¾ | 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:—

Beg leave 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.

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(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.

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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.

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## 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 disaster? 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.*

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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 92⅝; 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 3½ 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 3½ 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 3½. 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 84½ (or 80½, reckoning allowances), payable 14½ per cent. on allotment and the balance in 20 monthly instalments, and yielding about 6⅛ per cent.

AUGUST.

3.—Turkish 9 per cent. Loan of £11,126,200 introduced by Messrs. RAPHAEL & SONS, at 98½, or 97⅛ 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 3½ to 4 per cent. Death of the King of SWEDEN.

26.—Bank rate raised to 4½.

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 28¾.

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 91¾. French Rentes, 52f. 97c. Bank bullion, £23,666,857. Rate of discount, 5 per cent.

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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.

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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 |
| Bowery National Bank | 250,000 | 224,400 | — |
| Sixth " " | 200,000* | 64,800 | 5 |
| N. Y. County National Bank | 200,000 | 290,200 | 7 |
| Bull'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 & IndemnityCo., 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. | **9½**@10 | 10 @ 10¼ | 10 @ 10⅛ | **32⅛**@12⅝ | 14 @ 14¼ | 13¾@14 | 15¼ @15½ | Sunday. | 14 @ 14⅝ | 11⅞@12⅝ | Sunday. |
| 2 | 9¼ 9¾ | 9½ 9¾ | 10⅛ 10⅜ | **9⅞** 10 | 12⅜ 12⅝ | Sunday. | 13⅝ 13⅞ | 15¼ 15½ | 13⅛ @ 13¾ | 13⅞ 14⅜ | **31⅜** 12 | 12¾ 12⅞ |
| 3 | 9 9½ | 9⅝ 9⅞ | Sunday. | 9⅞ 10⅛ | 12½ 13⅛ | 14¼ 14⅝ | 13¾ 13¾ | 15⅜ 15½ | 13 13¼ | 14⅛ **15⅛** | Sunday. | 12⅝ 12⅞ |
| 4 | 9 9⅜ | Sunday. | 10 **60⅜** | 10 10⅜ | 13 13¼ | 14⅜ 14⅝ | Holiday. | Sunday. | 13 13¼ | 14⅝ 15 | 11⅜ 12⅜ | 12¾ 12⅞ |
| 5 | 9⅛ 9¼ | 10 10¼ | 10 10¼ | 10⅛ 10¼ | Sunday. | 14⅝ **14¾** | 13⅝ 13¾ | 15⅜ **15⅝**† | 13 13¼ | 13⅞ 14¾ | Holiday. | 12⅞ **13¼** |
| 6 | 8⅛ 9⅜ | 9⅞ 10⅛ | 10 10¼ | 10¼ 10⅝ | 13⅝ 13⅞ | 14½ 14¾ | **43½** 13¾ | 15¼ 15½ | **92¾** 13⅛ | Sunday. | 11⅞ 12⅝ | 12⅞ 13¼ |
| 7 | Sunday. | 9⅞ 10¼ | 10 10¼ | Sunday. | 13½ 14⅛ | 13⅞ 14½ | Sunday. | 15⅛ 15⅜ | 12¾ 13 | 12⅝ 13¼ | 12⅜ 12¾ | 12⅞ 13⅛ |
| 8 | 9⅜ 9⅝ | 10½ 10¾ | 10⅛ 10⅜ | 10¼ 10½ | 13½ 14 | 13⅞ 14⅛ | 13⅝ 13¾ | 15⅛ 15½ | Sunday. | 12¾ 13⅜ | 12⅝ 13 | Sunday. |
| 9 | 8⅞ 9⅜ | 10¼ 10¾ | 10 10¼ | 10¼ 10½ | 13⅞ 14¼ | Sunday. | 13¾ 13⅞ | 15⅜ 15⅝ | 13 13⅜ | **42¼** 13⅛ | 13⅛ 13¾ | 12⅞ 13¼ |
| 10 | 8⅝ 9 | 10⅜ 10¾ | Sunday. | 10¼ 10½ | 13⅞ **14⅜** | 14⅛ 14⅜ | 13¾ 14 | 15⅜ 15½ | 12⅞ 13⅜ | 12⅝ 13 | Sunday. | 12⅝ 13 |
| 11 | ***8¼** 8¾ | Sunday. | 10⅛ 10¼ | 10⅜ 10½ | 14⅛ 14⅜ | 13⅞ 14⅜ | 13⅞ 14 | Sunday. | 12⅞ 13⅛ | 12⅝ 13⅛ | 13⅜ **94¼** | 12⅝ 12¾ |
| 12 | 8⅝ 8⅞ | 10⅜ 10⅝ | 10⅛ 10¼ | 10⅜ 10⅝ | Sunday. | 13⅞ 14⅛ | 13⅞ 14⅛ | 15⅜ 15⅝ | 12⅞ 13¼ | 12¾ 12⅞ | 13⅝ 13⅞ | 12¼ 12¾ |
| 13 | 8⅞ 9⅛ | 10⅛ 10⅜ | **9⅛** 10 | 10½ 10⅝ | 13¼ 13¾ | 13⅞ 14⅛ | 14 14⅛ | 14¾ 15½ | 12⅞ 13⅛ | Sunday. | 13¼ 13⅝ | 12⅛ 12⅝ |
| 14 | Sunday. | 10⅛ 10⅜ | 10 10¼ | Sunday. | 13½ 14 | 13¾ 14 | Sunday. | 14⅝ 14⅞ | 13 13½ | 12½ 12⅞ | 13⅛ 13½ | 12⅛ 12½ |
| 15 | 8¾ 9⅛ | 10⅛ 10⅜ | 10 10¼ | 10⅝ 10⅞ | 13⅝ 14⅛ | 13⅞ 14 | 14⅛ 14⅜ | 14⅝ 15⅛ | Sunday. | 12⅝ 12⅞ | 13¼ 13¾ | Sunday. |
| 16 | 8¾ 9 | 10¼ 10⅜ | 10⅛ 10¼ | 10⅞ 11⅛ | 13⅞ 14¼ | Sunday. | 14⅜ 14⅝ | 15 15⅜ | 13⅜ 13¾ | 12⅞ 13⅛ | 13½ 13¾ | 12⅛ 12⅜ |
| 17 | 8¾ 9⅛ | 10¼ 10⅜ | Sunday. | 10¾ 11⅛ | 13¾ 14⅛ | 13⅞ 14 | 14½ 14¾ | 15 15⅜ | 13⅝ 14⅝ | 12⅞ 13⅛ | Sunday. | 11¾ 12¼ |
| 18 | 8⅞ 9 | Sunday. | 10 10¼ | 10⅞ 11⅛ | 13½ 13¾ | 13⅞ 14⅛ | 14⅝ 14¾ | Sunday. | 13⅞ 14⅝ | 12⅝ 13⅛ | 13½ 13¾ | 11⅝ 12⅞ |
| 19 | 8⅞ 9⅛ | 10⅛ 10½ | 9¾ 10⅛ | 11⅛ 11¼ | Sunday. | 13⅝ 13⅞ | 14¼ 14½ | 14⅛ 15 | 13¾ **15⅛** | 12¾ 13⅜ | 13¼ 13⅝ | **11½** 11 |
| 20 | 9 9¼ | 10⅜ 10½ | 9¾ 10 | 11¼ 11⅝ | 13½ 13⅞ | 13¼ 13⅝ | 14¼ 14½ | 13⅞ 14⅜ | 14 15⅛ | Sunday. | 13 13⅝ | 11⅝ 11¾ |
| 21 | Sunday. | 10⅜ 10¾ | 9¾ 9⅞ | Sunday. | 13½ 13¾ | 13⅜ 13⅝ | Sunday. | 13⅞ 14¼ | 13⅝ 14⅛ | 12¾ 13¼ | 13 13⅝ | 11½ 11¾ |
| 22 | 9 9⅛ | Holiday. | 9¾ 9⅞ | 11⅛ 11⅜ | 13¾ 14 | 13⅛ 13½ | 14⅛ 14⅜ | 13¾ 14¼ | Sunday. | 12⅞ 13⅛ | 13 14 | Sunday. |
| 23 | 8⅞ 9 | 10¾ **11** | 9¾ 10 | 11⅜ 11¾ | 13⅞ 14⅛ | Sunday. | 14¼ 14⅝ | 13¼ 13⅞ | 13¾ 14⅛ | 12⅞ 13⅜ | 12⅝ 13⅜ | 11⅝ 11⅞ |
| 24 | 8⅞ 9 | 10¾ 11 | Sunday. | 11¾ 12⅛ | 13⅝ 13⅞ | **13** 13½ | 14⅜ 14⅝ | 12¾ 13½ | 13⅝ 14 | 12⅞ 13⅛ | Sunday. | 11⅝ 11¾ |
| 25 | 9 9¼ | Sunday. | 9¾ 9⅞ | 12⅛ 12¾ | 13½ 13¾ | 13¼ 13⅝ | 14½ 14⅝ | Sunday. | 13½ 14 | 13 13¼ | 12⅝ 13⅛ | Christmas. |
| 26 | 9 9¼ | 10½ 10¾ | 9¾ 10 | 12¾ **13¼** | Sunday. | 13¼ 13⅝ | 14⅝ 14¾ | **12⅛** 12⅞ | 13⅞ 14 | 13⅛ 13¼ | 12¾ 13 | 11¾ 12⅛ |
| 27 | 9⅜ 9¾ | 10⅝ 10⅝ | 10 10¼ | 12⅝ 13 | 13½ 13¾ | 13¼ 13¾ | 14½ 14¾ | 12½ 13 | 13⅝ 14 | Sunday. | 12⅝ 12⅞ | 12 12⅜ |
| 28 | Sunday. | 10⅝ 10⅝ | 10⅛ 10½ | Sunday. | 13¾ 14 | 13⅜ 13⅝ | Sunday. | 12¾ 13¼ | 13½ 13⅞ | 12⅞ 13⅛ | Holiday. | 11⅞ 12⅜ |
| 29 | 9⅝ 10 | 9⅞ 10¼ | Good Fri. | 12⅝ 12¾ | 13¾ 14¼ | 13½ 13⅞ | 14⅝ 14⅞ | 12⅞ 13⅛ | Sunday. | 12¾ 13 | 12⅜ 12⅝ | Sunday. |
| 30 | 9½ 9¾ | — — | 10 10⅛ | 12¼ 12⅝ | 14 14⅛ | Sunday. | 14¾ 15 | 12⅝ 12⅞ | 13⅝ 14⅛ | 12⅝ 12¾ | 12½ 12¾ | 11¾ 12⅛ |
| | 9¾ **10⅛** | — — | Sunday. | — — | 14 14⅛ | — — | 15 **15¼** | 12¾ 12⅞ | — — | 12¼ 12⅝ | — — | 12 12⅛ |

* *Lowest of the year, 8¼.*

† *Highest of the year.*

# 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 | ........ | ........ | ........ | 96,997,650 | 200,000,000 | 200,000,000 |
| 6-per-cent. of 1881 | 283,677,400 | 283,678,100 | 283,678,100 | 283,681,200 | 283,681,250 | 283,681,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,602,683,300 | 1,437,099,300 | 1,258,610,550 | 1,061,453,700 | 1,058,402,800 |
| | $2,107,835,350 | $2,107,950,700 | $1,935,342,700 | $1,853,856,700 | $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 | 39,995,089 | 40,767,877 | 43,726,689 | 45,722,063 |
| Gold Certificates of Deposit | 27,036,020 | 34,547,120 | 26,149,000 | 36,049,700 | 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.

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(*Continued from page* 575, *January No.*)

| STOCKS. | OCT., 1872. | | NOV., 1872. | | DEC., 1872. | |
|---|---|---|---|---|---|---|
| | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* |
| U.S. Six per cts. of 1881, Coupon Bds. | 115⅝ | 117 | 116⅛ | 117⅛ | 117⅛ | 118 |
| " Five-Twenty of 1862, " | 115¼ | 116⅛ | 111⅝ | 113 | 112¼ | 113⅝ |
| " " 1864, " | 114⅝ | 116 | 111⅝ | 113¼ | 112⅝ | 113½ |
| " " 1865, " | 115½ | 116⅝ | 112 | 113¼ | 112½ | 113½ |
| " " 1865, New, " | 113½ | 114⅞ | 114⅝ | 115¾ | 115 | 116⅝ |
| " " 1867, " | 113¾ | 115¼ | 114 | 116⅛ | 115⅞ | 117½ |
| " " 1868, " | .. | .. | 114⅛ | 115⅞ | 115¾ | 116¾ |
| " Ten-Forty Coupon Bonds | 107¾ | 108⅝ | 107⅝ | 108½ | 108¾ | 109⅞ |
| " Five per cent. of 1881 | 111 | 111⅜ | 110 | 111 | 111 | 111½ |
| " Six per cent. Currency | 111 | 114 | 113¼ | 114½ | 112 | 113⅝ |
| Tenn. Six per cent. Bonds, Old | 72½ | 75⅛ | 74 | 76 | 76 | 82½ |
| " " " New | .. | .. | 73½ | 76¼ | 76 | 83 |
| Virginia Six per cent. Bonds, Old | 44½ | 44½ | .. | .. | 48 | 48 |
| " " " New | .. | .. | 52 | 52 | .. | .. |
| " " " Consol | 50 | 54½ | 54¼ | 56 | 54 | 60 |
| N. Carolina Six per ct. Bonds | 33 | 33½ | 33½ | 36 | 34 | 35 |
| " " New | 20 | 20 | .. | .. | 22 | 22 |
| " " Special Tax | 11 | 14 | 13½ | 14½ | 13 | 14½ |
| S. C. Six per ct. Bds. Jan. & July | 23½ | 27 | 23½ | 26 | 22 | 24⅞ |
| " " April & Oct | 24½ | 24½ | 25¾ | 30 | 25 | 27 |
| Missouri Six per cent. Bonds | 92 | 93½ | 93 | 95½ | 94½ | 96 |
| Canton Company of Maryland | 93 | 106¾ | 100 | 106 | 101⅜ | 107 |
| Delaware and Hudson Canal Co. | 115 | 118 | 115 | 117½ | 116¾ | 120 |
| Consolidated Coal Co. of Maryland | 41 | 45¾ | 43 | 48⅞ | 47 | 48 |
| Quicksilver Mining Company | 43 | 49 | 44 | 48½ | 43 | 48⅝ |
| " " Preferred | 54 | 59 | 52 | 57½ | 53 | 56½ |
| Mariposa Mining Company | 1¾ | 2¼ | 1½ | 2¼ | 1½ | 1½ |
| " " Preferred | 2 | 4⅞ | 1½ | 4¼ | 2½ | 3 |
| Western Union Telegraph Co. | 69⅝ | 81½ | 73¾ | 80 | 75⅝ | 82½ |
| Pacific Mail Steamship Company | 74⅛ | 102⅞ | 83⅝ | 95¾ | 71 | 89⅝ |
| Adams Express Company | 91¾ | 95½ | 91 | 95 | 92¾ | 94 |
| Wells, Fargo & Co. Express Co. | 85 | 88½ | 80 | 88 | 86 | 90 |
| American Merchants' Union Express | 67¼ | 71½ | 64 | 71⅞ | 66½ | 72 |
| United States Express | 75½ | 81⅝ | 72 | 79¾ | 79 | 82 |
| N. Y. Cent. and Hudson River R. R. | 92 | 96¾ | 91¾ | 96¼ | 95½ | 100⅝ |
| Erie Railroad, Common | 47¼ | 54¾ | 48 | 57 | 52¼ | 62⅝ |
| " Preferred | 70 | 74½ | 71 | 74½ | 73 | 80 |
| Harlem Railroad, Common Shares | 110 | 115½ | 111 | 116½ | 113 | 118½ |
| Reading Railroad Shares | .. | .. | .. | .. | .. | .. |

| Stocks. | Oct., 1872. | | Nov., 1872. | | Dec., 1872. | |
|---|---|---|---|---|---|---|
| | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* |
| N. York & New Haven R.R. Shares.. | .. | .. | .. | .. | .. | .. |
| Michigan Central Railroad Co..... | 115 | 117 | 113½ | 115½ | 114¾ | 117 |
| Lake Shore & Mich. Southern R.R.. | 86⅛ | 93½ | 86¾ | 95½ | 93⅝ | 96⅛ |
| Panama Railroad Company Shares.. | 140 | 150 | 130 | 143 | 124 | 133 |
| Union Pacific Railroad " .. | 37⅝ | 40¾ | 32½ | 39⅜ | 36⅝ | 38½ |
| Illinois Central Railroad " .. | 122 | 129 | 119 | 127½ | 125 | 129 |
| Cleveland & Pittsburgh R.R. " Gtd. | 87 | 90 | 86½ | 90 | 87½ | 89¼ |
| " Col., Cinn. & Ind. R.R... | 88 | 91½ | 88 | 91¼ | 90 | 93 |
| Chicago, Rock Island & Pacific R.R. | 106 | 112½ | 105 | 111½ | 109 | 115 |
| " Burlington & Quincy " | 133¾ | 140 | 132 | 135 | 137 | 138½ |
| " & Alton Railroad Shares.. | 109 | 113 | 108 | 113 | 110 | 113 |
| " " " Pref. | 114 | 115 | 113 | 113 | 113 | 113 |
| " & Northwestern R.R. Shares | 68½ | 82⅝ | 80 | 190 | 81¼ | 88 |
| " " " Pref. | 84⅞ | 90 | 83⅞ | 95⅜ | 84½ | 91½ |
| Del., Lackawanna & West. R.R. Co. | 93½ | 99½ | 94 | 99 | 91 | 96 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93 | 96 | 92 | 94¾ | 93 | 94 |
| Toledo & Wabash R.R. Co. Shares. | 68 | 74⅝ | 66½ | 77⅜ | 69 | 75⅞ |
| " " " Pref. | 88½ | 90 | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 42½ | 48⅝ | 42 | 48½ | 46½ | 48⅞ |
| Hannibal & St. Joseph R.R. " | 31¾ | 38 | 29 | 35¾ | 34 | 49⅝ |
| " " " Pref. | 50 | 56 | 48 | 51½ | 52 | 70 |
| Milwaukee & St. Paul R.R. Shares | 53¾ | 58⅜ | 51½ | 56¾ | 53⅜ | 55¾ |
| " " " Pref. | 74⅛ | 77⅛ | 72⅛ | 76 | 75 | 77¾ |
| Boston, Hartford & Erie R.R. Shares | 7¼ | 9¼ | 6⅝ | 8⅞ | 7¾ | 9½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 33¼ | 37 | 29¼ | 36¼ | 33 | 37¼ |
| Dubuque & Sioux City Railroad... | .. | .. | 62 | 64 | .. | .. |
| New Jersey Central Railroad Shares | 98½ | 104 | 100 | 104 | 100 | 103¼ |
| Morris & Essex Railroad Shares... | 90 | 92½ | 91½ | 92½ | 89¼ | 94 |
| N. Y. Central Six p. ct. Bds. of 1883 | 92 | 92½ | 89 | 91 | 90½ | 92¼ |
| 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 | 104¼ | 100 | 101½ | 100¾ | 102 |
| " Seven p. ct. 2d Mtge. | 100 | 100 | 95 | 97¼ | 97 | 98 |
| Central Pacific 1st Mortgage Bonds | 99 | 101½ | 99¾ | 101 | 100¾ | 102¼ |
| Union " " " | 86⅝ | 89¼ | 86 | 88⅞ | 88¾ | 91½ |
| " " Land Grant Bonds.. | 75 | 77¾ | 73½ | 77½ | 77¾ | 79¼ |
| " " Income Bonds...... | 78 | 80⅞ | 76 | 86 | 80 | 82¾ |
| Alton & Terre Haute 1st Mtge. Bds. | 101 | 101 | 101 | 101 | 100½ | 101 |
| " " 2d " Pref. | 90 | 90 | 90 | 90 | 87¾ | 90 |
| " " " Income Bds. | 80½ | 83 | 78¼ | 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 | 89⅞ | 92½ |
| " " 1st Mortgage Bonds.. | 96¼ | 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 | 101⅞ | 101⅛ | 102 | 102½ | 104 |
| Milwaukee & St. Paul 1st Mortgage | 92¼ | 93 | 91¼ | 91½ | 93 | 94 |
| St. Louis & Iron Mountain R.R. Bds. | 93½ | 95 | 92 | 92 | 94½ | 96¼ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 85⅞ | 88 | 86⅝ | 88 | 86¾ | 88½ |
| " " " " 2d " | 73 | 73½ | 72½ | 73¼ | 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 | 81¼ | 80 | 80 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 82 | 83 | .. | .. | 81 | 81¾ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 39 | 42 | 36 | 42⅛ | 41½ | 43½ |

# CANADIAN STOCKS AND BONDS.

*December, 1872.*

| *Name.* | *Shares.* sterling. | *Capital subscribed.* $ | *Dividend last 6 Months.* Per cent. | *Per Cent.* | |
|---|---|---|---|---|---|
| BANKS. | | | | | |
| British North America | £50 | 4,866,666 | 3 b ½ p. c. | 110 | 111 |
| Canadian Bank of Commerce | $50 | 5,300,000 | 4 | 116 | 116½ |
| City Bank, Montreal | 80 | 1,200,000 | 3 | 80 | 82 |
| Du Peuple | 50 | 1,600,000 | 3 | 108 | 108½ |
| Eastern Townships | 50 | 750,000 | 4 | 115 | 116 |
| Exchange Bank | .. | ........ | .. | 99 | 100½ |
| Hamilton | .. | ........ | .. | 99 | 100 |
| Jacques Cartier | 50 | 2,000,000 | 4 | 107¾ | 108 |
| Mechanics' Bank | 50 | 1,500,000 | 4 | 81 | 83 |
| Merchants' Bank of Canada | 100 | 7,200,000 | 4 | 108 | 108½ |
| Metropolitan | .. | 1,000,000 | .. | 103 | 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 | 3,880,000 | 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 | 193 |
| Union Bank | 100 | 2,000,000 | 4 | 96 | 101 |
| MISCELLANEOUS. | | | | | |
| Canada Landed Credit Company | 50 | 500,000 | 4 | 104 | 106 |
| Canada Perman. Building Soc'y | 50 | 1,500,000 | 5½ | 156 | 157 |
| Canadian Navigation Co. | 100 | ........ | .. | 104 | 105 |
| Canada Rolling Stock Co. | 100 | ........ | .. | 100 | 103 |
| Farmers' & Mechanics Bldg Scty | .. | 250,000 | .. | ....... | ... |
| Freehold Building Society | 100 | 500,000 | 5 | 128½ | 130 |
| Huron Copper Bay Co. | .. | ........ | 25 | 35 | 50 |
| Huron & Erie Svgs & Loan Socy. | 50 | 520,000 | 4½ | ....... | ... |
| Montreal Telegraph Co. | 40 | 1,250,000 | 5 | 210 | 215 |
| " City Gas Co. | 40 | ........ | 4 | ....... | ... |
| " City Pass'ger Rail. Co. | 50 | ........ | 4 | ....... | ... |
| Quebec Gas Co | 200 | ........ | 4 | ....... | ... |
| Richelieu Navigation Co. | 100 | ........ | .. | 195 | 200 |
| Dominion Telegraph Co. | 50 | ........ | 5 12 m. | 112 | 115 |
| Provincial Building Society | 100 | 350,000 | 4½ | 103½ | 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 3 m. | 131 | ... |
| Union Permanent Bldng Socty. | 50 | 125,000 | 5 | 110 | 112 |
| Western Canada Bldng Society. | 50 | 500,000 | 5 | 130 | 131 |

| *Securities.* | *Closing Prices.* | |
|---|---|---|
| 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 | 103 |
| " 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 |

## 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 " "~~ | ~~——~~ | ~~..~~ | ~~7,010~~ | ~~..~~ | ~~96,115~~ |
| 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.~~ | —— | .. | ~~95,523~~ | | —— |
| Hudson......... | Dime Savings Bank..... | 11,3[illegible] | .. | 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 |
| " .. .. | 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 |
| ~~" ........~~ | ~~Half-Dime Savings Bk..~~ | —— | ... | ~~34,882~~ | | ~~81,011~~ |
| Paterson....... | Paterson Savings Inst... | 85,226 | .. | 167,611 | .. | 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 |
| ~~" ........~~ | ~~People's Savings Bank..~~ | ~~*New.*~~ | .. | ~~4,880~~ | .. | —— |
| 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 | ..2,989,526 | .. 10,805 | ..3,791,337 |
| 1854. | Central Savings Bank.... | 196,207 | .. 205,520 | .. 4,459 | .. 343,741 |
| 1868. | 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, Wurtemburg, 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.



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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 signatture. Assuming that the amount is correct, he endorses it, sends it to his bank, doposits 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.*



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 untrameled 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 GOODSELL; 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 specialty. 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 five-twenties 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 R. 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.



NEW YORK.

Comstock & Gould, 26 New.
Haskins & Braine, 11 Broad.
Brayton, Ives & Co., 4 Broad.
King &Robb, 56 Wall.
Lapsley & Bazley, 47 Exchange Place.
Newcombe & Co., J. B.
Sterrett, Colbron & Co., 17 New.
W. M. Whittemore & Co , 62 Broadway.
Worthington & Massett, 35 Broad.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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 | Allen, 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 | ........ |

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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. |
| Coshocton, " | 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.

| *Name of Bank.* | *Elected.* | *In place of.* |
|---|---|---|
| Grocers' Bank, N. Y. City | Samuel B. White, *Pres* | Edward Rowe. |
| " " " | R. E. Watson, *Cash* | Samuel B. White. |
| Ninth N. B., " " | John T. Hill, *Vice-Pres* | ......... |
| " " " " | H. H. Nazro, *Cash* | John T. Hill |
| Hanover Bank, " " | William H. Scott, *Pres* | William H. Johnson. |
| Vincennes Nat. Bank, IND. | Wilson J. Williams, *Pres* | John Ross. |
| First N. B., Clarinda, IOWA | A. B. Cramer, *Cash* | J. S. McIntyre. |
| German N. B., Louisville, KY. | A. N. Struck, *Pres* | H. G. Van Seggern. |
| Atlas Nat. Bk., Boston, MASS. | M. D. Spaulding, *Pres* | * John H. Foster. |
| Merchants' N. B., Boston, " | George B. Chapman, *Cash* | John K. Fuller. |
| First N. B., St. Joseph, MICH. | James Baley, *Cash* | Francis Jordan. |
| Second N. B., Lansing, " | H. H. Smith, *Pres* | James L. Mead. |
| National Bank, Lyons, " | W. C. Page, " | Adam L. Roof. |
| " " " " | Virgil Van Vleck, *Cash* | Josiah E. Just. |
| Merchants' N.B., St. Paul, MINN. | W. R. Merriam, *Cash* | Charles Nichols. |
| First N. B., Canton, OHIO. | L. L. Miller, *Cash* | H. C. Fogle. |
| " " New Richmond, " | J. G. Moore, *Pres* | N. M. Preble. |
| " " New Berlin, N. Y. | Solomon L. Morgan, *Pres* | 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, *Avon;* John D. Decker, *Brockport.*

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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.

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## New York, January 21, 1873.

*Exchange on London, at sixty days' sight,* 109⅜ @ 109½ *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. |
|---|---|---|
| U. S. Currency 6s | 114 | 114¼ |
| U. S. 6s. 1881, Registered | 115⅜ | 115⅝ |
| U. S. 6s 1881. Coupon | 117¼ | 117⅜ |
| U. S. 5-20 Reg., May and Nov. | 114 | 114¼ |
| U. S. 5-20, '62, Coupon, Nov | 114¼ | 114⅜ |
| U. S. 5-20, '64, Coupon, Nov. | 114¼ | 114⅜ |
| U. S. 5-20, '65, Coupon, Nov. | 115⅛ | 115⅜ |
| U. S. 5-20, '67, Reg., Jan. & July | 114⅞ | 115 |
| U. S. 5-20, '65, Coup., Jan. & July | 114¼ | 114½ |
| U. S. 5-20, '67, Coup., Jan. & July | 115¼ | 115⅜ |
| U. S. 5-20, '68 Coup., Jan. & July | 115¼ | 115⅜ |
| U. S. 10-40, Registered | 111⅞ | 112⅛ |
| U. S. 10-40 Coupon | 112¼ | 112½ |
| U. S. 5s of '81, Registered | 111¼ | 111½ |
| U. S. 5s of '81, Coupon | 112⅝ | 113 |

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 @ 8 |
| Commercial first-class indorsed paper, four months | | 7½ @ 8 |
| 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 @ 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 13¼, 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, 96½ a 98½; American silver, small, 95½ a 97½; Mexican dollars, old stamp, 104½ a 105½; Mexican dollars, new stamp, 102½ a 104; English silver, 480 a 485; Five francs, 95 a 97; Thalers, 70½ 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 109⅜ a 109½ for bankers' 60 days sterling bills, notwithstanding an increased supply drawn against shipments of cotton. We quote:

Bills at 60 days on London, 109¾ @ 109¼ for commercial; 109⅜ @ 109½ for bankers'; do. at short sight, 110¼ @ 110½; Paris at 60 days, 5.27½ @ 5.22½; do. at short sight, 5.18⅜ a 5.17½: Antwerp, 5.23¾ @ 5.18¾; Swiss, 5.23¾ @ 5.18¾: Hamburg, 4 Reichsmark, 95½ @ 96⅛; Amsterdam 40¼ @ 40⅝; Frankfort, 40⅞ @ 41¼; Bremen, 4 Reichsmark, 95½ @ 96⅛; Prussian thalers, 71¾ @ 72¼.

Rates for the three preceding months compare as follows:

| *Sixty days' Bills.* | Oct. 21. | Nov. 23. | Dec. 23. | Jan. 21. |
|---|---|---|---|---|
| On London, bankers' | 108¾ @ 109 | 108¼ @ 108¾ | 109¼ @ 109½ | 109⅜ @ 109½ |
| " commercial | 108⅜ @ 108¾ | 107½ @ 108 | 108½ @ 109¼ | 108¾ @ 109¼ |
| Paris, francs, per dollar | 5.32½ @ 5.27½ | 5.37½ @ 5.31¼ | 5.27½ @ 5.23¾ | 5.27½ @ 5.22½ |
| Amsterdam, per guilder | 40 @ 40¼ | 39¾ @ 39⅞ | 40 @ 40¼ | 40¼ @ 40½ |
| Frankfort, per florin | 40¾ @ 41½ | 40½ @ 40¾ | 40⅝ @ 41¼ | 40⅞ @ 41¼ |
| Hamburg, per marc-banco | 35⅜ @ 35⅝ | per 4 R'mark... | 95½ @ 96 | 95½ @ 96½ |
| Prussian thalers | 71½ @ 72 | 70½ @ 71 | 71¼ @ 72 | 71¾ @ 72½ |
| Bremen, per 4 Reichsmark | 95½ @ 95¾ | 93¾ @ 94½ | 95½ @ 96 | 95½ @ 96½ |

The shipments of specie from New York, from January 1st to January 18th, amount to $3,028,388, 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 | $7,968,329 |

Imports of foreign dry goods and merchandise for the week ending January 18th, were $11,282,162. 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 | $466.987.787 |
| 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 | 219,083,428 | 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 | 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 | $27,693,369 | $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 | 210,093,084 |
| 1867 | 251 674 803 | 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 | 143,842,230 |
| 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 | 252.483 | 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 |
| Dec 23, | 55,024,867 | 230,157 | 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:

| | *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 |
| Dec. 23........ | 119,985,200 | 1,037,300 | 10,918,000 | 25,442,500 | 50,428,000 |
| " 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 | 10,880,800 | 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 4½ 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.

VOL. VII. THIRD SERIES. 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.

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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.

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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 under signed, 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.

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## 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[l]ed shall in all cases be indicated and specified by class, date, and number, in the orde[r] 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[l]ed 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[l]ed, and destroyed, and the amount of the bonds of each class that have been cancel[l]ed 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.

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## THE SAVINGS BANKS OF CANADA.

| *Location.* | | *Name.* | | *Amount Deposits.* |
|---|---|---|---|---|
| Cobourg, | ONTARIO | Burns' & Co. Savings Bank | 1867. | $156,603 |
| Kingston, | " | Frontenac Loan & Investment Soc. | " | 63,387 |
| London, | " | Huron & Erie Loan & Savings Soc. | " | 50,755 |
| Toronto, | " | Canada Permanent Building Society | " | 316,988 |
| " | " | 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 | " | 10,186 |
| " | " | 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* 638.)



## 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 commission, 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, 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 person. 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, reissue 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, aud 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.

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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. OLDHAM, 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 $412\frac{1}{2}$ 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 $371\frac{1}{4}$ grains of pure silver. The content of pure silver should have been within a fraction of $377\frac{1}{4}$ grains. The mistake made in specifying $371\frac{1}{4}$ instead of $377\frac{1}{4}$ 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. RITTENHOUSE, 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 $371\frac{1}{4}$ 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 EUROPE 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 $1\frac{6}{10}$ per cent. more than our dollar of $412\frac{1}{2}$ 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 nowise 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 not only to our commerce, but also to our mining industries. As this new coin would also be a most desirable form for use in the arts, it would most 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 consume our entire production of silver, it will be seen that a safe outlet for this commodity would be thus secured, and the perplexing proposition as to the decline in price of this metal, and its increasing production, be 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 ...... | $417\frac{14}{16}$ grains troy | ... | $902\frac{7}{9}$ | ... | $377\frac{1}{4}$ grains troy. |
| Japanese yen ....... | 416 grains troy | ... | 900 | ... | $374\frac{4}{10}$ grains troy. |
| American dollar ... | $412\frac{1}{2}$ grains troy | ... | 900 | ... | $371\frac{1}{4}$ 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.............. | $1.01\frac{61}{100}$ |
| Japanese yen................ | $1.00\frac{85}{100}$ | Proposed new coin............. | $1.01\frac{88}{100}$ |

or, say, about $2\frac{7}{10}$ 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.................. | $16\frac{4}{10}$ to 1 |
| At 8 per cent. premium its market price is as...................... | $15\frac{04}{100}$ to 1 |
| American dollar.................................................... | $15\frac{98}{100}$ to 1 |
| Fine silver at $1\frac{1}{4}$ per cent. premium, San Francisco market rate.... | $15\frac{79}{100}$ to 1 |
| In London. fine silver at 60d. per (present market rate) standard ounce is............................................ | $15\frac{71}{100}$ to 1 |
| Yen of Japan....................................................... | $16\frac{04}{100}$ to 1 |
| Proposed silver union.............................................. | $16\frac{28}{100}$ to 1 |
| Five franc, by law................................................. | $15\frac{1}{2}$ to 1 |

The average price of standard silver in London in 1853 was $61\frac{5}{8}$ pence. The present price is 60 pence per ounce; being a decline of $1\frac{5}{8}$ pence, or $2\frac{3}{4}$ 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 $1\frac{7}{8}$ 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$\frac{6}{10}$ 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 $ 4.86½, 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 $ 4.86½,) and the duty levied on $ 96,800 instead of $ 97,300.

The valuation of the pound sterling at $ 4.84 instead of $ 4.86$\frac{6}{10}$ 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 2½ cents in consequence of the ½ 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 $ 4.44.4 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 defalcation 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.

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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 allurement 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 develope 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.

| *Year.* | *Total tonnage for the year.* | *Increase or decrease over the previous year in tons.* | | *Per centage of increase or decrease over previous year.* | | |
|---|---|---|---|---|---|---|
| 1820 | 365 | Inc. | —— | | | —— |
| 1821 | 1,073 | " | 708 | Inc. | 193 | 97–100 |
| 1822 | 3,720 | " | 2,647 | " | 246 | 69–100 |
| 1823 | 6,951 | " | 3,231 | " | 86 | 85–100 |
| 1824 | 11,108 | " | 4,157 | " | 59 | 80–100 |
| 1825 | 34,893 | " | 23,785 | " | 214 | 12–100 |
| 1826 | 48,047 | " | 13,154 | " | 37 | 70–100 |
| 1827 | 63,434 | " | 15,387 | " | 32 | 02–100 |
| 1828 | 77,516 | " | 14,082 | " | 22 | 20–100 |
| 1829 | 112,083 | " | 34,567 | " | 44 | 59–100 |
| 1830 | 174,734 | " | 62,651 | " | 55 | 89–100 |
| 1831 | 176,820 | " | 2,086 | " | 1 | 19–100 |
| 1832 | 363,271 | " | 186,451 | " | 105 | 45–100 |
| 1833 | 487,749 | " | 124,478 | " | 34 | 27–100 |
| 1834 | 376,636 | Dec. | 111,113 | Dec. | 22 | 78–100 |
| 1835 | 560,758 | Inc. | 184,122 | Inc. | 48 | 88–100 |
| 1836 | 684,117 | " | 123,359 | " | 21 | 99–100 |
| 1837 | 869,441 | " | 185,324 | " | 27 | 09–100 |
| 1838 | 738,697 | Dec. | 130,744 | Dec. | 15 | 04–100 |
| 1839 | 818,402 | Inc. | 79,705 | Inc. | 10 | 79–100 |
| 1840 | 864,379 | " | 45,977 | " | 5 | 62–100 |
| 1841 | 959,773 | " | 95,394 | " | 11 | 27–100 |
| 1842 | 1,108,412 | " | 148,639 | " | 15 | 48–100 |
| 1843 | 1,263,598 | " | 155,186 | " | 14 | |
| 1844 | 1,630,850 | " | 367,252 | " | 29 | 06–100 |
| 1845 | 2,013,013 | " | 382,163 | " | 23 | 44–100 |
| 1846 | 2,344,005 | " | 330,992 | " | 16 | 44–100 |
| 1847 | 2,882,309 | " | 538,404 | " | 22 | 97–100 |
| 1848 | 3,089,238 | " | 206,929 | " | 7 | 18–100 |
| 1849 | 3,242,966 | " | 153,728 | " | 4 | 98–100 |
| 1850 | 3,358,899 | " | 115,923 | " | 3 | 58–100 |
| 1851 | 4,448,916 | " | 1,090,017 | " | 32 | 45–100 |
| 1852 | 4,993,471 | " | 544,555 | " | 12 | 24–100 |
| 1853 | 5,195,151 | " | 201,680 | " | 4 | 04–100 |
| 1854 | 6,002,334 | " | 807,183 | " | 15 | 53–100 |
| 1855 | 6,608,567 | " | 606,273 | " | 10 | 09–100 |
| 1856 | 6,927,580 | " | 319,303 | " | 4 | 83–100 |
| 1857 | 6,644,941 | Dec. | 282,639 | Dec. | 4 | 07–100 |
| 1858 | 6,839,369 | Inc. | 194,428 | Inc. | 2 | 93–100 |
| 1859 | 7,808,255 | " | 968,886 | " | 14 | 17–100 |
| 1860 | 8,513,123 | " | 704,868 | " | 9 | 03–100 |
| 1861 | 7,954,264 | Dec. | 558,859 | Dec. | 6 | 56–100 |
| 1862 | 7,869,407 | " | 84,857 | " | 1 | 07–100 |
| 1863 | 9,566,006 | Inc. | 1,696,599 | Inc. | 21 | 56–100 |
| 1864 | 10,177,475 | " | 611,469 | " | 6 | 39–100 |
| 1865 | 9,652,391 | Dec. | 525,084 | Dec. | 5 | 16–100 |
| 1866 | 12,703,882 | Inc. | 3,051,491 | Inc. | 31 | 61–100 |
| 1867 | 12,988,725 | " | 284,843 | " | 2 | 24–100 |
| 1868 | 13,834,132 | " | 845,407 | " | 6 | 51–100 |
| 1869 | 13,723,030 | Dec. | 111,102 | Dec. | | 80–100 |
| 1870 | 15,849,899 | Inc. | 2,126,869 | Inc. | 15 | 49–100 |
| 1871 | 15,113,407 | Dec. | 736,492 | Dec. | 4 | 64–100 |
| 1872 (est'd) | 18,400,000 | Inc. | 3,286,593 | Inc. | 21 | 75–100 |

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.*

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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 Cyclopædia, 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.

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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 | .... | 3,028,100 | .... | 7,888,620 |
| 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.. | $35,531,778 | $9,347,748 | $2,993,264 | $410,929 | $692,978 | $48,976,692 |
| 1858.. | 35,891,286 | 9,265,789 | 1,916,007 | 299,265 | 175,779 | 47,548,026 |
| 1859.. | 40,146,487 | 3,910,930 | 3,100,756 | 279,949 | 202,390 | 47,640,462 |
| 1860.. | 35,719,296 | 2,672,936 | 3,374,680 | 300,819 | 258,185 | 42,325,916 |
| 1861.. | 32,628,011 | 4,061,779 | 3,541,279 | 349,769 | 95,920 | 40,676,758 |
| 1862.. | 26,194,085 | 12,950,140 | 2,660,754 | 434,508 | 322,324 | 42,561,761 |
| 1863.. | 10,389,330 | 28,467,256 | 4,206,370 | 2,503,296 | 505,667 | 46,071,920 |
| 1864.. | 13,316,122 | 34,436,423 | 7,888,973 | 378,795 | 686,883 | 56,707,201 |
| 1865.. | 20,583,390 | 15,432,689 | 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 | 44,364,393 |
| 1867.. | 28,355,903 | 5,841,184 | 9,031,504 | 372,152 | 3,075,149 | 41,676,722 |
| 1868.. | 21,468,800 | 5,312,979 | 6,193,995 | 640,000 | 1,828,621 | 35,444,395 |
| 1869.. | 12,459,813 | 11,841,812 | 6,487,445 | 658,182 | 5,889,865 | 27,287,117 |
| 1870.. | 13,448,295 | 9,790,631 | 5,496,856 | 255,497 | 3,996,861 | 32,983,140 |
| 1871.. | 8,057,279 | 3,184,842 | 3,443,209 | 115,146 | 2,452,371 | 17,253,347 |
| 1872.. | 4,055,565 | 2,262,302 | 7,476,868 | 56,680 | 15,479,026 | 29,330,436 |
| *Totals* | $362,485,181 | $165,811,543 | $31,802,764 | $8,791,782 | $38,259,818 | $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 ........... | $ 35,608,385 | .. | $ 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.

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## 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.

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## 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.

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## 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 thoughout 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 31¾ millions, of which the amount actually called up is 23¾ 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 authorised.* | *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 |
| *Totals*.. | 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.

| | *Capital offered.* | | *Capital called up.* |
|---|---|---|---|
| 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 |
| *Totals* ............ | £ 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.

| *Loans.* | *Issue Price.* | | *Amount of Stock.* | | *Paid up.* |
|---|---|---|---|---|---|
| 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 | .. | 3,121,875 |
| 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................ | 28¾ | .. | 10,625,000 | .. | 743,750 |
| Washington City, 6 per cent....... | 87½ | .. | 900,000 | .. | 787,500 |
| *Total*........ | | .. | £ 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:—*

| *Minimum Bank Rate of Discount.* | *Bullion held by the Bank.* | *Notes held by the Public.* | *Reserve of Notes.* | *Price of Consols.* |
|---|---|---|---|---|
| Jan. 1st, Bank Rate stood at 3 per cent. from Dec. 14, 1871. | £24,636,575 | £25,645,410 | £13,991,165 | — – |
| April 4, 3½ per cent... | 21,760,815 | 26,022,035 | 10,738,780 | 92⅞ 3⅛ |
| April 11, 4 per cent... | 20,830,275 | 26,011,470 | 9,818,805 | 92⅝ ⅞ |
| May 9, 5 per cent..... | 20,330,715 | 25,860,780 | 9,469,935 | 92⅝ ¾ |
| May 30, 4 per cent... | 20,632,055 | 24,908,940 | 10,723,115 | 93⅛ ⅜ |
| June 13, 3½ per cent.. | 22,105,980 | 24,864,285 | 12,241,695 | 92½ ¾x.d. |
| June 20, 3 per cent... | 22,884,230 | 24,994,050 | 12,890,180 | 92⅝ ¾ |
| July 18, 3½ per cent.. | 22,145,500 | 26,165,235 | 10,980,265 | 92¼ ⅜ |
| Sept. 18, 4 per cent... | 21,439,605 | 25,785,765 | 10,653,840 | 92¼ – |
| Sept. 26, 4½ per cent.. | 21,038,625 | 25,690,830 | 10,347,795 | 92⅛ ⅜ |
| Oct. 3, 5 per cent..... | 20,624,405 | 27,134,755 | 8,489,650 | 92⅛ – |
| Oct. 10, 6 per cent... | 19,734,460 | 26,651,960 | 8,082,500 | 92⅛ ¼ |
| Nov. 9, 7 per cent.... | 19,151,480 | 25,830,180 | 8,321,300 | — – |
| Nov. 28, 6 per cent... | 21,999,515 | 24,614,945 | 12,384,570 | 92⅝ ⅞ |
| Dec. 12, 5 per cent... | 22,451,795 | 24,410,560 | 13,041,235 | 91⅝ ⅝x.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.

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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.

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OPERATIONS OF FIFTEEN YEARS.

| | *Exchanges.* | *Cash Balances.* | *Average Daily Exchanges.* |
|---|---|---|---|
| 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.

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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 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 | $356,101,086 | $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 | 28,935,000 |
| | $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.**

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(*Continued from page* 663, *February No.*)

| STOCKS. | NOV., 1872. Lowest. | Highest. | DEC., 1872. Lowest. | Highest. | JAN., 1873. Lowest. | Highest. |
|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 116⅛ | 117⅛ | 117⅛ | 118 | 114½ | 119¼ |
| " Five-Twenty of 1862, " | 111⅜ | 113 | 112¼ | 113⅜ | 112¾ | 115⅜ |
| " " 1864, " | 111⅜ | 113¼ | 112⅜ | 113½ | 113⅛ | 115¼ |
| " " 1865, " | 112 | 113¾ | 112½ | 113½ | 113⅜ | 116⅛ |
| " " 1865, New, " | 114⅜ | 115¾ | 115 | 116⅜ | 112¾ | 115⅜ |
| " " 1867, " | 114 | 116⅛ | 115⅞ | 117½ | 113⅜ | 116⅜ |
| " " 1868, " | 114⅛ | 115⅞ | 115¾ | 116¾ | 113⅜ | 117 |
| " Ten-Forty Coupon Bonds...... | 107⅜ | 108⅛ | 108¾ | 109⅞ | 109⅞ | 115⅜ |
| " Five per cent. of 1881......... | 110 | 111 | 111 | 111½ | 112 | 115⅜ |
| " Six per cent. Currency......... | 113¾ | 114⅛ | 112 | 113⅜ | 112½ | 115⅛ |
| Tenn. Six per cent. Bonds, Old...... | 74 | 76 | 76 | 82½ | 79¼ | 82¾ |
| " " " New...... | 73⅛ | 76¼ | 76 | 83 | 79¾ | 83¼ |
| Virginia Six per cent. Bonds, Old.. | .. | .. | 48 | 48 | .. | .. |
| " " " New.... | 52 | 52 | .. | .. | .. | .. |
| " " " Consol.. | 54¼ | 56 | 54 | 60 | 54 | 56⅛ |
| N. Carolina Six per ct. Bonds....... | 33⅛ | 36 | 34 | 35 | 33½ | 34⅛ |
| " " New........ | .. | .. | 22 | 22 | 17¼ | 19 |
| " " Special Tax | 13⅛ | 14⅛ | 13 | 14½ | 10 | 14 |
| S. C. Six per ct. Bds. Jan. & July.. | 23⅛ | 26 | 22 | 24⅞ | 21½ | 23 |
| " " April & Oct.. | 25¾ | 30 | 25 | 27 | 25 | 25⅛ |
| Missouri Six per cent. Bonds........ | 93 | 95⅛ | 94½ | 96 | 92¾ | 93⅛ |
| Canton Company of Maryland...... | 100 | 106 | 101⅜ | 107 | 100⅛ | 102½ |
| Delaware and Hudson Canal Co.... | 115 | 117½ | 116¾ | 120 | 115¼ | 119⅜ |
| Consolidated Coal Co. of Maryland. | 43 | 48⅞ | 47 | 48 | 43 | 48 |
| Quicksilver Mining Company....... | 44 | 48⅛ | 43 | 48⅜ | 43⅛ | 46⅛ |
| " " Preferred | 52 | 57⅛ | 53 | 56½ | 53 | 55⅛ |
| Mariposa Mining Company......... | 1½ | 2¼ | 1½ | 1½ | ½ | 1 |
| " " Preferred | 1½ | 4¾ | 2½ | 3 | 2 | 2⅜ |
| Western Union Telegraph Co....... | 73¾ | 80 | 75⅜ | 82½ | 78⅞ | 85⅜ |
| Pacific Mail Steamship Company.. | 83⅜ | 95¾ | 71 | 89⅜ | 69½ | 75¼ |
| Adams Express Company.......... | 91 | 95 | 92¾ | 94 | 94 | 100¼ |
| Wells, Fargo & Co. Express Co.... | 80 | 88 | 86 | 90 | 83 | 86 |
| American Merchants' Union Express | 64 | 71⅛ | 66½ | 72 | 68 | 71 |
| United States Express............. | 72 | 79¾ | 79 | 82⅜ | 75½ | 82 |
| N. Y. Cent. and Hudson River R. R. | 91¾ | 96¼ | 95½ | 100 | 99⅜ | 106⅜ |
| Erie Railroad, Common........... | 48 | 57 | 52¼ | 62⅜ | 58⅜ | 67 |
| " Preferred........... | 71 | 74⅛ | 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 | 115⅛ | 114¾ | 117 | 104 | 110 |
| Lake Shore & Mich. Southern R.R.. | 86¾ | 95½ | 93⅜ | 96⅛ | 91⅝ | 97 |
| Panama Railroad Company Shares.. | 130 | 143 | 124 | 133 | 125 | 130 |
| Union Pacific Railroad " .. | 32⅛ | 39⅜ | 36⅝ | 38⅛ | 34 | 39⅛ |
| Illinois Central Railroad " .. | 119 | 127½ | 125 | 129 | 120 | 126⅛ |
| Cleveland & Pittsburgh R.R. " Gtd. | 86½ | 90 | 87½ | 89¾ | 89 | 90¾ |
| " Col., Cinn. & Ind. R.R... | 88 | 91¼ | 90 | 93 | 89⅝ | 93¾ |
| Chicago, Rock Island & Pacific R.R. | 105 | 111½ | 109 | 115 | 109⅛ | 114¾ |
| " Burlington & Quincy " | 132 | 135 | 137 | 138 | 114 | 138⅛ |
| " & Alton Railroad Shares.. | 108 | 113 | 110 | 113½ | 112½ | 115 |
| " " " Pref. | 113 | 113 | 113 | 113 | 116 | 116 |
| " & Northwestern R.R. Shares | 80 | 190 | 81¼ | 88 | 80⅞ | 84 |
| " " " Pref. | 83⅞ | 95⅜ | 84½ | 91½ | 87½ | 92 |
| Del., Lackawanna & West. R.R. Co. | 94 | 99 | 91 | 96 | 93 | 101½ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 92 | 94¾ | 93 | 94 | 91¾ | 93¼ |
| Toledo & Wabash R.R. Co. Shares. | 66½ | 77⅜ | 69 | 75⅞ | 71½ | 75¾ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 42 | 48½ | 46½ | 48⅞ | 45½ | 49⅝ |
| Hannibal & St. Joseph R.R. " | 29 | 35¾ | 34 | 49⅝ | 46 | 50¼ |
| " " " Pref. | 48 | 51½ | 52 | 70 | 70 | 71⅛ |
| Milwaukee & St. Paul R.R. Shares | 51½ | 56¾ | 53⅜ | 55¾ | 51⅛ | 54½ |
| " " " Pref. | 72⅛ | 76 | 75 | 77¾ | 76½ | 79½ |
| Boston, Hartford & Erie R.R. Shares | 6⅝ | 8⅞ | 7¾ | 9½ | 6⅞ | 9¾ |
| Col., Chic. & Ind. Cen. R.R. Shares | 29¼ | 36¼ | 33 | 37¼ | 36¾ | 41⅛ |
| Dubuque & Sioux City Railroad... | 62 | 64 | .. | .. | .. | .. |
| New Jersey Central Railroad Shares | 100 | 104 | 100 | 103¼ | 100 | 105½ |
| Morris & Essex Railroad Shares... | 91½ | 92½ | 89¼ | 94 | 89½ | 91⅛ |
| N. Y. Central Six p. ct. Bds. of 1883 | 89 | 91 | 90½ | 92¼ | 92 | 93¼ |
| Erie First Mortgage Bonds of 1868.. | 101⅛ | 102 | 101 | 102 | 101 | 101¾ |
| Long Dock Bonds................ | 96 | 96 | 90½ | 93½ | 92 | 93 |
| Mich. Southern Sinking Fund Bonds | 100 | 101½ | 100¾ | 102 | 103 | 104 |
| " Seven p. ct. 2d Mtge. | 95 | 97¼ | 97 | 98 | 97 | 99¾ |
| Central Pacific 1st Mortgage Bonds | 99¾ | 101 | 100⅜ | 102¼ | 99 | 102 |
| Union " " " | 86 | 88⅞ | 88¾ | 91½ | 85 | 88 |
| " " Land Grant Bonds.. | 73½ | 77½ | 77¾ | 79¼ | 74 | 80 |
| " " Income Bonds...... | 76 | 86 | 80 | 82¾ | 71¾ | 83½ |
| Alton & Terre Haute 1st Mtge. Bds. | 101 | 101 | 100½ | 101 | 99 | 100 |
| " " 2d " Pref. | ,90 | 90 | 87¾ | 90 | 89 | 89 |
| " " " Income Bds. | 78¼ | 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 | 89⅞ | 92½ | 91 | 92½ |
| " " 1st Mortgage Bonds.. | 98 | 100 | 98 | 99 | 98½ | 100 |
| Cleveland & Tol. Sinking Fund Bds. | 102½ | 102½ | 102¼ | 103½ | 99¾ | 102 |
| " & Pittsb'gh Consol'n Bds. | 92 | 95 | 94 | 95 | 97 | 97 |
| " " Second Mtge. | .. | .. | 100 | 100 | .. | .. |
| " " Third " | 98½ | 98½ | 97 | 98 | 97½ | 98¼ |
| " " Fourth " | 83½ | 84 | 86½ | 86½ | 83 | 84 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101⅛ | 102 | 102½ | 104 | 100 | 102 |
| Milwaukee & St. Paul 1st Mortgage | 91¼ | 91½ | 93 | 94 | 90½ | 92 |
| St. Louis & Iron Mountain R.R. Bds. | 92 | 92 | 94½ | 96¼ | 96¼ | 99 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 86⅜ | 88 | 86¾ | 88½ | 88 | 90¼ |
| " " " " 2d " | 72½ | 73¼ | 73 | 73½ | 72¾ | 76⅝ |
| Toledo, Peoria & Warsaw 1st, E.D. | 94 | 94 | .. | .. | 91½ | 92 |
| " " " 1st, W.D. | 87½ | 89 | 88 | 89½ | 90 | 91 |
| " " " 2d, W.D. | 81 | 81¼ | 80 | 80 | .. | .. |
| Cedar Falls & Minn. 1st Mtge. Bds. | .. | .. | 81 | 81¾ | 79¾ | 82 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 36 | 42⅛ | 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.. | 11¾ 12⅛ | 9¼ 9½ | Holiday. | **Sun.** | 34¾ 35½ | **33¼** 33⅝ |
| 3 | Friday .... | **11⅝** 11¾ | 9 9½ | 10⅝ 10⅞ | 19⅝ 20¼ | **Sun.** | 33⅛ 34 |
| 4 | Saturday .. | 11⅝ 11⅞ | 9 9⅝ | **10½** 10¾ | **19⅝** 19⅝ | 35 35⅛ | 33⅞ 34⅛ |
| 5 | **Sunday.** | **Sun.** | 9⅛ 9¼ | 10½ 10⅝ | 19⅝ 20 | **34⅝** 35⅛ | **Sun.** |
| 6 | Monday .. | 11⅝ 11⅞ | 8⅞ 9⅜ | 10½ 10¾ | 20⅛ 20¾ | 34⅞ 35¼ | 34¾ 35⅛ |
| 7 | Tuesday .. | 11⅝ 11⅞ | **Sun.** | 10⅝ 10⅞ | 21⅛ 21⅞ | 35⅛ 35⅝ | 35⅛ 37⅛ |
| 8 | Wednesday | 11¾ 12¼ | 9⅜ 9⅝ | **Sun.** | 21⅞ 23 | 34¾ 35⅛ | 36½ 37⅝ |
| 9 | Thursday.. | 12⅛ 12¼ | 8⅞ 9⅜ | 10⅝ 10⅞ | **Sun.** | 35⅛ 35⅝ | 35¾ 36⅝ |
| 10 | Friday .... | 12⅛ 12¼ | 8⅝ 9 | 10⅞ 10⅛ | 22 **23¼** | **Sun.** | 37 37⅞ |
| 11 | Saturday .. | 12⅛ 12⅝ | **8½** 8¾ | 10⅞ 11⅛ | 21¾ 22½ | 35⅛ 35¾ | 37⅝ 38⅛ |
| 12 | **Sunday.** | **Sun.** | 8⅝ 8⅞ | 10¾ 11 | 22 22½ | 35¼ 35⅛ | **Sun.** |
| 13 | Monday ... | 12 12¼ | 8⅞ 9⅛ | 10⅞ 11 | 21⅛ 21⅝ | 35½ 35⅞ | 38¼ 40⅛ |
| 14 | Tuesday .. | 11⅞ 12⅛ | **Sun.** | 10⅝ 10¾ | 21½ 21⅞ | 36⅛ 36½ | 40⅞ **42¼** |
| 15 | Wednesday | 12 12⅜ | 8¾ 9⅛ | **Sun.** | 21¼ 21⅝ | 36¼ 36½ | 38½ 40⅝ |
| 16 | Thursday.. | 12¼ 12⅝ | 8¾ 9 | 10½ 10¾ | **Sun.** | 36⅛ 36⅝ | 39⅛ 40¼ |
| 17 | Friday .... | 12⅜ 12¾ | 8¾ 9⅛ | 10½ 10¾ | 21⅝ 21⅝ | **Sun.** | 38¼ 39⅛ |
| 18 | Saturday .. | 12⅝ 13¼ | 8⅞ 9 | 10½ 10¾ | 21⅝ 21⅞ | 35⅞ 36⅛ | 38¼ 38¾ |
| 19 | **Sunday.** | **Sun.** | 8⅞ 9⅛ | 10½ 10¾ | 21½ 21⅝ | 35⅝ 35¾ | **Sun.** |
| 20 | Monday ... | 12⅞ 13⅜ | 9 9¼ | 10⅝ 10¾ | 21 21½ | 35¼ 35½ | 37⅞ 39⅜ |
| 21 | Tuesday .. | 13¼ 13⅞ | **Sun.** | 10⅝ 10¾ | 20½ 21 | 35⅝ 35¾ | 38¾ 39¼ |
| 22 | Wednesday | 13⅜ 13⅝ | 9 9⅛ | **Sun.** | 20¾ 20⅞ | 35⅝ 35⅞ | 39 39¼ |
| 23 | Thursday.. | 13¼ 13⅞ | 8⅞ 9 | 10½ 10⅝ | **Sun.** | 35½ 36¼ | 39⅜ 40¼ |
| 24 | Friday .... | 13⅝ 14¼ | 8⅞ 9 | 10⅝ 10¾ | 20⅞ 21⅝ | **Sun.** | 40 40¾ |
| 25 | Saturday .. | 13¾ **14¼** | 9 9¼ | 10⅝ 10⅝ | 21 21½ | 36¼ 36⅝ | 39¾ 40¼ |
| 26 | **Sunday.** | **Sun.** | 9 9¼ | 10½ 10¾ | 21½ 22 | 36¼ **36⅞** | **Sun.** |
| 27 | Monday ... | 13⅝ 14 | 9⅜ 9¾ | 10⅝ 10¾ | 21½ 22⅛ | 36¼ 36⅝ | 40⅜ 41¼ |
| 28 | Tuesday... | 13¾ 14⅛ | **Sun.** | 10½ 10⅝ | 21⅝ 21¾ | 36⅝ 36⅝ | 41 41⅞ |
| 29 | Wednesday | 13¾ 14 | 9⅝ 10 | **Sun.** | 21⅛ 21½ | 36⅝ 36⅝ | 41⅜ 41¾ |
| 30 | Thursday.. | 13⅝ 14 | 9¼ 9¾ | 10⅝ 11⅛ | **Sun.** | 36⅛ 36¼ | 40½ 41 |
| 31 | Friday .... | 13⅝ 13⅞ | 9¾ **10⅛** | 11 **11¼** | 21⅛ 21⅜ | **Sun.** | 40⅛ 40⅜ |

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

| DATE. | 1867. | 1868. | 1869. | 1870. | 1871. | 1872. |
|---|---|---|---|---|---|---|
| January ... | 32 37⅞ | 33¼ 42¼ | 34⅜ 36⅞ | 19⅝ 23¼ | 10½ 11¼ | 8½ 10⅜ |
| February .. | 35¼ 40⅜ | 39⅝ 44 | 30⅞ 36⅛ | 15 21¼ | 10¾ 12¼ | 9½ 11 |
| March ..... | 33⅝ 40⅝ | 37⅞ 41⅜ | 30¼ 32½ | 10¼ 16 | 10⅛ 11⅝ | 9¾ 10½ |
| April ...... | 32¾ 41⅞ | 37¾ 40⅜ | 31⅜ 34¾ | 11½ 15⅝ | 10⅛ 11¾ | 9⅞ 13¼ |
| May ....... | 34⅞ 38⅞ | 39⅛ 40½ | 34⅜ 44¼ | 13¾ 15½ | 11 12¼ | 12⅛ 14⅜ |
| June ...... | 36⅜ 38¾ | 39⅝ 41½ | 37 39⅝ | 10⅞ 14¾ | 11¾ 13⅛ | 13 14¾ |
| July ...... | 38 40¾ | 40⅛ 45¼ | 34 37⅞ | 11⅛ 22¾ | 11¾ 13⅜ | 13½ 15¼ |
| August .... | 39¾ 42⅝ | 43½ 50 | 31¼ 36⅝ | 14¾ 22 | 11⅝ 13¼ | 12⅛ 15⅝ |
| September . | 40⅞ 46⅝ | 41⅛ 45¼ | 33⅛ 62½ | 12¾ 16¾ | 12¾ 15⅝ | 12¾ 15⅛ |
| October .... | 40¼ 45¾ | 33¾ 40⅝ | 28⅛ 31¾ | 11⅛ 14¼ | 11½ 15 | 12¼ 15⅛ |
| November.. | 37½ 41½ | 32⅛ 37 | 21⅛ 28⅝ | 10 13¼ | 10⅝ 12⅝ | 13⅜ 14¼ |
| December.. | 33 37⅞ | 34½ 36¾ | 19 24 | 10½ 11⅝ | 8⅜ 10⅝ | 11½ 13¼ |

**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.*

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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.

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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.

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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 MORRISSON, 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. 2084), 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.

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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, Bridgwater, 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.

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| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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. |
| GrasshopperFalls, " | 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. |

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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. |
| Conshohockin, " | 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'SavingsB | 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, *Seneca.*

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.

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| Bowery Savings B., N. Y. City. | Samuel T. Brown, *Pres.* | Thomas T. Jeremiah.* |
| Hanover National B., " | George W. Perkins, *Cash.* | John T. Banker. |
| Metropolitan Sav. B., " | Augustus W. Payne, *Pres.* | Isaac T. Smith. |
| Nat. Bank, Birmingham, ALA. | Robert B. Jones, *Cash.* | D. Travers. |
| Pacific B., San Francisco, CAL | O. H. Bogart, *Cash.* | Ford H. Rogers. |
| Rockville National B'k, CONN. | E. C. Chapman, *Cash.* | James F. Preston. |
| National Bank, Athens, GEO. | James White, *Cash.* | F. W. Adams. |
| First National B., Lanark, ILL. | John Paley, *Cash.* | Rufus M. Cook. |
| Jacksonville National B'k, " | G. M. McConnel, *Cash.* | C. D. Miller. |
| Rockford National Bank " | Marcus S. Parmelee, *Cash.* | D. H. Ferguson. |
| First Nat. Bank, Kewanee, " | C. S. Wentworth, *Cash.* | Truman B. Hicks. |
| Commercial N. B., Chicago, " | George L. Otis, *Cash.* | M. D. Buchanan. |
| Merchants' N. B. Evansville, IND. | Matthew Henning, *Cash.* | Charles Decker. |
| Vincennes National Bank, " | F. H. Ross, *Cash.* | W. J. Williams. |
| " " " | W. J. Williams, *Pres.* | John Ross. |
| First Nat. Bank, Danville, " | Jesse R. Cope, *Pres.* | Allen Hess. |
| " " " " | Benj. F. Thomas, *Cash.* | N. T. Hadley. |
| " " New Albany, " | Henry H. Combs, *Cash.* | William H. Lewis. |
| " " Centreville, " | James Forkner, *Pres.* | Jacob B. Julian. |
| " " Crawfordsv'le " | Alex. Thomson, *Pres.* | William H. Durham. |
| " " Lafayette, " | A. H. Byrns, *Cash.* | D. McBride. |
| First Nat. Bank, Atlantic, IOWA. | F. H. Whitney, *Cash.* | Norman Haskins. |
| " " " " | B. F. Allen, *Pres.* | 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, *Pres.* | Jacob Rutter. |
| First Nat. Bank, Wyoming, " | Francis D. Hodgeman, *Pres.* | Hiram Shaw. |
| Fayette N. B., Lexington, KY. | Squire Bassett, *Pres.* | Robert B. Stone. |
| " " " | R. S. Bullock, | James M. Hocker. |
| First Nat. Bank, Paola, KAN | J. E. Thayer, *Pres.* | J. B. Hobson. |
| Cecil Nat. B., Port Deposit, MD. | Robert C. Hopkins, *Cash.* | J. B. Ramsey. |
| Second N. B., Cumberland, " | A. P. Shepherd, *Pres.* | Edwin L. Moore. |
| " " " | Lloyd Jones, *Cash.* | Daniel Annan. |
| Merchants' N. B., Portland, ME. | Jacob McLellan, *Pres.* | R. Cram.* |
| Eliot Nat. Bank, Boston, MASS. | William H. Goodwin, *Pres.* | John Demeritt. |
| Merchants' N. B., " " | George B. Chapman, *Cash.* | John K. Fuller. |
| Fall River N. B., " " | F. H. Gifford, *Cash.* | George B. Fiske. |
| Warren N. B., Peabody, " | F. C. Merrill, *Cash.* | Francis Baker. |
| N. B. Commerce, New Bedford " | Benj. F. Coombs, *Cash.* | Thomas B. White.* |
| Rollstone N. B., Fitchburg, " | Henry A. Willis, *Pres.* | Alvah Crocker. |
| " " " | John M. Graham, *Cash.* | Henry A. Willis. |
| National Bank, Wareham, " | Gerard C. Tobey, *Pres.* | Isaac Pratt, Jr. |
| First Nat. Bank, Sturgis, MICH. | William Allman, *Pres.* | Richard Reed. |
| " " St. Joseph, " | James Baley, *Cash.* | Francis Jordan. |
| " " Sturgis, " | Samuel P. Williams, *V. P.* | William Allman. |
| " " Plymouth, " | T. C. Sherwood, *Cash.* | E. H. Bennett. |

* Deceased.

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| Nat. Marine B., St. Paul, MINN. | Francis M. Roser, *Cash.* | C. S. Bunker. |
| First Nat. Bank, Faribault, " | Thomas Mee, *Cash.* | William H. Dike. |
| Valley Nat. Bank, St. Louis, MO. | J. A. J. Adderton, *Pres.* | Dwight Durkee. |
| National Bank, Rollo, " | D. A. Malcolm, *Cash.* | R. P. Faulkner. |
| Second Nat. B., St. Louis, " | Edward D. Jones, *Pres.* | George H. Rea. |
| " " " " | N. J. Fairchild, *Cash.* | Edward D. Jones. |
| Manufact's' Sav. B., " " | Roger E. Harding, *Pres.* | John M. Randall. |
| Lexington Savings Bank, " | John W. Waddell, *Pres.* | ......... |
| " " " | Moses Chapman, *Cash.* | ......... |
| Farmers' Bank, Savannah, " | M. F. Wakefield, *Pres.* | Samuel F. Garrett. |
| Otoe Co. N. B., Neb. City, NEB. | O. H. Irish, *Pres.* | Tolbert Ashton. |
| Hackettstown Nat. Bank, N. J. | Robert A. Cole, *Cash.* | George Roe. |
| Mechanics' N. B., Syracuse, N. Y. | James M. Ellis, *Pres.* | Edward B. Wicks. |
| Troy City Nat. B., Troy, " | Hannibal Green, *Pres.* | John A. Griswold.* |
| Auburn City Nat. Bank, " | Charles N. Ross, *Pres.* | Clinton T. Backus. |
| First Nat. Bank, Oneida, " | Robert G. Stewart, *Pres.* | James J. Stewart.* |
| Bank of Chenango, Norwich, " | George Rider, *Pres.* | Walter M. Conkey.* |
| " " " | M. McLean, *Cash.* | William B. Pellet.* |
| First Nat. B., New Berlin, " | S. L. Morgan, *Pres.* | Tracy F. Knap. |
| First " Champlain, " | Timothy Hoyle, *Pres.* | George V. Hoyle.* |
| Second " Watkins, " | A. T. Abbey, *Cash.* | B. C. Hurd. |
| First " Cortland, " | Fitz Boynton, *Cash.* | W. H. Crane. |
| Third " Syracuse, " | George S. Leonard, *Cash.* | F. H. Williams. |
| Cuba Banking Co., " | S. H. Morgan, *Cash.* | A. P. Lawton. |
| First Nat. Bank, Moravia, " | H. H. Tuthill, *Pres.* | A. B. Hale. |
| Second Nat. B., Toledo, OHIO. | Charles F. Adams, *Cash.* | N. Waterman.* |
| Merchants' N. B., Dayton, " | D. E. Mead, *Pres.* | John Powell. |
| " " " | Joseph O. Pierce, *V. Pres.* | ......... |
| First Nat. Bank, Napoleon, " | James W. Miller, *Pres.* | Edward S. Blair. |
| Second N. B., Philadelphia, PA. | James Anderson, *Cash.* | John S. Brown. |
| Nat. Bank, Chambersburg, " | Edmund Culbertson, *Pres.* | William McLellan. |
| Second Nat. B., Pittsburgh, " | James H. Willock, *Cash.* | Robert J. Stoney. |
| Improvem't Tr. Co., " " | H. Rosenberg, *Treas.* | A. Q. Casselberry. |
| First Nat. Bank, Brookville, " | Isaac G. Gordon, *Pres.* | Philip Taylor. |
| Penn Nat. Bank, Pottsville, " | R. K. Lee, *Pres.* | C. H. Dengler. |
| " " " | F. Dengler, *Cash.* | W. P. Ryon. |
| Manfrs. N. B., Providence, R. I. | Thomas Harkness, *Pres.* | Wm. A. Robinson.* |
| Mechanics' N. B., " " | S. H. Tingley, *Cash.* | Lewis Dexter. |
| Aquidneck N. B., Newport, " | Charles T. Hopkins, *Cash.* | S. H. Norman. |
| Springfield Nat. Bank, TENN. | H. S. Stratton, *Pres.* | W. H. Brown. |
| State Bank, Richmond, VA. | William M. Hill, *Cash.* | John M. Goddin. |
| First Nat. Bank, Monroe, WIS. | A. Ludlow, *Pres.* | George W. Hoffmann. |

* Deceased.

## DIVIDENDS PAYABLE FEBRUARY, 1873.

### *With Surplus Fund of each,* 1872.

| | *Capital.* | | *Surplus.* | | *Rate.* |
|---|---|---|---|---|---|
| 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.

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## New York, February 20, 1873.

*Exchange on London, at sixty days' sight,* 108⅞ @ 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 14¾, 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 | ...... | 7,127,989 |
| | $20,987,087 | ...... | $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; 108⅜ *a* 108⅝ for bankers'; do. at short sight, 109⅝ *a* 109⅞; Paris at 60 days, 5.27½ *a* 5.24⅜; do. at short sight, 5.20 *a* 5.18¾; Antwerp, 5.26¼ *a* 5.23¾; Swiss, 5.25 *a* 5.23⅛; Hamburg, 4 Reichsmark, 95 *a* 95⅝; Amsterdam, 40 *a* 40¼; Frankfort, 40¾ *a* 41; Bremen, 4 Reichsmark, 95 *a* 95⅝; Prussian thalers, 71½ *a* 71¾.

Rates for the three preceding months compare as follows:

| *Sixty days' Bills.* | *Nov.* 23. | | *Dec.* 23. | | *Jan.* 21. | | *Feb.* 20. |
|---|---|---|---|---|---|---|---|
| On London, bankers' .. | 108¼ @ 108⅜ | .. | 109¼ @ 109½ | .. | 109⅜ @ 109½ | .. | 108⅜ @ 108⅝ |
| " commercial | 107½ @ 108 | .. | 108½ @ 109⅛ | .. | 108¾ @ 109¼ | .. | 108¼ @ 108½ |
| Paris, francs, ₱ dollar .. | 5.37½ @ 5.31¼ | .. | 5.27½ @ 5.23⅛ | .. | 5.27½ @ 5.22½ | .. | 5.27½ @ 5.24⅜ |
| Amsterdam, ₱ guilder. | 39¼ @ 39⅞ | .. | 40 @ 40½ | .. | 40¼ @ 40⅝ | .. | 40 @ 40¼ |
| Frankfort, ₱ florin .... | 40¼ @ 40¾ | .. | 40⅞ @ 41¼ | .. | 40⅞ @ 41¼ | .. | 40¾ @ 41 |
| Hamburg, ₱ 4 R'mark.. | ...... | .. | 95¼ @ 96 | .. | 95½ @ 96⅛ | .. | 95 @ 95⅝ |
| 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, 70½ *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 | 219,083,428 | 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 | 551,802,964 |
| 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 |
| " 27 | 282,159,100 | 20,371,700 | 45,974,000 | 27,529,200 | 216,670,800 | 655,561,098 |
| 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 | 220,299,200 | 823,394,604 |
| " 17 | 291,520,700 | 16,461,200 | 42,778,300 | 27,539,800 | 214,613,400 | 835,845,448 |

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 | 63,153,895 | 33,006,141 | 198,420,347 |
| 1866 | 239,776,200 | 14,213,351 | 61,602,796 | 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 | — | 5,907,851 | 154,875,058 |
| 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 | 13,952,002 | 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 | 41,690,037 |
| Feb. 3, " | 57,062,437 | 352,775 | 10,599,532 | 11,370,253 | 42,120,451 |
| " 10, " | 57,058,382 | 347,632 | 10,263,725 | 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:

| | *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 |
| " 27 | 124,282,000 | 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:

| | *Offered.* | *Asked.* | | *Offered.* | *Asked.* |
|---|---|---|---|---|---|
| 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 Drovers' | .. | 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 102.00⅛.

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 | |
| | | $16,667,711 |
| Net results for the year | | $2,026,385 |
| Less dividend on preferred stock paid to July 1, 1872 | | 298,792 |
| Leaving a surplus of | | $1,727,593 |

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 Civilized World; a hand-book for politicians and merchants, for the year* 1873. *By* Frederick Martin. *Tenth annual publication.* 12*mo., 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. 8*vo., pp.* 682. *London,* 1872. Effingham Wilson, *publisher.*

III. *On National Debts. By* R. Dudley Baxter. *Read before the British Association, Liverpool, September,* 1870. 8*vo., pp.* 144. *London.*

IV. *Statistical Abstract of the* United Kingdom *for fifteen years. London,* 1872.

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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.

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## 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.:

| | *Florins.* | | *Sterling.* |
|---|---|---|---|
| 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.

| | | Debt, Florins. | | | | Debt, Florins. |
|---|---|---|---|---|---|---|
| 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.

| | *Florins.* | | | | *Increase. Florins.* |
|---|---|---|---|---|---|
| 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 | .. | 4,461,985 |
| National floating debt..... | 376,860,514 | .. | 37,686,050 | .. | 3,259,620 |
| | | .. | £ 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).

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## 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:

| | | | *Revenue.* | | *Expenditure.* |
|---|---|---|---|---|---|
| Year | 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.

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## 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.

| | *Nominal capital.* |
|---|---|
| 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:

| | *Imports.* | *Exports.* | *Total foreign trade.* |
|---|---|---|---|
| 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.

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## 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 Confederation Five-per-cent. Treasury Bonds, First and Second Emissions," 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 WURTEMBURG 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 4½-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 £84¾. 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 £8¾ millions, and the expenditure at £9½ 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.

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## 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 38½ per cent., less 1½ 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 :

| | *Debt.* | | *Annual Charge.* |
|---|---|---|---|
| Year 1866............... | £ 47,333,000 | .... | £ 1,441,000 |
| Add the above loan ...... | 5,500,000 | .... | 165,000 |
| 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 $2\frac{3}{4}$ 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 $4\frac{1}{4}$ 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 $32\frac{1}{2}$ 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 £ $42\frac{1}{2}$, £ 85, £ 170, £ 255, £ 510, and £ 1,020 each. The issue price was $29\frac{1}{2}$ 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. | *Pesetas.* | EXPENDITURE, 1871-2. | *Pesetas.* |
|---|---|---|---|
| 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 |
| | | Pensioned classes........ | 41,011,803 |
| | | Presidency of Council .. | 608,063 |
| Sales National property.. | 60,000,000 | State .................. | 2,619,206 |
| Rent " " .. | 9,000,000 | Grace and justice ....... | 47,864,359 |
| Receipts from colonies.. | 4,000,000 | War.................... | 95,663,325 |
| Spec'l Treasury resources | 2,000,000 | Navy .................. | 23,246,065 |
| | | Gobernacion (interior) .. | 19,060,813 |
| | | Public works and instruction.................... | 43,478,923 |
| | | Colonies ................ | 309,500 |
| | | Finance ................ | 101,186,213 |
| *Pesetas,* | 469,500,000 | *Pesetas,* | 655,749,890 |

## 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.

| | | *Revenue.* | | | *Expenditure.* |
|---|---|---|---|---|---|
| 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 | .... | | 72,089,000 |

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, Frankfort, 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-Charkow-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. 1⅓d., sterling, or 18 to the £. The Norwegian specie-daler is equal to 5 marks = 120 skilling, or 4s. 5⅓d. English, or $1.10 United States currency. Swedish five-per-cent. bonds command in London, 102 @ 104 per cent.

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## 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 11¾ 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.

| *Issued.* | *Nominal.* | *Interest.* | *Sinking Fund.* | *Annual Charge.* |
|---|---|---|---|---|
| 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 |
| | 737,400,237 | .. | 736,206,800 |
| Terminable Annuities. | 57,969,885 | .. | 55,737,000 |
| | £ 795,370,122 | .. | £ 791,943,800 |

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 £ 24¼ 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* | .. | £ 29,288,000 |
| 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:

| *Year.* | *Imports.* | *Exports.* | *Imports Exported.* |
|---|---|---|---|
| 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 | 199,640,983 |
| 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:

| *Country.* | *Public Debt.* *In* 1869. | *Public Debt.* *Present Amount about* | *Population.* | *Gross Revenue in* 1869. |
|---|---|---|---|---|
| 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) | 346,467 |
| 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 | *Nil.* | 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 | | 34,816 (1861) | 110,515 |
| British Guiana | 649,940 | 650,000 | 148,026 (1861) | 311,377 |
| Total, West Indies | 1,007,559 | 1,400,000 | 934,197 (1861) | 1,018,368 |
| Antigua | 54,431 | 54,000 | 37,125 (1861) | 38,586 |
| Jamaica | 746,044 | 1,100,000 | 441,255 (1861) | 445,695 |
| Barbadoes | 1,255 | 1,000 | 152,727 (1861) | 102,606 |
| Trinidad | 105,164 | 105,000 | 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 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 speculation, 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 provincial 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 ives 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 reduced 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. It 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.

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# 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.* 12*mo. 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 European 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.

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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.



## 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.

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### *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.

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## 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.

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### *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 Appeals (*Manual*, page 127) the paper was a check on the THOMPSON BANK for two thousand dollars, dated the 5th October, and payable "*on the* 12*th 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."

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## 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 promissor impossible. Will notices to the endorsers sent by the ordinary course of mail answer the law and hold the endorsers?

——— President.

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## 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.

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[*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.

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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............ | $ 221,589,300 | $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 | 253,681,350 | 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 | $ 1,935,342,700 | $ 1,853,856,700 | $ 1,756,651,450 | $ 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 | 22,025,000 | 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 | $101,321,832 | $ 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 | 39,995,089 | 40,767,877 | 45,722,063 | 46,057,694 | 45,292,106 |
| Gold Certificates of Deposit.... | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 24,246,500 | 24,024,980 |
| Currency, do. do. ............ | ............ | ............ | ............ | 25,370,000 | 28,935,000 | 27,770,000 |
| | $ 417,272,808 | $ 422,245,175 | $ 434,419,378 | $ 452,997,356 | $ 457,337,332 | $ 453,171,389 |
| Aggregate Debt ............... | $ 2,652,533,662 | $ 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.. | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 98,285,058 | 98,301,684 |
| 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 .. | 13⅛ | 13½ | **9½** | 10 | 11⅛ | 11⅜ | 21⅛ | 21⅜ | 35⅛ | **36⅛** | 40¼ | 40⅝ |
| 2 | **Sunday.** | **Sun.** | | 9½ | 9¾ | 11¼ | 11⅞ | 21¼ | **21½** | 35⅝ | 35¾ | **Sun.** | |
| 3 | Monday .. | 13 | 13¼ | 9⅝ | 9⅞ | 11⅝ | 11¾ | 20¾ | 21⅜ | 35½ | 35¾ | 40⅞ | 41¼ |
| 4 | Tuesday .. | **12⅞** | 13½ | **Sun.** | | 11⅜ | 11⅞ | 20⅝ | 20¾ | 35⅛ | 35⅜ | 41⅛ | 41⅜ |
| 5 | Wednesday | 13⅜ | 13⅞ | 10 | 10¼ | **Sun.** | | 20½ | 21 | 35 | 35¼ | 40⅞ | 41⅛ |
| 6 | Thursday.. | 13½ | 13⅞ | 9⅞ | 10⅛ | 11⅞ | **12¼** | **Sun.** | | 35 | 35¼ | 41½ | 42 |
| 7 | Friday .... | 13¼ | 14 | 9⅞ | 10¼ | 11⅝ | 12 | 20⅝ | 21⅛ | **Sun.** | | 41¾ | 42¼ |
| 8 | Saturday .. | 13¾ | 14¼ | 10½ | 10¾ | 11⅝ | 11¾ | 20½ | 21 | 35⅛ | 35¼ | 42 | 42¼ |
| 9 | **Sunday.** | **Sun.** | | 10¼ | 10¾ | 11⅝ | 11¾ | 20½ | 20¾ | 34⅞ | 35¼ | **Sun.** | |
| 10 | Monday ... | 13⅞ | 14¼ | 10⅝ | 10¾ | 11¾ | 11⅞ | 20⅝ | 20¾ | 34¾ | 35⅛ | 42¾ | **43⅛** |
| 11 | Tuesday .. | 13¾ | 14¼ | **Sun.** | | 11½ | 11⅞ | 19¾ | 20¼ | 35 | 35⅜ | 41¾ | 42¼ |
| 12 | Wednesday | 14 | 14¼ | 10⅝ | 10⅝ | **Sun.** | | 19⅞ | 20⅛ | 35 | 35⅜ | 41¼ | 41¾ |
| 13 | Thursday.. | 14 | 14⅜ | 10⅛ | 10⅜ | 11¼ | 11½ | **Sun.** | | 34⅞ | 35¼ | 40⅝ | 42⅛ |
| 14 | Friday .... | 14 | 14½ | 10⅛ | 10⅜ | 11 | 11½ | 19½ | 19⅞ | **Sun.** | | **39⅝** | 40⅝ |
| 15 | Saturday .. | 14¼ | 14⅝ | 10⅛ | 10⅝ | **10¾** | 11¼ | 19½ | 20 | 35 | 35¼ | 40⅝ | 41⅛ |
| 16 | **Sunday.** | **Sun.** | | 10¼ | 10⅜ | 11⅛ | 11⅜ | 19⅝ | 20 | 35 | 35⅛ | **Sun.** | |
| 17 | Monday ... | 14½ | 14¾ | 10¼ | 10⅜ | 11 | 11⅜ | 19⅜ | 19⅝ | 34⅞ | 35¼ | 40⅞ | 41⅜ |
| 18 | Tuesday .. | 14½ | 14⅞ | **Sun.** | | 11½ | 11½ | 19 | 19⅝ | 34¼ | 34⅞ | 40⅝ | 41¼ |
| 19 | Wednesday | 14½ | 14¾ | 10⅛ | 10½ | **Sun.** | | 18⅞ | 19¼ | 33⅝ | 34 | 40¼ | 40⅞ |
| 20 | Thursday.. | 14⅜ | 14⅝ | 10⅜ | 10½ | 11¼ | 11½ | **Sun.** | | 33¼ | 33¾ | 40 | 40¼ |
| 21 | Friday .... | 14⅜ | 14⅝ | 10⅜ | 10¾ | 11⅝ | 11½ | 18¾ | 19⅛ | **Sun.** | | 40½ | 40⅞ |
| 22 | Saturday .. | Holiday. | | Holiday. | | Holiday. | | Holiday. | | Holiday. | | Holiday. | |
| 23 | **Sunday.** | **Sun.** | | 10¾ | **11** | 11¼ | 11⅜ | 17¾ | 18⅜ | 32½ | 33⅛ | **Sun.** | |
| 24 | Monday ... | 14¼ | 14½ | 10¾ | 11 | 11¼ | 11⅜ | 16¼ | 17⅜ | 32¼ | 32⅞ | 42¼ | 44 |
| 25 | Tuesday... | 14¼ | 14¾ | **Sun.** | | 11½ | 11⅜ | 16⅛ | 17¼ | 32⅝ | 33 | 42 | 42¼ |
| 26 | Wednesday | 14⅜ | **15⅛** | 10½ | 10¾ | **Sun.** | | 15¾ | 17⅛ | 31⅞ | 32½ | 41 | 41⅜ |
| 27 | Thursday.. | 14½ | 14⅞ | 10⅜ | 10⅝ | 11 | 11½ | **Sun.** | | **30⅞** | 31⅞ | 40⅝ | 41½ |
| 28 | Friday .... | 14½ | 14¾ | 10⅜ | 10⅝ | 10¾ | 11⅛ | **15** | 16⅜ | **Sun.** | | 41⅛ | 41½ |
| | | .. | .. | 9⅞ | 10¼ | .. | .. | .. | .. | .. | .. | 41½ | 41⅞ |

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.

## 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. | **9½** @ 10 | 10 @ 10¼ | 10 @ 10⅛ | **12⅛** @ 12⅝ | 14 @ 14¼ | 13¾ @ 14 | 15¼ @ 15½ | Sunday. | 14 @ 14⅝ | 11⅞ @ 12⅝ | Sunday. |
| 2 | 9¼ @ 9¾ | 9½ 9¾ | 10⅛ 10⅜ | **9⅞** 10 | 12⅜ 12⅝ | Sunday. | 13⅝ 13⅞ | 15¼ 15½ | 13⅛ @ 13¾ | 13⅞ 14⅝ | **11⅝** 12 | 12¾ 12⅞ |
| 3 | 9 9½ | 9⅝ 9⅞ | Sunday. | 9⅞ 10⅛ | 12½ 13⅛ | 14¼ 14⅝ | 13¾ 13¾ | 15⅜ 15½ | 13 13¼ | 14⅛ **15⅛** | Sunday. | 12⅝ 12⅞ |
| 4 | 9 9⅝ | Sunday. | 10 **10⅜** | 10 10⅜ | 13 13¼ | 14⅜ 14⅝ | Holiday. | Sunday. | 13 13¼ | 14⅝ 15 | 11⅝ 12⅜ | 12¾ 12⅞ |
| 5 | 9⅛ 9¾ | 10 10¼ | 10 10¼ | 10⅛ 10¼ | Sunday. | 14⅝ **14¾** | 13⅝ 13¾ | 15⅜ **15⅝** † | 13 13¼ | 13⅞ 14¾ | Holiday. | 12⅞ **13¼** |
| 6 | 8⅞ 9⅝ | 9⅞ 10⅛ | 10 10¼ | 10¼ 10⅜ | 13⅝ 13⅞ | 14½ 14¾ | **13½** 13¾ | 15¼ 15½ | **12¾** 13⅛ | Sunday. | 11⅞ 12⅝ | 12⅞ 13¼ |
| 7 | Sunday. | 9⅞ 10¼ | 10 10¼ | Sunday. | 13½ 14⅛ | 13⅞ 14½ | Sunday. | 15⅛ 15⅜ | 12¾ 13 | 12⅝ 13¼ | 12⅝ 12¾ | 12⅞ 13⅛ |
| 8 | 9⅛ 9⅝ | 10⅛ 10⅜ | 10⅛ 10⅜ | 10¼ 10½ | 13½ 14 | 13⅞ 14⅛ | 13⅝ 13¾ | 15⅛ 15½ | Sunday. | 12¾ 13⅜ | 12⅝ 13 | Sunday. |
| 9 | 8⅞ 9⅝ | 10¼ 10⅜ | 10 10¼ | 10¼ 10½ | 13⅞ 14¼ | Sunday. | 13¾ 13⅞ | 15⅜ 15⅝ | 13 13⅜ | **12½** 13⅛ | 13⅛ 13¾ | 12⅞ 13¼ |
| 10 | 8⅝ 9 | 10⅜ 10¾ | Sunday. | 10¼ 10½ | 13⅞ **14⅜** | 14⅛ 14⅜ | 13¾ 14 | 15⅜ 15½ | 12⅞ 13⅜ | 12⅝ 13 | Sunday. | 12⅝ 13 |
| 11 | *8½ 8¾ | Sunday. | 10⅛ 10¼ | 10⅜ 10½ | 14⅛ 14⅜ | 13⅞ 14⅜ | 13⅞ 14 | Sunday. | 12⅞ 13⅛ | 12⅝ 13⅛ | 13⅝ **14¼** | 12⅝ 12¾ |
| 12 | 8⅝ 8⅞ | 10⅜ 10⅝ | 10⅛ 10¼ | 10⅜ 10⅝ | Sunday. | 13⅞ 14⅛ | 13⅞ 14⅛ | 15⅜ 15⅝ | 12⅞ 13¼ | 12¾ 12⅞ | 13⅜ 13⅞ | 12¼ 12¾ |
| 13 | 8⅞ 9⅛ | 10⅛ 10⅜ | **9⅞** 10 | 10½ 10⅝ | 13¼ 13¾ | 13⅞ 14⅛ | 14 14⅛ | 14¾ 15½ | 12⅞ 13⅛ | Sunday. | 13¼ 13⅝ | 12⅛ 12⅝ |
| 14 | Sunday. | 10⅛ 10⅜ | 10 10¼ | Sunday. | 13½ 14 | 13¾ 14 | Sunday. | 14⅝ 14⅞ | 13 13½ | 12½ 12⅞ | 13⅛ 13½ | 12⅛ 12½ |
| 15 | 8¾ 9⅛ | 10⅛ 10⅜ | 10 10¼ | 10⅝ 10⅞ | 13⅝ 14⅛ | 13⅞ 14 | 14⅛ 14⅜ | 14⅝ 15⅛ | Sunday. | 12⅝ 12⅞ | 13¼ 13¾ | Sunday. |
| 16 | 8¾ 9 | 10¼ 10⅜ | 10⅛ 10¼ | 10⅞ 11⅛ | 13⅞ 14¼ | Sunday. | 14⅜ 14⅝ | 15 15⅜ | 13⅜ 13¾ | 12⅞ 13⅛ | 13½ 13¾ | 12⅛ 12⅜ |
| 17 | 8¾ 9⅛ | 10¼ 10⅜ | Sunday. | 10¾ 11⅛ | 13¾ 14⅛ | 13⅞ 14 | 14½ 14¾ | 15 15⅜ | 13⅝ 14⅜ | 12⅞ 13⅛ | Sunday. | 11¾ 12¼ |
| 18 | 8⅞ 9 | Sunday. | 10 10¼ | 10⅞ 11⅛ | 13½ 13¾ | 13⅞ 14⅛ | 14⅜ 14¾ | Sunday. | 13⅞ 14⅝ | 12⅝ 13⅛ | 13½ 13¾ | 11⅝ 12 |
| 19 | 8⅞ 9⅛ | 10⅛ 10½ | 9¾ 10⅛ | 11⅛ 11¼ | Sunday. | 13⅝ 13⅞ | 14¼ 14½ | 14⅛ 15 | 13¾ **15⅛** | 12¾ 13⅜ | 13¼ 13⅝ | **11½** 11⅞ |
| 20 | 9 9¼ | 10⅜ 10½ | 9¾ 10 | 11¼ 11⅜ | 13½ 13⅞ | 13¼ 13⅝ | 14¼ 14½ | 13⅞ 14⅜ | 14 15⅛ | Sunday. | 13 13⅜ | 11⅝ 11¾ |
| 21 | Sunday. | 10⅜ 10¾ | 9¾ 9⅞ | Sunday. | 13½ 13¾ | 13⅝ 13⅝ | Sunday. | 13⅞ 14¼ | 13⅝ 14⅛ | 12¾ 13¼ | 13 13⅝ | 11½ 11¾ |
| 22 | 9 9⅛ | Holiday. | 9⅝ 9⅞ | 11⅛ 11⅜ | 13¾ 14 | 13⅛ 13½ | 14⅛ 14⅜ | 13¾ 14¼ | Sunday. | 12⅞ 13⅛ | 13 14 | Sunday. |
| 23 | 8⅞ 9 | 10¾ **11** | 9¾ 10 | 11⅜ 11¾ | 13⅞ 14⅛ | Sunday. | 14¼ 14⅝ | 13¼ 13⅞ | 13¾ 14⅛ | 12⅞ 13⅜ | 12⅝ 13⅜ | 11⅝ 11⅞ |
| 24 | 8⅞ 9 | 10¾ 11 | Sunday. | 11¾ 12⅛ | 13⅝ 13⅞ | **13** 13½ | 14⅜ 14⅝ | 12¾ 13½ | 13⅝ 14 | 12⅞ 13⅛ | Sunday. | 11⅝ 11¾ |
| 25 | 9 9¼ | Sunday. | 9¾ 9⅞ | 12⅛ 12¾ | 13⅛ 13¾ | 13¼ 13⅝ | 14½ 14⅝ | Sunday. | 13½ 14 | 13 13¼ | 12⅝ 13⅛ | Christmas. |
| 26 | 9 9¾ | 10½ 10¾ | 9¾ 10 | 12¾ **13¼** | Sunday. | 13¼ 13⅝ | 14⅝ 14¾ | **12⅛** 12⅞ | 13⅞ 14 | 13⅛ 13¼ | 12¾ 13 | 11¾ 12⅛ |
| 27 | 9⅜ 9¾ | 10⅜ 10⅝ | 10 10¼ | 12⅝ 13 | 13½ 13¾ | 13¼ 13¾ | 14½ 14¾ | 12½ 13 | 13⅝ 14 | Sunday. | 12⅝ 12⅞ | 12 12⅜ |
| 28 | Sunday. | 10⅜ 10⅝ | 10⅛ 10½ | Sunday. | 13¾ 14 | 13⅜ 13⅝ | Sunday. | 12¾ 13¼ | 13½ 13⅞ | 12⅞ 13⅛ | Holiday. | 11⅞ 12⅛ |
| 29 | 9⅝ 10 | 9⅞ 10¼ | Good Fri. | 12⅜ 12¾ | 13¾ 14¼ | 13½ 13⅞ | 14⅝ 14⅞ | 12⅞ 13⅛ | Sunday. | 12¾ 13 | 12⅜ 12⅝ | Sunday. |
| 30 | 9½ 9¾ | — — | 10 10⅛ | 12¼ 12⅝ | 14 14⅛ | Sunday. | 14¾ 15 | 12⅝ 12⅞ | 13⅝ 14⅛ | 12⅜ 12¾ | 12½ 12¾ | 11¾ 12⅛ |
| 31 | 9¾ **10⅛** | — — | Sunday. | — — | 14 14⅛ | — — | 15 **15¼** | 12¾ 12⅞ | — — | 12¼ 12⅝ | — — | 12 12⅛ |

* *Low at of the year, 8½.*

† *Highest of the year.*

# 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. | 117⅛ | 118 | 114½ | 119¼ | 118¼ | 118⅜ |
| " Five-Twenty of 1862, " | 112¼ | 113⅝ | 112¾ | 115⅝ | 114¼ | 115⅛ |
| " " 1864, " | 112⅝ | 113½ | 113⅛ | 115¼ | 114½ | 115⅝ |
| " " 1865, " | 112½ | 113½ | 113⅝ | 116⅝ | 115¼ | 116⅛ |
| " " 1865, New, " | 115 | 116⅝ | 112¾ | 115⅝ | 114⅛ | 114⅝ |
| " " 1867, " | 115⅞ | 117½ | 113⅝ | 116¾ | 116¼ | 116⅞ |
| " " 1868, " | 115¾ | 116¾ | 113⅝ | 117 | 116¼ | 116⅝ |
| " Ten-Forty Coupon Bonds..... | 108¾ | 109⅞ | 109⅞ | 115⅝ | 114⅛ | 115¼ |
| " Five per cent. of 1881......... | 111 | 111½ | 112 | 115⅛ | 113¼ | 113¾ |
| " Six per cent. Currency......... | 112 | 113⅝ | 112½ | 115½ | 114⅝ | 115¼ |
| Tenn. Six per cent. Bonds, Old..... | 76 | 82½ | 79¼ | 82¾ | 79 | 83½ |
| " " " New..... | 76 | 83 | 79¾ | 82½ | 79 | 83½ |
| Virginia Six per cent. Bonds, Old.. | 48 | 48 | .. | .. | 49 | 49 |
| " " " New.... | .. | .. | .. | .. | .. | .. |
| " " " Consol.. | 54 | 60 | 54 | 56½ | 55¼ | 56 |
| N. Carolina Six per ct. Bonds...... | 34 | 35 | 33½ | 34½ | 33 | 34 |
| " " New....... | 22 | 22 | 17¼ | 19 | 18½ | 18¼ |
| " " Special Tax | 13 | 14½ | 10 | 14 | 14 | 15 |
| S. C. Six per ct. Bds. Jan. & July.. | 22 | 24⅞ | 21½ | 23 | 20¼ | 22½ |
| " " April & Oct.. | 25 | 27 | 25 | 25½ | 25 | 26 |
| Missouri Six per cent. Bonds....... | 94½ | 96 | 92¾ | 93½ | 93⅛ | 95 |
| Canton Company of Maryland..... | 101⅝ | 107 | 100⅛ | 102½ | 100 | 102 |
| Delaware and Hudson Canal Co.... | 116¾ | 120 | 115¼ | 119½ | 118½ | 124 |
| Consolidated Coal Co. of Maryland. | 47 | 48 | 43 | 48¾ | 48 | 53¾ |
| Quicksilver Mining Company...... | 43 | 48⅝ | 43⅛ | 46½ | 43½ | 46¾ |
| " " Preferred | 53 | 56½ | 53 | 55½ | 55 | 57 |
| Mariposa Mining Company......... | 1½ | 1½ | ½ | 1 | ½ | ¼ |
| " " Preferred | 2½ | 3 | 2 | 2¾ | 1 | 2 |
| Western Union Telegraph Co...... | 75⅝ | 82½ | 78⅞ | 85¾ | 83½ | 94½ |
| Pacific Mail Steamship Company.. | 71 | 89⅝ | 69¼ | 75¼ | 55½ | 76⅞ |
| Adams Express Company.......... | 92¾ | 94 | 94 | 100¼ | 94⅝ | 99¼ |
| 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 | 82⅝ | 75½ | 82 | 70 | 78¼ |
| N. Y. Cent. and Hudson River R. R. | 95½ | 100 | 99⅜ | 106⅜ | 101¼ | 106½ |
| Erie Railroad, Common........... | 52¼ | 62⅝ | 58⅛ | 67 | 63 | 69¼ |
| " Preferred........... | 73 | 80 | 75 | 80½ | 78 | 82 |
| Harlem Railroad, Common Shares. | 113 | 118½ | 114½ | 122½ | 118½ | 130½ |
| Reading Railroad Shares........... | .. | .. | .. | .. | .. | .. |

| STOCKS. | DEC., 1872. Lowest. | DEC., 1872. Highest. | JAN., 1873. Lowest | JAN., 1873. Highest. | FEB., 1873. Lowest. | FEB., 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R. R. Shares.. | .. | .. | 139 | 142 | 141 | 142½ |
| Michigan Central Railroad Co..... | 114¾ | 117 | 104 | 110 | 107¾ | 111 |
| Lake Shore & Mich. Southern R.R.. | 93⅝ | 96⅛ | 91⅝ | 97 | 90¼ | 97¾ |
| Panama Railroad Company Shares.. | 124 | 133 | 125 | 130 | 95 | 126½ |
| Union Pacific Railroad " .. | 36⅝ | 38½ | 34 | 39½ | 33 | 36⅞ |
| Illinois Central Railroad " .. | 125 | 129 | 120 | 126½ | 119½ | 120½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 87½ | 89¼ | 89 | 90¾ | 88¾ | 92⅝ |
| " Col., Cinn. & Ind. R.R... | 90 | 93 | 89⅝ | 93¾ | 90 | 94½ |
| Chicago, Rock Island & Pacific R.R. | 109 | 115 | 109⅛ | 114¾ | 111¾ | 114⅝ |
| " 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 | 81¼ | 88 | 80⅞ | 84 | 80 | 85 |
| " " " Pref. | 84½ | 91½ | 87¼ | 92 | 89 | 93⅞ |
| Del., Lackawanna & West. R.R. Co. | 91 | 96 | 93 | 101½ | 100 | 103¼ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93 | 94 | 91¾ | 93¼ | 92½ | 94 |
| Toledo & Wabash R.R. Co. Shares. | 69 | 75⅞ | 71½ | 75¾ | 71¾ | 74⅞ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 46½ | 48⅞ | 45½ | 49⅝ | 44⅜ | 49⅜ |
| Hannibal & St. Joseph R.R. " | 34 | 49⅝ | 46 | 50¼ | 42¾ | 52⅛ |
| " " " Pref. | 52 | 70 | 70 | 71⅛ | 65 | 71 |
| Milwaukee & St. Paul R.R. Shares | 53⅜ | 55¾ | 51⅛ | 54½ | 51⅝ | 54½ |
| " " " Pref. | 75 | 77¾ | 76½ | 79½ | 73½ | 79½ |
| Boston, Hartford & Erie R.R. Shares | 7¾ | 9½ | 6⅞ | 9¾ | 8⅜ | 10½ |
| Col., Chic. & Ind. Cen. R.R. Shares | 33 | 37¼ | 36¾ | 41⅛ | 38 | 43⅞ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | 63 | 63 |
| New Jersey Central Railroad Shares | 100 | 103¼ | 100 | 105½ | 103 | 106 |
| Morris & Essex Railroad Shares... | 89¼ | 94 | 89½ | 91⅛ | 91 | 91⅝ |
| N. Y. Central Six p. ct. Bds. of 1883 | 90½ | 92¼ | 92 | 93¼ | 93 | 94½ |
| Erie First Mortgage Bonds of 1868.. | 101 | 102 | 101 | 101¾ | 101½ | 103 |
| Long Dock Bonds.................. | 90½ | 93½ | 92 | 93 | 92⅝ | 95½ |
| Mich. Southern Sinking Fund Bonds | 100¾ | 102 | 103 | 104 | 103 | 103½ |
| " Seven p. ct. 2d Mtge. | 97 | 98 | 97 | 99¾ | 98 | 99 |
| Central Pacific 1st Mortgage Bonds | 100¾ | 102¼ | 99 | 102 | 101¾ | 104¼ |
| Union " " " | 88¾ | 91½ | 85 | 88 | 86⅛ | 89 |
| " " Land Grant Bonds.. | 77¾ | 79¼ | 74 | 80 | 76 | 79 |
| " " Income Bonds....... | 80 | 82¾ | 71¾ | 83½ | 72¾ | 79⅛ |
| Alton & Terre Haute 1st Mtge. Bds. | 100½ | 101 | 99 | 100 | 100 | 100 |
| " " 2d " Pref. | 87¾ | 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 | 89⅞ | 92½ | 91 | 92½ | 90¾ | 91¼ |
| " " 1st Mortgage Bonds.. | 98 | 99 | 98½ | 100 | 97 | 98 |
| Cleveland & Tol. Sinking Fund Bds. | 102½ | 103½ | 99¾ | 102 | .. | .. |
| " & Pittsb'gh Consol'n Bds. | 94 | 95 | 97 | 97 | .. | .. |
| " " Second Mtge. | 100 | 100 | .. | .. | .. | .. |
| " " Third " | 97 | 98 | 97½ | 98¼ | 97 | 98½ |
| " " Fourth " | 86½ | 86½ | 83 | 84 | 83⅞ | 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 | 96¼ | 96¼ | 99 | 94¼ | 96 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 86¾ | 88½ | 88 | 90¼ | 90 | 92½ |
| " " " " 2d " | 73 | 73½ | 72¾ | 76⅝ | 73½ | 74¾ |
| 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 | 81¾ | 79¾ | 82 | 82 | 82¾ |
| 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 816 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 NEWNAN, 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 1796. 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 Dutchess 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 EUFAULA 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. RAILEY, President; for many years widely and favorably known in the West as a member of the old and well-established banking house of RAILEY & 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 financiering; 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:

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|---|---|---|
| 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. 2088), 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. ALBRO; 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.

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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.

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### NEW YORK.

S. M. Mills, 54 Broadway.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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. Koplin | Traders' N. B., Chicago. |
| Chicago, " | Cook County Savings Bank | ........ |
| " " | Dime Savings Bank | ........ |
| Hoopestown, " | 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 & Seasongood. |
| New Bedford, " | Beauvais & Co | Fisk & Hatch. |

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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, " | Phœnix National Bank | National Trust Co. |
| Salineville, " | Salineville Banking Co. | Importers & Traders' N. B. |
| Wadsworth, " | H. A. Brotts & 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. |
| Winnsboro, S. C. | Winnsboro 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, " | " " " | " |
| Liverpool, " | Bank of Acadia | Allen, Stephens & Co. |
| Picton, " | Merchants' Bank of Halifax | Fulton National Bank. |
| Sidney, " | " " " | " " " |
| Truro, " | " " " | " " " |
| Weymouth, " | " " " | " " " |

Lost Bonds.—Messrs. Humbert 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.

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| First N. B., Montgomery, ALA. | Charles J. Campbell, *Cash.* | E. R. Mitchell. |
| First N. Gold B., Stockton, CAL. | Frank Stewart, *Pres.* | Henry H. Hewlett. |
| " " " | Henry H. Hewlett, *Cash.* | Thomas Sedgwick. |
| Yale N. B., New Haven, CONN. | Joseph A. Smith, *V. Pres.* | ........ |
| " " " | John A. Richardson, *Cash.* | Joseph A. Smith. |
| First Nat. Bank, Seaford, DEL. | Mitchell J. Morgan, *Cash.* | I. M. Fisher. |
| Delaware City Nat. Bank, " | F. McIntire, *Cash* | W. W. Ferris. |
| Manufact's' N.B., Chicago, ILL. | M. D. Buchanan, *V. Pres.* | ........ |
| First Nat. Bk., Rochelle, " | R. Paddock, *Pres* | M. T. Ellinwood. |
| First Nat. Bk., Tuscola, " | H. T. Caraway, *Pres* | W. P. Cannon. |
| Meridian N.B. Indianapolis, IND. | J. G. Kennedy, *Cash* | C. F. Hogate. |
| Merchants' N.B., Fort Wayne, " | C. M. Dawson, *Asst. Cash.* | John S. Irwin. C. |
| Second Nat. B., Richmond, " | Andrew F. Scott, *Pres.* | ........ |
| Rush Co. Nat. B., Rushville, " | John Megee, *Cash* | James S. Lakin. |
| First N. Bk., Indianola, IOWA. | Ed. R. McKee, *Cash* | A. S. Moncrief. |
| Marshall Co. B. Marshalltown, " | J. H. Frisbie, *Cash* | ........ |
| Knoxville N. B., Knoxville, " | A. W. Collins, *Pres.* | Larkin Wright. |
| Farmers and Traders' Bank, Shelbyville, KY. | J. L. Caldwell, *Pres.* | J. D. Guthrie. |
| " | J. T. Middleton, *Cash.* | J. L. Caldwell. |
| Commercial N.B. Versailles, KY. | Louis A. Berry, *Pres.* | * D. Thornton. |
| New Orleans N. Bkg. Ass., LA. | Henry Blache, *Cash.* | N. Augustin. |
| Nat. Bk. of Wareham, MASS. | Gerard C. Tobey, *Pres.* | Isaac Pratt, Jr. |
| People's Bank, Baltimore, MD. | J. B. Ramsay, *Cash.* | John M. Nelson. |
| First N. B., Hagerstown, " | George Schley, *Pres.* | * Charles G. Lane. |
| First Nat. B., Decatur, MICH. | C. W. Fisk, *Pres.* | A. B. Copley. |
| " " " | Charles Duncombe, *Cash.* | E. P. Hill. |
| First Nat. B., St. Paul, MINN. | H. P. Upham, *Cash.* | H. M. Knox. |
| Montana N. B., Helena, MON. | William Roe, *Pres.* | James King. |
| " " " | George W. Fox, *Cash,* | C. F. Duer. |
| Souhegan N. B., Milford, N. H. | W. B. Towne, *Pres.* | H. A. Daniels. |
| Central N.B., Hightstown, N.J. | Archibald F. Job, *Pres.* | E. C. Taylor. |
| First Nat. Bk., Elmira, N. Y. | John Arnot, *Pres.* | D. Decker. |
| Nat. Bank of Fort Edward, " | P. C. Hitchcock, *Cash.* | A. Wing. |
| Mutual Nat. Bank, Troy, " | George H. Sagendorf, | George A. Stone. |
| Troy City Nat. B'k, Troy, " | George A. Stone, *Cash.* | G. F. Sims. |
| First Nat. Bank, Plymouth, O. | Urban J. Lewis, *Cash,* | John Deveny. |
| Ross Co. N. B., Chillicothe, " | A. P. Story, *Pres* | * A. Pearson. |
| First Nat. Bank, Franklin, PA. | A. D. Cotton, *Cash.* | R. L. Cochran. |
| Iron Bank, Philadelphia, " | Joseph W. Souder, *Pres.* | R. B. Sterling. |
| First Nat. Bank, Newtown, " | S. Carey Ball, *Cash.* | James Anderson. |
| Mechanics' N. B. Providence R.I. | Lewis Dexter, | Moses B. Lockwood. |
| Orange Co. N. B., Chelsea, VT. | E. Hyde, *Pres.* | B. W. Bartholomew. |

* Deceased.

# NOTES ON THE MONEY MARKET.

## New York, March 20, 1873.

*Exchange on London, at sixty days' sight,* 108 @ 108¼ *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 shauld 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 ¼ 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 | Gold | 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. |
|---|---|---|
| U. S. Currency 6s | 113⅝ | 113⅞ |
| U. S. 6s, 1881, Registered | 116⅝ | 116⅞ |
| U. S. 6s, 1881, Coupon | 118⅞ | 119 |
| U. S. 5-20 Reg., May and Nov. | 115⅞ | 116⅛ |
| U. S. 5-20, '62, Coupon, Nov. | 115⅝ | 116⅛ |
| U. S. 5-20, '64, Coupon, Nov. | 115⅞ | 116⅛ |
| U. S. 5-20, '65, Coupon, Nov. | 116⅝ | 116⅞ |
| U. S. 5-20, '67, Reg., Jan. & July | 114⅞ | 115⅛ |
| U. S. 5-20,'65, Coup., July | 114⅞ | 115⅛ |
| U. S. 5-20,'67, Coup., July | 116⅝ | 117 |
| U. S. 5-20,'68, Coup., July | 116¼ | 116½ |
| U. S. 10-40, Registered | 110¼ | 111 |
| U. S. 10-40, Coupon | 110¾ | 111 |
| U. S. 5s of '81, Registered | 113 | 113½ |
| U. S. 5s of '81, Coupon | 113 | 113½ |

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 | 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 | 219,083,428 | 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 | 551,802,964 |
| 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 |
| " 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 | 818,260,202 |
| " 10 | 280,351,300 | 17,149,600 | 39,473,000 | 27,801,200 | 199,508,700 | 833,306,704 |
| " 17 | 278,028,600 | 16,946,700 | 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.

| | *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 | 38,660,463 |
| " 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 |
| " 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, " | 56,566,325 | 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:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 6, 1868 | $94,969,249 | $1,466,246 | $15,543,169 | $24,626,559 | $40,856,092 |
| 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 | 12,672,917 | 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 |
| " 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 108¼ for 60 days bills and 109 for short sight. We quote: Bills at 60 days on London, 107½ *a* 107⅞ for commercial; 108 *a* 108¼ for bankers'; do. at short sight, 108⅝ *a* 109; Paris at 60 days, 5.32½ *a* 5.27½; do. at short sight, 5.23¾ *a* 5.22½; Antwerp, 5.31¼ *a* 5.26¼; Swiss, 5.31¼ *a* 5.26¼; Hamburg, 4 Reichsmark, 94⅝ *a* 95; Amsterdam, 39¾ *a* 40⅛; Frankfort, 40½ *a* 40⅞; Bremen, 4 Reichsmark, 94⅝ *a* 95; Prussian thalers, 70⅝ *a* 71⅛.

Rates for the three preceding months compare as follows:

| *Sixty days' Bills.* | *Dec.* 23. | *Jan.* 21. | *Feb.* 20. | *March* 19. |
|---|---|---|---|---|
| On London, bankers' | 109¼ @ 109½ | 109⅜ @ 109½ | 108⅜ @ 108⅝ | 108 @ 108¼ |
| " commercial | 108½ @ 109⅛ | 108¾ @ 109⅛ | 108¼ @ 108½ | 107½ @ 107⅞ |
| Paris, francs, ₱ dollar | 5.27½ @ 5.23⅛ | 5.27½ @ 5.22½ | 5.27½ @ 5.24⅜ | 5.32½ @ 5.27½ |
| Amsterdam, ₱ guilder | 40 @ 40⅓ | 40¼ @ 40⅝ | 40 @ 40¼ | 39¾ @ 40⅛ |
| Frankfort, ₱ florin | 40⅞ @ 41¼ | 40⅞ @ 41¼ | 40¾ @ 41 | 40½ @ 40⅞ |
| Hamburg, ₱ 4 R'mark | 95⅛ @ 96 | 95½ @ 96⅛ | 95 @ 95⅝ | 94⅜ @ 95 |
| Prussian thalers | 71½ @ 72 | 71¾ @ 72¼ | 71½ @ 71¾ | 70⅝ @ 71⅛ |

The premium on gold has ruled high, reaching, on 17th instant, 15⅝, 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 | 9,295,000 | " 1857 | 4,309,000 |
| " 1870 | 5,946,000 | " 1863 | 9,323,000 | " 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 | 2,580,000 |

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 | $81,852,000 | $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.

| *Six months ending* | 1871. | 1872. | 1873. |
|---|---|---|---|
| January 1 | $107,654,919 | $119,604,290 | $130,400,814 |
| January | 18,837,876 | 18,951,004 | 20,050,550 |
| February | 18 739,742 | 17,915,16 | 21,139,002 |
| Total produce | $145.232.557 | $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 2¼ *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 Civilized World; a hand-book for politicians and merchants, for the year* 1873. *By* Frederick Martin. *Tenth annual publication.* 12*mo., 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. 8*vo., pp.* 682. *London,* 1872. Effingham Wilson, *publisher.*

III. *On National Debts. By* R. Dudley Baxter. *Read before the British Association, Liverpool, September,* 1870. 8*vo., 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.

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## 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 GOLDSCHMIDT 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 2⅜-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.

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## 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:

| *Years ended March 31st.* | | *Revenue.* | | *Expenditure.* | | *Extra Outlay on Railway and Public Works.* |
|---|---|---|---|---|---|---|
| 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 |

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## 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.

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## 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 66⅞ 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 £5,785,000 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 redeëmed 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.

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## 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 8½ @ 9½ 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.

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## 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 entire 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 @ 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.

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## 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.,

*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. | $1^{19}/$ | " 1858 | 4½ | | |
| April | Oct. | | " 1859 | 5 | | |
| June | Dec. | $1^{13}/$ | " 1860 | 4½ | | |
| April | Oct. | $1^{13}/$ | " 1863 | 4½ | | |
| Mar. | Sept. | 1 | " 1865 | 5 | 95½ | 96 |
| Feb. | Aug. | | " 1871 | 5 | 95 | 96 |
| Jan. | July | | Buenos Ayres | 6 | | |
| | | | " " 100*l*. | | | |
| Jan. | July | | " " " | 3 | | |
| April | Oct. | 1 | " " 1870 | 6 | 93 | 95 |
| | | | " " 100*l*. | | 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 |
| | | | " " 100*l*. | 5 | | |
| April | Oct. | 7 | 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 | | |
| | | | " " 100*l*. | | | |
| 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 |
| | | none | Ecuador, New Con. | 1 | 8½ | 9½ |
| | | none | " Provision'l L'nd Wrn't | | | |
| Mar. | Sept. | | Egyptian, 1862 | 7 | 92 | 94 |
| Mar. | Sept. | | " 2d Issue | 7 | 92 | 94 |
| Mar. | Sept. | | " " 500*l* | | 92 | 94 |
| Mar. | Sept. | | " " 100*l* | | 93 | 95 |
| April | Oct. | 3½ | " 1864 | 7 | 97 | 98 |
| | | | " " 500*l* | | 97 | 98 |
| | | | " " 100*l* | | 98 | 100 |
| Jan. | July | 1 | " 1868 | 7 | 92¼ | 92¾ |
| Jan. | July | | " Gov. Rail. Debnt'res | 7 | 102 | 104 |
| April | Oct. | | French Nat. Defen. | 6 | 95½ | 96½ |
| | | | Greek, 1824-25, ex Coupons | 5 | 15 | 17 |
| | | | " 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 |
| | | | " 500*l*. | | 34 | 36 |
| | | | " 100*l*. | | 35 | 39 |
| April | Oct. | | " 1867 | 5 | | |
| Jan. | July | 3 | " 1870 | 10 | 39 | 40 |

## *Foreign Stocks, Bonds, &c.*

| *Dividends due.* | | *Sinking Fund %.* | *Name.* | *Per Cent.* | *Closing Prices.* | |
|---|---|---|---|---|---|---|
| April | Oct. | 1⅓ | Hungarian | 5 | 79½ | 80½ |
| Jan. | July | | Italian, Marem'm. Railway | 5 | 67 | 69 |
| April | Oct. | 6.66 | " 1865 | 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, 1865 | 5 | | |
| Jan. | July | | " 1870 | 6 | 78¾ | 79¼ |
| Jan. | July | none | Portuguese, '53–67 | 3 | 42¼ | 42¾ |
| Jan. | July | | " 1869 | 3 | 42¼ | 42¾ |
| Mar. | Sept. | | Russian, 1822, £ stl. | 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. 1864, 100*l* | 5 | 95½ | 96½ |
| April | Oct. | 1 | " " 84*l* 15s | 5 | | |
| April | Oct. | | " " 1866, 100*l* | 5 | 95½ | 96½ |
| April | Oct. | | " " 84*l* 15s | 5 | | |
| May | Nov. | 0.15 | " (Nicls. 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 | 80 | 82 |
| June | Dec. | | Spanish | 3 | 29½ | 29¾ |
| Jan. | July | | " Quicksilv'r Mortgage | 5 | 82½ | 83½ |
| June | Dec. | ½ | Swedish Provincial Mortgage Loan | 4 | | |
| April | Oct. | 0.45 | " Gov't, 1864 | 4½ | | |
| Jan. | July | | " " 1868 | 5 | 102 | 104 |
| April | Oct. | 1 | Turkish, 1854 | 6 | 87 | 89 |
| Mar. | Sept. | 1 | " 1858 | 6 | 71 | 72 |
| | | | " 100*l* | | 74 | 76 |
| Jan. | July | 2 | " 1862 | 6 | 75 | 76 |
| Jan. | July | | " 100*l* | | 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 | 62¾ | 63¼ |
| | | | " 100*l* | | 62¾ | 63¼ |
| April | Oct. | | " 1871 | 6 | 71 | 71½ |
| Feb. | Aug. | 2½ | Uruguay, Con. 1871 | 6 | 74¾ | 75¼ |
| 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.

| *Nation.* | *Period.* | *Highest Debt.* | *Lowest Debt.* | *Per Cent. per Ann. Reduction.* |
|---|---|---|---|---|
| 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."

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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 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 merchants, 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 n 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.

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### 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 imprudent 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 foundling 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.

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*A Treatise on the Law of Trusts and Trustees.* *By* Jairus Ware Perry. *Octavo.* *Pages* 1050. *Price,* $ 7.50.

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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.

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## 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 supplicating 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 settlors 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 employés; 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 entrés, 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 Organization. | Open Accts., Dec. 31, 1872. | 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 | 420,590 | 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'rs & 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 | 781,898 | 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 | $ 42,828,962 | $ 2,091,113 | $ 1,852,770 | $ 182,837 | $ 1,818,406 | $ 1,174,364 |
| " 1872, July.... | — | 42,999 | 40,369,405 | 40,258,918 | 1,967,692 | 1,757,439 | 179,671 | 1,712,000 | 1,588,044 |
| " 1872, January. | — | 41,590 | 37,033,377 | 36,542,628 | 1,986,322 | 1,510,533 | 135,816 | 1,705,351 | 1,559,548 |
| " 1871, July.... | — | 38,870 | 34,541,597 | 32,310,571 | 1,737,149 | 1,485,030 | 124,559 | 1,592,022 | 2,728,325 |
| " 1871, January. | — | 36,862 | 31,289,550 | 30,608,376 | 1,772,872 | 1,058,036 | 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 | 1,446,823 | 1,957,272 |
| " 1870, January. | — | 34,823 | 26,634,523 | 26,276,333 | 1,576,915 | 899,550 | 128,335 | — | 1,566,110 |
| " 1869, July.... | — | 31,974 | 24,773,078 | 24,747,705 | 1,409,654 | 822,816 | 123,559 | — | 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.... | — | — | 13,833,259 | 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.

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*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 Depositaries of the United States and National Bank Depositaries. *(Letter to Merchants' National Bank, Little Rock, Ark.; August* 27, 1872.)

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*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.)

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*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.)

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### *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.)

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### *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.)

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*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.)

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*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, Plattsmouth, Neb., October* 4, 1872.)

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*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.)

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*Bank Depositaries 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 Depositaries 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.)

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### *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.)

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### *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.)

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### *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.)

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### *Depositary National Banks are not Required to furnish New Fractional Currency.*

There is no law or regulation which requires Depositary 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 depositary quite as readily as by a depositary bank. *(Letter to Second National Bank, Fall River, Mass., December* 13, 1872.)

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### *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.)

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### *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 |
| *Total, United Kingdom* | | | £ 44,400,000 |
| 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.

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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. GRANT, 130 West 44th Street.

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### 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.

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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 ideas*, 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 deportment, 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.

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## 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 regarded as an expression of confidence in our honor and good judgment. We appreciate the kindness and hope ever to prove worthy of the trust.

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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.

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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.

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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.

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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.

| *Name.* | *Year.* | *Bank.* | *Age.* | *Cause of Death.* | *Am'nt of Benefit.* |
|---|---|---|---|---|---|
| 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 | —— | 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. Nitchie | " | National Bank of the Commonwealth | 52 | Consumption | 952 00 |
| E. B. Cooper | " | Nassau Bank | 50 | Consumption | 954 00 |
| George E. Farmer | " | Bowery Savings Bank | 30 | Pneumonia | 953 50 |
| Ichabod Condit | " | Ninth National Bank | 30 | Typhoid Fever | 953 00 |
| W. R. Sheddan | " | National Park Bank | 22 | Consumption | 959 00 |
| *J. S. Peters | " | Corn Exchange Bank | — | —— | 500 00 |
| W. H. Brinckerhoff | " | Greenwich Savings Bank | 39 | Pneumonia | 956 00 |
| George C. Hall | " | Mertropolitan National Bank | 54 | Consumption | 955 00 |
| Edward Lumrey | 1871. | Emigrant Industrial Savings Bank | 50 | Pneumonia | 954 00 |
| E. P. Munn | " | Phenix National Bank | 33 | Paralysis of the Brain | 1,000 00 |
| W. Henry Vanderhoof | " | Bowery Savings Bank | 55 | Typhoid Fever | 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 Drovers' 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. Tuthill | " | Third Avenue Savings Bank | 52 | Pnenmonia | 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."

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## 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.

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### *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.

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## 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.

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### *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.

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### *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."

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## 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.

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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 .. | **14⅝** | 15⅛ | 10 | 10¼ | 10¾ | 11⅛ | 15 | 16 | 31 | 32⅛ | Sun. | |
| 2 | **Sunday.** | Sun. | | 10⅛ | 10⅜ | 10¾ | 11 | 15¾ | **16⅜** | 31¾ | **32½** | 40⅞ | **41⅜** |
| 3 | Monday .. | 14⅞ | 15¼ | Sun. | | 10⅞ | 11¼ | 15⅛ | 15⅝ | 31⅝ | 32½ | 40⅞ | 41⅜ |
| 4 | Tuesday .. | 14¾ | 15⅛ | 10 | **10⅜** | 10⅞ | 11⅛ | 13⅛ | 14 | 31½ | 32 | 40¾ | 41¼ |
| 5 | Wednesday | 15 | 15¼ | 10 | 10¼ | Sun. | | 13½ | 14 | 31 | 31⅝ | 41 | 41¼ |
| 6 | Thursday .. | 15 | 15⅜ | 10 | 10¼ | 10⅞ | 11 | Sun. | | **30¼** | 31½ | 41⅛ | 41⅜ |
| 7 | Friday ... | 15¼ | 15¾ | 10 | 10¼ | 11 | 11¼ | 12½ | 13¼ | Sun. | | 40⅝ | 41⅛ |
| 8 | Saturday .. | 15⅝ | 15¾ | 10⅛ | 10⅜ | 11⅛ | 11½ | 10⅞ | 12½ | 31¼ | 32 | Sun. | |
| 9 | **Sunday** | Sun. | | 10 | 10¼ | 11⅜ | **11⅝** | **10¼** | 11½ | 30¾ | 31½ | 39⅝ | 40⅞ |
| 10 | Monday ... | 15 | 15½ | Sun. | | 11⅛ | 11⅜ | 10½ | 11¼ | 31½ | 32 | 39¾ | 40⅜ |
| 11 | Tuesday .. | 15 | 15¼ | 10⅛ | 10¼ | 11⅛ | 11¼ | 12⅜ | 13⅞ | 31⅜ | 31⅞ | 39¼ | 39¾ |
| 12 | Wednesday | 15 | 15¼ | 10⅛ | 10¼ | Sun. | | 11¾ | 12⅝ | 31 | 31⅜ | 39½ | 40⅛ |
| 13 | Thursday .. | 14⅞ | 15¼ | **9⅛** | 10 | 11¼ | 11⅜ | Sun. | | 31⅛ | 31⅜ | 39⅜ | 40 |
| 14 | Friday .... | 14¾ | 15⅛ | 10 | 10¼ | 11⅛ | 11⅜ | 11⅝ | 13⅜ | Sun. | | 38⅞ | 39¾ |
| 15 | Saturday .. | 14¾ | 15⅛ | 10 | 10¼ | 11⅜ | 11½ | 11⅝ | 12⅜ | 30⅞ | 31⅝ | Sun. | |
| 16 | **Sunday.** | Sun. | | 10⅛ | 10¼ | 11⅜ | 11½ | 11¾ | 12¼ | 31⅜ | 31¾ | 39¼ | 39⅞ |
| 17 | Monday ... | 15 | 15½ | Sun. | | 11⅛ | 11½ | 12 | 12¾ | 31⅜ | 31⅞ | 39 | 39⅝ |
| 18 | Tuesday .. | 15¼ | 15⅜ | 10 | 10¼ | 11 | 11⅛ | 11⅞ | 12¼ | 30¾ | 31¼ | 38⅛ | 38⅞ |
| 19 | Wednesday | 15¼ | 15½ | 9¾ | 10⅛ | Sun. | | 12 | 12⅝ | 30½ | 31⅜ | 38½ | 38¾ |
| 20 | Thursday .. | 15½ | 15¾ | 9¾ | 10 | 10⅞ | 11⅛ | Sun. | | 30¾ | 31⅛ | 38¼ | 38¾ |
| 21 | Friday .... | 15⅜ | 15⅝ | 9¾ | 9⅞ | 11 | 11¼ | 12¼ | 12¾ | Sun. | | 38⅝ | 39⅜ |
| 22 | Saturday .. | 15½ | 15¾ | 9¾ | 9⅞ | 10⅞ | 11⅛ | 12¼ | 12½ | 31 | 31¾ | Sun. | |
| 23 | **Sunday.** | Sun. | | 9¾ | 10 | 10⅞ | 11⅛ | 12¼ | 12¾ | 31 | 31¼ | 38⅝ | 39½ |
| 24 | Monday ... | 15¼ | 15¾ | Sun. | | 10¾ | 11 | 12¼ | 12⅝ | 31¼ | 31½ | **37⅞** | 38⅜ |
| 25 | Tuesday ... | 15⅜ | 15¾ | 9¾ | 9⅞ | 10¾ | 10⅞ | 11¾ | 12⅜ | 31 | 31¼ | 38⅛ | 38¾ |
| 26 | Wednesday | 15¾ | 16¼ | 9¾ | 10 | Sun. | | 11⅝ | 11¾ | Good Fri. | | 38¼ | 38½ |
| 27 | Thursday .. | 15⅞ | 16½ | 10 | 10¼ | 10½ | 10¾ | Sun. | | 31 | 31¼ | 38⅛ | 38⅝ |
| 28 | Friday .... | 16⅜ | 16¾ | 10⅛ | 10½ | 10⅛ | 10½ | 11⅜ | 11¾ | Sun. | | 38⅜ | 38⅝ |
| 29 | Saturday .. | 16½ | 17 | Good Fri. | | 10⅛ | 10⅜ | 11⅝ | 12 | 31⅛ | 31½ | Sun. | |
| 30 | **Sunday.** | Sun. | | 10 | 10⅛ | **10⅛** | 10⅜ | 11¾ | 12⅛ | 31⅜ | 31½ | 38¾ | 39⅛ |
| 31 | Monday ... | 16¾ | **18½** | Sun. | | 10⅞ | 10½ | 11⅞ | 12¼ | 31¼ | 31½ | 38⅝ | 38¾ |

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.

| | | *Total Capital.* | | *Total Dividends.* | | *Average.** |
|---|---|---|---|---|---|---|
| Total, April, 1873, | .. | $ 49,700,000 | .. | $ 2,432,500 | .. | $ 4.89.43 |
| Total, Oct., 1872, | .. | 49,400,000 | .. | 2,438,000 | .. | 4.93.52 |
| 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.* 1872. *Apl.* | *Oct.* | 1873. *Apl.* | *Shares.* 1872. *Oct.* | 1873. *Apl.* | *Surplus. 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 | 117⅜ | 284,512 |
| National Webster.... | | 1,500,000 | 0 | 4 | 4 | 108⅜ | 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.

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(*Continued from page 823, April No.*)

| STOCKS. | JAN., 1873. Lowest. | Highest. | FEB., 1873. Lowest. | Highest. | MAR., 1873. Lowest. | Highest. |
|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 114½ | 119¾ | 118¼ | 118⅜ | 118¾ | 120¾ |
| " Five-Twenty of 1862, " | 112¾ | 115⅜ | 114¼ | 115⅞ | 115¼ | 117¼ |
| " " 1864, " | 113⅛ | 115¾ | 114½ | 115⅝ | 115½ | 117⅜ |
| " " 1865, " | 113⅝ | 116⅜ | 115¼ | 116⅛ | 116⅜ | 118¾ |
| " " 1865, New, " | 112¾ | 115⅜ | 114⅛ | 114⅜ | 114¾ | 116⅞ |
| " " 1867, " | 113⅜ | 116¾ | 116¼ | 116⅞ | 116 | 118¾ |
| " " 1868, " | 113⅜ | 117 | 116¼ | 116⅝ | 116⅛ | 118 |
| " Ten-Forty Coupon Bonds..... | 109⅞ | 115⅜ | 114⅛ | 115¼ | 110 | 112¼ |
| " Five per cent. of 1881......... | 112 | 115⅛ | 113¼ | 113⅜ | 112⅞ | 115⅛ |
| " Six per cent. Currency......... | 112½ | 115½ | 114⅜ | 115¼ | 113⅜ | 115 |
| Tenn. Six per cent. Bonds, Old..... | 79¾ | 82¾ | 79 | 83½ | 80 | 86 |
| " " " New..... | 79⅜ | 82½ | 79 | 83½ | 79⅞ | 86 |
| Virginia Six per cent. Bonds, Old.. | .. | .. | 49 | 49 | 44½ | 46 |
| " " " New.... | .. | .. | .. | .. | .. | .. |
| " " " Consol.. | 54 | 56½ | 55¼ | 56 | 55½ | 56⅜ |
| N. Carolina Six per ct. Bonds...... | 33½ | 34½ | 33 | 34 | 31½ | 32 |
| " " New....... | 17¼ | 19 | 18½ | 18½ | 17 | 18 |
| " " Special Tax | 10 | 14 | 14 | 15 | 13 | 13 |
| S. C. Six per ct. Bds. Jan. & July.. | 21½ | 23 | 20¼ | 22½ | 17 | 20½ |
| " " April & Oct.. | 25 | 25½ | 25 | 26 | 22 | 23 |
| Missouri Six per cent. Bonds....... | 92⅜ | 93½ | 93⅛ | 95 | 93½ | 95⅜ |
| Canton Company of Maryland..... | 100⅛ | 102½ | 100 | 102 | 93½ | 102¾ |
| Delaware and Hudson Canal Co.... | 115¾ | 119½ | 118½ | 124 | 117 | 123 |
| Consolidated Coal Co. of Maryland. | 43 | 48¾ | 48 | 53⅜ | 51¼ | 57⅝ |
| Quicksilver Mining Company...... | 43⅛ | 46½ | 43½ | 46¼ | 40 | 45 |
| " " Preferred | 53 | 55½ | 55 | 57 | 50 | 54 |
| Mariposa Mining Company........ | ½ | 1 | ½ | ½ | .. | .. |
| " " Preferred | 2 | 2¾ | 1 | 2 | 1 | 1¼ |
| Western Union Telegraph Co...... | 78⅞ | 85⅜ | 83⅛ | 94½ | 83 | 90⅛ |
| Pacific Mail Steamship Company.. | 69½ | 75¼ | 55½ | 76⅞ | 49 | 62 |
| Adams Express Company......... | 94 | 100¼ | 94⅜ | 99¾ | 94 | 95⅜ |
| Wells, Fargo & Co. Express Co.... | 83 | 86 | 85 | 86 | 80¼ | 85⅜ |
| American Merchants' Union Express | 68 | 71 | 66 | 70 | 66 | 69¾ |
| United States Express............ | 75½ | 82 | 70 | 78¾ | 72¼ | 76 |
| N. Y. Cent. and Hudson River R. R. | 99⅜ | 106⅛ | 101¼ | 106½ | 100 | 106¼ |
| Erie Railroad, Common........... | 58⅛ | 67 | 63 | 69¾ | 62¼ | 66½ |
| " Preferred........... | 75 | 80½ | 78 | 82 | 74 | 79½ |
| Harlem Railroad, Common Shares | 114½ | 122½ | 118½ | 130½ | 127 | 139 |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | Jan., 1873. Lowest. | Jan., 1873. Highest. | Feb., 1873. Lowest. | Feb., 1873. Highest. | Mar., 1873. Lowest. | Mar., 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 139 | 142 | 141 | 142½ | 139¼ | 141 |
| Michigan Central Railroad Co..... | 104 | 110 | 107¾ | 111 | 105 | 108¼ |
| Lake Shore & Mich. Southern R.R.. | 91⅝ | 97 | 90¼ | 97¾ | 91⅛ | 96⅝ |
| Panama Railroad Company Shares.. | 125 | 130 | 95 | 126½ | 106¾ | 127½ |
| Union Pacific Railroad " .. | 34 | 39½ | 33 | 36⅞ | 33⅜ | 35⅞ |
| Illinois Central Railroad " .. | 120 | 126½ | 119½ | 120½ | 117½ | 123 |
| Cleveland & Pittsburgh R.R. " Gtd. | 89 | 90¾ | 88¾ | 92⅝ | 88 | 90¼ |
| " Col., Cinn. & Ind. R.R... | 89⅝ | 93¾ | 90 | 94½ | 87 | 90 |
| Chicago, Rock Island & Pacific R.R. | 109⅛ | 114¾ | 111¾ | 114⅝ | 112 | 117⅝ |
| " Burlington & Quincy " | 114 | 138½ | 117½ | 120 | 111 | 113 |
| " & Alton Railroad Shares.. | 112½ | 115 | 110 | 116 | 108¼ | 112⅞ |
| " " " Pref. | 116 | 116 | 112½ | 119 | 112 | 114½ |
| " & Northwestern R.R. Shares | 80⅞ | 84 | 80 | 85 | 80 | 82½ |
| " " " Pref. | 87¼ | 92 | 89 | 93⅞ | 87½ | 90 |
| Del., Lackawanna & West. R.R. Co. | 93 | 101½ | 100 | 103¼ | 100⅝ | 102 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 91¾ | 93¼ | 92½ | 94 | 93⅝ | 95½ |
| Toledo & Wabash R.R. Co. Shares. | 71½ | 75¾ | 71¾ | 74⅞ | 71½ | 74½ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | 23½ | 25 |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 45½ | 49⅝ | 44⅝ | 49⅝ | 44⅛ | 46⅝ |
| Hannibal & St. Joseph R.R. " | 46 | 50¼ | 42¾ | 52⅛ | 40 | 45¾ |
| " " " Pref. | 70 | 71⅛ | 65 | 71 | 60 | 66 |
| Milwaukee & St. Paul R.R. Shares | 51⅛ | 54½ | 51⅝ | 54½ | 52⅛ | 60¾ |
| " " " Pref. | 76½ | 79½ | 73½ | 79½ | 73 | 76½ |
| Boston, Hartford & Erie R.R. Shares | 6⅞ | 9¾ | 8⅝ | 10¼ | 2⅝ | 9¼ |
| Col., Chic. & Ind. Cen. R.R. Shares | 36¾ | 41⅛ | 38 | 43⅞ | 36 | 42¼ |
| Dubuque & Sioux City Railroad... | .. | .. | 63 | 63 | 63 | 63 |
| New Jersey Central Railroad Shares | 100 | 105½ | 103 | 106 | 103 | 105 |
| Morris & Essex Railroad Shares... | 89½ | 91⅛ | 91 | 91⅝ | 90¼ | 91½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 92 | 93¼ | 93 | 94½ | 94¼ | 95 |
| Erie First Mortgage Bonds of 1868.. | 101 | 101¾ | 101½ | 103 | 103 | 103½ |
| Long Dock Bonds................. | 92 | 93 | 92⅝ | 95½ | 95 | 95½ |
| Mich. Southern Sinking Fund Bonds | 103 | 104 | 103 | 103½ | 104 | 105 |
| " Seven p. ct. 2d Mtge. | 97 | 99¾ | 98 | 99 | 98½ | 100½ |
| Central Pacific 1st Mortgage Bonds | 99 | 102 | 101¾ | 104¼ | 103 | 104 |
| Union " " " | 85 | 88 | 86⅛ | 89 | 85¼ | 87⅛ |
| " " Land Grant Bonds.. | 74 | 80 | 76 | 79 | 77 | 79½ |
| " " Income Bonds...... | 71¾ | 83½ | 72¾ | 79⅛ | 70⅛ | 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 | 82¼ | 81½ | 81½ |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | 95 | 95 | .. | .. | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 91 | 92½ | 90¾ | 91¼ | 90¾ | 91 |
| " " 1st Mortgage Bonds.. | 98½ | 100 | 97 | 98 | 98½ | 100 |
| Cleveland & Tol. Sinking Fund Bds. | 99¾ | 102 | .. | .. | 101 | 101 |
| " & Pittsb'gh Consol'n Bds. | 97 | 97 | .. | .. | .. | .. |
| " " Second Mtge. | .. | .. | .. | .. | 99 | 99 |
| " " Third " | 97½ | 98¼ | 97 | 98½ | .. | .. |
| " " Fourth " | 83 | 84 | 83⅞ | 85 | 85 | 86 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 100 | 102 | 101½ | 102 | 101⅞ | 104 |
| Milwaukee & St. Paul 1st Mortgage | 90½ | 92 | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 96¼ | 99 | 94¼ | 96 | 94¼ | 95½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 88 | 90¼ | 90 | 92½ | 90⅞ | 91¾ |
| " " " " 2d " | 72¾ | 76⅝ | 73⅛ | 74¾ | 72¼ | 74¼ |
| Toledo, Peoria & Warsaw 1st, E.D. | 91½ | 92 | 91½ | 92½ | 91 | 91½ |
| " " " 1st, W.D. | 90 | 91 | 88 | 89 | 88¼ | 89 |
| " " " 2d, W.D. | .. | .. | 82 | 85 | 81 | 81 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 79¾ | 82 | 82 | 82¾ | 80 | 80 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 40½ | 45 | 37½ | 42½ | 38⅞ | 42¾ |

# 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 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,055,564,350 | 1,051,060,500 |
| | $2,107,835,350 | $1,935,342,700 | $1,853,856,700 | $1,756,651,450 | $1,753,813,000 | $1,749,309.150 |
| 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 | 22,025,000 | 2,780,000 | 1,310,000 | 650,000 |
| 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 | $80,611,512 | $79,951,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes...... | $7,463,503 | $7,315,822 | $1,739,938 | $4,084,220 | $3,093,240 | $3,023,080 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes........... | $356,021,073 | $356,101,086 | $357,592,801 | $358,642,295 | $356,084,303 | $358,591,735 |
| Fractional Currency.......... | 34,215,715 | 39.995,089 | 40,767,877 | 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 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $2,290,689,141 | $2,284,635,851 |
| 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-cents. 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 & KUHNE, 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 & KUHNE, bankers and foreign bill drawers, remove from Broad Street to 113 Broadway. Messrs. J. B. ALEXANDER & CO. have removed from No. 49 to No. 68 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 organise 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 CLAFLIN 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. CHAFFEE; 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. GOODSELL 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 [illegible]f interest in different but closely connected localities. Thus railroad and [illegible]ation 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. CROCKER, 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 85, 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.

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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 99⅞ @ 100, and Morris and Essex at 90⅞ @ 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.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| 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. *Bost.* |
| 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. | Gilman, Son & Co. |
| Negaunee, " | First National Bank | ........ |
| Niles, " | Citizens' Savings & Loan Assoc. | National Park Bank. |
| 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. | Henry Clews & Co. |
| Johnstown, " | McIntyre & McLaren | Metropolitan Nat. Bank. |
| Tonawanda, " | Evans, Killmaster & Co. | Jay Cooke & Co. |
| Steubenville, Ohio | Exchange Bank | Henry Clews & Co. |
| Springfield, " | Lagonda National Bank | Winslow, Lanier & Co. |
| Hellertown, Penn. | Saucon Savings Bank | Union Banking Co., *Phila.* |
| Mifflinburg, " | Mifflinburg Bank | Kountze Brothers. |
| Pleasantville, " | Citizens' Bank | First National Bank. |
| Latrobe, " | W. S. Head & Bro. | E. D. Randolph & Co. |
| " " | Latrobe Banking Co. | Jay Cooke & Co. |
| Cambridgeboro " | J. L. & A. Kelly | Ninth National Bank. |
| Denison, Texas | First National Bank | Northrup & Chick. |
| " " | Perry, Shepherd & Co. | Bank of North America. |
| Fort Worth, " | Loyd, Marklee & Co. | Bank of North America. |
| Memphis, Tenn. | Fourth National Bank | Third National Bank. |
| Blacksburg, Va. | Montgomery Savings Bank | J.J.Nicholson&Sons, *Balt.* |



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 BREVOORT, 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.—Veazie Bank, *Bangor*, (succeeded by Veazie 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*.

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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.)*

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| First N. B., Suffield, CONN. | Byron Loomis, *Pres.* | Daniel W. Norton. |
| Saybrook Nat. Bank, " | J. E. Redfield, *Pres* | Cornelius B. Deane. |
| " " " | C. S. Hough, *Cash* | J. E. Redfield. |
| Pacific B., San Francisco, CAL. | O. H. Bogert, *Cash* | F. H. Rogers. |
| National Bank of Athens, GEO. | James White, *Cash* | F. W. Adams. |
| Delaware City Nat. B., DEL. | F. McIntyre, *Cash* | W. W. Ferris. |
| Madison N. B., Richmond, KY. | Silas T. Green, *Pres.* | T. S. Moberly. |
| " " " | Charles D. Chenault, *Cash.* | S. T. Green. |
| First Nat. B., Rockville, IND. | W. E. Livengood, *Cash.* | S. A. Herrick. |
| Richmond Nat. Bank, " | Charles H. Coffin, *Cash.* | A. H. Blanchard. |
| Nat. Savings B., Waterloo, IOWA. | Allen T. Lane, *Pres* | Edmund Miller. |
| First N. B., Belle Plaine, " | W. A. Scott, *Pres* | David W. Read. |
| First N. B., Manhattan, KAN. | J. K. Winchip, *Cash* | Isaac T. Goodnow. |
| Lechmere N B., Cambr'e, MASS. | C. E. Richardson, *Cash* | John Savage. |
| Hide & Leather N. B., Boston, " | William Claflin, *Pres.* | Daniel Harwood. |
| Second N. B., E. Saginaw, MICH. | R. G. Horr, *Pres* | C. K. Robinson. |
| " " " | W. H. Coats, *Cash* | R. G. Horr. |
| First N. B., Canandaigua, N. Y. | E. G. Tyler, *Pres* | Lucius Wilcox. |
| Niles Savings Ass., Niles, OHIO. | William Ward, *Pres.* | C. H. Andrews. |
| Second N. B., Cleveland, " | Kennedy Clinton, *Cash* | H. Garrettson. |
| Toledo National Bank, " | Horatio S. Young, *Cash* | Paul Jones. |
| Nat. Eagle B., Providence, R. I. | Joseph Sweet, *Pres* | James T. Rhodes. |
| Deseret N B, Salt Lake C'y, UTAH. | William H. Hooper, *Pres.* | Brigham Young. |
| Castleton N. B., Castleton, VT. | M. D. Cole. *Cash* | I. M. Guy. |
| Northfield National Bank, " | Frederick L. Ely, *Cash* | H. G. Ely. |
| First N. B., Fairhaven, " | E. H. Phelps, *Cash* | S. W. Bailey. |
| " " " | Joseph Adams, *Pres* | Joseph Sheldon. |
| Farm's & M. Loan Co, Norf'k, VA. | Caldwell Hardy, *Cash* | Frederick Hardy. |

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**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,* 108⅜ @ 108¾ *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 $ 130,000,000 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 ⅛ to ½ 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 108¾ for 60 days sterling and 109¾ for short sight do. We quote: Bills at 60 days on London, 107¾ *a* 108⅛ for commercial; 108⅝ *a* 108¾ for bankers'; do. at short sight, 109⅛ *a* 109¾; Paris at 60 days, 5.32½ *a* 5.27½; do. at short sight, 5.23⅛ *a* 5.22½; Antwerp, 5.32½ *a* 5.26⅛; Swiss, 5.32½ *a* 5.26⅛; Hamburg, 4 Reichsmark, 94⅝ *a* 95⅛; Amsterdam, 39⅝ *a* 40⅛; Frankfort, 40½ *a* 40⅞; Bremen, 4 Reichsmark, 94⅝ *a* 95⅛; Prussian thalers, 71 *a* 71½.

Rates for the three preceding months compare as follows:

| *Sixty days' Bills.* | *Jan.* 21. | *Feb.* 20. | *March* 23. | *April* 23. |
|---|---|---|---|---|
| On London, bankers'... | 109⅜ @ 109½ .. | 108⅜ @ 108⅝ .. | 108 @ 108¼ .. | 108⅜ @ 108¾ |
| " commercial. | 108¾ @ 109¼ .. | 108⅛ @ 108½ .. | 107½ @ 107⅞ .. | 107⅞ @ 108¼ |
| Paris, francs, ₽ dollar.. | 5.27½ @ 5.22½ .. | 5.27½ @ 5.24⅜ .. | 5.32½ @ 5.27½ .. | 5.32½ @ 5.27½ |
| Amsterdam, ₽ guilder. | 40¼ @ 40⅝ .. | 40 @ 40¼ .. | 39¾ @ 40⅛ .. | 39½ @ 40⅛ |
| Frankfort, ₽ florin .... | 40⅞ @ 41¼ .. | 40¾ @ 41 .. | 40½ @ 40⅞ .. | 40½ @ 40⅞ |
| Hamburg, ₽ 4 R'mark.. | 95½ @ 96⅛ .. | 95 @ 95⅝ .. | 94⅜ @ 95 .. | 94¾ @ 95½ |
| Prussian thalers ........ | 71¾ @ 72¼ .. | 71½ @ 71¾ .. | 70⅝ @ 71¼ .. | 71 @ 71⅛ |

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 | 5,208,000 | 1865 | 5,153,000 | 1870 | 7,084,000 |
| 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 | $466,957,787 |
| 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. 8, '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 | 551,802,964 |
| 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 | 818,260,202 |
| " 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 | 640,361,782 |
| 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 | 862,472,883 |

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 1872.

| | *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 | 24,087,000 | — | 5,626,000 | 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 values 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 $ 63,000,000 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 foi 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 | 10,576,155 | 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 | 11,389 972 | 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 | 128,271 | 10,317,071 | 11,482,752 | 41,571,881 |
| " 21, " ..... | 57,894,111 | 142,100 | 10,909,241 | 11,479,014 | 43,288,268 |

The price of gold has advanced during the month to 18⅞ @ 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 28 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 | $ 183,028,276 | $ 199,326,050 |
| January | 28,792,062 | 35,679,496 | 37,803,691 |
| February | 35,491,324 | 38,206,143 | 38,860,517 |
| March | 38,696,064 | 39,218,268 | 43,440,621 |
| 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.

| *Six months ending* | 1871. | 1872. | 1873. |
|---|---|---|---|
| January 1 | $ 107,654,919 | $ 119,604,290 | $ 130,400,814 |
| 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 | 21,982,209 |
| Total produce | $ 167,371,869 | $ 173,000,482 | $ 193,572,575 |
| Add specie | 55,092,032 | 27,537,547 | 49,213,008 |
| Total export | $ 222,463,901 | $ 200,538,029 | $ 242,785,583 |

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 SAVINGS 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. R. 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 ook 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.

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## 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 exported 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.

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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 XLIId 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 Messss. 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 $\frac{27}{100}$ 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 $\frac{80}{100}$ 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.

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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.

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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 depositary 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.

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III. AMERICAN NUMISMATIC AND ARCHÆOLOGICAL 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.

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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, 5,2,1 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.*

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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.

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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. AUG."—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 respect 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 heartless, blood-thirsty-looking emperor, holding his head up in a manne 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.

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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.

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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.

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(*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 1881, Coupon Bds. | 118¾ | 118¾ | 118¾ | 120¼ | 118⅜ | 121 |
| " Five-Twenty of 1862, " | 114¾ | 115⅝ | 115¾ | 117¼ | 116 | 118⅜ |
| " " 1864, " | 114½ | 115⅝ | 115½ | 117⅜ | 116 | 118⅜ |
| " " 1865, " | 115¼ | 116⅜ | 116⅝ | 118¾ | 117⅞ | 120¼ |
| " " 1865, New, " | 114⅛ | 114⅝ | 114¾ | 116⅞ | 115⅛ | 118 |
| " " 1867, " | 116¼ | 116⅝ | 116 | 118¾ | 116½ | 120 |
| " " 1868, " | 116¾ | 116⅝ | 116⅛ | 118 | 116 | 118 |
| " Ten-Forty Coupon Bonds..... | 114⅛ | 115¼ | 110 | 112½ | 111 | 114⅛ |
| " Five per cent. of 1881......... | 113¼ | 113¾ | 112⅞ | 115⅛ | 115¾ | 116¼ |
| " Six per cent. Currency......... | 114⅝ | 115¼ | 113⅜ | 115 | 112¾ | 116 |
| Tenn. Six per cent. Bonds, Old..... | 79 | 83½ | 80 | 86 | 77½ | 80⅜ |
| " " " New..... | 79 | 83½ | 79⅞ | 86 | 78½ | 80¼ |
| Virginia Six per cent. Bonds, Old.. | 49 | 49 | 44½ | 46 | .. | .. |
| " " " New.... | .. | .. | .. | .. | .. | .. |
| " " " Consol.. | 55¼ | 56 | 55½ | 56¾ | 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 | 16⅜ |
| S. C. Six per ct. Bds. Jan. & July.. | 20¼ | 22½ | 17 | 20½ | 17½ | 19¾ |
| " " April & Oct.. | 25 | 26 | 22 | 23 | 23 | 27 |
| Missouri Six per cent. Bonds........ | 93⅛ | 95 | 93½ | 95¾ | 93½ | 94 |
| Canton Company of Maryland..... | 100 | 102 | 93½ | 102¾ | 90 | 92½ |
| Delaware and Hudson Canal Co.... | 118½ | 124 | 117 | 123 | 112 | 115½ |
| Consolidated Coal Co. of Maryland. | 48 | 53¾ | 51¼ | 57½ | 53¾ | 58½ |
| Quicksilver Mining Company...... | 43½ | 46¼ | 40 | 45 | 38 | 40¼ |
| " " Preferred | 55 | 57 | 50 | 54 | 50 | 50⅛ |
| Mariposa Mining Company......... | ½ | ½ | .. | .. | .. | .. |
| " " Preferred | 1 | 2 | 1 | 1¼ | 1 | 1¼ |
| Western Union Telegraph Co...... | 83½ | 94½ | 83 | 90⅛ | 77⅝ | 87½ |
| Pacific Mail Steamship Company.. | 55½ | 76⅛ | 49 | 62 | 53 | 61¼ |
| Adams Express Company.......... | 94⅝ | 99¼ | 94 | 95¾ | 92¾ | 95¾ |
| Wells, Fargo & Co. Express Co.... | 85 | 86 | 80¼ | 85¾ | 78 | 81½ |
| American Merchants' Union Express | 66 | 70 | 66 | 69¼ | 65½ | 69 |
| United States Express............. | 70 | 78¼ | 72¼ | 76 | 71½ | 76½ |
| N. Y. Cent. and Hudson River R. R. | 101¼ | 106½ | 100 | 106¼ | 97 | 102¾ |
| Erie Railroad, Common........... | 63 | 69¼ | 62¼ | 66⅛ | 63¼ | 66⅝ |
| " Preferred........... | 78 | 82 | 74 | 79½ | 73 | 77 |
| Harlem Railroad, Common Shares. | 118½ | 130½ | 127 | 139 | 120 | 137½ |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | Feb., 1873. Lowest. | Feb., 1873. Highest. | Mar., 1873. Lowest. | Mar., 1873. Highest. | April, 1873. Lowest. | April, 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 141 | 142½ | 139¼ | 141 | 135½ | 139 |
| Michigan Central Railroad Co..... | 107¾ | 111 | 105 | 108¼ | 103½ | 105¾ |
| Lake Shore & Mich. Southern R.R.. | 90¼ | 97¾ | 91⅛ | 96⅛ | 88¾ | 93¾ |
| Panama Railroad Company Shares.. | 95 | 126½ | 106¾ | 127½ | 103 | 112½ |
| Union Pacific Railroad " .. | 33 | 36⅞ | 33⅜ | 35⅞ | 25 | 35 |
| Illinois Central Railroad " .. | 119½ | 120½ | 117½ | 123 | 114 | 118 |
| Cleveland & Pittsburgh R.R. " Gtd. | 88¾ | 92⅝ | 88 | 90¼ | 88 | 89½ |
| " Col., Cinn. & Ind. R.R... | 90 | 94½ | 87 | 90 | 82½ | 87½ |
| Chicago, Rock Island & Pacific R.R. | 111¾ | 114⅝ | 112 | 117⅝ | 104½ | 114¾ |
| " Burlington & Quincy " | 117½ | 120 | 111 | 113 | 109 | 111 |
| " & Alton Railroad Shares.. | 110 | 116 | 108¼ | 112⅞ | 110 | 111¼ |
| " " " Pref. | 112½ | 119 | 112 | 114½ | 112 | 113½ |
| " & Northwestern R.R. Shares | 80 | 85 | 80 | 82½ | 76 | 82¼ |
| " " " Pref. | 89 | 93⅞ | 87½ | 90 | 83 | 88 |
| Del., Lackawanna & West. R.R. Co. | 100 | 103¼ | 100⅝ | 102 | 95 | 101 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 92½ | 94 | 93⅝ | 95½ | 91½ | 93¾ |
| Toledo & Wabash R.R. Co. Shares. | 71¾ | 74⅞ | 71½ | 74½ | 62 | 72⅞ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | 23½ | 25 | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 44⅜ | 49⅝ | 44⅛ | 46⅝ | 40⅝ | 45½ |
| Hannibal & St. Joseph R.R. " | 42¾ | 52⅛ | 40 | 45¾ | 37 | 45⅛ |
| " " " Pref. | 65 | 71 | 60 | 66 | 65 | 65 |
| Milwaukee & St. Paul R.R. Shares | 51⅝ | 54½ | 52⅛ | 60¾ | 53 | 62¼ |
| " " " Pref. | 73½ | 79½ | 73 | 76½ | 68¾ | 76 |
| Boston, Hartford & Erie R.R. Shares | 8⅝ | 10¼ | 2⅝ | 9¼ | 2⅞ | 4⅝ |
| Col., Chic. & Ind. Cen. R.R. Shares | 38 | 43⅞ | 36 | 42¼ | 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 | 91⅝ | 90¼ | 91½ | 90 | 92 |
| N. Y. Central Six p. ct. Bds. of 1883 | 93 | 94½ | 94¼ | 95 | 94½ | 95½ |
| Erie First Mortgage Bonds of 1868.. | 101½ | 103 | 103 | 103½ | 103 | 103⅝ |
| Long Dock Bonds................. | 92⅝ | 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 | 101¾ | 104¼ | 103 | 104 | 102½ | 103½ |
| Union " " " | 86⅛ | 89 | 85¼ | 87⅛ | 85½ | 87⅛ |
| " " Land Grant Bonds.. | 76 | 79 | 77 | 79½ | 73¼ | 75¼ |
| " " Income Bonds....... | 72¾ | 79⅛ | 70⅛ | 77 | 72¼ | 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 | 90¾ | 91¼ | 90¾ | 91 | 90 | 91¼ |
| " " 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 " | 83⅞ | 85 | 85 | 86 | 84 | 85 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101½ | 102 | 101⅞ | 104 | 103⅜ | 104 |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 94¼ | 96 | 94¼ | 95½ | 94½ | 98½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 90 | 92½ | 90⅞ | 91¾ | 85½ | 87 |
| " " " " 2d " | 73½ | 74¾ | 72¼ | 74¼ | 72½ | 73½ |
| Toledo, Peoria & Warsaw 1st, E.D. | 91½ | 92½ | 91 | 91½ | 89½ | 91 |
| " " " 1st, W.D. | 88 | 89 | 88¼ | 89 | 87½ | 88 |
| " " " 2d, W.D. | 82 | 85 | 81 | 81 | .. | .. |
| Cedar Falls & Minn. 1st Mtge. Bds. | 82 | 82¾ | 80 | 80 | 80 | 82 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 37½ | 42½ | 38⅞ | 42¾ | 36 | 41¼ |

# 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 .. | 16⅞ | 17½ | 10 | 10⅛ | 10⅜ | 10½ | **11½** | 11¾ | 31⅝ | 31¾ | 38⅛ | 38¼ |
| 2 | Wednesday | 16⅞ | 17⅜ | **9⅞** | 10 | **Sun.** | | 11½ | 11¾ | **31½** | 32 | 37¾ | 38⅛ |
| 3 | Thursday.. | 17¼ | 17⅞ | 9⅞ | 10⅛ | 10½ | 10¾ | **Sun.** | | 31¼ | 31½ | 37¾ | 38⅛ |
| 4 | Friday ... | 17⅝ | 18¼ | 10 | 10⅜ | 10½ | 10¾ | 11½ | 11⅞ | **Sun.** | | 38⅛ | 38¼ |
| 5 | Saturday .. | 18¼ | 19 | 10⅛ | 10¼ | 10½ | 10⅝ | 11⅞ | 12⅛ | 31⅝ | 31¾ | **Sun.** | |
| 6 | **Sunday** | **Sun.** | | 10¼ | 10⅜ | 10¼ | 10½ | 11¾ | 12⅛ | 31½ | 31⅞ | 37¾ | 38¼ |
| 7 | Monday ... | 18½ | 19⅛ | **Sun.** | | Good Fri. | | 11⅞ | 12⅛ | 31⅝ | 31⅞ | **37¾** | 38⅜ |
| 8 | Tuesday .. | 18 | 18⅝ | 10¼ | 10½ | **10⅛** | 10⅜ | 12⅛ | 12⅝ | 31⅝ | 32¼ | 38⅛ | 38⅜ |
| 9 | Wednesday | 17⅞ | 18⅜ | 10¼ | 10½ | **Sun.** | | 12⅝ | 13⅛ | 32⅛ | 33¼ | 38½ | 38¾ |
| 10 | Thursday.. | 17⅞ | 18⅜ | 10¼ | 10½ | 10⅛ | 10⅜ | **Sun.** | | 32⅝ | 33¾ | Good Fri. | |
| 11 | Friday .... | Holiday. | | 10⅜ | 10½ | 10¼ | 10⅜ | 13⅝ | 14⅛ | **Sun.** | | 38⅛ | 38¼ |
| 12 | Saturday .. | 18⅜ | **19⅛** | 10⅜ | 10⅝ | 10¼ | 10⅜ | 12⅝ | 13⅜ | 32⅞ | 33⅜ | **Sun.** | |
| 13 | **Sunday.** | **Sun.** | | 10½ | 10⅝ | 10⅛ | 10⅜ | 12¼ | 12¾ | 32⅜ | 32⅞ | 38⅛ | 39 |
| 14 | Monday ... | 18⅛ | 18⅞ | **Sun.** | | 10⅜ | 10¾ | 12⅝ | 13 | 32⅝ | 33⅛ | 38½ | 38⅞ |
| 15 | Tuesday .. | 17⅞ | 18⅛ | 10⅝ | 10⅞ | 10⅝ | 10⅞ | Good Fri. | | 32½ | 32¾ | 38⅛ | 38⅜ |
| 16 | Wednesday | 17⅛ | 17⅝ | 10⅞ | 11⅛ | **Sun.** | | 13¼ | 13¾ | 32⅝ | 33⅝ | 38 | 38¼ |
| 17 | Thursday.. | 17 | 17⅝ | 10¾ | 11⅛ | 10⅝ | 10⅞ | **Sun.** | | 33 | 33½ | 38⅛ | 38⅜ |
| 18 | Friday .... | 17½ | 18⅛ | 10⅞ | 11⅛ | 10⅞ | 11⅜ | 13¼ | 13¾ | **Sun.** | | 38½ | 38¾ |
| 19 | Saturday .. | 17¾ | 18¼ | 11⅛ | 11¼ | 11⅛ | 11½ | 13¼ | 13¾ | 33½ | 33⅞ | **Sun.** | |
| 20 | **Sunday.** | **Sun.** | | 11¼ | 11⅜ | 11 | **11¾** | 13¼ | 13⅝ | 33⅞ | 34⅜ | 38⅝ | 39 |
| 21 | Monday ... | 17⅝ | 17⅞ | **Sun.** | | 10⅞ | 11⅜ | 13 | 13½ | 34¼ | 34⅝ | 38¾ | 39¼ |
| 22 | Tuesday... | 17⅜ | 17⅞ | 11⅛ | 11⅜ | 10⅞ | 11 | 12¾ | 13¼ | 34 | 34¾ | 39⅜ | 40⅛ |
| 23 | Wednesday | 17¼ | 17⅝ | 11⅝ | 11¾ | **Sun.** | | 13⅛ | 13½ | 33¼ | 33¾ | 39⅞ | **40⅛** |
| 24 | Thursday.. | 17½ | 17⅞ | 11¾ | 12⅛ | 10½ | 10¾ | **Sun.** | | 33¾ | 33¼ | 39⅛ | 39⅞ |
| 25 | Friday .... | 17¼ | 17⅞ | 12⅛ | 12¾ | 10¾ | 11 | 13½ | 13⅞ | **Sun.** | | 38¾ | 39 |
| 26 | Saturday .. | 17⅝ | 17⅝ | 12¾ | **13¼** | 10⅝ | 10⅞ | 13¼ | 13¾ | 33⅜ | 33⅝ | **Sun.** | |
| 27 | **Sunday.** | **Sun.** | | 12⅝ | 13 | 10⅝ | 11⅛ | 13⅞ | 14¾ | 33½ | 34 | 38¾ | 39¼ |
| 28 | Monday... | 17 | 17⅜ | **Sun.** | | 10⅞ | 11¼ | 14⅝ | 15½ | 33½ | 34 | 39 | 39¼ |
| 29 | Tuesday .. | **16¾** | 17⅛ | 12⅜ | 12¾ | 11⅛ | 11¼ | 14¾ | **15⅝** | 33⅝ | 34 | 39 | 39⅜ |
| 30 | Wednesday | 16⅞ | 17¼ | 12¼ | 12⅝ | **Sun.** | | 14½ | 15¼ | 34 | **34½** | 39 | 39¼ |

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 16¾ (30th); the highest was 19⅛ (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 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, 101⅞. 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 94⅝; in November they fell to 87⅛—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 5½ 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 7½, 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 apearance 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 duration, 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—itself 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 2.3.

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 representations 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 a 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:

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"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. OVEREND, 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."

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"*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 o this day to the Chancellor of the Exchequer, in which you state th course of action at the BANK OF ENGLAND, under the circumstance 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 s recently as last night at a sum of about five millions and three quar ters, has been reduced in a single day by the liberal answer of th bank to the demands of commerce during the hours of business, an by its great anxiety to avert disaster, to little more than half tha amount, or a sum (actual for London and estimated for the branches not greatly exceeding three millions.

"The accounts and representations which have reached he Majesty's government during the day exhibit the state of things i 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, wit unanimity and with earnestness, the necessity of some interventio on the part of the State, to allay the anxiety which prevails, an which appears to have amounted, through great part of the day, t absolute panic.

"There are some important points in which the present crisis diffe from those of 1847 and 1857. Those periods were periods of mercan tile distress, but the vital consideration of banking credit does n appear to have been involved in them, as it is in the present crisis.

"Again, the course of affairs was comparatively slow and mea ured, 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."

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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.*

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"*(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 adressed 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*."

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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. PATTERSON 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 CON-

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. 10*d. 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 ½ to 1½ 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-partnery 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 amouuted 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 had 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 railway, but which railway was the only security to which they could look at 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 Januar when the bank was positively wound up and the thing ascertained, appeared that there were of deposits £1,256,000; in accounts curre £766,000; and in liabilities on rediscounts, £231,000. The on great difference was in the accounts current, which were diminish about £400,000. This was principally, I believe, from the fact th many persons who had accounts current had deposit accounts als they kept two accounts, one of which had a balance in its favor, a the other was overdrawn; therefore, one account being set again the other, it diminished it by so much, and at the same time diminish the amount of overdrawn accounts; the assets which were estimat in November at £2,500,000 had fallen in January to £2,000,00 and there was one peculiarity, which was, that while the debt of t Derwent Iron Company was taken as an asset in November £750,000, in January it was taken as an asset at £947,000, a that it is an asset of a very doubtful nature; *the position of the ba is much worse in reality than is shown by the statement of the figures.*

"This disclosure was the result of an examination which last about two hours; *yet the bank had declared, at the last half-yearly me ing, a dividend of seven per cent., making to the shareholders a sta ment, the substance of which showed a very prosperous state of thin* Mr. Hodgson mentions that he remarked on the fact of their havi declared a dividend in June, when it was admitted that half the ca ital was lost, and he asked how they could have done so; it v stated, in reply, that there were so many persons who depend entirely for their livelihood on the dividends received, that th really could not bear to face them without paying any dividend.

"Each of these three banks had been in peril in 1847, and thou by the assistance of the Bank of England they were enabled surmount it, they fell on the next occasion of severe commercial pr sure, under circumstances still more injurious both to their own p prietors and to the public. Two bill-broking houses in London s pended payment in 1847; both afterwards resumed business. In 18 both suspended again. The liabilities of one house in 1847 were round numbers, £2,683,000, with a capital of £180,000; the liab ties of the same house in 1857 were £5,300,000, the capital mu smaller, probably not more than one-fourth of what it was in 18 The liabilities of the other firm were between £3,000,000 a £4,000,000 at each period of stoppage, with a capital not exceed £45,000.

"These five houses contributed more than any others to the co mercial disaster and discredit of 1857. It is impossible for y committee to attribute the failure of such establishments to any ot cause than *to their own inherent unsoundness, the natural, the inevit result of their own misconduct.*

"Thus we have traced a system under which extensive fictiti credits have been created by means of accommodation bills and o credits, great facilities for which have been afforded by the prac of joint-stock country banks discounting such bills, and rediscoun 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.

| | *Estimated Capital.* | *Total Liabilities at Date of Suspension.* | *Estimated Assets.* |
|---|---|---|---|
| 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. Bonamy Price, in No. cvi 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.

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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 o 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 a any rate, and to contract for payment and receipt of any rate of inter est: *Provided, however*, That no greater rate of interest than six pe centum per annum shall be recovered in any action, except when th agreement to pay such greater rate of interest is in writing.

SEC. 3. Sections three, four, and five of chapter fifty-three of th 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 actio pending, or existing right of action, and shall take effect on the firs day of July next.

### III. CONNECTICUT. July 2, 1872.

SECTION 1. When there is no agreement for a different rate o interest of money, the same shall be at the rate of six dollars upon on hundred dollars for one year, and at the same rate for a greater or les sum, and for a longer or shorter time.

SEC. 2. It shall be lawful to contract or pay or reserve any discour at any rate, and to contract for payment and receipt of any rate interest: *Provided, however*, That no greater rate of interest than si per centum per annum shall be recovered in any action, except whe the agreement to pay such greater rate is in writing.

SEC. 3. That the first, second, third, and fourth sections of an a entitled "An act to restrain the taking of usury," and all acts incon sistent herewith, are hereby repealed.

SEC. 4. This act shall not affect any existing contract or suit no 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 & Baggage 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'lwayM'l 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.* | *Year* 1872. *Losses paid.* |
|---|---|---|---|---|---|---|
| * 1 | Ætna Insurance Co. of Hartford, Conn. | Robert Wood,† Montreal | $53,580 | | $177,943 | $142,928 |
| 2 | Ætna Life Ins. Co. of Hartford, Conn. | Willliam 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. Howson, M. D., Manager, Toronto | 80,292 | 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 | 150,956 | | 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 | 86,795 |
| *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 | 43,967 | 53,670 |
| 20 | Life Association of Scotland | P. Wardlaw,† Montreal | 150,000 | stock | 141,776 | 68,403 |

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| *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 | 265,795 | .. | 138,058 |
| *29 Northern Assur. Co. of Aberdeen & London | Taylor Bros.,† Montreal | 100,000 | 69,906 | .. | 60,948 |
| 30 N. W. Mut. Life Ins. Co. of Milwaukee | W. A. Schofield,† Brockville | 100,000 U. S. bonds | 5,298 | .. | —— |
| *31 Phœnix Fire Assurance Co., London, G. B. | Gillespie, Moffatt & Co.,† Montreal | 100,297 | 108,215 | .. | 86,920 |
| 32 Phœnix 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, Quebec | 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 Provident 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 Union 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 1873.

There are not many subjects—if we except religion—upon wh people have such obstinate differences of view, and remain so entir uninfluenced by each other's arguments, as the theory of money a currency. Those who have opinions at all on the abstract questi to which the management of "circulating media" gives rise, are, deed, but few in number; and the actual control of the currency, l most other matters in ENGLAND, is conducted by those whose busin it is, with very little reference to theory, and with a proportion amount of success.

The superintendence of the issue of money in ENGLAND, as all other countries which have attained a stage of civilization which a demand for a systematic circulating medium arises, r with the sovereign power; it is not, however, and has not been modern times, a prerogative of the Crown, for it is controlled in directions by acts of Parliament; though, so far as the issue of m money is concerned, it is a business carried on with a special re tion of the prestige of the throne. The Royal Mint, however, is no paper-money; the right to do this is delegated by the sover power, first, to the BANK OF ENGLAND, (a trading corporation such dignity and importance that it is frequently taken to be a partment of government,) and, secondly, to some 1,200 banks branch banks in various parts of the kingdom. But of these the BANK OF ENGLAND issues notes which are a legal tender; a d that is to say, can only be satisfied (except by the consent of the cr tor) either by coin of the realm or notes of the BANK OF ENGL

The first historical trace of the administrative conduct of coi in ENGLAND, dates from about the time of CANUTE. The A Saxon coins bear the name of the sovereign, but are also impre with the names of the Mint officers. In the course of history right to coin—over which, as in the case of other matters, the se and third estates of the realm, in their unformed condition, asse no constitutional control—was delegated by the Crown to va nobles, spiritual and temporal, and to several of the more impo monasteries. Cardinal WOLSEY had a Mint when Bishop of Du and as Archbishop of York; the right of the Archbishops of Ca bury to coin money only disappeared, with other prelatical privil at the Reformation. The London Mint, moreover, had branche the accommodation of the provinces; of these there were thirty- in the time of ETHELRED; but the gradual increase in the mea 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 farthing were now added groats (*i. e.* greats,) and half groats, worth four an two pence respectively; and what was a more striking step, a co was issued in the form of a "noble," worth six shillings and eigh pence. EDWARD'S pet ambition, his pretension to the throne FRANCE, shows itself in the design of this handsome piece, in whic 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 ENGLAN The legend is a text of Scripture in Latin, "*Jesus autem transie per medium illorum ibat.*" Another text, "*Posui Deum adjutore meum,*" appeared on the groats; and the words "*Dei gratia*" we assumed for the first time in connection with the claim expressed b the words "*Rex Franciæ.*"

This introduction of Latin for the legend of English coins—a pa donable affectation at the time when it was a current tongue for t learned classes—has survived ever since; though, as a matter of tas it is very much open to question. A coin should, of all things, national and historical, and the retention of Latin inscriptions on o existing pieces is an absurd anachronism. When, moreover, we ha a Latin legend on the obverse of a coin, and on its reverse the intim tion, in the vulgar tongue, "One Shilling," or "One Florin—one-ten of a pound," the incongruity of the designs of the English Mi becomes palpable.

EDWARD III's noble went up in value till it became worth t shillings; and to represent its first value, six shillings and eightpen HENRY VI, or some person acting for this weak occupant of t throne, coined an "angel." This piece was so named from its prin pal design (or obverse), which represented St. MICHAEL transfixi a dragon; on the reverse is a ship with a cross for mast. T nobles of EDWARD III were now named "rials" (compare the la term "reals"); double reals were coined by the first Tudor king, a here—the coin being worth twice ten shillings—we have the first a pearance of what is now so well known throughout the world, t English sovereign. The face of the double rial has King HEN VII on a throne, with sceptre and orb; and on the back, in the cen of a heraldric rose, the arms of FRANCE and ENGLAND. Natural the double rial (or royal) acquired the designation of sovereign, thou it was, by no means, in anything but value, the equivalent of t sovereign of the present day. It was in this reign, however, that o present coin-system first took definite shape. Not only the soverei as a double real, but the shilling, under the name of "testoon," a peared.

The historical basis of the English coinage, it will thus be se is the silver penny, which developed upwards to the sovereign successive steps; a piece of fourpence value being the first step, th a piece of twenty groats, the noble; and lastly, the noble, under t new name of a rial, was doubled, and the rial having increased value to ten shillings, a double rial represented what we now cal 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 sufferance, 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 tha it has, perhaps, the best chance of any existing piece of money o becoming the basis of an universal currency, if ever that great desideratum should be realized. Fourpenny pieces were issued unde William IV; threepenny pieces and "florins"—value two shil lings—have followed in the reign of Victoria I. The florin ha already passed through more than one edition; it was at firs issued with the usual pious words "*Dei gratia*" omitted fron its legend, whence arose an outcry which led to the restoratio of the initial letters of this Latin phrase in a subsequent issue The special object of the florin was decimalization; but th coin has taken no great root in the minds of the common people, wh look upon it and call it a "two-shilling piece;" its introduction int accounts, as the decimal of a pound, has not yet made any progres Its name of florin seems to have been prompted by a desire to establis its exchangeability with the coin of the same designation and valu which is the unit of account in Austria and the South of Germany There is, however, little or no indication of substantial progress i Europe in the direction either of decimal money reckoning, or inte national coinage. A bewildering variousness of moneys subsist among the various countries of the globe, and the efforts which ar 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, twelv metallic pieces. These are the sovereign, the half-sovereign, th crown, the half-crown, the florin, the shilling, the sixpence, the fou penny piece, the threepenny piece, the penny, the halfpenny, and th farthing. Of these, it is scarcely necessary to note, the two first me tioned are of gold, the three last named of "copper" (so-called), th rest of silver. The sovereign, shilling, and penny, are the moneys o account or reckoning, the rest are coins of convenience. Gold piece of other values have been published at times; five-pound, three-poun 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 convenience 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.)

| | *Fire Insurance Cos.* | | *Life Insurance Cos.* | | *Total*, 1872. |
|---|---|---|---|---|---|
| Premiums of the year. | $2,610,368 | .. | $2,068,953 | .. | $4,679,321 |
| Amount policies, (*new*) | 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, (*new*).... | 141,997 | .. | 11,456 | .. | 153,453 |
| No. Losses " .... | 2,681 | .. | 246 | .. | 2,927 |

## THE SAVINGS BANKS OF VERMONT.

| | *Location.* | *Name of Bank.* | *Deposits.* 1868. | | *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 | .. | 6,469 |
| 10. | St. Johnsbury . | Passumpsic " " . | 83,288 | .. | 143,160 | .. | 1,091 |
| 11. | Springfield .... | Springfield " " . | 73,871 | .. | 130,869 | .. | 1,006 |
| 12. | St. Albans..... | National Trust Co .. .. | —— | .. | * 332,319 | .. | 840 |
| 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 .. | Ottawquechee 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 t $ 4,438,268. Ten of these companies report the number of depositor at that time; the others (six) do not mention them. Hence, the aggre gate number cannot be ascertained. The official report in these pa ticulars is quite defective and is without any tabular statement show ing the aggregate amount of deposits. Not one word of commen accompanies the report, nor is any remark made on the increas since the former report. It is by no means creditable to the office of the State.

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* 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 | ........... | ........... | 96,997,650 | 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 | 282,736,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,051,060,500 | 1,051,002,300 |
| | $2,107,835,350 | $1,935,342,700 | $1,853,856,700 | $1,756,651,450 | $1,749,309,150 | $1,748,305,950 |
| **INTEREST IN CURRENCY:** | | | | | | |
| 6-per-ct. Bonds Pacific Railroad | $50,097,000 | $61,618,832 | $64,618,832 | $64,623,512 | $64,623,512 | $64,623,512 |
| 3-per-cent. Certificates | 55,865,000 | 43,550,000 | 22,025,000 | 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 | $1,739,938 | $4,084,220 | $3,023,080 | $2,524,550 |
| **BEARING NO INTEREST:** | | | | | | |
| United States Notes | $356,021,073 | $356,101,086 | $357,592,801 | $358,642,295 | $358,591,735 | $357,231,585 |
| 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 | 36,049,700 | 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 | $452,997,356 | $452,352,109 | $452,803,610 |
| Aggregate Debt | $2,652,533,662 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $2,284,635,851 | $2,283,150,622 |
| Coin and Currency in Treasury | 111,826,461 | 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. | 1863. | 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 | $6.10 | $6.75 | $6.85 |
| Rye Flour, fine, bbl. | 3.25 | 4.00 | 6.00 | 6.10 | 4.90 | 8.75 | 9.00 | 6.75 | 5.50 | 6.00 | 5.25 | 5.25 |
| Corn Meal, Jersey, bbl. | 2.75 | 4.15 | 6.00 | 5.75 | 3.65 | 6.50 | 6.00 | 4.70 | 4.75 | 3.90 | 3.60 | 3.85 |
| Wheat, prime white, bush. | 1.42 | 1.80 | 1.88 | 1.85 | 2.55 | 3.40 | 3.10 | 1.90 | 1.35 | 1.75 | 2.00 | 1.95 |
| Rye, bush. | .80 | 1.03 | 1.53 | 1.03 | .78 | 1.58 | 2.15 | 1.30 | 1.05 | 1.10 | .98 | 1.00 |
| Oats, State, bush. | .40 | .85 | .86 | .72 | .61 | .83 | .85½ | .90 | .69 | .66 | .56 | .55½ |
| Corn, yellow, bush. | .58 | .94 | 1.38 | 1.48 | .86 | 1.40 | 1.20 | .90 | 1.12 | .77 | .74 | .72½ |
| CANDLES—Mould, lb. | .17 | .21 | .24 | .26 | .20½ | .20½ | .20 | .20 | .18 | .18 | .19½ | .20 |
| Sperm | .28 | .38 | .35 | .40 | .40 | .40 | .45 | .48 | .37½ | .30 | .33 | .30 |
| COAL—Anthracite, ton | 4.75 | 7.25 | 8.50 | 10.00 | 8.50 | 5.50 | 5.00 | 5.50 | 5.50 | 9.00 | 4.50 | 6.00 |
| COPPER—Ingot | .22 | .30½ | .43 | .33¼ | .28 | .24 | .23½ | .24 | .18¾ | .21½ | .41 | .33 |
| COFFEE—Brazil, lb. | .19½ | .32 | .47½ | *.20 | *.20 | .19 | †.11½ | †.11 | .10½ | †.12 | †.16 | *.17¼ |
| Java, lb. | .25½ | .37 | .52½ | *.22½ | *.25½ | .25 | *.23 | .25 | *.22 | *.22 | *.21 | *.21 |
| COTTON—Mid. Upland, lb. | .28 | .66½ | .83 | .42 | .33 | .28 | .32½ | .28¾ | .23¼ | .14⅞ | .23¾ | .19⅜ |
| FISH—Dry Cod, qtl. | 3.62½ | 6.12½ | 7.00 | 8.25 | 4.50 | 6.50 | 6.00 | 7.50 | 6.25 | 6.50 | 6.00 | 6.00 |
| Mackerel, No. 1, Mass. keg. | 15.50 | 19.00 | 18.00 | 16.00 | 18.50 | 18.50 | 22.50 | 29.00 | 27.00 | 25.00 | 15.00 | 22.00 |
| FRUIT—Raisins, box. | 3.12½ | 4.12½ | 4.50 | 4.75 | 3.70 | 3.65 | 3.90 | 3.00 | 3.90 | 2.65 | 2.65 | 2.30 |
| Currants | .09 | .14 | .20 | *.09 | .13 | .11¾ | .11¼ | .10 | .11¼ | .09 | .07½ | .06¼ |
| Dried Apples, lb. | .06 | .06¼ | .10½ | .10 | .15½ | .10 | .08 | .15½ | .08½ | .06 | .11 | .06 |
| HAY—hundred lbs. | .65 | .90 | 1.60 | .90 | .60 | 1.90 | .80 | .60 | .90 | 1.15 | 1.50 | 1.25 |
| HEMP—Manilla | .07½ | .12 | .17 | .14 | *.10 | *.11½ | *.11 | *.12¾ | *.14 | *.11 | .11½ | .10½ |
| HIDES—Buenos Ayres | .22½ | .26½ | .24½ | *.19½ | .18¾ | *.21 | *.20½ | *.22 | *.23½ | *.25½ | .28 | *.25 |
| HOPS—lb. | 1.15 | .20 | .28 | .35 | .65 | .60 | .50 | .10 | .21 | .11 | .65 | .50 |
| INDIGO—Manilla, lb. | 24.00 | 1.12½ | 1.30 | 1.35 | 1.85 | 1.30 | *.90 | *.90 | *.90 | 1.20 | *1.10 | *.85 |
| IRON—Scotch Pig, ton | 53.00 | 38.00 | 60.00 | 50.00 | 44.00 | 42.00 | 40.50 | 41.50 | 85.00 | 33.00 | 50.00 | 50.00 |
| Com. Eng. Bar, ton | 1.00 | 75.00 | 125.00 | 125.00 | 94.00 | 90.00 | 85.00 | 85.00 | 75.00 | 75.00 | 105.00 | 110.00 |
| LATHS—M. | 1.15 | 1.45 | 1.75 | 2.75 | 4.00 | 3.25 | 3.00 | 3.00 | 2.15 | 2.85 | 2.50 | 2.25 |
| LEATHER—Hem., sole, lb. | .21½ | .27½ | .35 | .32 | .30½ | .31 | .28½ | .30 | .29 | .28 | .28 | .28½ |
| LIME—Com. Rockland, bbl. | .68 | 1.00 | 1.40 | 1.60 | 1.50 | 1.70 | 1.25 | 1.25 | 1.25 | 1.25 | 1.50 | 1.50 |
| LIQUORS—Cog. Brandy, gal. | 4.25 | 5.75 | 9.00 | 20.00 | *5.50 | *5.50 | *5.55 | *5.00 | *5.00 | *4.00 | *4.00 | 5.00 |
| Dom. Whiskey, gal. | .23½ | .45½ | 1.25 | 2.10 | 2.20 | 2.35 | .... | .95 | 1.05 | .98½ | .90 | .91½ |
| MOLASSES—New Orleans, gal. | .45 | .50 | 1.00 | 1.05 | 1.10 | .90 | .90 | .80 | .80 | .65 | .70 | .78 |
| Muscovado, gal. | .28 | .46 | .95 | .45 | .65 | .57 | .55 | .55 | .45 | .40 | .37 | .36 |
| NAVAL STORES—Spirits Turpentine, gal. | 1.45 | 3.37½ | 3.25 | 3.00 | .87½ | .78 | .75 | .46½ | .44 | .47½ | .59½ | .52½ |
| Rosin, common, bbl. | 8.00 | 26.00 | 37.00 | 19.00 | 3.25 | 2.75 | 3.35 | 2.62½ | 2.05 | 2.40 | 3.80 | 3.15 |

## COMPARATIVE PRICES IN NEW YORK—TWELVE YEARS—*Continued.*

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OILS—Whale, crude, gal. | .47⅜ | .92 | 1.14 | 1.25 | 1.00 | .95 | .75 | 1.05 | .70 | .60 | .72 | .67 |
| Whale, manf., gal. | .60 | 1.00 | 1.23½ | 1.50 | 1.20 | .75 | .85 | 1.20 | .82½ | .70 | .82 | .75 |
| Sperm, crude, gal. | 1.36 | 1.68 | 1.70 | 2.00 | 2.35 | 2.45 | 2.00 | 1.90 | 1.55 | 1.30 | 1.63 | 1.52⅜ |
| Sperm, manf., gal. | 1.52 | 2.00 | 1.85 | 2.30 | 2.45 | 2.90 | 2.25 | 2.00 | 1.65 | 1.45 | 1.80 | 1.70 |
| Linseed, gal. | .82 | 1.50 | 1.65½ | 1.25 | 1.45 | 1 36 | 1.14 | 1.03 | .92 | .92 | .92 | 1.00 |
| Petroleum, ref., bond, gal. | .25 | .38 | .56 | .54 | .42 | .24 | .28 | .32¼ | .29½ | .23¼ | .22⅜ | .20⅝ |
| PROVISIONS—Pork, mess, bbl. | 12.62½ | 15.00 | 26.50 | 26.00 | 26.00 | 22.80 | 28.00 | 31.00 | 28.50 | 18.50 | 13.65 | 18.50 |
| Pork, prime, bbl. | 10.00 | 13.00 | 23.87½ | 25.00 | 24.00 | 19.00 | 23.00 | 25.75 | 22.00 | 14.75 | 11.25 | 15.00 |
| Beef, mess, country, bbl. | 6.00 | 6.00 | 13.00 | 14.00 | 20.00 | 16.00 | 20.00 | 12.00 | 11.50 | *14.00 | 8.00 | 9.00 |
| Beef, prime, bbl. | 4.50 | 4.50 | 7.00 | ..... | ..... | ..... | 28.00 | 17.00 | 15.75 | 16.00 | 12.00 | 18.00 |
| Pickled Hams, lb. | .05¾ | .07½ | .15¼ | .18 | .17¼ | .18 | .18¼ | .15⅝ | .15½ | .12 | .10 | .12⅜ |
| Pickled Shoulder, lb. | .04½ | .05⅜ | .11¾ | .15 | .12 | .09¼ | .13⅝ | .13 | .11¾ | .06⅜ | .06⅜ | .07⅜ |
| Lard, lb. | .08½ | .10¼ | .14½ | .18 | .20 | 13¼ | .18 | .18 | .16¾ | .11½ | .09⅝ | .09½ |
| Butter, State, lb. | .18 | .19 | .31 | .35 | .50 | .28 | .48 | .38 | .35 | .34 | .30 | .38 |
| Cheese, lb. | .08½ | .12 | .17⅝ | .20 | .20 | .19 | .15 | .22 | .16 | .14 | .16 | .16 |
| Rice, 100 lb. | .06⅝ | .08 | 10 25 | 10.50 | .09⅛ | 10.50 | .09¾ | 9.00 | .07 | .09 | .09 | .08⅜ |
| Salt, Liv. ground, sack | 1.65 | 2.50 | 2.20 | 2.50 | 2.75 | *2.60 | 1.90 | 2.00 | 1.50 | 1.60 | 1.50 | 1.55 |
| SEEDS—Clover, lb. | .07½ | .08½ | .12½ | .30 | .12 | .15 | .10 | .13½ | .15 | .09⅜ | .09 | .08¾ |
| Timothy, tce. | 11.00 | 14.00 | 20.00 | .... | 6.75 | 3.00 | 2.30 | 4.00 | 7.00 | 4.25 | 3.00 | 4.25 |
| Linseed | 2.10 | 3.75 | 4.25 | 3.17½ | *2.65 | *2.50 | *2.27½ | *2.20 | *2.20 | 2 35 | *2.57½ | 2.70 |
| SOAP—Castile | .13¾ | .17 | .21 | .16½ | .14 | .18 | .17 | .13½ | .12 | .10½ | .11½ | .09⅝ |
| SPICES—Pepper, lb. | .16⅝ | .27 | .43 | .32 | *.23 | .29 | *.23¾ | *.24 | *.27½ | *.16½ | .18 | *.20 |
| Nutmegs, lb. | .65 | .82½ | 1.47½ | 1.20 | *.92 | 1.19 | *.90 | *.90 | *1.00 | *.82 | .95 | *.95 |
| SUGARS—Cuba, lb. | .07 | .10¼ | .16 | .12 | .12¾ | .12 | .12 | .11¾ | .09¼ | 09½ | .08⅞ | .07⅜ |
| Refined white, lb. | .10 | .13 | .25 | .19½ | .15 | .15 | .16⅞ | .15¾ | .11⅞ | .13 | .13⅜ | .10⅜ |
| TALLOW—lb. | .08¾ | .11½ | .14⅛ | .11½ | .11⅝ | .11⅛ | .12¼ | .11½ | .09½ | .09 | .09⅜ | .09 1/16 |
| TEAS—Young Hyson, lb. | .70 | 1.00 | 1.45 | 1.25 | 1.30 | 1.30 | 1.30 | 1.20 | .78 | .60 | .55 | .50 |
| Souchong, lb. | .50 | .70 | 1.00 | .90 | .90 | 1.05 | 1.05 | .95 | .80 | .65 | .60 | .52 |
| Oolong, lb. | .73 | .80 | 1.20 | 1 00 | 1.00 | 1.25 | 1.20 | 1.10 | .85 | .72 | .70 | .55 |
| TIN—Straits | .28⅝ | .50 | .54 | *.26 | *.21 | .21⅜ | .24¼ | .33¾ | * 34 | *.32¾ | *.40 | *.32 |
| Plates, I. C. char., box | 8.25 | 15.00 | 18.00 | 13.00 | *10.25 | *9.25 | *8.25 | 8.75 | *8.75 | *8.50 | *14.00 | *12.00 |
| TOBACCO—Kentucky, lb. | .12½ | .20 | .30 | .25 | .20 | .16 | .16½ | .12⅜ | .11½ | .08¼ | .08 | .07⅜ |
| Manufactured, lb. | .30 | .65 | .65 | .70 | .75 | .70 | .... | .25 | .29 | .25 | .25 | .20 |
| WHALEBONE—Polar, lb. | .75 | 1.85 | 1.60 | 1.45 | 1.30 | *.91 | *.66 | *.90 | *.85 | .70 | 1.68 | .95 |
| WINE—Port, gal. | 2.75 | 3.25 | 6.00 | 8.00 | 6.00 | 8.00 | .87½ | *.90 | 3.00 | 2.25 | 2.00 | 3.00 |
| Madeira, gal. | 5.00 | 5.00 | 5.00 | 12.00 | 8.00 | 7.00 | 3.00 | 3.00 | 4.00 | 2.50 | 3.50 | 4.00 |
| WOOL—Common, lb. | .42 | .70 | .70 | .65 | .65 | .48 | .45 | .45 | .44 | .48 | .70 | .45 |
| 3-4 blood, lb. | .45 | .75 | .75 | .67 | .50 | .55 | .54 | .50 | .50 | .53 | .75 | .57 |
| Merino, lb. | .49 | .78 | .77 | .70 | .62 | .65 | .57 | .54 | .54 | .57 | .82 | .65 |
| Pulled, No. 1, lb. | .31 | .60 | 60 | .64 | .45 | .43 | .37 | 35 | .33 | .38 | .68 | .45 |

* Gold. † Gold in bond.

# COMMERCIAL FAILURES OF 1872.

*From the Annual Circular of* DUN, BARLOW & Co., 335 *Broadway.*

| *States.* | 1870. *No. of Failures.* | 1870. *Am't of Liabilities.* | 1871. *No. of Failures.* | 1871. *Am't of Liabilities.* | 1872. *No. of Failures.* | 1872. *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 | 1,995,000 | 175 | 2,670,000 |
| Nebraska | 8 | 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.* Nov., 1871. | May, 1872. | Nov., 1872. | May, 1873. | *Profits, Oct.*, 1872. |
|---|---|---|---|---|---|---|
| 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 |
| *National Banks*.... | $ 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 | —— |
| | $ 14,580,000 | | | | | |
| †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. *Nov.,'72.* | Dividend. *May,'73.* | *Surplus, Oct.,'72.* |
|---|---|---|---|---|
| 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 | 187,580 |
| 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.

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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 foreigu 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 10¼ 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 CONTINENTAL 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 EMPORIA 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-presi dent. The capital and surplus of the bank are $1,200,000. Their New Yor correspondents are the FOURTH NATIONAL BANK and the METROPOLITA 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 $50,00 limited to $100,000. President, GEORGE W. FOX; cashier, C. J. LYSTER, bot of the late banking firm of FOX, LYSTER & ROE, of that place.

*Missoula.*—The MISSOULA NATIONAL BANK, at Missoula, Missoula Count Montana, (No. 2106), was organized in May, 1873, with a capital of $50,0 limited to $100,000. President, C. P. HIGGINS; Cashier, FERDINAND KENNET

NEBRASKA.—The MERCHANTS' BANK of Lincoln, NEBRASKA, will commen operations on 1st July, under the management of JOHN FITZGERALD, presiden A. C. KENDAL, vice-president; and GEORGE P. EATON, cashier. They w draw upon SAUNDERS & HARDENBERG, bankers, New York City, and upon t CHEMICAL NATIONAL BANK, New York; also upon the VALLEY NATION BANK, St. Louis, and the UNION NATIONAL BANK, Chicago; and the ME CHANTS' NATIONAL BANK, Cincinnati.

PENNSYLVANIA.—Mr. WILLIAM HACKETT, for some years cashier of the E TON NATIONAL BANK, was elected president on the 4th April in place of I JOHN DAVIS, deceased. Mr. WILLIAM HACKETT, Jun, succeeds his father cashier.

*Greece.*—The PRODUCER'S BANK has commenced business at Greece, Bu 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 t card on the cover of this work.)*

*Denison.*—The FIRST NATIONAL BANK of Denison, Grayson County, TE (No. 2099), was organized in April, with a capital of $50,000, limited $100,000. President, A. D. JAYNES; Cashier, EDWARD PERRY.

UTAH.—Mr. WILLIAM H. HOOPER, hitherto a director in the DESE NATIONAL BANK of Salt Lake City, has been elected President as successo Mr. BRIGHAM YOUNG. Mr. H. S. ELDRIDGE remains Vice-President; Cash Mr. LEWIS S. HILLS. Their correspondents are DUNCAN, SHERMAN & CO. KOUNTZE BROTHERS, New York; BANK OF CALIFORNIA, San Francis UNION NATIONAL BANK, Chicago; The EXCHANGE BANK, St. Louis.

NOVA SCOTIA.—Messrs. CUTLER, MCLEAN & CO., of Boston, who failed 11th April, had large transactions with parties in Liverpool, NOVA SCOTIA, in consequence of the failure the two Liverpool banks—the BANK OF LIVERP and the BANK OF ACADIA—have both suspended payment. It is believed suspensions will only be temporary.

# NEW BANKS, BANKERS AND SAVINGS BANKS.

## MAY, 1873.

(*Monthly List, continued from May Number, page* 912.)

### NEW YORK.

A. W. Armour & Co., 65 Wall.
J. L. Brownell & Bro. (*resumed*).
F. S. Heiser & Co., 25 Wall.
Lockwood & Jordan, 24 Broad.
Augustus W. King & Co., 32 Pine.
Reid & Content, 19 Broad.
Richards & Tillinghast, 10 Wall.
Putzel & Bernheimer, 34½ Pine.
De Forest & Co.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Tuscaloosa, ALA. | J. H. Fitts & Co. | Walsh, Smith & Co. |
| Chico, CAL. | Bank of Chico | Wells, Fargo & Co. |
| Santa Barbara, " | First National Gold Bank | ......... |
| Petaluma, " | Petaluma Savings Bank | ......... |
| Georgetown, D. C. | Georgetown Savings Bank | Howes & Macy. |
| Bunker Hill, ILLS. | Bunker Hill Bank | National Park Bank. |
| Kane, " | Casey & Leigh | H. Clews & Co. |
| Michigan City, IND. | First National Bank | Importers & Traders' N. B. |
| New Carlisle, " | Bank of New Carlisle | Merchants Exch. N. B. |
| Osceola, IOWA | George H. Cowles | Saunders & Hardenburg. |
| Ellsworth, KAN. | D. W. Powers & Co. | Donnell, Lawson & Co. |
| Manhattan, " | First National Bank | First National Bank. |
| Madisonville, KY. | John G. Morton | Sawyer, Wallace & Co. |
| Rockland, ME. | Lime Rock National Bank | ......... |
| Boston, MASS. | Central National Bank | ......... |
| Natick, " | Natick National Bank | ......... |
| Easthampton " | S. D. Sweetser | Walker, Andrews & Co. |
| Greenville, MISS. | H. W. Archer & Co. | Henry Clews & Co. |
| St. Louis, MO. | Iron Mountain Bank | ......... |
| Mexico, " | Farmers & Traders' Bank | Merchants' Exch. N. B. |
| Helena, MON. | People's National Bank | G. Opdyke & Co. |
| Missoula, " | Missoula National Bank | ......... |
| Virginia City, " | Henry Elling | Kountze Brothers. |
| Newark, N. J. | North Ward National Bank | Importers & Traders' N.B. |
| Penn Yan, N. Y. | First National Bank. | Importers & Traders' N.B. |
| Whitehall, " | Bull Brothers | Howes & Macy. |
| Hermitage, " | James S. Blodget | J. J. Cisco & Son. |
| Cincinnati, OHIO | German-American Bank | German-American Bank. |
| Caldwell, " | Noble County National Bank | Third National Bank. |
| Niles, " | Citizens' Savings & Loan Asso. | National Park Bank. |
| Tiffin, " | Tiffin Savings Bank | ......... |
| Berea, " | Berea Banking Co. | Henry Clews & Co. |
| Carbondale, PA. | Bank of Carbondale | Jones & Schuyler. |
| Butler, " | Producer's Bank | First National Bank. |
| Dale City, " | Livingood & Ollinger | Union B. Co., *Phila.* |
| Greece City, " | Producer's Bank | First National Bank. |
| Sharpsville, " | Iron Banking Co. | National Park Bank. |
| Philadelphia, " | Lloyd & Hopper | ......... |
| Memphis, TENN. | Bank of Commerce | Phenix National Bank. |
| Maria, TEXAS | Oliver & Griggs | Ninth National Bank. |
| Darlington, WIS. | J. B. Doty & Co. | Howes & Macy |

# DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from May No., page* 915.]

### NEW YORK CITY.

Pinckney & Co., Specie Brokers.
Reid, Leo & Content.
P. J. & A. Armour, 65 Wall.
E. H. Van Schaick.
De Forest & Marston, 17 New.
F. D. Cobb & Co., 19 Broad St.
Joslyn, Bach & Co., 78 Broadway.
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 *Penn Yan*, 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*.

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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 anthorized 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,* 108⅝ @ 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:

| | | | | Capital. |
|---|---|---|---|---|
| Month of February, 1873, | 94 | new | companies | £10,964,000 |
| " of March, | " 97 | " | " | 17,980,000 |
| " of April, | " 99 | " | " | 12,785,000 |

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 736), 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 | $466,957,787 |
| 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 | 585,304,739 |
| 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 | 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 | 818,260,202 |
| April 7..... | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| " 28..... | 269,301,900 | 15,989,700 | 37,690,600 | 27,737,700 | 188,220,600 | 693,515,939 |
| May 5..... | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471,900 | 698,038,785 |
| " 12..... | 274,687,900 | 20,261,600 | 41,944,300 | 27,523,500 | 202,819,100 | 655,285,410 |
| " 19..... | 278,074,400 | 20,698,900 | 43,102,200 | 27,489,200 | 207,834,100 | 615,076,093 |

The excessive importations of foreign goods are encouraged by excessive discounts. If the banks would restore 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 | 11,389,972 | 41,495,605 |
| April 7, " ..... | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| " 28, " ..... | 56,462,873 | 110,614 | 11,452,267 | 11,469,983 | 44,166,814 |
| May 5, " ..... | 59,006,414 | 238,944 | 11,641,739 | 11,438,679 | 45,177,200 |
| " 12, " ..... | 59,117,174 | 236,537 | 13,456,177 | 11,420,098 | 45,199,223 |
| " 19, " ..... | 59,458,900 | 122,379 | 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* 98; 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, 486 *a* 490; Twenty francs, 384 *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:

| | *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 |
| April 7 | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| " 28 | 117,580,500 | 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 110¼. We quote: Bills at 60 days on London, 108¼ *a* 108¾ for commercial; 108⅞ *a* 109⅛ for bankers'; do. at short sight, 110 *a* 101¼; Paris at 60 days, 5.27½ *a* 5.22½; do. at short sight, 5.18¾ *a* 5.17½; Antwerp, 5.26¼ *a* 5.21¼; Swiss, 5.26¼ *a* 5.21¼; Hamburg, 4 Reichsmark, 95½ *a* 96¼; Amsterdam, 39⅞ *a* 40⅜; Frankfort, 40⅞ *a* 41⅜; Bremen, 4 Reichsmark, 95½ *a* 96¼; Prussian thalers, 71½ *a* 72¼.

The Rates for the three preceding months were as follows:

| *Sixty days' Bills.* | *Feb. 20.* | *March 23.* | *April 23.* | *May 22.* |
|---|---|---|---|---|
| On London, bankers' | 108⅜ @ 108⅝ | 108 @ 108¼ | 108⅜ @ 108¾ | 108⅞ @ 109⅛ |
| " commercial | 108¼ @ 108½ | 107½ @ 107⅞ | 107⅞ @ 108¼ | 108¼ @ 108¾ |
| Paris, francs, ℔ dollar | 5.27½ @ 5.24⅜ | 5.32½ @ 5.27½ | 5.32½ @ 5.27½ | 5.27½ @ 5.22½ |
| Amsterdam, ℔ guilder | 40 @ 40¼ | 39¾ @ 40⅛ | 39½ @ 40⅛ | 39⅞ @ 40⅜ |
| Frankfort, ℔ florin | 40¾ @ 41 | 40½ @ 40⅞ | 40½ @ 40⅞ | 40⅞ @ 41⅜ |
| Hamburg, ℔ 4 R'mark | 95 @ 95⅝ | 94⅜ @ 95 | 94¾ @ 95½ | 95½ @ 96¼ |
| Prussian thalers | 71½ @ 71¾ | 70⅝ @ 71¼ | 71 @ 71½ | 71½ @ 72¼ |

The foreign export of coin this year, (4½ 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 *a* 16.49 premium. The accepted bids were at 116.94 *a* 116.99. The current market values this week are as follows:

| | Offered. | Asked. |
|---|---|---|
| U. S. Currency 6s | 115⅞ | 116 |
| U. S. 6s, 1881, Registered | 118½ | 118⅝ |
| U. S. 6s, 1881, Coupon | 121¾ | 122 |
| U. S. 5-20 Reg., May and Nov. | 115¾ | 116 |
| U. S. 5-20, '62, Coupon, " | 116 | 116¼ |
| U. S. 5-20, '64, Coupon, Nov. | 116⅛ | 116¼ |
| U. S. 5-20, '65, Coupon, Nov. | 117¾ | 118 |
| U. S. 5-20, '67, Reg. | 118 | 118½ |
| U. S. 5-20, '65, Coup., July | 118⅝ | 118⅞ |
| U. S. 5-20, '67, Coup., July | 120⅝ | 121 |
| U. S. 5-20, '68, Coup., July | 118⅝ | 118⅞ |
| U. S. 10-40, Registered | 112⅛ | 112½ |
| U. S. 10-40, Coupon | 114¼ | 114½ |
| U. S. 5s of '81, Registered | 114½ | 115 |
| U. S. 5s of '81, Coupon | 114½ | 113 |

The latest report of American securities in London, by cable, was 91½ for 1865s, old, 93½ for 1867s, 88¾ for the 10-40s, and 88⅝ for the new 5s. Consols were quoted 93½ for money and 93¾ for account. The latest quotation for 5-20s at Frankfort, which was up to the 19th inst., was 95⅝.

## 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.*

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

VOL. VIII. THIRD SERIES. JULY, 1873. NO. 1.

## REDEMPTION OF THE PUBLIC DEBT.

General SPINNER, United States Treasurer, has addressed a letter to THOMAS CANBY RIDDLE, Esq., Geelong, Victoria, AUSTRALIA, in which he acknowledges the receipt of certain communications from that gentleman. These were intended to demonstrate by figures "how a saving of hundreds of millions can be made to this nation in the manner of the payment of its debt, different from the plan adopted by our government." General SPINNER says in reply:

"To my mind, the cheapest way to pay a debt that is subject to the payment of interest, is to pay it at the earliest day possible. An individual with insufficient capital, engaged in a lucrative business, may find it to his advantage to defer the payment of a debt and continue the payment of interest on the same with advantage to himself. In such a case, or in the case of a nation that has not the means to pay its debt at once, or in the immediate future, the scheme of Mr. RIDDLE would, no doubt, work admirably.

"Not so, however, with a wealthy and prosperous people. A nation that pays its debt at once pays it the cheapest. The longer payment is deferred, and the more interest is paid, the dearer it becomes and the more it costs to pay it. Of this seeming truism our people have become convinced, and are acting in pursuance thereof. They believe that the sooner a debt is paid, and the lower the rate of interest is paid, on the unpaid part thereof, in the interim, the less they will have to pay in the aggregate in its final extinguishment. Acting in accordance with the belief in this principle, our government is now changing its six-per-cent. into a five-per-cent. stock; this latter being the lowest rate at which it is, at present, able to place its bonds. And it is now, almost daily, paying every dollar of its surplus revenue in redemption of its six-per-cent. bonds; thus not only reducing the principal of the debt, but saving the consequent payment of interest thereon.

"On the first day of July next, there will remain unpaid only $ 208,681,200 of six-per-cent. stock, on which the government will not have the option to pay at its pleasure, and this amount will all mature on the first day of July, 1881, or before that time. On all those stocks, on the government giving three months' notice of its readiness to pay the principal, interest thereon will cease. Under the operation of this policy, the debt of the UNITED STATES has been reduced in the last fiscal year in the sum of $ 99,960,253.54. From the first of March, 1869, when the present Administration assumed the management of the finances of the country, to the year 1872, a period of three years and two months, the national debt has been reduced $ 364,895,299.69; making an annual saving in the payment of interest of $ 42,385,068. Under these circumstances the proposition seems to be plain, that a government in debt that places its stocks at the lowest rate of interest possible, and that has the constant option to pay and does pay, in addition to the interest, any part of the principal that it has the means to pay, pays its debt in the shortest and cheapest way possible. All the calculations and figuring that can be made or done cannot be made to prove to my mind the contrary, any more than I could be made to comprehend by figures, how a man may lift himself by the waistband of his breeches. . . . .

"It is believed that placing an existing debt, that cannot be paid at once, at the lowest rate of interest, and to pay the principal as fast as the means for its payment can be obtained, is the best that an individual or nation can do. The best investment of a surplus is to apply it in payment of a debt, thus not only reducing the principal of the debt, but the interest of the same. This course the government of the UNITED STATES is now pursuing. Mr. JEFFERSON laid it down as a sound principle in political economy that a National debt should be paid by the generation that created it. There is now every prospect that our people will follow this wise teaching to the letter. Whenever any other nation shall show better results in the payment of a National debt than this people has accomplished, whether it be by your or by any other scheme, we will be happy to adopt the latter plan. In case your plan should be adopted, I have no doubt that Congress would gladly award you the five per cent. you claim in the net saving that might be made in pursuance thereof over that now in practice for the payment of our National debt by our government."

The writer of the above, together with the present Secretary of the Treasury and with the late Secretary, ignores the circumstances which accompanied the creation of the existing public debt.

We consider the first duty of the government is to cancel gradually the liabilities payable *on demand*, and to extinguish them entirely, or to a proper minimum amount, before the long bonds are paid.

When the proposition for creating the notes on demand was before Congress, the debate in every instance turned upon their eventual redemption. It was EXPRESSLY URGED that such emissions were merely as A WAR MEASURE; and that, as soon as the war should cease, the redemption would be commenced by the Treasury of the UNITED STATES.

Mr. MORRILL, of VERMONT, when the bill was brought forward for the issue of one hundred and fifty millions of paper currency, (February, 1862,) strongly opposed the measure. With a prophetic eye, and with a full knowledge of the tendencies and results of such a scheme, he said: *

"It is the precursor, as I fear, of a prolific brood of promises, no one of which is to be redeemed in the constitutional standard of the country. . . . I should feel that I utterly failed to discharge my duty, if I did not attempt to find a stronger prop for our country to bear upon than this bill—*a measure not blessed by one sound precedent, and damned by all.*

"We are urged by the gentleman from NEW YORK (Mr. SPAULDING), to pass this bill as 'A WAR MEASURE'—a 'MEASURE OF NECESSITY.' . . . If this paper money is *a war measure*, it is not waged against the enemy, but one that may well make him grin with delight. I would as soon provide Chinese wooden guns for the army, as paper alone for the army. . . .

"It is an experiment to inject, *by a govermental force pump*, into the arteries of commerce a new currency, when the arteries are already filled."

He further said, with the sober truth and clear foresight which have since been fully demonstrated:

"The Government can flood the country with 150 millions of paper dollars, but from that moment you would vastly increase the cost of carrying on the war; prices would go up, and the addition we thereby pile upon our National debt would prove that it might have been even wiser to have burnt our paper dollars before they were issued. The inflation of the currency would be inevitable. In ordinary times few comprehend the Archimedean leverage of a few millions added to (or subtracted from) the currency of a nation actively engaged in the affairs of the world."

Mr. MORRILL'S objections † to the proposition were sound and unanswerable, viz.:

I. It will infinitely damage the national credit.

II. It will cut off all other chances of supplies.

III. It will reduce our standard of legal tender, already sufficiently debased.

* See "SPAULDING'S *History of Legal-tender Paper Money*," page 60.

† Ibid., page 62.

IV. It will inflate the currency and *increase many fold the cost of the war.*

V. It would slide into the place proper for taxation.

VI. It is a question of doubtful constitutionality.

VII. It is an *ex post facto* law, immoral, and a breach of the public faith.

VIII. It will at once banish all specie from circulation.

IX. It will dampen the ardor of our men at home, as well as our soldiers in the field.

X. It will degrade us in the estimation of other nations.

XI. It will cripple American labor and throw, at least, larger wealth into the hands of the rich.

Finally, there is no necessity calling for such a desperate remedy.

It is a matter of history that these predictions were true. The proposition, so strongly urged by Secretary CHASE was finally adopted, instead of an adequate system of taxation. Prices rose more than ONE HUNDRED PER CENT., until the premium on gold reached 185 per cent. The loss to American labor has been at least one thousand millions of dollars. The cost of carrying on the war was nearly doubled, and the annual cost to the government, *since*, has been from 33 to 50 per cent. beyond what otherwise would have been. With a knowledge of these *inevitable results of an irredeemable paper currency*, Mr. MORRILL added:

"But with all the earnestness I possess, I do protest against making anything a legal tender but gold and silver, as calculated to undermine all confidence in the Republic, whose reputation should be dearer to statesmen, as well as to soldiers, than life itself."

Mr. ROSCOE CONKLING, (now Senator) of NEW YORK, followed Mr. MORRILL, and with the sagacity belonging to a statesman pointed out the fallacies of the treasury theory. He said:

"The proposition is a new one. No precedent can be urged in its favor; no suggestion of the existence of such a power can be found in the legislative history of the country. . . . Had such a power lurked in the constitution, as construed by those who ordained and administered it, we should find it so recorded."*

"The whole scheme presupposes that the notes to be emitted will be *lepers in the commercial world* from the hour they are brought into it; that they will be shunned and condemned by the laws of trade and value. If this is not to be their fate, what is the sense, as was said in the Federal Constitutional Convention, in attempting to legislate their value up. Now, sir, I do not believe that you can legislote up the value of a thing any more than you can make heroes of generals by legislation."

Notwithstanding these opposing views the bill was passed in the House by a vote of 93 to 59.

* Ibid., page 65.

In the House of Representatives there was strong opposition from numerous others, and the only ground upon which members voted for the bill was AS A WAR MEASURE.

Mr. KELLOGG, of ILLINOIS, said: "I treat this, Mr. Chairman, as emphatically and clearly A WAR MEASURE."

Mr. BLAKE, of OHIO, while advocating the bill, admitted that "the bill is brought forward as A WAR MEASURE, to meet the pressing demands now on the Treasury."

When the bill reached the Senate, there was strong opposition from Senators COLLAMER, COWAN, and others.

The predictions of Senator COWAN have been fully verified. He said: The legal-tender form "is abhorrent of reason, justice and all notions of right. He thought the legal-tender clause would give the notes credit, but would be injurious to them. *It would disturb* the relations between debtor and creditor, and impair all the contracts of the people, more or less, ALL OVER THE COUNTRY."

Senator McDOUGALL, of CALIFORNIA, while willing to vote for the scheme, said:

"He thought this a just and reasonable WAR MEASURE. Necessity, it is said, is above all law; it is better said *necessity makes its own laws*. . . . . We are at war. THIS IS A WAR MEASURE. We must take war responsibilities."

In the Senate this WAR MEASURE had thirty votes, with only seven negatives.

Mr. SPAULDING, of Buffalo, who introduced this war measure and who has prepared the only reliable history of the debate, admitted

"We must, while the war lasts, incur all the debt necessary to crush out the rebellion, and to maintain the authority of the government."

It was admitted, in fact, by almost every member who entered the debate, that the proposed issue was solely and exclusively A WAR MEASURE, and its advocates promised, with a view to secure affirmative votes, that as soon as the exigencies of the war were over, the redemption of the legal-tender notes should be commenced, as they would be no longer necessary.

What followed the close of the war? Instead of prosecuting instantly, in March, 1865, a vigorous and persistent reduction of these 400 millions, as was largely promised during the debates in Congress, the action of Secretary McCULLOCH, in fulfilling or attempting to fulfil the original promise was checked; Congress put a stop to the gradual curtailment inaugurated by him; a curtailment, which, if persisted in, would have placed the treasury by this time, in a position to resume specie payment, and thereby restore the country to the true financial level.

On the contrary, the present head of the treasury, EIGHT YEARS after the close of the war, deems it wise to increase the volume instead of reducing it. Prices of wages, property, rents, have increased instead of diminishing, *in view of the persistent maintenance of the paper money policy.* Instead of keeping on hand the specie funds contributed by the government, which would in time form a strong reserve, the banks have sold their gold and contributed to the unhealthy speculation of the past six years.

The theory of General SPINNER is sound, as far as it goes, viz.: to reduce the public debt by all the surplus means of the treasury; but the radical error consists in reducing the bonded debt, due years hence, instead of canceling gradually the legal-tender demand notes. The expenditures of the government, independent of interest on its debt, are about 150 millions, annually; all payable and paid in a depreciated currency. Now, we maintain that the treasury would, by a gradual curtailment of the demand notes, now 356 millions, render the purchasing power of the remainder much greater than it is at present. Instead of saving twenty-four millions annually, as General SPINNER claims, the treasury would save at least thirty millions annually, by placing the demand notes upon a specie basis.

This could be done in three years, and the country would then recover from the disgrace that was dreaded by the Senate, in 1862-'63, and which has followed the paper money system urged then by the treasury, instead of a vigorous system of taxation.

If the treasury would adopt this gradual redemption of demand notes, the business of the country would be placed upon a solid basis, and instead of being a debtor nation, as at present and for years past, (the inevitable sequence of irredeemable paper) the United States would assume again (as in 1840–1860) its proper position among the commercial nations of the world, and prices would gradually fall until they approached those of 1860–1861. Contracts would be made upon a reliable and consistent footing, and the country could again rely upon its own labors to produce articles which are now created abroad, and which are constantly demanding specie in liquidation. The banks could again place themselves upon a specie footing and thereby avoid the quicksands of commerce — the perpetual revulsions and crises now produced by excessive and irredeemable paper money.

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PUBLIC FAITH.—Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by scrupulous attention, on the part of the Government, to carry the violation no further than the necessity absolutely requires; and to manifest, if the nature of the case admit of it, a sincere disposition to make reparation whenever circumstances shall permit. But, with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is, therefore, highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions.

—ALEXANDER HAMILTON, *Secretary of the Treasury*, 1790.

## NEW ACTS OF CONGRESS.

### PASSED 1873.

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### I.—*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, but-pieces. and other material from which the national-bank circulation is printed in whole or in part, and file in his officc 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.

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II.—*An Act to provide for obtaining information of the condition of Banks organized under State laws.*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it shall be the duty of the Comptroller of the Currency to report annually to Congress, under appropriate heads, the resources and liabilities, exhibiting the condition of the banks, banking companies, and savings banks organized under the laws of the several States and Territories, such information to be obtained by the Comptroller from the reports made by such banks, banking companies, and savings banks to the legislatures or officers of the different States and Territories. And where such reports cannot be obtained, the deficiency shall be supplied from such other authentic sources as may be available.

Sec. 2. That, in order to carry the provisions of the first section of this act into effect, the Comptroller of the Currency is hereby authorized, if it should be necessary, to employ one clerk of class four, who shall be appointed by the Secretary of the Treasury in the manner now provided by law.

Approved, February 19, 1873.

III.—*An Act to authorize the Examination of certain Banks.*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Comptroller of the Currency, in addition to the powers now conferred upon him by law for the examination of national banks, is hereby further authorized, whenever he may deem it useful, to cause examination to be made into the condition of any bank in the District of Columbia, organized under act of Congress. The Comptroller, at his discretion, may report to Congress the result of such examination. The expense necessarily incurred in the execution of this act shall be paid out of any appropriation made by Congress for special bank examinations.

APPROVED, January 20, 1873.

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IV.—*An Act making Appropriations for sundry Civil Expenses of Government for the Fiscal Year ending June* 30, 1874, *and for other purposes.*

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NATIONAL CURRENCY.

SECTION 1. For replacing the worn and mutilated circulating notes of national banking associations, and for engraving and preparing in such manner and on such paper and of such form and design as the Secretary of the Treasury may prescribe, new circulating notes for such associations to replace notes of a design and denomination now successfully counterfeited, six hundred thousand dollars: *Provided,* That each of said national banking associations shall reimburse the treasury the costs of the circulating notes furnished under this provision.

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APPROVED, March 3, 1873.

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V.—*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

* This act is intended to make coin of *standard* value the basis of exchange, instead of values derived from assays of *worn coin*, as in former years. It is a new departure and an excellent one.—Ed. B. M.

be proclaimed on the first 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.

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Acts (not of a general nature) were also passed by the 42d Congress, changing name and location of the following National Banks:

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NATIONAL BANK OF LYONS, MICHIGAN, to SECOND NATIONAL BANK OF IONIA, MICHIGAN. (See BANKER'S MAGAZINE, March 18, page 749.)

EAST CHESTER NATIONAL BANK OF MT. VERNON, NEW YORK, to GERMAN NATIONAL BANK OF EVANSVILLE, INDIANA.

FIRST NATIONAL BANK OF NEWNAN, GEORGIA, to NATIONAL BANK OF COMMERCE, Atlanta, GEORGIA. (Not yet accepted.)

FIRST NATIONAL BANK OF WATKINS, NEW YORK, to FIRST NATIONAL BANK OF PENN YAN, NEW YORK. (See BANKER'S MAGAZINE, June, 1873, pages 992 and 995.)

KANSAS VALLEY NATIONAL BANK OF TOPEKA, KANSAS, to FIRST NATIONAL BANK OF TOPEKA, KANSAS.

NATIONAL BANK OF SPRINGFIELD, MISSOURI, to FIRST NATIONAL BANK OF SPRINGFIELD, MISSOURI.

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## TREASURY DEPARTMENT—CIRCULAR.

*Office of Comptroller of the Currency, April* 1, 1873.

The act of March 3, 1865, provided that $150,000,000 of the amount of circulating notes authorized to be issued to National Banks should be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population, and the remainder among associations formed in the several

States, in the District of Columbia, and in the Territories, having due regard to the existing capital, resources and business of such State, District and Territory.

The act of July 12, 1870, authorized the issue of $54,000,000, in addition to the $300,000,000 already authorized, to be furnished to banking associations organized or to be organized in those States and Territories having less than their proportion under the above apportionment, and provided that the increased circulation should be distributed upon a new apportionment based upon the census of 1870. Section 6 of the same act required that after the $54,000,000 authorized should be taken up, $25,000,000 of the circulation already issued to associations formed in States in excess, should be withdrawn and distributed among the States and Territories having less than their proportion, so as to equalize the same. 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 $1,000,000 circulation, and upon those in the States of Rhode Island, Connecticut, and Massachusetts having over $300,000 circulation, for any excess beyond those 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 or 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 State of.......................... being largely in excess of the amount contemplated by the acts referred to, no further circulation beyond the amount already approved will be issued to national banking associations organized in that State.

JNO. JAY KNOX,

*Comptroller of the Currency.*

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STATISTICS.—Whoever is at all acquainted with what has been done during the last two centuries, must be aware that every generation demonstrates some events to be regular and predictable which the preceding generation had declared to be irregular and unpredictable; so that the marked tendency of advancing civilization is to strengthen our belief in the universality of order of method, and of law. . . . It becomes, therefore, in the highest degree important to ascertain whether or not there exists a regularity in the entire moral conduct of a given society; and this is precisely one of those questions for the decision of which statistics supply us with materials of immense value.

—BUCKLE, *History of Civilization.*

# SPECIAL DEPOSITS IN BANK VAULTS.

The case of BOYD *vs.* THE THIRD NATIONAL BANK OF BALTIMORE, tried in May last, in the Superior court in that city, presents several interesting points. In February, 1866, the plaintiff deposited with the defendant corporation certain United States bonds and other securities, valued at about $26,500. He received in return a memorandum of the deposit, signed by the discount clerk of the bank, and containing the following clause: As collateral security for the payment of all obligations of WILLIAM A. BOYD & CO. to the THIRD NATIONAL BANK OF BALTIMORE, at present existing or that may be incurred hereafter, with the understanding that the right to sell above collaterals in satisfaction of such obligations is hereby vested in the officers of the THIRD NATIONAL BANK. For six years thereafter these bonds and certificates remained in the custody of the bank, and during that time the firm of WILLIAM A. BOYD & CO. dealt largely with the bank, at times borrowing money; and at times drawing checks in excess of their balance.

Last summer, however, a burglary, out of which grew this litigation, was committed in the bank. Certain persons professing to be engaged in the produce commission business hired a room adjoining the safe vault. For six weeks they remained there, exciting no suspicion, but all the while busily engaged in drilling their way into the vault. The chilled iron casing appeared to be the only impediment which gave them any very great difficulty. Finally they perforated it by boring one hundred and twenty holes and thus removing a section of plate about thirty inches square. Inside the vault were a Lilly's safe and a Miller's safe. The latter either was not seriously assailed, or successfully resisted the assault. But the door of the Lilly's safe was forced open with a "jack," and the contents, including the plaintiff's collaterals, were stolen. The theft was achieved between the closing of the bank on Saturday and the opening on Monday.

It so happened that at the time of the burglary, and for some three weeks preceding, the plaintiff's firm was not indebted to the defendant. Formal demand was thereupon made upon the bank by Mr. BOYD for the return of his property, and when this was not forthcoming, suit was brought in trover, based upon the written agreement. The defence rested mainly upon the proposition of law that the transaction and clause of the receipt made the bank merely a gratuitous bailee at all times when the firm of BOYD & CO. were not actually indebted to it in such a manner as to render this deposit a collateral security for the indebtedness. No such indebtedness existing at the time of the robbery, the *depositum* was then gratuitous. The bank, under the act of Congress which was its organic law, had no right to receive such deposits or to incur responsibility for them. Property thus kept by it must therefore be at the risk of the owners. The rulings of the court, Mr. Justice DOBBIN on the bench, were in favor of the plaintiff.

It was said that to receive and hold collateral security for loans and advances were necessary incidents of the banking business, and were therefore within the contemplation of the statute creating institutions to conduct that business; that the clause of the receipt, above cited, was clearly not intended to provide for a gratuitous keeping, for which no bank would give any such receipt; but that it must be construed to mean that the bonds and certificates were to remain in the bank to secure the solvency of the firm of Boyd & Co. in its dealings with the defendant; hence that it was a contract of pledge terminable only when both parties completed their obligations; that is to say, when the pledgor had repaid all borrowed moneys and the pledgee had returned the securities. Until such termination the bank was a bailee for consideration, and was to be held to exercise ordinary and reasonable care in the keeping, which was defined to be "that degree of care which other prudent banks, under like circumstances, are accustomed to bestow upon property of their own of like character and value."

It became, therefore, a question of fact for the jury whether the bank had in fact exercised this degree of care. The instructions asked by the plaintiff and given by the court, bearing upon this point, were curious. They covered such matters as the following: Whether the vault was properly constructed? Whether Lilly's safe was a proper one to use? Whether the watchmen were sufficient in number and whether they were selected with sufficient care; whether they were persons of good habits; and whether they were absent from the bank at the time of the robbery? A finding against the bank on any of these points would have rendered necessary a verdict against it. The plaintiff further asked the judge to rule that the failure of the bank to pay the indoor watchman a salary sufficient to enable him to keep his family without engaging in other business was evidence of negligence. But this was refused. The jury was out for a long time and finally failed to agree. The case will, therefore, be tried again, and the law will doubtless ultimately be determined by the court of appeals, since the questions are both novel and important.

This is only one out of a thousand cases somewhat similar, where contracts are made without a full understanding between the contracting parties, as to their respective liabilities. Bankers and their customers cannot be too careful in their business arrangements, as to each other's claims, liabilities and risks. This matter of trusting bonds to a banker is not fully understood. There is no reason why bankers should assume the risk of taking care of their customers' bonds. There is no occasion for a bond owner to run the risk of leaving his property with bankers who do not consider themselves liable either for ordinary care or extra care. A banker's vaults now-a-days are not the safest places for securities. Numerous cases have recently occurred where persons of wealth have been ruined by bank burglars, and it is a point not yet settled by our courts whether a banker is liable to his customer for such a loss. The bondholder should deposit his securities where the depository is paid for its guarantee to the depositor against loss.

# GREAT FORTUNES OF THE WORLD.

*From Chambers' Journal.*

The richest subject in ENGLAND, in 1685, had estates which little exceeded £20,000 a year. The Duke of ORMOND had £23,000 a year; His Grace the Duke of BUCKINGHAM, £19,600; and MONK, Duke of Albemarle, left property which would yield a like sum. MACAULAY, quoting KING'S *Natural and Political Conclusions*, says the average income of a temporal peer was about £3,000 a year; of a baronet, £900; member of the house of Commons, £800 (*History of England*, i, 309). Sir WILLIAM TEMPLE observes: "The revenues of a House of Commons have seldom exceeded £400,000."

Passing up to the eighteenth century, it has been said, no doubt with truth, that hardly any Englishman could have produced half a million of money in 1750. We presume Alderman BECKFORD could have done so, as in 1770 he left to his son, Fonthill, [which had cost £240,000,] £100,000 a year, and a million of ready money. How rapidly that fortune was dissipated! The author of *Vathek*, at the age of thirty-six, in 1796, came to reside at Fonthill, and began to build a new house in the Gothic style. The following description of the house, by a visitor, is given in the preface to a recent edition of *Vathek:* "To give you an idea of the place, you must think of York Minster placed on a commanding elevation in the midst of a woodland paradise of many miles in extent. . . . Although at this spot the interior of Fonthill has not the vastness of York Minster, yet I think the whole building stands on more ground. The dazzling effect of the stained glass in the lofty windows, when the sun throws their colors on the crimson carpets, contrasted with the vivid green lawn seen in the distance through the lofty entrance doors, themselves as high as a moderate-sized house; the galleries a hundred feet above you; the magnificent mirror at the end of the room, reflecting the prospect of the grounds for miles, present a scene I shall never see equalled. Looking right and left, you have a clear view of three hundred and thirty feet, not bare stone walls, but a magnificent apartment, furnished with the most valuable books, cabinets, paintings, mirrors, crimson silk hangings, and a thousand things besides; you walk the whole distance on superb carpets, and at every step your attention is arrested by some beautiful work of art or natural curiosity." In 1822, the whole, in consequence of the depreciation of his West India property, combined with reckless expenditure, was sold to Mr. JOHN FARQUHAR for £330,000; and its former owner went to Bath, and there built an immense tower, from the summit of which he could see Fonthill, though seventy miles distant.

The rise of the great House of ROTHSCHILD belongs to the eighteenth century. MEYER ANSELM, a Jew, was born in 1743.

and was established as a money lender, &c., in Frankfort, in 1772. From his poor shop, bearing the sign of the *Red Shield*, he acquired the name ROTHSCHILD. He found a good friend in WILLIAM, Landgrave of Hesse; and when the Landgrave, in 1806, had to flee from NAPOLEON, he intrusted the banker with about £250,000 to take care of. The careful Jew traded with this, so that, in 1812, when he died, he left about a million sterling to his six sons, ANSELM, SOLOMON, NATHAN, MEYER, CHARLES and JAMES. Knowing the truth of the old motto, "Union is Strength," he charged his sons that they should conduct their financial operations together. The third son, NATHAN, was the cleverest of the family, and had settled in ENGLAND, coming to Manchester in 1797, and London in 1803. Twelve years after, we see him at Waterloo, watching the battle and posting to ENGLAND as soon as he knew the issue, and spreading everywhere the defeat of the English. The clever but unscrupulous speculator thus depressed the funds, and his agents were enabled to buy at a cheap rate; and it is said that he made a *million* by this transaction. He died in 1836; but the real amount of his wealth never transpired. It has been said: "Nothing seemed too gigantic for his grasp, nothing too minute for his notice. His mind was as capable of contracting a loan for millions as of calculating the lowest possible amount on which a clerk could exist." *(Chronicles and Characters of the Stock Exchange.)*

WILLIAM STRAHAN, the printer, made a large fortune in the latter half of the eighteenth century. His third son, ANDREW, who succeeded him in the business, left more than a million when he died in 1831. Thirty years after, the Duke of BUCKINGHAM died, who, like his father, squandered a vast fortune at Stowe, and had to sell the contents of the mansion. This sale occupied forty days, and realized £75,562 4s. 6d. (RUMLEY FORSTER'S *Priced and Annotated Catalogue.)* What a pity such a dispersion seemed! His Grace was, says Sir BERNARD BURKE, after the present reigning family, the senior representative of the royal Houses of TUDOR and PLANTAGENET.

JAMES MORRISON, "the hygeist," who died in 1840, made half a million by the sale of his vegetable pills. According to Mr. GRANT *(History of the Newspaper Press)*, HOLLOWAY, the inventor of the celebrated pills and ointment which bear his name, has amassed a fortune of from one and a-half to two millions, and intends following in the steps of Mr. PEABODY. Pianoforte-making would also seem to be a profitable business, since Mr. THOMAS BROADWOOD, who died in 1862, left £350,000 personalty. WILLIAM JOSEPH DENISON, the banker, left one of the greatest fortunes of modern times—namely, two and a-half millions, in 1849. When COUTTS, the banker, died, in 1821, he left his wife (formerly HARRIET MELLON, the actress,) £600,000, as well as estates to a large amount. One instance out of many will suffice to show the good use his granddaughter, the present Baroness BURDETT COUTTS, has made of this wealth: at a cost of £50,000 she endowed the colonial bishoprics of Adelaide and BRITISH COLUMBIA. The Earl of BRIDGEWATER, who died in 1823, left property amounting to about £2,000,000 to the then Lord ALFORD, on condition that if he should die without having attained the rank of marquis or duke, the property was to go to his brother. But the question was raised, when Lord ALFORD died without having assumed these dignities, whether his son was not entitled to the property; and the House of Lords decided that the condition was contrary to the principles of the English constitution, and Lord ALFORD'S son was confirmed in the title. Another will which was the subject of much litigation, was that of Mr. PETER THELUSSON, who died in London, in July, 1797. After leaving his wife £100,000, the residue (about £600,000) he committed to the care of trustees, to accumulate during the lives of his sons and their sons, to be divided when they were all dead, among their survivors. It was believed that the property would then amount to £18,000,000 or £19,000,000. But legal and other expenses prevented this, and when divided in 1856, little more than the original sum was divided among the three survivors (*Book of Days*, ii, 97). But wealth has gone on accumulating in ENGLAND to an enormous extent, and the proving of the personalty of wills allows us to realize this pretty accurately. Mr. GLADSTONE was, no doubt, right, when he said at Liverpool College, December 22, 1872: "More wealth has, in this little island of ours, been accumulated since the commencement of the present century—that is, within the lifetime of many who are still among us—than in all the preceding ages, from the time, say, of JULIUS CÆSAR; and again, at least as much of wealth within the last twenty years, as within the preceding fifty."

The *Spectator*, November 16, 1872, published a list containing an account of the fortunes exceeding a quarter of a million personalty during the last ten years. From this list it appears, that during the decade ten persons left more than a million, fifty-three more than half a million, and one hundred and sixty-one, more than a quarter of a million sterling. It must be remembered that these fortunes do not include landed investments.

There are a few examples of great fortunes made by misers, who often denied themselves the necessaries of life in order that they might leave a large sum behind them. Such a man was JAMES WOOD, of Gloucester, who died in 1836, possessed of property sworn under £900,000. A will was found in which he left all his property to Alderman WOOD, of London, his attorney, and two clerks. But a short time after a codicil to the will was sent in anonymously, bequeathing various large sums to different individuals. It was accompanied with this extraordinary memorandum: "The enclosed is a paper saved out of many burned by parties I could hang. They pretend it is not J. WOOD'S hand—many will swear to it. They want to swindle me. Let the rest know." The writer was never discovered; and now came litigation which lasted four years. Sir HERBERT JENNER gave his judgment in 1840, rejecting the codicil so mysteriously sent. But—O the glorious uncertainty of the law!—Lord LYNDHURST, in a higher court, reversed the judgment, and the money was divided according to the terms of the will.

# THE LAW OF STOLEN BONDS.

*From the American Law Times.*

Before the Circuit Court of the UNITED STATES—Southern District of NEW YORK. January, 1873. The UNITED STATES *v.* VERMILYE & Co. *et al.*, New York.

*Certain "seven-thirty notes" were delivered to an express company for collection, and while in its hands, as carrier, were stolen. They were not heard of after the larceny until the time for their payment had passed, when they were discovered in the hands of V. & Co., it appearing that said V. & Co., took them after they had matured, and that there were circumstances that should have excited inquiry. The express company came forward and paid the consignor the value of the notes, claiming them as its property.* Held, *that the notes were subject to the rules applicable to commercial paper, and that the express company was entitled to a decree accordingly.*

Opinion by Judge BLATCHFORD.—The bill in this case sets forth that the defendants, VERMILYE & Co., claim to own five of the obligations of the UNITED STATES, known as seven-thirty notes, for $1,000 each, issued June 15, 1865, and three of such notes, for $ 100 each, issued July 15, 1865; that such eight notes were sent by VERMILYE & Co. to the plaintiffs, for payment or redemption, VERMILYE & Co. claiming that they purchased said notes in good faith and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof; that the defendant, the Adams Express Company, likewise claims to be the owner of all of said notes, and that the same were stolen from it about May 22, 1868, and that it never parted with the title to the same; that each of such claimants has notified the plaintiffs not to pay or deliver the notes to the other; that the plaintiffs have always been willing to deliver the notes, and to pay the money secured thereby, to the person lawfully entitled to receive the same; that they offer to deliver the same into this court; and that they do not collude with either claimant, and have not brought this suit at the request of either or both, and have not been indemnified by either or both. The prayer of the bill is, that the defendants may interplead and settle their rights to the notes, and to the money secured thereby, and that the plaintiffs may be at liberty to deliver the notes to this court, and that the defendants may be enjoined from commencing any suit against the plaintiffs, touching the premises, and that the plaintiffs, upon the payment into court of such amount, and procuring the

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defendants to interplead, may be discharged of all liability to the defendants in the premises.

The answer of VERMILYE & Co. avers their ownership of the notes, and denies that the Adams Express Company has any interest in or title to them. It avers that the notes were purchased and received by them in the ordinary course of business, at their banking house in the city of New York; that, at the time of said purchase, they paid therefor the full value of the notes in said city; that they so purchased and paid for the same in good faith, and without any knowledge or notice that the parties from whom the same were purchased were not the owners thereof and lawfully entitled to the same, and in the full belief that said persons were such owners and so entitled; that they forwarded the notes to the Secretary of the Treasury, at Washington, for redemption and payment, the notes having then become due, and for no other purpose; that it was the duty of the plaintiffs to have redeemed and paid the notes to them, or to have returned them to them; and that they demanded a return of them from the plaintiffs before the commencement of this suit. The answer asks that the court will adjudge that VERMILYE & Co. are the owners of the notes, and entitled to recover and receive the same or the amount due thereon.

The answer of the Adams Express Company denies the ownership of VERMILYE & Co., and that they purchased the notes in good faith, and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof. It sets up ownership in the company, and avers that the company is a carrier and forwarder of money packages for hire; that it was so in May, 1868, between New Albany, in INDIANA, and the city of New York; that, on the 19th of May, 1868, the FIRST NATIONAL BANK at New Albany, INDIANA, owned one of the $1,000 notes; that, on that day and at that place, its cashier endorsed said note as follows: "Pay Secretary of the Treasury for redemption. W. MANN, Cas.;" or, "Pay Secretary of the Treasury for conversion. W. MANN, Cas.;" that the note, so endorsed, was placed and secured in an envelope, which was addressed to the Secretary of the Treasury of the UNITED STATES, at Washington; that, on the same day, the package, containing the note, was delivered to the company, for transportation by it to its address; that while the package was in the possession of the company, as carrier, it was feloniously, and with force and arms, taken from the possession of the company by some unknown persons, not through any negligence of the company; that the note subsequently appeared in circulation, but not bearing, with legible distinctness, such endorsement, but yet bearing traces of it sufficiently legible to indicate to any one conversant with such notes, that its negotiability had been restricted by an endorsement which had been attempted to be obliterated; that the fact of such attempted obliteration was and is plainly perceptible on the note, and was the cause of the refusal of the Secretary of the Treasury, in the first instance, to redeem or convert it; and that the company has fully paid the bank for the note, and is entitled to its possession, and to be paid the amount due on it. The answer prays for a decree to that effect. It also sets up, that, on the 21st of May, 1868, the FIRST NATIONAL BANK OF CLARKSVILLE, TENNESSEE, was the owner, in its own right, or as depositary, of the other seven notes; that those notes, endorsed by its cashier, or their owners, were securely enveloped, and addressed to B. SEAMAN, cashier, New York, and the package was delivered to the company for transportation to New York; that such package was feloniously taken from the custody of the company, at the same time and under the same circumstances with the package from New Albany; that the endorsements on the notes were attempted to be obliterated in the same manner, and to the same extent, and no more, as in the case of the note from New Albany, and they came to VERMILYE & Co. in the same manner as that note; and that the company has fully paid the Clarksville Bank for the notes, and is entitled to their possession, and to the amount due thereon. It prays for a decree to that effect. It also avers that VERMILYE & Co., prior to receiving the notes, were notified by the company of the fact of such larceny, and were furnished by it with the numbers of the notes, and of the series thereof, and were fully notified thereby, and, also, by the appearance of the notes, that the same had lost their negotiable character, and were tainted, in their title thereto, in the hands of those who passed them to VERMILYE & Co.; and that if VERMILYE & Co. parted with value for the notes, they did so in violation of the notices given to them by the company of its property in the notes, and without the exercise of ordinary care and scrutiny, and with full knowledge, from the appearance of the notes, that they had been tampered with.

This case was brought to hearing on the pleadings in July, 1870, and a decree was then made to the effect that the bill is properly filed; that the defendants do interplead and settle the matters in controversy herein between themselves; that, in the meantime, and until the further order of the court, the notes in controversy be deposited with the clerk of this court; that the costs of the UNITED STATES be paid by the party in whose favor judgment final be entered herein; and that the consideration of all questions of costs, as between the defendants, and all other questions and directions, be reserved until the trial of the matters in controversy between the defendants.

The notes in question were all of them issued under the authority of the act of March 3, 1865 (13 *U. S. Statutes at Large*, 468). They all of them bear on their faces the words: "Act of March 3, 1865." The New Albany note, one for $1,000, and the four Clarksville notes, for $1,000 each, bear date June 15, 1865. The other three Clarksville notes, for $100 each, bear date July 15, 1865. The $1,000 notes read, on their faces, in this way, in engraving: "Interest twenty cents per day. Three years after date, the UNITED STATES promise to pay to the order of ———, one thousand dollars, with interest at 7 3-10 per cent., payable semi-annually, in lawful money. Washington, June 15th, 1865. Treasury Department. Act of March 3d, 1865." They also bear the signatures, on their faces, of the Register of the Treasury and of the Treasurer of the UNITED STATES. On the face of each are the words, in engraving: "5 coupons attached. Last 6 months' interest payable with note. Prior instalments payable only on presentation of coupons therefor;" also, the words, in engraving: "The government reserves the right of paying in coin the interest on this note, at the rate of six per cent. per annum." On the back of each note are the words, in engraving: "Pay to bearer," in a panel, with a blank space underneath, in the panel, in which words could be written. On the back of each note are, also, the words, in engraving: "At maturity, convertible, at the option of the holder, into bonds redeemable at the pleasure of the government, at any time after five years, and payable twenty years from June 15th, 1868, with interest at six per cent. per annum, payable semi-annually, in coin." The $100 notes differ from the $1,000 notes only in having the words "two cents," instead of "twenty cents;" the words "one hundred," instead of "one thousand;" and the words "July 15th," instead of "June 15th."

The fact of the larceny of the notes from the possession of the Express Company, and their ownership by the banks, as set up, is fully proved. They were stolen during the night of the 22d of May, 1868, out of a railroad car, the iron safe, in which they were, being taken away, with its contents, after the messenger in charge of it had been knocked senseless by the robbers. On the 29th of May, 1868, a printed handbill, advising of the stealing of the New Albany note, as a United States seven-thirty note for $1,000, second series, act of March 3, 1865, and giving its number, was delivered to a person behind the counter of VERMILYE & Co., in their office in New York. This handbill cautioned all persons against receiving or negotiating the note, and stated that the Express Company claimed the right to recover its possession, and that it was endorsed, "Pay Secretary of the Treasury for redemption. W. MANN, Cashier." The handbill purported to be issued by the president of the Express Company, and was dated New York, May 28, 1868. On the 5th of June, 1868, another printed handbill, dated Cincinnati, May 28, 1868, advising of the stealing of the New Albany note, as a United States seven-thirty note for $1,000, second series, issued under the act of March 3, 1865, and endorsed as before mentioned, and giving its number, and of the four $1,000 Clarksville notes as United States seven-thirty bonds of $1,000 each, June 15, and giving their numbers and letters, and of the three $100 Clarksville notes, as United States seven-thirty bonds of $100 each, dated July 15, 1865, and giving their numbers and letters, was delivered to a person behind the counter of VERMILYE & Co., in their office in New York. This handbill purported to be issued by officers of the Express Company, and contained a like caution and statement, as before mentioned, in regard to the notes specified in it.

On the 22d of June, 1868, the Treasury Department issued a circular, limiting the time for the conversion of the seven-thirty notes into bonds, but not extending the time during which the notes not presented for conversion would draw interest beyond the date of their maturity. The time for the conversion of the notes maturing June 15, 1868, was extended to and including July 15, 1868, and the time for the conversion of the notes maturing July 15, 1868, was extended to and including August 1, 1868. The bonds to be issued in exchange for the notes were to bear interest from July 1, 1868, and the interest on the notes surrendered in exchange was to be calculated accordingly.

In July, 1868, the Adams Express Company filed in the Treasury Department a caveat, consisting of the before-named handbill, dated Cincinnati, May 28, 1868. It was delivered to the department, with a letter from the office of the company at New York, dated July 20, 1868, to its agent at Washington, which letter requested the agent to have the notes mentioned in the handbill caveated at the department. They were caveated by entering in a book in the department, under proper heads, the fact that they were seven-thirties, and their dates of issue, numbers and amounts, with the fact that they were "stopped," and the name of the company as the person filing the caveat.

In June and July, 1868, the company paid to the two banks, respectively, the entire value of the stolen notes.

The notes, when stolen, and when they came into the possession of VERMILYE & Co., did not have the name of any person filled into the blank spaces on their faces, after the words "order of." The New Albany note had, when stolen, written across its back, one or the other of the two forms of words set forth in the answer of the company in that behalf. There is no satisfactory evidence that anything was written on the back of any of the Clarksville notes.

On the 9th of April, 1869, VERMILYE & Co. purchased, at their office, from SUYDAM & NASON, a reputable firm, members of the New York Stock Exchange, the New Albany note and the four $ 1,000 Clarksville notes, paying therefor a sum calculated at the rate of 99½ per cent. on the principal, with the addition of the six months' unpaid interest on such principal. On the 12th of April, 1869, VERMILYE & Co. made a like purchase from the same firm, for a like price, of the other three Clarksville notes.

On the 14th of April, 1869, VERMILYE & Co. presented the eight notes at the Treasury Department for redemption. They were not redeemed. In reply, the department informed VERMILYE & Co. that the notes were all of them claimed by the Adams Express Company, and further in regard to the five $ 1,000 notes, that their general appearance warranted the belief "that the payee's name had been extracted from the face of the notes."

It is in evidence, that it was usual for seven-thirty notes to be bought and sold in the market after their maturity, and after, by such maturity, interest had ceased to be payable on them, and that the notes in question were purchased by VERMILYE & Co. in the usual mode in which such transactions were conducted. No *mala fides* can be imputed to VERMILYE & Co. in respect to the purchases, except such as may grow out of the facts that they purchased the notes so long after their maturity, that the handbills referred to were delivered to them, and that the notes, some or all, bore appearances which, as to some of the notes, attracted the notice of the officers of the Treasury Department, on their finding that the notes were notes which had been caveated on their books.

There is no evidence as to what was visible on the faces or backs of the notes when they were received by VERMILYE & Co., or by the Treasury Department, in respect to written matter partially obliterated, except the remark in the letter of the department, of April 14, 1869, to VERMILYE & Co., in regard to the five $ 1,000 notes, that "the general appearance of the notes warrants the belief that the payee's name has been extracted from the face of the notes." As it is not shown or claimed that the name of any payee was ever inserted in the blank on the face of any of the notes, this remark has no meaning. In the absence of the insertion of any names in such blanks, the notes were all of them in the same condition as if payable to bearer, and were, therefore, negotiable by delivery, and the writing of anything on the backs of the notes, while the blanks after the words "order of" were not filled up with the names of payees, did not amount to an "endorsement" on or of the notes, in the sense of that word in the law-merchant, so as to restrict the negotiability of the notes or to make them non-negotiable by delivery merely. (WOOKEY *v.* POLE, 4 BARN. & ALD., 1; WHITE *v.* VERMONT and MASS. R. R. CO., 21 HOWARD, 575; *Mercer County v.* HACKETT, 1 WALLACE, 83; MURRAY *v.* LARDNER, 2 Id., 110; SAUNDERS *v.* BACON, 8 JOHNSON, 485; TAPPAN *v.* ELY, 15 WENDELL, 362.) And these doctrines apply to these notes issued by the UNITED STATES, in like manner as if they were the notes or bonds of a corporation or of an individual. (TEXAS *v.* WHITE, 7 WALLACE, 700; TEXAS *v.* HARDENBERG, 10 WALLACE, 68.)

But while VERMILYE & Co., if they purchased these notes in good faith, before their maturity, without notice of any defect of title in the sellers, might be protected, and be held to have acquired the title to the notes, yet a very different question is presented, when it appears, as it does, that the notes were all of them purchased after their maturity. When they were so purchased, the time for their conversion into bonds had long passed. They were then merely overdue obligations, payable in lawful money. A person who takes a bill or note which, on the face of it, is overdue, cannot claim the privileges which belong to a *bona fide* holder without notice; and, if he chooses to receive it under such circumstances, he takes it with all the infirmities belonging to it, and is in no better condition than the person from whom he received it, and takes nothing but the actual right and title of his vendor. ANDREWS *v.* POND, 13 PETERS, 65, 79; GOODMAN *v.* SIMONDS, 20 HOWARD, 343, 365, 366; TEXAS *v.* WHITE, 7 WALLACE, 700, 735; TEXAS *v.* HARDENBERG, 10 WALLACE, 68, 90.) The last two cases cited show that these doctrines apply to securities issued by the UNITED STATES. In TEXAS *v.* WHITE, the court says that the known usage of the UNITED STATES to pay all bonds as soon as the right of payment accrues, requires the application of the rule respecting overdue obligations to bonds of the UNITED STATES which have become redeemable. The right to convert into bonds the seven-thirty notes which matured June 15, 1868, expired July 15, 1868, and the right to convert into bonds the notes which matured July 15, 1868, expired August 1, 1868. The notes, therefore, after those dates, remained in the hands of any holder of them, good only for the principal secured by them, and for unpaid interest up to the date of their maturity, as expressed on their face. The holder of them was losing interest on his money, by holding them. He could use them only for what their value was, principal and interest, at their maturity. They were thus, in fact, less valuable to their holder than an ordinary promissory note of a solvent maker would have been after its maturity. This condition of these notes is shown by the fact that VERMILYE paid for them one-half of one per cent. less than their principal, with the addition of the unpaid interest up to maturity. The fact that they continued to be bought and sold after their maturity, and after interest had ceased on them, did not make them any the less overdue obligations, or relieve them from the operation of the rules of law in regard to such obligations. VERMILYE & Co. still took the risk of the title of the vendor. There may have been many reasons, in respect to particular notes, why they passed in the market after maturity, and why the interest on the money represented by them was being lost to the holder. It does not necessarily follow that all of such notes had been stolen, so as to establish such usage as a usage to deal in stolen notes after maturity, even if such usage could be of any force. We have no evidence of the extent of the dealing in such notes after maturity, as compared with the entire amount of the notes issued. With the known usage of the government to pay its obligations at maturity, and the loss of interest, and the rejection of the privilege of conversion, all of which facts were apparent to VERMILYE & Co., by inspection of the notes, there is every reason for holding them to the rule, that they took nothing but the actual right and title of their vendor. That was nothing but the title of the thief. No principle applicable to the protection of those who deal in negotiable securities before their maturity, requires that these notes, in the position they occupied after their maturity, should be regarded as other than overdue obligations. Mr. TROWBRIDGE, one of the defendants, who negotiated the purchase of the notes in question, testifies that when he bought them he knew they were past due. They had been past due from nine to ten months. In connection with this fact, it is not inapt to remark that, whatever may be said in regard to holding a party bound by such notice as was given to VERMILYE & Co. in this case, in respect to dealing in government securities, such as these notes, before their maturity, it is not at all unreasonable to regard such notice, given June 5, 1868, in respect to securities which would become, and which became due, some June 15, 1868, and the rest July 15, 1868, as a good notice in respect to dealing in the particular securities named in the notice, after they beeame overdue.

There is no force in the suggestion that the notes in question were a part of the currency of the country, and were money in the same sense as bank-notes. They were issued under the act of March 3, 1865 (13 *U. S. Stat. at Large*, 468), and so state on their faces. The third section of that act expressly provides that nothing contained in that act shall be "construed as authorizing the issuing of legal-tender notes in any form," although a previous part of third section had provided that all the provisions of the act of June 30, 1864, (Id., 218,) which were applicable to the obligations to be issued under the act of 1865, should apply to them. The reason for this evidently was that the second section of the act of 1864 provided that certain seven-thirty notes, authorized by it, and to be made payable, principal and interest, in lawful money, at maturity, not exceeding three years from date, should be a legal tender, to the same extent as United States notes, for their face value, excluding interest, and it was intended that the seven-thirty notes to be issued under the act of 1865 should not be a legal tender. The first section of the act of 1865 shows that the seven-thirty notes issued under that act were only evidences of the indebtedness of the UNITED STATES for money borrowed by it.

It is objected, on the part of VERMILYE & Co., that the Express Company has no title to or interest in the notes, other than that which arises from its having paid the amounts of the notes to the banks, and that there is no evidence of any transfer to the company of the titles of the banks, or of any other person, to the notes. The company had these notes in its possession, as a carrier, for hire. In virtue of that relation, it had such a special property in them, that it could maintain an action to recover them against the thief. If so, no good reason is perceived why it could not also maintain an action to recover them against VERMILYE & Co., if they were found in the hands of VERMILYE & Co., after having been taken by the latter under the circumstances shown in this case. This being so, the company ought to be allowed to rely on such special property as against VERMILYE & Co, when it is shown that VERMILYE & Co. have no better title than the thief who stole the notes from the company. The company was clearly liable to the bailors for the loss of the notes, and when it is shown, in addition to such special property of the company, that it has paid the value of the notes to the bailors, in discharge of such liability, it must be held that, in equity, there has been an assignment to the company of all the title of the bailors to the notes. The facts proved are sufficient to establish the right of the company, as against VERMILYE & Co., to receive payment of the notes from the UNITED STATES, and to protect the UNITED STATES in paying the notes to the company.

There must be a decree in favor of the Express Company.

# CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. The Payment of Post-Dated Checks. II. The Value of Confederate Paper. III. Can a Bank Legally Demand the Indorsement of the Payee?

## I.—The Payment of Post-Dated Checks.

First National Bank, ——, Iowa.

*To the Editor of the Banker's Magazine.*

A. B. & Co. have an account in bank, with credit of $500. They draw a check *dated May* 1, 1873, for $100, payable to C. or order. C. endorses it to Bank of ——, and that bank sends it to me for collection and returns under date of March 7, 1873.

What is my duty to this bank, to my correspondent the Bank of C——, and to A. B. & Co.?

### *Reply.*

A bank has no right to charge to the drawer's account his post-dated check until it has matured; that is, on or after the day of its date. To elucidate fully this point, we extract from "Morse *on the Law of Banks and Banking*," (page 314,) the following:

A post-dated check is payable on; or at any time after the day of date. There is no question but that a post-dated check is in the United States a perfectly legal and proper instrument. In England a statute used to require that a post-dated check should be stamped like a bill of exchange, and otherwise declared it invalid. But no such rule has ever obtained in our own country. A post-dated check with us has no peculiar characteristic whatsoever, distinguishing it from an ordinary check, beyond the mere fact of its bearing a date subsequent to the day of its actual writing and delivery. On that date, or after it, it is payable immediately, just like any other check. . . . . .

There is no possible pretence for claiming days of grace upon it.

It is simply and unquestionably payable on demand so soon as the day of the date comes round. But it is the bank's own risk if it pay before that day. Such a payment is irregular, and circumstances may easily supervene, under which the bank will be held to pay the amount again, or to restore it to the credit of the drawer, if it has debited him with it; which, however, it has no right to do. For it is unquestionable that in the interval between such irregular payment and the day of the date when the payment could be properly made, the amount ought still to be left standing to the credit of the drawer. The bank has no right to charge him with the disbursement till the time comes when the disbursement could be properly made on his account. His check is no order till it has matured. So, if in the interval he continues to draw checks, the bank must continue to honor them upon presentment, so long as his account, without decrease by the debit of this item, is sufficient to meet them, until the day of the date arrives. When that day does arrive, the bank may, of course, appropriate the sum it has paid out. But if then the intervening drafts have so diminished the depositor's balance that the remainder is not enough to meet the amount of the post-dated check, the deficiency must be the loss of the bank, brought upon it by its own gratuitous and uncalled-for liberality.

Its only source of restitution is from the depositor. Even the right to demand reimbursement from him may be taken away by his revocation in the interval before the maturity. If, after the bank has paid, but before the date of the instrument gave it the right to pay, the drawer countermands his immature order and forbids payment, it is certain that the anticipatory action of the bank cannot operate to deprive him of this right.

If a post-dated check falls due on a Sunday or on a legal holiday, presentment for payment cannot be made until the day following. Presentment on the day preceding is irregular. The bank is not bound to pay on that day. Accordingly, a demand then made is so far erroneous that it will operate to discharge an indorser, unless it should be cured by a second demand properly made on the correct day subsequent.

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## II.—The Value of Confederate Paper.

Bank of ——, Ky., May, 1873.

*To the Editor of the Banker's Magazine.*

Can you furnish me, or tell me where I can get, the information as to the value of "Confederate Money" when compared with gold, either through the whole war, or for six months prior to, and including February, 1864? I have seen a table of the sort, I think in some New York paper, but can't think now what paper it was.

Very truly, &c.,

—— Cashier.

*Reply.*

The BANKER'S MAGAZINE for November, 1866, (page 391), contains monthly quotations of Confederate Currency, from January, 1862, to March, 1865.

This information was obtained from Messrs. ISAACS, TAYLOR & WILLIAMS, bankers, Richmond, VIRGINIA, from whom further particulars can be had on application.

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## III.—CAN A BANK LEGALLY DEMAND THE INDORSEMENT OF A PAYEE?

——— BANK, MO., May, 1873.

*To the Editor of the Banker's Magazine.*

If a check is presented at the counter of a bank, by JOHN SMITH, and payable to his order, can the Bank require him to endorse it before paying it, or does the law, if resorted to, compel the bank to pay without endorsement? I know that custom has always been to require endorsement, but one of the Supreme Judges of our State, and several other lawyers, have told the writer, personally, that this custom of the banks would not stand the test of law. Will you have the kindness to give me your opinion of the matter—that is, would the law sustain the bank in its position of requiring endorsement before payment of checks payable to order, when presented by the party to whom payable?

——— Teller.

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*Reply.*

We have never before heard questioned the right and the duty of a bank to require endorsement of the party to whom a check is made payable.

The fact that the check is so drawn, instead of being payable to bearer, imposes upon the bank the burden of proof of its proper payment. Such proof can be furnished with certainty only by the written acknowledgment of the payee, and for his refusal to give it we can conceive no valid reason.

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REVOLUTIONS.—"Was there ever an age of the world like the present! The painted scenes in a theatre do not shift before the eyes of the spectators more suddenly, or apparently more on that principle of strong contrast, on which the poet and the artist rely for their most striking effects, than dynasties and forms of government in the times in which we live."—HUGH MILLER.

# THE PROGRESS OF ECONOMY AND TRADE.

An Address Before the National Association for the Promotion of Social Science, at Plymouth, England, September, 1872.

By Sir John Bowring, LL. D.

I have been unexpectedly honored with the request that I would undertake the presidency of the Department of Economy and Trade at the present meeting of the Social Science Association. I was not willing to decline the duty, though I have felt that I could only imperfectly and unworthily discharge its claims. Had more time been allowed me, I would have endeavored to present a more general and complete view of the field, and to have pursued the inquiry into ramifications which I am compelled to abandon. No one can be more aware than I that in the various departments of political economy and trade, an investigation, in order to be wholly satisfactory, should be exhaustive; but as every day's experience and observation adds something to the statistical facts upon which ought to be grounded the deductions of the philosopher and the legislation of the lawgiver, any thoughtful suggestions must augment those materials upon whose study and proper appreciation the well-being of society depends. Progress in every department of thought and action is happily the tendency of the intellectual tide, and if we cannot always direct its course, or increase its potency, we may at least allow our little barques to be carried forward in the stream.

It may be doubted whether there is any topic of social or individual interest which is not in some way or other to be tested by statistical and economical results; at all events, it may be contended that when such results are attainable they will tend much to the elucidation of any and every controversy. Every argument is strengthened if it can take a mathematical or arithmetical shape, and the tendency of all inquiry is to subject every contingency to some law of harmony or order. The great controversy of the day is, whether any event in the widest regions of space or time does escape, or can escape, from the irresistible despotism of universal law. Thoughtful men are beginning to test the great workings of Providence, once deemed inscrutable, as they would test the working of any instrument produced by the hands of man. If they look at the machinery of a watch, they would judge of its excellence from the absence of aberration, that it constantly went well, and recorded the progress of days or hours, or minutes or seconds, with unvarying accuracy. If it failed, they would properly deduce from its failures the imperfect hand of the watchmaker. It is not necessary that they should be personally acquainted with the watchmaker to assist the conclusions at which they would arrive; nay, it would be utterly impossible for them to trace the various parts of the complicated work to their origin; and so in the infinite variety of the machinery of creation. There the watch never fails; there there is no eruption, no convulsion which is not a part of the great whole of law. We no more see the Creator of the universe than we see the fabricator of the watch; but the evidence of the existence of the former is infinitely stronger than the evidence of the existence of the watchmaker, because the products of creation are infinite in number, and in extent and duration; the products of man few, limited and perishable. But, in truth, even on the mind of imagination figures play a prominent part: the poet *measures* his verses; we *sum up* the aptitudes or the defects of the painter; we *deduct* the short-comings from the excellences of the architect; and, in cases of great artists like MICHAEL ANGELO or SHAKESPEARE, we cannot avoid *multiplying* their charms.

There is ground for general congratulation as to the national progress and prosperity in the commercial field, as exhibited in those unmistakable figures which from time to time are presented to Parliament and the public by the Board of Trade. Those with which I have been favored by Mr. FONBLANQUE, the head of the Statistical Department, give the comparison between 1861 and 1871:

| | |
|---|---|
| In 1861 the value of imports was | £ 217,485,029 |
| " 1871 " " | 329,855,143 |
| " 1861 " exports was | 125,102,814 |
| " 1871 " " | 222,519,777 |

Showing, on imports, an increase of £ 112,370,139
" exports, " 97,516,963

Together ........................ £ 209,887,102 in the last decennial period.

Nor are the statistics of our shipping less satisfactory. There sailed from our ports in 1861, 4,806,826 tons; in 1871, 5,694,123, an increase of 887,297 tons.

Of tonnage, the increase is, of entered, 7,300,308; of cleared, 7,651,929 tons.

Of the leading articles of import there has been an increase. In cotton, of more than 4 millions cwt.; flax and hemp, 1,700,000 cwt.; of jute, 2 millions cwt.; of sugar, more than 4 millions cwt.; of tea, 55 millions lbs.; of tobacco, 7 millions; of limejuice, 5½ millions gallons; of wool, 95 millions lbs. The great and notable exception is the diminution of the imports of coffee, amounting to 4,600,000 lbs.

The exports of every class of manufactures have also wonderfully augmented. In cotton goods, 20 millions; in cotton yarns, nearly 6 millions; in haberdashery, 2½ millions; in linens, 3½ millions; in machinery, 1¾ million; in iron and steel, 15 millions; in woolens, 16 millions; in woolen yarns, 2¾ millions sterling.

Immediately connected with our manufacturing industry, attention has been lately called, not without some anxiety and alarm, to the backward position of our learning classes, as contrasted with the higher and better organized instruction enjoyed by those who come into the field of competition among foreign nations.

That kind of competition may hereafter be widely extended, far beyond the limits of Christendom. There is an educational machinery in CHINA, without which that great empire would long ago have fallen in pieces; and all that is wanted to place that wonderful land in the highest range of civilization, is but to find better books and better teachers, to break down that blind reverence for the past, which has been the great barrier to progress. A marvelous change is taking place in the East. You may have remarked intelligent Japanese faces in your sections, drinking eagerly in the information we have been able to present to them. CHINA, SIAM, Burmah, Mahomedans, Parsees, Buddhists, and Brahmins are coming to us in large numbers, to gather together the seeds of knowledge, which, sown in their native soil, will produce an abundant harvest. Let us not have the vanity to suppose we have little or nothing to learn from them; such is not the opinion of those who have studied them most and who know them best.

A question in which statistics have not been practically, or at all events have been only partially consulted, or if consulted have not obtained adequate attention, is that of direct compared with indirect taxation. Indirect imports have undoubtedly the recommendation that they are voluntary contributions to the revenue. Men may abstain if they please from the consumption of many taxed articles, or regulate the amount of consumption, and there may be the advantage of being ignorant, where ignorance is bliss, of the extent to which the exciseman or the custom-house officer preys upon the income of the consumer. And it may be true, at all events it is seemingly true, that of the *non apparentibus et non existentibus eadem est ratio;* but it is a staggering fact that above £23,000,000 sterling are collected by the customs on ninety-one imported articles, of which £12,000,000 are received from four articles alone; tobacco, spirits, wine, and malt. There would be a great simplification of accounts, and a great diminution of the costs of collection if duties were laid only on a few of the most productive articles. Such was the recommendation of the Parliamentary Committee of which JOSEPH HUME was the chairman, and the exchequer has suffered little if at all from the total abolition of duty upon above 100 articles. Among the beneficial changes which have taken place, the removal or modification of fiscal regulations, such as domiciliary visits, restrictions upon the various modes of manufacture, the interferences of guilds and trades associations with apprenticeships, hours and terms of labor—in a word, the gradual emancipation of capital and employments from ancient bondage, have all contributed to the great results which we witness on every side; and as the tendency to inquiry, and the results of inquiry, must be to substantiate by figures what has been accomplished, the evidences collected will serve as a guide for future legislation, as well as for social or individual arrangements. It is far more important to the community at large, for it is more intimately associated with the greatest happiness of the greatest number, to know more of the manner in which wealth is spent, than to know how it is to be amassed, for they cannot be many who gather together enormous masses—the ROTHSCHILDS, the BARINGS, the BRASSEYS, the MORRISONS—whether by their own talents and aptitudes, or whether, as in the case of many of the greatest landholders, from hereditary descent; but almost everybody has an interest in the expenditure of others, the inopulent especially, whose very existence depends upon the portion of money which is distributed to them in the shape of wages and for other services of a subordinate character. What is to become of these gigantic fortunes, which leave an enormous surplus after every desire has been gratified, is a curious subject for speculation. There are those who have to dispose of many millions a year. How can they be spent? and if not spent, the instant, ever-progressive accumulation goes forward. Is there any law, can there be any law, to check or influence this perpetual growth? or will the chapter of accidents, as it is called, determine the future condition of the heirs to uncounted and uncountable millions? Happily, uncountable millions are not necessarily associated with maximized felicity.

A Frenchman cleverly said "Le tout est dans le tout." All truths harmonize; all great principles are a brotherly alliance. The question of taxation seems no exception; to maximize the receipts, to minimize the cost of collection, to avoid delays, injustice, vexations of any sort. In a word, to obtain the best results at the least expense. Keep these purposes in view, and you have provided, by the wisest legislation, for your increased individual and national wealth. You will present the whole subject to the taxpayer in a simple and intelligible form, instead of the entangled and complicated tables which are now presented to Parliament and the public.

And ought not inquiries like this to become a valuable auxiliary to the various departments of the public service? All the tendencies of science are to render the appliances more efficient and less costly. The waste of money in every branch of expenditure, whether from ignorance, indifference, or inaptitude, is so little a matter of discussion, that everybody seems to agree that improvements ought to be introduced, and less perfect works abandoned. The machinery of war has been wonderfully modified and changed by the discoverers of science in the quiet regions of pacific thought. All that represents ignorance is waste; what knowledge brings is saving. The *stare super antiquas vias*, the obstinate determination not to inquire as to the *quo eundum est*, but only into the *quo itur*, the old Baronian obstinacy, *Non volumus leges Angliæ mutari*, the miserable plea that we do not want to be wiser than our forefathers, that plea to which the great empire of CHINA owes its stationary, unprogressive character. is happily superseded by the fact that legislation constantly undergoes changes, in order to accommodate itself to new social conditions and requirements, that we have learned that we are the oldest because we are the last of the generations of men; that we are bound to add to the knowledge of our forefathers the knowledge we have acquired; while we have the assured certainty that our descendants will be much more knowing than we. Into what yet unexplored regions future inquiry may penetrate, remains yet to be disclosed; but of this we may be sure, that there is no more evidence of profound knowledge than the confession that after all we know but little. Few nobler aspirations were ever uttered than by GŒTHE, who in dying exclaimed, "Light! More light!"

The late enormous increase in the prices of all the necessaries of life, especially in food and fuel, cannot be passed over unnoticed. It is believed to exceed an average of 20 per cent., so that a fixed income of £100 a year will be practically reduced to a value of £80, and the heaviest burden will fall on the consumption of coal, the sudden augmentation of whose market price is such as has never been experienced. It is not to be expected that the Parliament would offend the laws of political economy by prohibiting exportation or laying on an export duty, and perhaps the untaxed importation from foreign markets will in some respects relieve the British consumer; but we cannot expect a very serious reduction in price, and must be prepared for the consequences in all our manufactures.

The pressure will be felt most severely by the least opulent of the middle classes and by the agricultural laborers. Workmen employed in manufactories can associate, as they mostly reside in cities and towns, and by strikes and combinations force a rise in the price of labor, and wherever the number of persons seeking employment is less than those who are wanted for employment, a rise of wages is inevitable, and the great prosperity of our mining and manufacturing interests has enabled the employed to obtain better terms from their employers, both in the shape of additional wages and a curtailment of the hours of work. But masters and workmen are alike too generally ignorant of the peremptory and paramount laws of political economy; these laws will finally regulate all contracts; and the best advice to the masters is, that they should cede to the reasonable demands of their servants; and to these latter that they should carefully guard their savings in the day of prosperity, as the day of adversity will assuredly come.

But there is a portion of the field of employment which is almost invariably overcrowded. It is that of clerks and assistants, who have prospects of a rise in their condition to which the artisan can seldom aspire or attain, and from the respectability of the position itself, generally overstock the market. Education, especially the study of modern languages, will enable very many to enter the wide area which foreign commerce presents. And I would here mention, by the way, that the acquirement of languages, when properly directed, is a pleasurable as well as a profitable employment. It is not by books, by grammar, or by dictionaries that languages are most easily or most thoroughly acquired. The tongue and the ear are the most efficient instruments, not the eyes. Let other idioms be taught as we teach our children their own. They ought not to be perplexed with the intricacies of syntax, with the strange [and to a child utterly unintelligible] words by which we denote the cases of nouns or the conjugations of verbs. If bad grammar or bad pronunciation has never been heard, it will never be uttered.

The condition of the agricultural laborer is in many respects most unenviable, and very difficult it is for him to raise himself from his low condition. He is little disposed, except under very severe pressure, to quit the soil where he was born, and which his father had cultivated before him, and the poorer he is the less able is he to migrate. He belongs to no organized societies to which he can look for relief in time of need; and the abuses no longer exist, or only on a small scale, which enabled the farmer to augment the laborer's pay by exacting, through the poor-rates, contributions from the public. Moreover, the farm laborers are, for the most part, very ignorant and widely scattered; they have few or no intelligent representatives from among themselves; no press or papers of their own. But the better instructed workmen have not only their special clubs and unions connected with their particular trades, but they form part of an immense community, banded together by stringent rules, possessing considerable funds, having their recognized leaders, their newspapers, periodicals, pamphlets, and moreover, exercising, as they must, great and increasing political influence, they are in constant communion with the leaders of public opinion in the various sections of the State. Whether a movement, lately indicated by the Speaker of the House of Commons, to introduce the co-operative principle into the sphere of agricultural labor will find the laborer *ripe* for its adoption—and here, as everywhere, "Ripeness is all"—is a question which time only can solve. There is a widely-spread feeling that something ought to be done, and a desire that effectual aid should be given. The agricultural power is of great weight in this country, and when it is discovered that there is to a vast extent a reciprocal interest which should bind landlord, tenant and laborer in a common bond, the good work will proceed.

A time may arrive in which the field of vital statistics, especially as regards domestic economy, may be greatly extended; for example, what are the effects of particular sorts of food upon longevity. In this country there are classes—especially in the poorer agricultural districts—in which there is scarcely any, and in some cases, absolutely no consumption of animal food. Some hundreds of millions of the human race eat no animal food, and wholly abstain from intoxicating drinks. The consumption of wheat is confined to a narrow circle; that of maize is probably greater, and assuredly that of rice very far greater indeed. I recollect being asked by a Chinaman what quantity of rice grew in our country? And when I told him

"None!" "O wretched land," he replied; "you must be under the curse of heaven." How far the articles of food affect the corporeal powers of human beings it would be interesting to know. I have seen athletes among rice-feeders of INDIA, CHINA and JAPAN, whose feats of strength could scarcely be equalled by European rivals; but these exceptional examples have been taller and stouter than the average size of the population. I have seen an African seize a fierce wild bull by the horns and fling him on the ground, keeping him there in a state of absolute subjection. And in the destruction which has menaced the potato crops, it would be well if we better appreciated the value of maize and rice, as the high price of meat will recommend the use of Australian and South American preserved food.

I would not here neglect to observe that there are few matters less understood among the laboring classes than the art of cookery; for cookery is in itself a science which is closely connected with the economy and with the comforts of every family; and here, as elsewhere, waste is the result of incompetence. The English races are singularly backward in kitchen knowledge, which ought to form a part of the knowledge of every woman. Nor would it be amiss that men should know a little more about kitchen economy than our people. In visiting the camps of our soldiery in foreign countries, I was struck with the greater variety of small enjoyments which the French *militaire* provided for himself, especially in soups and salads, unknown to the English soldier. The French made little gardens in the neighborhood of their tents; the English seldom or never.

It was said by a politician of some renown, that life would be very tolerable but for its pleasures; and to those whose lives are supposed to be devoted to the pursuit of pleasure, or who at least have no business to occupy their thoughts, pleasures become wearisome. Not so the healthy recreation of the laboring and middle classes, which are very inadequately provided in our social system; for not only do some gloomy moralists recommend abstention even from innocent enjoyments, but too little provision is made to furnish attractions for those whom idleness or the public-house too frequently wean away from what is rational or instructive. "Books and works, and healthful play," are recommended by him who has been called the poet of the sanctuary; and we live no longer in days when a few manuscripts formed the libraries of the learned and the lordly. We have now an overflow of literature, even to embarrassment—literature of increasing value and attractiveness. Public libraries are becoming more and more popular.

A mass of novel information has lately been given to us from the agricultural statistics printed by the Board of Trade. As in countries where the capitation tax exists it is difficult to get returns, so in our own land there was great resistance among the farmers to the furnishing true information to the government, lest that information should lead to the imposition of more taxes. It is, however, discovered in process of time that knowledge is a great promoter of the wellbeing of the public, as well as of the individuals who value it.

study it, and apply it. The philosopher will busy himself with inquiries as to whether the same laws regulate the course of animal and vegetable life; how far, and in what matter, each can be made subservient to the improvement of the other; how far the soil, how far the seasons are available for the amelioration of the various types of existence? The tables will afford information to the landlord and the farmer as to comparative benefits of arable or pastoral cultivation; as to the state and numbers of live stock, and the proportion between supply and demand. •These tables will throw light upon the various modes of agricultural management; the means of increasing produce by manure, or other appliances; they will exhibit the contrasts between the districts where advantage has been taken, and where not taken, of mechanical and scientific discoveries. •For example, in this county of Devon, I had occcasion to see from the books of a distinguished manufacturer of agricultural implements, what a small proportion had been introduced compared to those employed in better cultivated tracts in England and Scotland. Then again the contrasts between large and small farms, between the "poor simple scythe and spade" husbandry, and the husbandry which turns the largest and the most advanced experience to the best account. In a large portion of this wide and interesting field, the statistics are unmistakable, and will show not a doubtful but a positive light upon inquiry.

The statistics of emigration are a valuable contribution to the history of our race. Who could have fancied such a development of knowledge and of trade as that to which the settlement of a few individuals from ENGLAND has led in the establishment of the UNITED STATES, the Australian and Canadian colonies, and other distant regions? The growth of nations, the mingling of races, the decay, the disappearance or absorption of the inferior types of man, to give place to a constantly improving model. Associated with these changes, the accession of words to language, necessitated by growing wants and extending civilization, the progress from dialects where the whole vocabulary scarcely exceeds a hundred and twenty words, up to the present state of knowledge, when perhaps six hundred thousand designations are required to nominate all the existences of animal and vegetable life, and all the distinct species which science has discovered in the multitudinous fields of research. With the extinction of races, the extinction of language or idioms must continue; and there can be little doubt that the increase of the population of the world will tend to the diminution of the lingual instruments of intercourse. In rude stages of existence the same language is confined to very small tribes; they perish together, or are blended with more influential elements, replaced by the richer and more useful languages spoken by many; and the time may be anticipated when the knowledge of no great number of languages will enable a man to communicate with the whole of his race of every clime and color. The statesman will be asking for the *when*, for figures and dates, and calculation; the mere speculative philosopher will busy himself with the *how;* but each will assist the other in his inquiries. The Teutonic, with its German and Scandinavian branches; the

English; the Latin-derived tongues like Spanish, Portuguese, Italian and French; and the various idioms of the Slavonic, may even now be said almost to monopolize the European area; and it would require no great amount of study to obtain a tolerable mastery of every language popularly spoken in every capital from Lisbon to St. Petersburg, and these changes are far more rapid than might be supposed. Of the principal literary languages of Europe, there is not one that would be intelligible to an individual who lived seven or eight centuries ago. Who of us could hold a conversation with our Saxon ancestors? What would a Saxon of the time of the heptarchy make of the classical language of our modern historians? Literature no doubt stamps with less delible marks the progress of mind; and though no doubt ever-augmenting riches will go on the tongues of our descendants, it is quite possible that the pure well of English undefiled will have to receive multitudinous streams hereafter. The use of Chinese written language, understood by probably five hundred millions of men, and by far the oldest of living tongues, is rather likely to extend than to be diminished.

The post-office statistics are among the most instructive, as illustrating the development of trade growing from the facilities of intercourse. We have a pretty accurate knowledge of the number of letters received and despatched in the UNITED KINGDOM. It would be interesting were it possible to ascertain the amount of correspondence through the civilized world. In CHINA there is no national post-office. When I was minister there, it required six months to receive an answer to a letter sent from Canton to Pekin. Thirty years ago, when my official duties took me to UPPER EGYPT, a messenger followed me for three weeks, in order to deliver a despatch from the Government. It would now require less than three days. And were it possible to estimate the circulation of newspapers, in this and other countries, this would certainly be, if not a test of civilization, an evidence of the amount of interest felt in public affairs.

The last published official returns exhibit the following results of post-office reform.

The number ef post offices in the UNITED KINGDOM is about 12,000; of road and pillar boxes, 8,000.

The number of officials employed is 29,344.

The number of newspapers circulated by the post is about 99,000,000.

Of books, circulars, and pattern and sample packets, the last yearly return gives 103,000,000.

There was a considerable interruption of postal communication during the German-Franco war; it may be interesting to know that the number of pigeon mails despatched from London during November and December, 1870, and January, 1871, was 1,234.

London has 9 daily deliveries, 3 towns have 8, 4 towns have 7, 6 towns have 6, 43 towns have 5, 63 towns have 4, 76 have 3, and 357 have two deliveries.

The number of letters delivered in GREAT BRITAIN and IRELAND in 1871 was 915,000,000; of these 3,300,000 were registered; an increase of 52,000,000 on the previous year; 75,000,000 of post-cards, and about 12,000,000 of telegraph messages.

The amounts paid on money orders, £21,949,086 in the UNITED KINGDOM. The number of money-order offices is 4,300.

The post-office provides medical attendance for all its servants, the average mortality being 7-5 per 1,000.

The number of telegraphic messages sent in 1871 was about 240,000 per week.

The gross revenue for 1871 was £4,900,454.

Total cost of post-office service, £2,559,796.

Net revenue, £2,340,657.

The electric telegraphs must not be forgotten. They have been, and will be yet more, the internationalizers, if the word may be used; they have done what the witchery of Shakespeare's *Ariel* was famed to do, girdled the earth in a few minutes. It was my fortune to be present at the first exhibition of this wire power to the mandarins in CHINA. Their curiosity was extreme, but it even became mingled with wonderment and alarm. The messages were sent from one extremity of the line to the other. "We understand it," they said: "You have a tube through which you have sent the message in a cannon ball;" but the promptitude with which an answer was returned, and the details given of what was doing at the farther end, which they had previously settled among themselves, and of which we could have no knowledge, utterly perplexed them, and they exclaimed, as the sole solution: "You and the devil understand one another, and there's an end of it."

Eleven millions seven hundred and sixty thousand telegraph messages were sent in 1871 by the post-office, of which the average charge, inclusive of porterage, was 1*s.* 1½*d.* Under the companies, the average charge was nearly 2*s.* 2*d.*

The deposits of savings banks, so much aided by their association with the post-office, now amount to more than 4,000, and hold more than £17,000,000; and the facilities given to depositors is one of the marked improvements of the age, and an evidence that numbers of the laboring class begin to understand the value of economy and the desirability of making some provision for what they call the "rainy day." It is to be hoped as they better understand their true interests they will, instead of benefit clubs, in which they are so often robbed and deluded, be more and more disposed to avail themselves of the simple official machinery now made so acceptable. Benefit societies held at public houses frequently bring with them the evils of intoxication, waste of money, and destruction of family happiness. These evils are beyond the reach of statistical research, while savings banks, on the other hand, promote the comforts which grow out of prudential, economizing and far-sighted calculations.

Railway statistics can hardly be passed over in any review of the commercial position of nations, still less in their influences upon civilization, and their contributions to human enjoyment. If any one had ventured to prophesy two generations ago that more than £500,000,000 sterling would be invested in a new mode of traveling, by which (with far less risk than by the ancient conveyances) people were to be transported at the rate of from twenty to forty miles an hour, that iron roads would be constructed by which every considerable place in the UNITED KINGDOM would be connected with every other, and all the marvelous results, financial and moral, sketched out, the predictions would have been deemed as baseless as the promises of the alchemists in the dark ages to make gold out of stones; but the wealth which has been produced out of stones, and timber, and iron, applied by science to purposes of locomotion, in the present and for the future, certainly exceeds in value all the gold and silver that circulates through the world. The wealth of Crœsus and of India may be estimated. Not so the riches which science has poured out from her ever-flowing streams. Contrast the caravan, conveying a few hundred weight of the merchandise of the East on the backs of camels, requiring days of preparation for the journey, and the journey itself prosecuted through difficulty and danger, at the rate of two and a half miles per hour, for eight hours of the day, with the goods train behind a locomotive engine carrying hundreds of tons at a dozen miles an hour, collected and dispersed with all the facilities which machinery can apply. It is within my recollection that there were many roads leading to important places in this very country which no wheel-carriage could pass, and when everything was conveyed on the backs of packhorses stumbling over the broken stones, and often merged in the deep mud.

Great improvements have of late years been introduced into railway accountancy; and as some general system will by-and-bye prevail, both shareholders and travelers will benefit by whatever tends to simplify the reports of receipts and expenditure. The great establishment of the railway clearing house in London, in which all the principal railways have now their accounts examined, and the budget properly apportioned among the various companies, will become of great value for the unification of the modes of book-keeping, while the employment of the decimal and metric system will give additional security for the accuracy, while it provides the greatest simplicity of all the calculations involved.

If it be difficult to collect the statistics of misery and crime, still less accessible are those which represent the amount of social and individual happiness and virtue. In the midst of much ostentatious beneficence no doubt there are some who

"Build a church to God and not to fame."

Charitable institutions blazen out the names and the benefactions of their supporters, and deeds of public munificence are frequently proclaimed by loud trumpets from exalted places. But what are these compared in their influence upon the general felicity with

"The little nameless, unremembered acts
Of kindness and of love,"

that brighten the domestic hearth? Who can form any estimate—even approximative—of the pleasures created, of the pains alleviated or averted, by those constant daily solicitudes and attentions exhibited in the fraternal and filial, the brotherly and sisterly, and other family affections?

"The charities which warm and bless,
Are scattered at the feet of man like flowers."

Then, again, the thought is lost in the immeasurable, for the question might embrace all tribes and tongues, all religions, all usages. Here, as everywhere, the fields of exploration are limitless, and curiosity may find food for every speculation.

There can be no doubt that, on the whole, public morals are improving. The Secretary of State declared emphatically at the International Prison Congress, that whether from the progress of education, the increase of natural prosperity, the greater demand and better reward for labor, there has been a considerable diminution of crimes, notwithstanding a progressive increase in the population.

The published statistics confirm this satisfactory statement.

The commitment of adults in 1870 were 147,225; in 1871 they were 140,127, a diminution of about 5 per cent.; of youths under sixteen there were committed in 1870, 9,988; in 1871, 8,977; a diminution of 10 per cent.

In the sixty-five reformatories of England and Scotland, in which are 5,419 boys and girls, besides 1,040 out on license preparatory to discharge, it is estimated that of the whole nearly 70 per cent. are rescued and reformed. We have thus subjects of consolation in the midst of our doubts and difficulties, certainly enough to reward and encourage perseverance.

It is true that statistics fail us on a very large portion of the social field. Take the case of intemperance; we can follow some of the mischief it produces: where the drunkard is brought before the magistrate to be punished for his inebriety, or for crimes committed under its influences, in all their grades from common assaults up to manslaughter or murder; but what statistics can reach all the consequences in domestic misery, cruelty to wife, neglect of children, loss of wages, loss of health, loss of reputation. How can statistics pursue the results of crime in their multitudinous ramifications? The criminals who are handed by the police to the sessions or assizes may be grouped together; their numbers, their cost, their offences, their sentences, their committals, and other tangible and recordable facts may be attested for the instruction of the magistrate and the lawgiver. But how imperfect are the statistics which would record the unsuspected, the undetected, the unconvicted misdoers, who escape the control of public opinion, or the action of the law? You may have the statistics of colleges and schools, and show, however imperfectly, what has been done in the education of the people; but by what machinery can you exhibit the whole extent of ignorance and the amount of mischief caused by the presence and influence of that demon of darkness which has been not improperly called "the father of evil," "the scourge of society"? Valuable, indeed, would be such statistics if obtainable for our guidance and governance; but because they are not obtainable, because there must be inapproachable regions in the vast areas of social inquiry, is that a reason why we should not gather together the facts which are accessible to us? Is it not rather a reason for our doing so, that we should do what we can, that we cannot do all that we would?

If we take the statistics of drunkenness, we may find some of the materials nearly complete, such as the quantity of alcoholic drinks produced and consumed, for that which does not pay duty is so comparatively small that it forms an element scarcely worth consideration; and we may follow to some extent the distribution of the liquids among the community; but when we inquire what portion is usefully and healthfully used, what innocently or without salutary or sanitary effects, and what perniciously or destructively, no satisfactory figures can ever be obtained. The police records of sessions and assizes enable us to state how many are accused and convicted of drunkenness, but we are much in the dark as to the multitudes that escape the cognizance of the constable, though it may be assuredly assumed that they greatly exceed those who figure in the police returns. It might be possible to form an approximative estimate of the number of those who frequent public-houses, and the proportion among them who indulge in drinking to excess; but who can penetrate into private homes, and state how much there is of social and how much of solitary inebriety; who can portray the mischiefs and miseries which the abstraction of money for the purposes of drink has caused in the diminution of the supplies of the comforts and luxuries, to say nothing of the necessaries of life? What innocent pleasures might not have been enjoyed, what instructive books might not have been read, what becoming garments instead of disgraceful rags might not have been worn, what wholesome food and drink instead of pestilent poison, what happy, well-ordered homes, instead of offensive hovels, broken furniture, foul beds, and all the attendants of wretchedness and woe!

But here, as elsewhere, I may be accused of wandering into the domains of science, and of debating questions which more specially belong to other departments than that to which these observations are devoted. But is it not true that all the departments of science are affiliated to and connected with one another, and that in all that concerns this material world, statistics are very valuable auxiliaries wherever facts are associated with figures? And how small a portion of the field is there in which figures do not or may not form an important element? And the nearer figures can be brought to represent or approximate to facts, the more accurate will be the conception of what is, or ought to be. Mathematics and algebra; nay, poetry, music, painting, sculpture, and architecture, themselves represent proportions which bear a direct relation to numbers, and by the use of mathematical signs will be better conceived. The fanciful song of the bard bears the title of numbers as much as does the grave enumeration of the people in the Pentateuch, or in the returns of the Registrar-General. Advocates are disposed no doubt to overestimate the value of their own art or science; but the important position which statistics, in their multitudinous forms and varieties, now occupy, will serve, it is hoped, as a justification, at all events an apology, for the charactor of this address.

The statistics of lunacy or imbecility of intellect, in connection with our criminal population, is well worthy of inquiry. Many of our very eminent judicial functionaries, while recognizing among the dangerous classes much craft and cunning, have also observed that the general character of criminals, whether from indifferent or no education, or from not always traceable causes, are intellectually much under the average standard. In the convict prison of Millbank, the average of insane, weak-minded persons exceeds 20 per cent. In Perth prison it is officially reported that one out of every nine is more or less insane, and one out of every 140 irresponsibly so. The judicial statistics (1867–8) show that 1,244 criminal lunatics became or were found insane after sentence—a remarkable evidence of the averment that solitary confinement very frequently leads to a disordered brain. Of 664 tried for murder 108 were legally pronounced insane. The theories which connect insanity with crime, whether they involve irresponsibility or mitigation of penalty, are, though often contradictory, best to be solved by the facts which statistical investigation may gather together.

Second to none and superior to most in importance are the statistics of education. The cost of our schools would present interesting questions as to the results produced by the expenditure in the various establishments. The information possessed as to the pecuniary resources of many of our public schools is very fragmentary and unsatisfactory, but quite enough to show the desirableness of a more efficient revision and control. It would be possible to institute investigations as to the expenditure incurred and the benefits conferred. And after ascertaining what has been done, comes the still more important question, as to what ought to be done, both for adults and for the young. What are the numbers of those who are utterly abandoned? At what cost can they be provided for? And how best provided for? The statistics of education enforced by law may be studied on the Prussian returns; but most advantageously perhaps in the Canton of Appenzel, where an uneducated person is scarcely to be found, and where the sums applied to public instruction exceed the amounts expended on all the other departments of the State. Some of the United States of AMERICA, particularly MASSACHUSETTS, could afford more instructive statistical details.

POPE says, wisely, "The proper study of mankind is man." Not only man in masses, but men as individuals. To discover the special tendencies and aptitudes of a child, with a view to their guidance and development, is to give the child the best chances of success in the future struggles of life. As the same medicine will not suit different diseases, so the discipline which encourages, controls, or corrects, should be suited to the individual character.

Bankruptcy returns occupy an important place in the field of commercial inquiry. The number of bankrupts; the amount of their debts; the causes of the inefficiency of the laws which fail to protect the creditor against the fraudulent debtor; the aptitude of the machinery created for giving effect to those laws. For these and similar inquiries statistics afford the only safe foundation for legislation.

The number of books collected in the great libraries represent the gathered wisdom of the past, and the number of volumes is pretty accurately ascertained. But the quantity of books published in different countries is very imperfectly known, and of those deemed worthy of translation the list is very small. Of the least known and studied languages of the world, the literature is almost ignored in the great interchange of minds; but as the valuable books in the most accessible idioms are explored and exhausted, attention will no doubt be turned to regions less visited. The statistics of books published in different regions may furnish pabulum for future authors.

May not the study of statistics have a moralizing effect upon public opinion? May it not influence sovereigns and legislators when the cost of great national evils, and sometimes of great national crimes, is taken into account? Ask, for example, the returns of the waste of human life, of the sacrifices of money, which we owe to the devastation of war—though these sacrifices are not confined to statistical tables, but ramify into all the branches of human suffering—and it is hoped that the startling facts in figures which have been published connected with international hostilities, may not be deemed inappropriate, as they certainly cannot fail to be instructive.

Sir Walter Trevelyan has expressed an opinion that government in our army system encourages intemperance and vice. He states that the expense of enforcing the Contagious Diseases Act has increased in one year from £28,000 to £40,000, and the hospital rates from £275,589 to £380,771. The recruiting in public-houses, the bad character of the enlisted, the habits of drunkenness, the allowance of beer money to the soldiers, and the Prince Regent's allowance of his pint of wine to the officers, are all contributory to the habits of inebriety, while debauchery itself has received a sort of public sanction under the idea that it is preventive of greater evils.

The law which releases a soldier from any responsibility to maintain his family, or to provide for his illegitimate children, has served to protect, and even to encourage, immorality.

If the speculations of astronomy and geography, infinite in their extent as they seem to be, are gathered into the regions of arithmetical calculation, not less are the phenomena of life—descending into the limitless depths of microscopical observation—destined to be brought into the statistical area. The millions of animated beings which dwell in a drop of water, or are bred upon the covering of a fly, will be subject to calculations like the pollen of a flower, the roe of a herring; the distance, magnitude, or number of heavenly bodies; or the processes by which all that is has been brought down from all that was, in the grand continuity whose origin is untraceable. Professor Huxley feels, as every one, the use, not to say the necessity, of employing figures, to present points of comparison or notions of extent. In these days we give a wider range to these thoughts which appeared mysterious to the half-instructed, and were utterly unintelligible to the vulgar—such as the great truth that "everything is in everything"—which is, in fact, but to say that there is all-controling influence, a common law, which some call providence, and others fate, but which holds in subjection all space, all time, and whatever belongs to either. Happily, to every being is given a work to do—a purpose to fulfill; and the succession of human beings, generation after generation, are but some of the multitudinous instruments for effecting the great but inevitable result.

Another section of the Association has been engaged in discussing the great questions of International Law and International Arbitration. These questions are so intimately connected with economical and commercial interests, that I should have ventured to supplement what I have said by some remarks on what has happily become one of the most interesting and exciting topics of the day. It is obvious that a reference to a friendly and well-constituted tribunal for the settlement of matters which have so frequently led to the "outslip of the dogs of war," could not but greatly serve the interests of economy and commerce—nothing can be more opposed than war to the cultivation of brotherly affections, nor to the extension of trade. Civilization has done something, much less than it ought to have done, for the suppression of internecine quarrels; it has more effectually broken down the barriers which separated town from town, district from district, province from province, which are now almost universally allowed to trade with one another. Every reason which justifies the removal of local restrictions applies to the Custom-house codes of nations; and, if not for the adjacent present, we may anticipate for a remoter future the abolition of tariffs grounded on a supposed hostility of interests—an hostility which has no foundation in fact. I will only say that BENTHAM, whom TALLEYRAND called the wisest man he had ever known, has laid down the foundation of a system of international law, with proper machinery for enforcing a code, with a view to accommodating general principles to the different conditions of national law. He would have tribunals of war as well as tribunals of peace. The principle of Arbitration has been recognized by AUSTRIA, ITALY, SWEDEN, SPAIN, BELGIUM, and others. Let due honor be done to LEOPOLD I, who took the initiative in this important matter. The melancholy history of the treaties which have been negotiated during the last two or three centuries will show that arrangements hostile to national and international interests have been scattered to the winds. The pressure of necessities, misunderstandings with great nations, have introduced an era little anticipated by the last generation. With Lord PALMERSTON all argument failed: he insisted that GREAT BRITAIN was sufficiently strong to obtain the recognition of her rights and the redress of her wrongs. The voice of reason, truth and justice have spoken authoritatively at Geneva, and its echoes will be heard through the civilized world.

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THE STAMP ON BANK CHECKS.—The bill introduced in the House of Representatives recently, for the abolition of the stamp duty on bank checks, is to be condemned for two principal reasons. In the first place, it is one of the most equitable taxes that can be devised. It amounts to two cents on every bank check drawn, no matter what the amount may be. It is paid, therefore, by those whose business requires a bank account. In other words it falls on the rich and not not on the poor. Moreover, it is not burdensome to the rich and is so adjusted to the amount of business done—that is, to the usual profits of capital—that the amount paid by one man as compared with that paid by another bears a fair proportion to the relative financial ability of different citizens. In the second place, it is systematized. When a person or business firm opens a bank account, he can procure a check-book with each check properly stamped at the government office, and thus all the trouble attending the ordinary use of adhesive stamps is avoided. It follows from this that the provisions for paying the tax have been fully incorporated in the business of the country, and therefore its abolition will require a change in the regular methods of carrying on the business of banking.

—*N. Y. Evening Post.*

We differ from our cotemporary in the view of this topic. The stamp upon checks, alike that upon bills and notes, has been fruitful in complaints and annoyances. Many firms have yet in use the check books purchased before the adoption of the printed revenue stamp. To affix stamps to these is quite annoying and the revenue to the treasury, from the whole, is a small matter. The tax is unequal, because it bears only upon one portion of the community. The whole system of stamps is a vexatious one and should be utterly abolished. The only equitable system that would bear with an appreciable force is a tax upon sales; one which would furnish ample means to the treasury, and bear equally upon every member of the community. A tax of one per cent. upon sales of merchandise and of other property, would scarcely be felt by the purchasers, and could be readily collected with very slight expense to the treasury.

Another tax would yield largely and equitably, viz: a poll tax of three to five dollars upon every male, and one to two dollars upon every female. This is the smallest contribution that should be made annually by each person in thirty-eight millions of people, in consideration of the protection of the government.

# THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from June No., page 936.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of May, 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:

| May, 1873. | | 1873. | 1872. | 1871. | 1870. | 1869. | 1868. |
|---|---|---|---|---|---|---|---|
| 1 | Thursday.. | 16¾ 17⅜ | **12¼** 12⅝ | 11⅛ 11½ | Sun. | **34⅝** 35 | 39⅜ 39½ |
| 2 | Friday ... | **16⅝** 16⅞ | 12⅜ 12⅝ | 11⅛ 11⅜ | 14⅞ **15½** | Sun. | 39¼ 39⅝ |
| 3 | Saturday .. | 16⅝ 17 | 12½ 13⅛ | 11 11¼ | 14½ 15 | 35 36 | Sun. |
| 4 | **Sunday** | Sun. | 13 13¼ | **11** 11⅛ | 14¾ 14⅞ | 35¾ 36¼ | 39⅛ 39½ |
| 5 | Monday ... | 16⅝ 17 | Sun. | 11⅛ 11¼ | 14⅝ 14⅝ | 35½ 35⅞ | 39⅛ 39⅝ |
| 6 | Tuesday .. | 17 17¼ | 13⅛ 13¼ | 11 11¼ | 14⅝ 14⅞ | 35⅞ 36⅜ | 39⅛ 39½ |
| 7 | Wednesday | 17¼ 17½ | 13½ 14⅛ | Sun. | 14¾ 15⅛ | 36⅜ 39¼ | 39½ 39¾ |
| 8 | Thursday.. | 17⅛ 17½ | 13½ 14 | 11 11¼ | Sun. | 37⅜ 39¾ | 39½ 39⅞ |
| 9 | Friday .... | 17¼ 17⅜ | 13⅞ 14¼ | 11⅛ 11¼ | 14⅝ 14⅞ | Sun. | 39⅝ 40¼ |
| 10 | Saturday .. | 17⅝ 18⅜ | 13⅞ **14⅜** | 11⅛ 11¼ | 14⅝ 15 | 37 37⅞ | Sun. |
| 11 | **Sunday.** | Sun. | 14⅛ 14⅜ | 11⅛ 11⅜ | 14⅞ 15¼ | 37¾ 38¾ | 39¾ **40½** |
| 12 | Monday ... | 17⅝ 18¼ | Sun. | 11⅛ 11⅜ | 15 15½ | 38¼ 38⅝ | 39⅝ 39¾ |
| 13 | Tuesday .. | 17½ 17⅞ | 13¼ 13¾ | 11⅜ 11½ | 14¾ 15⅛ | 37⅞ 38⅜ | 39⅝ 39⅞ |
| 14 | Wednesday | 17⅝ 18 | 13½ 14 | Sun. | 14⅝ 14⅞ | 38½ 38⅞ | 39¾ 40¼ |
| 15 | Thursday.. | 17⅝ 17⅞ | 13⅝ 14⅛ | 11⅜ 11⅝ | Sun. | 39⅛ 39⅞ | 39⅝ 39⅞ |
| 16 | Friday .... | 17¾ 18 | 13⅞ 14¼ | 11⅝ 11¾ | 14⅝ 14¾ | Sun. | 39½ 39⅞ |
| 17 | Saturday .. | 18 18⅜ | 13¾ 14⅛ | 11¾ 11⅞ | 14¾ 15 | 40⅞ 42 | Sun. |
| 18 | **Sunday.** | Sun. | 13½ 13¾ | 11¾ 12⅛ | 14¾ 15 | 41⅝ 42½ | 39¼ 39½ |
| 19 | Monday ... | 17¾ 18⅛ | Sun. | 11¾ **12¼** | 14½ 14⅞ | 41¾ 43⅝ | 39⅝ 39¾ |
| 20 | Tuesday... | 17⅝ 17⅞ | 13½ 13⅞ | 11¾ 12 | 14½ 14¾ | 43⅝ **44⅞** | 39⅝ 39¾ |
| 21 | Wednesday | 17⅝ 17¾ | 13½ 13¾ | Sun. | 14⅝ 14⅞ | 41⅝ 43¼ | 39¾ 39⅞ |
| 22 | Thursday.. | 17½ 18 | 13¾ 14 | 11⅝ 12 | Sun. | 40½ 41¾ | 39¾ 40 |
| 23 | Friday .... | 17⅞ 18½ | 13⅞ 14⅛ | 11½ 11¾ | 13⅞ 14⅜ | Sun. | 39⅝ 39⅞ |
| 24 | Saturday .. | 18⅜ **18⅝** | 13⅝ 13⅞ | 11⅝ 11⅝ | **13¾** 14¼ | 41⅝ 42½ | Sun. |
| 25 | **Sunday.** | Sun. | 13½ 13¾ | 11½ 11¾ | 14¼ 14⅝ | 40¾ 41¼ | 39¾ 40 |
| 26 | Monday... | 18⅛ 18⅝ | Sun. | 11⅝ 11¾ | 14⅛ 14¾ | 39¼ 40⅞ | 39⅞ 40⅛ |
| 27 | Tuesday .. | 17⅞ 18½ | 13½ 13¾ | 11½ 11⅝ | 14⅝ 15⅛ | 38¾ 39⅝ | 39⅝ 40⅛ |
| 28 | Wednesday | 18¼ 18½ | 13¾ 14 | Sun. | 14½ 14⅞ | 39¼ 39¾ | 39⅝ 39⅞ |
| 29 | Thursday . | 18⅛ 18½ | 13¾ 14¼ | 11⅝ 11⅞ | Sun. | 39¾ 40¼ | **39⅛** 39½ |
| 30 | Friday .... | Holiday. | 14 14⅛ | 11¾ 11⅞ | 14⅝ 14½ | Sun. | 39½ 39¾ |
| 31 | Saturday .. | 17¾ 18⅛ | 14 14⅛ | 11⅝ 11⅞ | 14¼ 14⅝ | 38⅝ 38⅞ | Sun. |

The gold market for the month of May had a range of only two per cent., notwithstanding the violent fluctuations in money and stocks. The lowest premium in May was 16⅝, and the highest 18⅝; the tendency being upward at the close of the month. These quotations, when compared with the premium prevailing in May, 1870, 1871 and 1872, are an ample commentary upon the financial policy maintained by Congress. The foreign export of gold from New York this year (5¼ months) has been $23,859,000 against $30,500,000 for same period of 1872.

# FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

## FOR THREE MONTHS.

Monthly Report, Compiled by **Thomas Denny & Co.**,
Stock and Bond Brokers, 39 Wall St.

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(*Continued from page* 935, *June No.*)

| Stocks. | Mar., 1873. Lowest. | Mar., 1873. Highest. | April, 1873. Lowest. | April, 1873. Highest. | May, 1873. Lowest. | May, 1873. Highest. |
|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 118¼ | 120¼ | 118⅜ | 121 | 119 | 122⅛ |
| " Five-Twenty of 1862, " | 115¼ | 117¼ | 116 | 118⅝ | 114⅞ | 116¾ |
| " " 1864, " | 115½ | 117⅜ | 116 | 118⅝ | 114½ | 116¾ |
| " " 1865, " | 116⅝ | 118¼ | 117⅞ | 120 | 117⅛ | 118¼ |
| " " 1865, New, " | 114¼ | 116⅞ | 115⅛ | 118⅝ | 117⅜ | 119¼ |
| " " 1867, " | 116 | 118¼ | 116½ | 120 | 119¼ | 121⅛ |
| " " 1868, " | 116⅛ | 118 | 116 | 118 | 117⅞ | 120½ |
| " Ten-Forty Coupon Bonds..... | 110 | 112½ | 111 | 114⅛ | 113⅜ | 114⅝ |
| " Five per cent. of 1881......... | 112⅞ | 115⅛ | 115¼ | 116¼ | 115¼ | 116¼ |
| " Six per cent. Currency......... | 113⅝ | 115 | 112¼ | 116 | 115 | 116½ |
| Tenn. Six per cent. Bonds, Old..... | 80 | 86 | 77½ | 80⅝ | 79 | 82 |
| " " " New..... | 79⅞ | 86 | 78½ | 80¼ | 78¼ | 82 |
| Virginia Six per cent. Bonds, Old.. | 44½ | 46 | .. | .. | .. | .. |
| " " " New.... | .. | .. | .. | .. | .. | .. |
| " " " Consol.. | 55½ | 56¾ | 52 | 54 | 52½ | 54⅜ |
| N. Carolina Six per ct. Bonds...... | 31½ | 32 | 30 | 30 | 27 | 27½ |
| " " New....... | 17 | 18 | 16½ | 17 | .. | .. |
| " " Special Tax | 13 | 13 | 13 | 16⅞ | 15 | 15 |
| S. C. Six per ct. Bds. Jan. & July.. | 17 | 20½ | 17½ | 19¾ | 15 | 17½ |
| " " April & Oct.. | 22 | 23 | 23 | 27 | 28 | 28 |
| Missouri Six per cent. Bonds........ | 93½ | 95¾ | 93½ | 94 | 93½ | 94¼ |
| Canton Company of Maryland..... | 93½ | 102¼ | 90 | 92½ | 93½ | 110 |
| Delaware and Hudson Canal Co.... | 117 | 123 | 112 | 115¼ | 114¼ | 117¼ |
| Consolidated Coal Co. of Maryland. | 51¼ | 57½ | 53¾ | 58½ | 54½ | 57⅛ |
| Quicksilver Mining Company...... | 40 | 45 | 38 | 40¼ | 36 | 40⅜ |
| " " Preferred | 50 | 54 | 50 | 50⅛ | 47 | 50 |
| Mariposa Mining Company......... | .. | .. | .. | .. | .. | .. |
| " " Preferred | 1 | 1¼ | 1 | 1¼ | .. | .. |
| Western Union Telegraph Co...... | 83 | 90⅛ | 77⅝ | 87½ | 84 | 88¼ |
| Pacific Mail Steamship Company.. | 49 | 62 | 53 | 61¼ | 39¾ | 57⅛ |
| Adams Express Company.......... | 94 | 95¾ | 92¾ | 95¾ | 93 | 96 |
| Wells, Fargo & Co. Express Co.... | 80¼ | 85¾ | 78 | 81½ | 79⅞ | 82 |
| American Merchants' Union Express | 66 | 69¼ | 65½ | 69 | 67 | 69 |
| United States Express............. | 72¼ | 76 | 71½ | 76½ | 70 | 74 |
| N. Y. Cent. and Hudson River R. R. | 100 | 106¼ | 97 | 102¾ | 99⅝ | 102¼ |
| Erie Railroad, Common........... | 62¼ | 66½ | 63¼ | 66¾ | 59¼ | 65⅜ |
| " Preferred........... | 74 | 79½ | 73 | 77 | 72 | 74 |
| Harlem Railroad, Common Shares. | 127 | 139 | 120 | 137½ | 122½ | 131 |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | Mar., 1873. Lowest. | Mar., 1873. Highest. | April, 1873. Lowest. | April, 1873. Highest. | May, 1873. Lowest. | May, 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 139¾ | 141 | 135½ | 139 | 137½ | 140 |
| Michigan Central Railroad Co..... | 105 | 108¼ | 103½ | 105¾ | 103½ | 105½ |
| Lake Shore & Mich. Southern R.R.. | 91⅛ | 96⅛ | 88¾ | 93¾ | 89⅝ | 93 |
| Panama Railroad Company Shares.. | 106¾ | 127½ | 103 | 112½ | 109 | 117¾ |
| Union Pacific Railroad “ .. | 33⅜ | 35⅞ | 25 | •35 | 25¼ | 32¾ |
| Illinois Central Railroad “ .. | 117½ | 123 | 114 | 118 | 113½ | 118 |
| Cleveland & Pittsburgh R.R. “ Gtd. | 88 | 90¼ | 88 | 89½ | 87 | 89¾ |
| “ Col., Cinn. & Ind. R.R... | 87 | 90 | 82½ | 87½ | 86½ | 90 |
| Chicago, Rock Island & Pacific R.R. | 112 | 117⅜ | 104½ | 114¾ | 107 | 111⅜ |
| “ Burlington & Quincy “ | 111 | 113 | 109 | 111 | 107 | 109½ |
| “ & Alton Railroad Shares.. | 108¼ | 112⅞ | 110 | 111¼ | 110¼ | 111½ |
| “ “ “ Pref. | 112 | 114½ | 112 | 113½ | .. | .. |
| “ & Northwestern R.R. Shares | 80 | 82½ | 76 | 82¼ | 78 | 82 |
| “ “ “ Pref. | 87½ | 90 | 83 | 88 | 84½ | 87½ |
| Del., Lackawanna & West. R.R. Co. | 100⅝ | 102 | 95 | 101 | 100 | 105 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93⅜ | 95½ | 91½ | 93¾ | 93 | 93¾ |
| Toledo & Wabash R.R. Co. Shares. | 71½ | 74½ | 62 | 72⅞ | 67¾ | 70⅜ |
| “ “ “ Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | 23½ | 25 | .. | .. | .. | .. |
| “ “ “ Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 44⅛ | 46⅝ | 40⅝ | 45½ | 40⅝ | 44⅛ |
| Hannibal & St. Joseph R.R. “ | 40 | 45¾ | [illegible] | 45⅛ | 35 | 42 |
| “ “ “ Pref. | 60 | 66 | 65 | 65 | .. | .. |
| Milwaukee & St. Paul R.R. Shares | 52⅛ | 60¾ | 53 | 62¼ | 53½ | 58⅞ |
| “ “ “ Pref. | 73 | 76½ | 68¾ | 76 | 71½ | 73⅞ |
| Boston, Hartford & Erie R.R. Shares | 2⅝ | 9¼ | 2⅞ | 4⅝ | 2⅛ | 3⅛ |
| Col., Chic. & Ind. Cen. R.R. Shares | 36 | 42¼ | 35½ | 40½ | 29⅝ | 37½ |
| Dubuque & Sioux City Railroad... | 63 | 63 | .. | .. | .. | .. |
| New Jersey Central Railroad Shares | 103 | 105 | 96 | 103 | 102 | 106¼ |
| Morris & Essex Railroad Shares... | 90¼ | 91½ | 90 | 92 | 92 | 94 |
| N. Y. Central Six p. ct. Bds. of 1883 | 94¼ | 95 | 94½ | 95½ | 90 | 92½ |
| Erie First Mortgage Bonds of 1868.. | 103 | 103½ | 103 | 103⅝ | 101 | 101½ |
| Long Dock Bonds................ | 95 | 95½ | 95½ | 97½ | 97¾ | 99 |
| Mich. Southern Sinking Fund Bonds | 04 | 105 | 104½ | 105 | 101 | 103 |
| “ Seven p. ct. 2d Mtge. | 98½ | 100½ | 99 | 100 | 97 | 98½ |
| Central Pacific 1st Mortgage Bonds | 103 | 104 | 102½ | 103½ | 102¼ | 103¾ |
| Union “ “ “ | 85¼ | 87⅛ | 85½ | 87⅛ | 85 | 87 |
| “ “ Land Grant Bonds.. | 77 | 79½ | 73¼ | 75¼ | 68 | 75¼ |
| “ “ Income Bonds...... | 70⅛ | 77 | 72¼ | 74½ | 58 | 73 |
| Alton & Terre Haute 1st Mtge. Bds. | 100 | 101 | .. | .. | 99 | 100 |
| “ “ 2d “ Pref. | 88½ | 89 | 88 | 88 | 88 | 88½ |
| “ “ “ Income Bds. | 81½ | 81½ | 80 | 82 | 78 | 78 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | .. | .. | 96 | 97 |
| Chic. & N. W. Consol'n S. F. Bonds | 90¾ | 91 | 90 | 91¼ | 89 | 89¾ |
| “ “ 1st Mortgage Bonds.. | 98½ | 100 | 97 | 100 | 98½ | 101¼ |
| Cleveland & Tol. Sinking Fund Bds. | 101 | 101 | 102 | 102 | 102 | 104 |
| “ & Pittsb'gh Consol'n Bds. | .. | .. | .. | .. | .. | .. |
| “ “ Second Mtge. | 99 | 99 | .. | .. | 100 | 100 |
| “ “ Third “ | .. | .. | 100 | 100 | 97¼ | 97½ |
| “ “ Fourth “ | 85 | 86 | 84 | 85 | 85½ | 87 |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 101⅞ | 104 | 103⅜ | 104 | 103½ | 104⅛ |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 94¼ | 95½ | 94½ | 98½ | 97⅞ | 98½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 90⅞ | 91¾ | 85½ | 87 | 86⅝ | 89¾ |
| “ “ “ “ 2d “ | 72¼ | 74¼ | 72¼ | 73½ | 70 | 73½ |
| Toledo, Peoria & Warsaw 1st, E D. | 91 | 91½ | 89½ | 91 | 91 | 93½ |
| “ “ “ 1st, W D. | 88¼ | 89 | 87½ | 88 | 88 | 88⅞ |
| “ “ “ 2d, W D. | 81 | 81 | .. | .. | 74 | 74 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 80 | 80 | 80 | 82 | 80 | 81 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 38⅞ | 42¾ | 36 | 41½ | 34¼ | 38¼ |

# PUBLIC DEBT OF THE UNITED STATES.

*Abstract of the Official Statements, January, 1869, to June 1, 1873.*

| | *Jan.* 1, 1869. | *January* 1, 1871. | *January* 2, 1872. | *January* 1, 1873. | *May* 1, 1873. | *June* 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 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,051,002,300 | 1,050,002,300 |
| | $2,107,835,350 | $1,935,342,700 | $1,853,856,700 | $1,756,651,450 | $1,748,305,950 | $1,747,305,950 |
| **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 | 22,025,000 | 2,780,000 | 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 | $79,516,512 | $79,301,512 |
| **ON WHICH INTEREST CEASED:** | | | | | | |
| Various Bonds and Notes | $7,463,503 | $7,315,822 | $1,739,938 | $4,084,220 | $2,524,550 | $2,156,270 |
| **BEARING NO INTEREST:** | | | | | | |
| United States Notes | $356,021,073 | $356,101,086 | $357,592,801 | $358,642,295 | $357,231 585 | $356,082,622 |
| Fractional Currency | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 45,664,625 | 45,276,542 |
| Gold Certificates of Deposit | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 24,787,400 | 30,448,600 |
| Currency, do. do. | ............ | ............ | ............ | 25,370,000 | 25,120,000 | 29,125,000 |
| | $417,272,808 | $422,245,175 | $434,419,378 | $452,997,356 | $452,803,610 | $460,932,864 |
| **Aggregate** Debt | $2,652,533,662 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $2,283,150,622 | $2,289,696,596 |
| **Coin and** Currency in Treasury | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 105,094,311 | 110,779,115 |
| **Debt, less** coin and currency | $2,540,707,201 | $2,349,664,320 | $2,264,034,528 | $2,186,208,689 | $2,178,056,311 | $2,178,917,481 |

Coin in the Treasury, June, 1873, $75,588,316; Currency, $35,190,799; total, $110,779,115.

# THE LAW OF CERTIFIED CHECKS.

## ERRORS IN CERTIFICATION.

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Before the Marine Court of the City of New York, 1873.
SPAULDING, Judge.

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*Case of the Bank of North America, New York, against the Chemical National Bank.*

The facts established by the evidence in this case are substantially as follows:

The firm of MORGAN & ALLEN, for some time prior to November 12th, 1872, had been dealers and depositors with the plaintiff. On the 8th of November, 1872, the firm had overdrawn their account, and at no time afterwards was it made good. No funds whatever had been deposited with plaintiff by said firm after the said 8th day of November.

October 10th, 1872, MORGAN & ALLEN made their promissory note for $500, payable thirty days after date, to the order of GEO. E. COCK, at the BANK OF NORTH AMERICA. This note matured November 12th. Prior thereto the payee indorsed it, and left it for collection with the defendant. On the day of its maturity the defendant presented the note to the plaintiff, and its teller, not knowing that the firm account was overdrawn, and believing that the firm had sufficient funds to their credit with the plaintiff to pay the note, certified the same in the usual way by writing his name across its face. The note as soon as certified was charged in plaintiff's books to the account of the firm, and on the same day, and immediately on the return of the certification to the defendant by its messenger, the defendant stamped the note "paid," and gave credit in its books for the amount to the payee. The evidence shows that neither the plaintiff, nor any of its agents, knew by whom the note was held, or by whom, or for whom the same was presented on the 12th day of November. Plaintiff and plaintiff's agents had no knowledge on this subject until the morning of the 13th November, and after the note had been returned to plaintiff by the Clearing House, when they for the first time learned that defendant held the note, had procured the certification thereof, and had received the money on it. On the 13th

November, immediately on receiving the note from the Clearing House, and not later than twelve o'clock of that day, plaintiff's cashier called on defendant at its place of business with the note, and stated to defendant's cashier that the note had been certified under a mistake of fact; that the account of the makers with plaintiff was not good for the amount, and requested to be permitted to erase the certification, and demanded a return of the money. Defendant refused. At this time the payee of the note had not been paid the proceeds of the collection. The defendant then held the funds.

The question presented by this state of facts is simply this: Can plaintiff recover against defendant as for money paid under a mistake of fact?

Defendant's counsel, on the argument, raised the point that the CHEMICAL BANK was not the proper party-defendant in this action; that the defendant acted simply as agent in making the collection, and that the owner, as principal, if any one, was liable. The objection is not well taken, for there is no proof in the case that defendant disclosed its principal, until after demand was made for the return of the money. If defendant wished to limit its liability, it should, at the time of presentment and certification, have declared its agency and disclosed the name of the person for whom it was acting. But this very point has been disposed of adversely to defendant in the case of the CANAL BANK *v.* THE BANK OF ALBANY (1 HILL, 287), wherein the Court holds that a bank, to which commercial paper is sent for the purpose of collecting it as agent, and which transacts the business without disclosing its agency, may be regarded and charged as principal by those with whom it thus deals.

Even when the agency is disclosed, and money has been paid to the agent for his principal under such circumstances that it may be recovered back from the latter, it may still be recovered from the agent, provided he has not paid it over nor altered his situation in relation to its principal.

LA FARGE *v.* KNEELAND, 7 COWEN, 455. This case refers as an authority to that of BUTLER *v.* HARRISON (COWP., 465) in which the agent had given credit to his principal and rendered him his account containing the credit; *held* that this did not amount to an alteration of the situation of the agent, and a recovery was allowed against the agent. And it is well settled, says SPENCER J., in HEARSEY *v.* PRUYN, (7 JOHNS, 179), that an action may be sustained against an agent who has received money to which the principal has no right if the agent has had notice not to pay it over. The demand of the plaintiff for a return of the money, and to be allowed to erase the certification, was in effect, though not in terms, a notice not to pay the proceeds of the note to COCK. I have, therefore, no hesitation in holding that the action is properly brought against the present defendant.

The legal effect of the certification of commercial paper by banks has been passed upon in numerous cases. In WILLETS *v.* THE

PHENIX BANK, (2 DUER, 131), the Court held that the certification of a check imported that the check was good when certified, and that it would be good when presented for payment, and an obligation on the part of the bank to retain sufficient funds of the maker to meet its payment.

MEADS *v.* THE MERCHANTS' BANK OF ALBANY, (25 N. Y., 148), was a case in which a bank had certified a promissory note. The Court held that the legal effect of such certification was, that the maker had deposited funds in the bank to meet the note, and that the bank then held the same on deposit for that purpose, and would pay the amount on request. But according to the course of business in New York City, between the Clearing-House Exchange and banks which effect their clearances through it, the certification of commercial paper by a bank means something more than a mere assumption of an obligation to pay the certified paper when presented. The certification is in effect an order for the Clearing House to pass the amount to the credit of the bank holding it, on presentation, and to charge the certifying bank with a corresponding amount. This credit the Clearing House on the morning of every day either pays in cash, or by debiting corresponding certifications to the account of the bank. It is precisely the same as if the certifying bank took the note and gave its check upon the Clearing House for a specified sum of money. In this case, upon the order implied from the certification on the morning of the 13th November, the Clearing House, on presentation, credited the defendant with the amount of the note and charged plaintiff. On the 12th the defendant treated the note as paid by stamping it "paid," and giving credit to its dealer for the amount. I am therefore of the opinion that the certification of this note operated in the law as a payment of it by the plaintiff on the 12th November.

Now, did plaintiff pay the note with a full knowledge of all the facts? The teller testifies that when the note was certified he did not know the makers' account had been overdrawn, and supposed they had funds sufficient to meet it. It therefore cannot be claimed that this was such a voluntary payment as defeats the right of recovery; because a payment is not such a voluntary payment which is made without a full knowledge of all the material facts.—(LAKE *v.* ARTISANS' BANK, 3 KEYES, 276.)

And it is no defense, as defendant insists, that plaintiff had within his reach the means of ascertaining the truth, and was negligent and omitted to use vigilance and care by which the mistake could have been avoided. It is not a question of diligence or care. The fact to be determined is, was there or not an error between the parties?—(KINGSTON BANK *v.* ELTINGE, 40 N. Y., 391. KELLY *v.* SOLARI, 9 M. & W., 54. MOWATT *v.* WRIGHT, 1 WENDELL, 356.)

Then principles of law will not permit defendants to retain this money, unless there is something in the case to take it out of the general rule that money may be recovered back which has been paid under a mistake of fact.

There is a class of cases in which banks certifying commercial paper by mistake have been held to their liability. They are cases in which the courts applied the principles of the law of *estoppel*. Many of these cases are cited in defendant's brief. An examination will show that the certified paper in controversy was negotiated to *bona fide* holders for value, or that the certification caused holders to lose their rights against indorsers. But there are *no such elements of damage in this case.* The note would not have been paid had it not been certified; for there were no funds of the makers with plaintiff to meet it. The erasure of the certification on the 13th November would have placed the owner in the same position he would have been in on the 12th without the certification. There were no indorsers to be released for lack of notice of non-payment and protest. Insolvency did not overtake the makers intermediate the certification and notice of its error. The defendant has paid nothing to its principsl, and was under no legal liability to do so, if the payee as between him and plaintiff was not entitled to the money. I cannot comprehend how any one can be considered to have acted on the strength of the certification in the sense that would let in the rule of estoppel, or how the defendant could have been damaged by allowing the certification to be withdrawn. The effect of it would have been simply to restore the defendant and its principal to the same position they would have been in had the certification not been given.

The case of the IRVING BANK *against* WETHERALL (36 N. Y. 325) is nearer in point than any other I have been able to find.

In that case the certifying bank notified the bank holding the note that the certification was made under a mistake, and in time to enable the holders to charge the indorsers. The judges at the Circuit and General Term held that this timely notice relieved the certifying bank from their liability on the certificate. All of the Judges of the Court of Appeals concurred in the opinion approving of this view of the case.

It is true the decision of that case did not turn on the point referred to. The case was decided on another ground. But the concurrence of all the Judges of the various Courts through which that case passed, in the view of that feature of it to which I have alluded, amounts almost to an authority directly in point.

My conclusion is that plaintiff is entitled to recover the amount of the note as for money paid under a mistake, with interest from the 12th day of November, with costs and the usual allowance of $25.

## Case of Bank of North America *v.* Chemical National Bank.

In order to illustrate further the recent case as to "Certification in Error," we now annex the several cases quoted by counsel or by the court, viz: I. *Butler* v. *Harrison.* II. *Canal Bank* v. *Bank of Albany.* III. *Hearsey* v. *Pruyn.* IV. *Irving Bank, N. Y.*, v. *Wetherall.* V. *Kelly* v. *Solari.* VI. *Kingston Bank* v. *Bank of New Paltz, N. Y.* VII. *Lake* v. *Artisans' Bank.* VIII. *Meads* v. *Merchants' Bank of Albany.* IX. *Mowatt* v. *Wright.* X. *Willets* v. *Phenix Bank.*

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### I. Butler *v.* Harrison. (*Page* 50.)

If money be paid by mistake to an agent, and placed by him to the account of his principal, but not paid over, money had and received to the use of the person so paying it by mistake, will lie against the agent. The mere passing such money in account or making rest, without any new credit given, fresh bills accepted or further sum advanced for the principal in consequence of it, is not equivalent to the payment of it over.—(Butler *v.* Harrison, *Cowper's Reports, p.* 565.)

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### II. Canal Bank of Albany *v.* Bank of Albany. (*Page* 50.)

The defendants, endorsees of a draft payable to B's order, received the same through several successive endorsements, B's name appearing as the first, and, as agents of their immediate endorser, but without disclosing their agency, presented it to the plaintiffs, by whom it was paid. The latter subsequently ascertained that the name of B was a forgery; and having notified the defendants of this fact, sued to recover back their payment.

*Held*, that though the defendants were innocent of any intended wrong, they had obtained money of the plaintiffs on an instrument to which they had no title, and were therefore bound to refund; and this, though notice of the forgery was not given till more than two months after they had received the money, and transmitted to their principal.

*Held also*, that the payee was not disqualified by interest from being a witness for the plaintiffs. None but the payee can assert any title to a bill or note payable to order, without his endorsement.

*Semble*, that if one accept a draft in the hands of a bona fide holder, he will not be allowed afterward to dispute the genuineness of the drawer's signature, though he may that of the endorser's; and payment operates, in this respect, the same as an acceptance.

Money paid by one party to another through a mutual mistake of facts, in respect to which both were equally bound to enquire, may be recovered back.

*Semble*, where a drawee of a draft has paid it to an innocent holder, on the faith of a forged endorsement, mere lapse of time in the abstract, however long, between the payment and notice of the forgery, will not deprive him of his remedy; provided he has incurred no unreasonable delay after discovery of the forgery.

Cases relating to the effect of delay in giving notice under these and similar circumstances, commented on, and some of them disapproved; especially COCKS *v.* MASTERMAN, (9 BARNWALL & CRESWELL, 902.)

Where several successive endorsees have advanced money on a draft payable to order, and it turns out that neither had title, by reason of the first endorsement being a forgery, each may recover from his immediate endorser.

A bank to which a draft is endorsed, and sent for the purpose of collecting it, as agent of the endorser, and which transacts the business without disclosing its agency, may be regarded and charged as principal by those with whom it thus deals. And it will be no answer, that it is the uniform custom of banks to transact such business without disclosing their agency. (CANAL BANK OF ALBANY *v.* BANK OF ALBANY, *Hill's New York Reports, Volume* 1, *page* 287.)

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### III. HEARSEY *v.* PRUYN. (*Page* 50.)

According to the true construction of the second section of the act, passed the 29th March, 1809, relative to the MOHAWK TURNPIKE AND BRIDGE COMPANY (Sess. 22, c. 189) the corporation cannot legally exact more than half toll, or 6¼ cents for crossing the bridge at Schenectady with a wagon and two horses, &c., from the inhabitants of the city of Schenectady, or from persons going to and from mills, &c. The discretion given to the corporation to mitigate the rate of tolls in such cases, is to be exercised only in reducing them below one-half.

The words in the act "going to and from mills" comprehend saw mills as well as grist mills. An action may be maintained against an agent who has received money, to which his principal has no right, if the agent has had notice not to pay the money over; and in some cases without such notice, if the money has not been actually paid over.

It seems that the right of a corporation to take toll may be tried in an action against the collector where notice is given him not to pay it over. If a plaintiff reads in evidence an act of the Legislature from a newspaper, which is admitted by the Court, and the defendant afterwards reads an exemplified copy of the same act, he cannot afterwards on *certiorari* allege for error the admission of the act read by the plaintiff, though not legal evidence.—(HEARSEY *v.* PRUYN, *Johnson's Reports, Volume* 7, *page* 179.)

IV. Irving Bank, N. Y., *v.* Wetherall. (*Page* 52.)

The customary certificate "good" by a bank at whose place of business a note is made payable is information merely that the maker has funds to meet the note.

This information may be furnished verbally, by letter or by a memorandum upon the note. The effect in each case is the same.

The bank making the certificate has the means of accurate knowledge, and is bound to state the fact correctly. It is estopped from denying the truth of its statement, where the presenting bank relies upon its accuracy and fails to protest the note for non-payment.

Where, however, a certificate of the goodness of a note is erroneously made, and the error is discovered and notice given to the presenting bank, in time for it to make a re-presentment and charge the indorsers, the certifying bank is discharged from further liability.

And where, in such case, the certifying bank, to relieve itself from supposed liability on such a certificate, paid to the other bank the amount of the note, received it back with the mark "paid" stamped upon it, presented it for payment, and gave notice of non-payment to the indorsers on the day of its maturity; *Held*, that the bank took the note as purchaser, and acquired the rights of a holder of the same, and could maintain their action against the indorsers of the note.—(The Irving Bank in the City of New York *v.* James Wetherall and others. *New York Reports of Courts of Appeals, Volume* 36, *page* 335.)

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V. Kelly *v.* Solari. (*Page* 51.)

Money paid by the plaintiff to the defendant under a *bona fide* forgetfulness of facts, which disentitled the defendant to receive it, may be recovered back in an action for money had and received. It is not sufficient to preclude a party from recovering money paid by him under a mistake of fact, that he had the means of knowledge of the fact; unless he paid it intentionally, not choosing to investigate the fact.—(Kelly *v.* Solari, *Meeson & Welsby's Reports*, *Volume* 9., *page* 54.)

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VI. Kingston Bank *v.* Bank of New Paltz. (*Page* 51.)

In an action to recover back money paid under a mistake of fact, it is no defense that the plaintiff had within his reach the means of ascertaining the truth; or that he omitted to use vigilance and care, by which the mistake would have been avoided.

Nor is it any defense to such an action, that the defendant cannot be restored to his original position upon paying back the money.

The owner of a judgment upon which an execution has been issued, and a sale of personal property made thereunder, may maintain an action to recover back the money, received by the sheriff upon the sale, from one to whom it has been paid with such owner's assent under a mistake of fact. Accordingly, where the sheriff, having received an execution issued upon the defendant's judgment, and afterwards one upon a subsequent judgment of the plaintiff, against the same party, and before the last had run out, but after the sixty days had expired as to the first, made a levy upon personal property not sufficient to satisfy both, sold it and paid over the proceeds to the defendant in satisfaction of his prior execution, with the assent of the plaintiff, neither party knowing that that execution had run out before the levy, but supposing the contrary; *Held*, (DANIELS J. dissenting), that the latter could recover it back from the former as money paid under a mistake of fact; and this, although either might have easily learned the truth by inquiry of the sheriff, and although the defendant's judgment had been, in consequence of the receipt of the money, canceled and discharged of record.—(Argued March 31st, 1869, and decided June 11th, 1869. THE KINGSTON BANK, Appellant, *v.* ELTINGE, President of the HUGUENOT BANK OF NEW PALTZ. *New York Reports*, *Vol.* 40, *page* 391.)

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VII. LAKE *v.* ARTISANS' BANK OF NEW YORK. (*Page* 51.)

Where a plaintiff was non-suited evidently upon a wrong issue, the evidence upon the real question being wholly ignored by the Court, it was held that the exception to such decision was sufficient to enable the Appellate Court to give an opportunity for the correction of the error, by reversing the judgment and ordering a new trial. That is not a voluntary payment which is made without a full knowledge of all the material facts, and constitutes no waiver of any rights to which the party making such payment was entitled before he could be legally charged.—(JARVIS N. LAKE, Appellant, *v.* THE ARTISANS' BANK, Respondent. *Keyes' Report of N. Y. Court of Appeals, Volume* 3, *page* 277.)

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VIII. MEADS *v.* MERCHANTS' BANK OF ALBANY. (*Page* 51.)

The certification of a check as good, by the authorized officer of a bank, is equivalent to the acceptance of a bill of exchange payable on demand, and makes the bank primarily liable to the holder until discharged by payment, release, or the statute of limitations.

So of the certification as "good" of a promissory note payable at the bank, where the course of business between banks is, instead of actually paying the notes of customers when in funds on presentment, to mark them as good and settle in the exchanges of next day. Such certificate is an absolute engagement to pay the bank's own debt, and not a guaranty, or promise, for the benefit of a third person.

When a note is thus certified by the teller, falsely, the bank not having the funds for its payment, it is liable only to a holder in good faith and for value.

A holder who, ignorant of the falsity of the certificate, treats it as payment and omits to charge an indorser, is entitled to recover. His delay, at the request of the maker of the note and for his accommodation, after its certification, to obtain actual payment, does not discharge the obligation arising from the certificate.—(MEADS, *Receiver*, *v.* THE MERCHANTS' BANK OF ALBANY. *New York Reports*, *Vol.* 25, *page* 143. *Smith's Reports N. Y. Court of Appeals.*)

## IX. MOWATT *v.* WRIGHT. (*Page* 51.)

The action for money had and received lies to recover money paid by mistake; but the mistake which entitles a party to sustain the action, must be a mistake of fact. Where there is no fraud or mistake in matter of fact, if the law was mistaken, the rule applies that *ignorantia juris non excusat.* An error of fact takes place either where some fact which really exists is unknown, or some fact is supposed to exist which really does not exist; but where a person is truly acquainted with the existence or non-existence of facts, but is ignorant of the legal consequences, he is under an error of law.

It is now generally conceded that the mistake, to entitle a party to maintain his action, must be a mistake of fact and not of law. The cases founded on mistake seem to rest on this principle: that if parties, believing that a certain state of things exists, come to an agreement with such belief for its basis, on discovering their mutual error they are remitted to their original rights; but where money is paid on a claim of right made in good faith, and the party paying acts with as full knowledge of the facts as the party receiving, then, although the demand was unfounded, the payment cannot be recovered back, notwithstanding the facts should prove to be different from what they were believed to be by the party receiving, but not different from what the party paying supposed they were.

In such case, he who pays the money will be considered as giving it to whom he pays it, as making it his, and closing the transaction.

The lapse of time in bringing a suit to correct a mistake, though brought within the time prescribed by the statute of limitations, will be taken into consideration.—(J. E. MOWATT *and others v.* WRIGHT. *Wendell's Reports*, *Volume* 1, *page* 355.)

## X. WILLETS *v.* PHENIX BANK. (*Page* 50.)

Before OAKLEY, Ch. J., DUER & PAINE, J. J., March 17, 1853.

A bank check, payable to the order of bills payable, as it cannot be passed by an endorsement, is, in judgment of law, payable to bearer.

It stands upon the same ground as a check payable to the order of a fictitious person.

The certifying of a check as "GOOD" is not a mere declaration of an existing fact, but creates a new and binding obligation on the part of the bank. The meaning is, not merely that the check was "good" when certified, but that it shall be "good" when presented for payment. A certified check is, therefore, as truly an absolute, unconditional promise to pay upon demand the sum which it specifies as an ordinary bank note; and laches, in making the demand, are no more imputable in the one case than in the other.

*Held*, upon these grounds, that the plaintiffs, holders for value, were entitled to recover the sum advanced by them upon four checks, certified by the defendants, although payment was not demanded until two months after the checks were certified, and in the interval the maker had withdrawn, upon other checks, all his funds from the bank. Judgment for plaintiff accordingly.—(WILLETS *v.* THE PHENIX BANK. *Duer's Reports, Volume* 2, *page* 121.)

## THE CLEARING HOUSE.

At the meeting of the Bank Clerks' Mutual Benefit Association in December last, the following preamble and resolutions were unanimously adopted:

WHEREAS, In the settlement of balances, between the banks, legal-tender notes have been used to a large extent, rendering necessary the daily counting of millions of money, severely taxing in so doing the mental and bodily energies of the clerks; therefore,

RESOLVED, That the bank clerks of the city of New York tender to F. D. TAPPEN, Esq., President of the GALLATIN NATIONAL BANK, their heart-felt thanks for his earnest and successful efforts in securing the passage of an act of Congress, permitting the banks to deposit with the Assistant Treasurer of the UNITED STATES legal-tender notes, in exchange for certificates, to be used in settlement of balances through the Clearing House.

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The practice by the Clearing House in liquidating daily balances in money is the only objectionable feature in the management of the corporation or association. There is no necessity for carrying four millions of dollars to the Clearing House daily, there to be counted twice, and to be counted before and afterwards by the bank tellers, making four countings per day, or sixteen to twenty millions daily.

The aggregate balances thus paid in the last fiscal year were officially reported as $1,428,582,707. Every dollar of this sum was counted at least four times, much to the inconvenience of the bank officers who paid it and others who received it, as well as of the Clearing-House clerks; to say nothing of the risks involved in carrying so much money unnecessarily to and from the Clearing House.

The plan pursued by the Clearing House in London is much more simple, more secure, and more economical. Every member keeps an account at the BANK OF ENGLAND, and draws a check for any debit balance against him. A depository should be selected and maintained by the Clearing-House Association of New York, so that each daily debit balance may be paid, by the cashier's check, into the depository. The creditor banks should be paid by the manager's check upon the deposit bank; the debit and creditor balances being precisely the same in the aggregate, the funds deposited each day would exactly meet the checks of the manager in discharge of balances due creditor banks.

It is true that the balances are at present largely liquidated by certificates for large sums; the fractional sums, only, being paid in money; but even this could be avoided by having a central deposit bank for the convenience of the members.

The only objection urged to this plan is, that it would be difficult for the banks to agree upon any one of the number as a depository; but this difficulty could be readily removed in order to effect more rapid settlements and to avoid loss of time to bank clerks and the present risks of carrying four millions per day to and from the association.

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A MODEL BANKER.—In the sudden death of Mr. JOSEPH C. BUTLER, President of the LAFAYETTE BANK, of Cincinnati, that city has lost one of her foremost citizens. His character is justly depicted by the Cincinnati *Commercial* as follows:

He was one of our most clear-headed and far-seeing men of business, and his reputation for integrity was absolutely stainless. He was one of the men in whom the whole people had confidence, and there was no man whose judgment might be more safely consulted in affairs both public and private. He had been here so long, and had been so prominently identified with important interests, and his good works were so familiar, that it is but the simple truth to say of him that no citizen could have fallen whose loss would have been more sensibly and keenly felt by the people of Cincinnati. His admirable intelligence was seldom at fault in indicating the line of propriety, or the direction of profitableness in the transactions in which he was engaged. He was charitable, without ostentation or affectation of concealment, and was ever ready to advise those who needed instruction and to whom the fame of his business sagacity had commended him. The widow and the fatherless never appealed to him in vain for the counsel that was more precious than gifts of gold or silver. He was remarkable for the ease with which he managed matters in his care. His system of work was especially noticeable. He never seemed to be in a hurry. He completed transactions with a word written or spoken, and with no visible hesitation or worry. He always looked up from his desk with a bright face and a kind word. His facility gave him time, and he was master of himself.

## COINS, COINAGE AND BULLION.

THE NEW SILVER TRADE DOLLAR.—The Secretary of the Treasury has fixed upon the devices for the new silver trade dollar authorized by the coinage act of 1873. It has for its obverse a female figure seated on a bale of cotton, and extending the right hand, grasping an olive branch, toward the open sea. In the left hand is a scroll bearing the word "Liberty," and at the base of the device is the motto, "In God we trust." The date of the coinage (1873) appears upon the obverse, together with the halo of thirteen stars. The reverse is the figure of an eagle with the inscription "UNITED STATES OF AMERICA," and the motto "E Pluribus Unum." The weight and fineness, with the words "Trade Dollar," are also inscribed on the reverse. The working dies will be commenced immediately at the Philadelphia mint, and the coins are expected to be ready about the middle of this month.

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NEW COINS OF THE WORLD.—The BANKER'S ALMANAC for 1874 (being the twenty-third annual volume) will be issued early in January next, for which are in preparation the following subjects: I. Engraved views of several of the mints in operation in EUROPE, SOUTH AMERICA, AUSTRALIA, &c. II. Engraved views of the Bourse or Stock Exchange buildings of Paris, London, Lyons, Marseilles, and other leading cities of EUROPE (including that of Pompeii). III. Engraved fac similes of the new trade dollar of the UNITED STATES, and of new coins issued by foreign mints in the year 1873 (to be continued annually). IV. A list of banks and prominent bankers in the leading cities of EUROPE, ASIA, AUSTRALIA, SOUTH AMERICA, the UNITED STATES, &c. V. Statistics of the coinage of the UNITED STATES and of various countries of late years. VI. Statistics of the production of gold in all countries; with a variety of useful details relating to banks, coinage, stocks and bonds, (American and foreign,) railroads, &c. Information and suggestions for the new volume may be addressed to Editor of the BANKER'S MAGAZINE.

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NEW COINS.—Mr. LOUIS A. GARNETT, manager of the United States Assaying and Refining Works at San Francisco, sends to the *Alta California* an interesting account of the new trade dollar shortly to be coined. He compares it closely with the Mexican dollar, to which it is to be superior not only in workmanship, but in quality, the comparison standing thus:

| | *Gr.* | *Fine.* | *Grs. p.s.* | *Value as Comp'd with our Standard Dollar.* |
|---|---|---|---|---|
| New American trade dollar.. | 420 .. | 900 .. | 378 .. | 1,0182 |
| Average Mexican dollar..... | 417.88 .. | 902.77 .. | 377¼ .. | 1,0162 |

There is also the further advantage of uniformity; the Mexican dollars varying in weight and fineness, and commanding different rates of premium according to their devices—a serious inconvenience in large business transactions. This dollar is not a unit in our currency system, but "simply a stamped disk of uniform weight and fineness, and was designed with special reference to our commerce with CHINA and JAPAN." Under such conditions it becomes, of course, an article of merchandise manufactured for foreign use. The demand for it, like the demand for other merchandise, will depend upon whether profit or loss follows its export. Mr. GARNETT gives the cost of coinage as $2\frac{1}{2}$ per cent. If the coin is melted up on arrival in CHINA, the expense of coinage is lost; and unless the United States Government or private shippers will bear this loss until the coin becomes current in the East, the demand for it will never appear. If it become current, and can be afforded to the exporter at a cheaper cost than the Mexican or bar silver, and in unlimited quantities, the effect will be to reduce the cost of exchange between the Western world—EUROPE as well as CALIFORNIA—and the East, to the extent of the lessened cost. As shown by the correspondence in the *Nation* of March 20, the success of the coin in becoming current as a measure of value in CHINA and JAPAN, would not change the course of Eastern trade or Eastern exchanges, as seems to be thought by the originators of the measure. All the silver produced in CALIFORNIA and MEXICO, in excess of their own wants, would continue to be exported as now; nor would it make any local difference, except a profit or loss to the United States Mint, whether it went away in bars of silver, in Mexican dollars, or in a fancy dollar of United States manufacture. The course of exchanges would continue to be governed, as now, by the ownership of the capital which carries on the trade. It may be remarked, in passing, that the extent of the use of the Mexican dollar in CHINA is greatly overrated. It is fully current only at the foreign outports at the South. It is used for household and personal expenses at the northern open ports, and, to a very limited degree, in a few interior districts closely connected with foreign trade. It is quite unknown through the greater part of the Empire.—*San Francisco Paper.*

The description of the devices for the new trade dollar, as given in newspaper slip, is correct.

The review of Mr. GARNETT's article is, in the main, correct, but the cost of coinage, $2\frac{1}{2}$ per cent., is incorrect. What Mr. GARNETT means is this:

Silver is valued in San Francisco at the old rate of $1.16\frac{4}{11}$ to the dollar: $412\frac{1}{2}$ grains standard (old dollar) being valued at \$1, 480 grains are worth $116\frac{4}{11}$ (cents). Now, taking this *fictitious* valuation, and calling it par as a basis, he puts the increase of weight in the new dollar at $7\frac{1}{2}$ grains, as .......... $1\frac{82}{100}$

Coinage charge, $\frac{50}{100}$

Alloy charge .. $\frac{17}{100}$

*Per cent.* .. $2\frac{49}{100}$

By the foregoing he shows that if a depositor has a bar of standard silver, valued at the rate of $116\frac{4}{11}$ to the dollar, $2\frac{49}{100}$ per cent. will be taken from it when returned in trade dollars, *by tale.*

The confusion arising in the minds of intelligent men on this subject shows the absurdity of adhering in commercial transactions to a fictitious valuation. It has been abandoned everywhere except at San Francisco.

Silver having no longer with us a fixed and legal relation to gold, and being measured by the latter as the legal standard of value, should be dealt in, and quoted at its market value.

The new trade dollar will be used for three purposes:

1st. As bullion for manufacturing purposes it will command a slightly higher price than an equal quantity of pure or standard metal in bars, on account of uniformity of fineness, and being already alloyed, and both certified to by the Mint.

2d. For the same reasons it will be preferred for export.

3d. Being superior to the Mexican dollar in intrinsic value, and conforming more closely to the declared legal standards of fineness and weight, it is believed that it will supplant it in the trade with Eastern nations.

## NEW PUBLICATIONS.

I. *Detail, Cottage and Constructive Architecture. By* CHARLES HART, *New York. Quarto. Price, ten dollars.*

This new volume can be used with advantage in the construction of new banking houses. It contains seventy-five large lithographic plates, showing a great variety of designs for cornices, brackets, window caps, doors, piazzas, bay and dormer windows, observatories, towers, chimney tops, balconies, scrolls, stairs, newels, architraves, mantels, fences, &c., to which are added perspectives, elevations and plans of modern design for cottages, summer houses, villas and country houses. To the banker this volume supplies valuable details as to office furniture, including counters, desks, &c.

II. *Stock and interest tables; showing the matured and present value of bonds, stocks and other securities; together with annuities, compound and simple interest. By* JOHN N. STOCKWELL, M. A. *Published by* D. VAN NOSTRAND, *N. Y.*, 1873. *Quarto. Price, ten dollars.*

These tables are intended to show the present and matured values of bonds at 4, $4\frac{1}{2}$, 5, 6, 7, 8, 9 and 10 per cent. In order to make this work more generally useful, tables of annuities and of compound and simple interest have been introduced. To the banker and capitalist this work possesses valuable features.

III. *Haines' Interlinear Interest Tables at* 6, 7, 8, 9 *and* 10 *per cent.* 18*mo. Bound in muslin.* 1873. *Price,* $ 1.50.

These tables are embraced in a pocket volume of 200 pages; arranged for the averaging of accounts; a new and admirable method which will greatly facilitate calculation and diminish liability to error. It seems a marvel that so simple and compact a system has not been long ago discovered.

IV. *Annual Report of* THO. DENNY & CO., *New York, on the stock fluctuations of the year* 1872. *Quarto. Price, five dollars.*

This volume embraces a comparative view of the changes for sixteen years in gold, U. S. stocks, State stocks, bank stocks, railroad shares and bonds, mining stocks, &c. The bond circular which accompanies the volume contains ample details as to the prominent railroad corporations now in use, as to their mortgages, bonds, shares, dividends, &c. The report is especially valuable to the savings banks of NEW YORK, NEW ENGLAND and other portions of the country.

Messrs. T. DENNY & CO. give close attention to the vagaries (sometimes called fluctuations) of the stock market of Wall Street. The record is a valuable one to all investors.

V. *The Statistical Annual, containing full tabulated reports on the leading branches of commerce and finance for the year* 1872, *compared with several preceding years. Quarto.* 1873.

This volume has been prepared under the direction of the New York Daily Bulletin Association, and supplies ample details as to the changes in the great staples of the country.

VI. *Littell's Living Age.*—LITTELL & GAY, Boston, Publishers.

The numbers of *The Living Age* for the weeks ending May 24th and 31st contain the following:—Public and Private Morality, by EDWARD A. FREEMAN, *Fortnightly Review;* Sir JOHN BURGOYNE, *Blackwood's Magazine;* The Colliers of Carrick, *Good Words;* Story of a French Refugee, *Chambers' Journal;* The Late Emperor's Superstition, *Spectator;* The Progress of the Spanish Revolution, *Spectator;* On Some Gradations in the Forms of Animal Life, *Fraser's Magazine;* The Bath Archives, *Athenæum;* The Story of the Death of THOMAS, Earl of Strafford, A. D. 1641, *Fraser's Magazine;* The Deluge (discovery of the native Babylonian account), *Academy;* with instalments of "The Parisians," by BULWER (Lord LYTTON); "Innocent," by Mrs. OLIPHANT, and "The Prescotts of Pamphillon," by the author of "DOROTHY FOX;" poetry and miscellany. The subscription price of this 64 page weekly magazine is $ 8 a year, or for $ 10 any one of the American $ 4 magazines is sent with *The Living Age* for a year.

# TABLE FOR THE REDUCTION OF STERLING MONEY OF GREAT BRITAIN TO UNITED STATES GOLD COIN,

## UNDER ACT APPROVED MARCH 3, 1873, FIXING THE VALUE OF THE £ STERLING AT $4.8665.

*Prepared by the First Comptroller of the Treasury, April 1, 1873.*

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| £1 | $4.8665 | 53.5315 | 58.398 | 63.2645 | 68.131 | 72.9975 | 77.864 | 82.7305 | 87.597 | 92.4635 |
| 2 | 9.733 | 102.1965 | 107.063 | 111.9295 | 116.796 | 121.6625 | 126.529 | 131.3955 | 136.262 | 141.1285 |
| 3 | 14.5995 | 150.8615 | 155.728 | 160.5945 | 165.461 | 170.3275 | 175.194 | 180.0605 | 184.927 | 189.7935 |
| 4 | 19.466 | 199.5265 | 204.393 | 209.2595 | 214.126 | 218.9925 | 223.859 | 228.7255 | 233.592 | 238.4585 |
| 5 | 24.3325 | 248.1915 | 253.058 | 257.9245 | 262.791 | 267.6575 | 272.524 | 277.3905 | 282.257 | 287.1235 |
| 6 | 29.199 | 296.8565 | 301.723 | 306.5895 | 311.456 | 316.3225 | 321.189 | 326.0555 | 330.922 | 335.7885 |
| 7 | 34.0655 | 345.5215 | 350.388 | 355.2545 | 360.121 | 364.9875 | 369.854 | 374.7205 | 379.587 | 384.4535 |
| 8 | 38.932 | 394.1865 | 399.053 | 403.9195 | 408.786 | 413.6525 | 418.519 | 423.3855 | 428.252 | 433.1185 |
| 9 | 43.7985 | 442.8515 | 447.718 | 452.5845 | 457.451 | 462.3175 | 467.184 | 472.0505 | 476.917 | 481.7835 |

NOTE.—To find the value of any number of pounds represented by one figure, find the figure in the left-hand margin of the table, and its value will appear in the column adjoining, opposite that figure. To find the value when expressed by two figures, look for the *tens* in the left-hand column, and for the *units* in the top margin, and the value will be shown in the place where the two columns meet; thus, the value of £57 is $277.3905. To find the value of £576, look for 57 as before, and move the decimal point one place to the right, and it shows $2773.905; then add £6 as already shown, $29.199, and it gives the sum of $2803.104.

## ONE SHILLING EQUALS $24\frac{133}{400}$ CENTS. ONE PENNY EQUALS $2\frac{133}{4800}$ CENTS.

| | s. 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d. 0 | .... | .24 | .48 | .73 | .97 | 1.21 | 1.46 | 1.70 | 1.94 | 2.19 | 2.43 | 2.67 | 2.92 | 3.16 | 3.40 | 3.65 | 3.89 | 4.13 | 4.38 | 4.62 |
| 1 | .02 | .26 | .50 | .75 | .99 | 1.23 | 1.48 | 1.72 | 1.96 | 2.21 | 2.45 | 2.69 | 2.94 | 3.18 | 3.42 | 3.67 | 3.91 | 4.15 | 4.40 | 4.64 |
| 2 | .04 | .28 | .52 | .77 | 1.01 | 1.25 | 1.50 | 1.74 | 1.98 | 2.23 | 2.47 | 2.71 | 2.96 | 3.20 | 3.44 | 3.69 | 3.93 | 4.17 | 4.42 | 4.66 |
| 3 | .06 | .30 | .54 | .79 | 1.03 | 1.27 | 1.52 | 1.76 | 2.00 | 2.25 | 2.49 | 2.73 | 2.98 | 3.22 | 3.46 | 3.71 | 3.95 | 4.19 | 4.44 | 4.68 |
| 4 | .08 | .32 | .56 | .81 | 1.05 | 1.29 | 1.54 | 1.78 | 2.02 | 2.27 | 2.51 | 2.75 | 3.00 | 3.24 | 3.48 | 3.73 | 3.97 | 4.21 | 4.46 | 4.70 |
| 5 | .10 | .34 | .58 | .83 | 1.07 | 1.31 | 1.56 | 1.80 | 2.04 | 2.29 | 2.53 | 2.77 | 3.02 | 3.26 | 3.50 | 3.75 | 3.99 | 4.23 | 4.48 | 4.72 |
| 6 | .12 | .36 | .60 | .85 | 1.09 | 1.33 | 1.58 | 1.82 | 2.06 | 2.31 | 2.55 | 2.79 | 3.04 | 3.28 | 3.52 | 3.77 | 4.01 | 4.25 | 4.50 | 4.74 |
| 7 | .14 | .38 | .62 | .87 | 1.11 | 1.35 | 1.60 | 1.84 | 2.08 | 2.33 | 2.57 | 2.81 | 3.06 | 3.30 | 3.54 | 3.79 | 4.03 | 4.27 | 4.52 | 4.76 |
| 8 | .16 | .40 | .64 | .89 | 1.13 | 1.37 | 1.62 | 1.86 | 2.10 | 2.35 | 2.59 | 2.83 | 3.08 | 3.32 | 3.56 | 3.81 | 4.05 | 4.29 | 4.54 | 4.78 |
| 9 | .18 | .42 | .66 | .91 | 1.15 | 1.39 | 1.64 | 1.88 | 2.12 | 2.37 | 2.61 | 2.85 | 3.10 | 3.34 | 3.58 | 3.83 | 4.07 | 4.31 | 4.56 | 4.80 |
| 10 | .20 | .44 | .68 | .93 | 1.17 | 1.41 | 1.66 | 1.90 | 2.14 | 2.39 | 2.63 | 2.87 | 3.12 | 3.36 | 3.60 | 3.85 | 4.09 | 4.33 | 4.58 | 4.82 |
| 11 | .22 | .46 | .70 | .95 | 1.19 | 1.43 | 1.68 | 1.92 | 2.16 | 2.41 | 2.65 | 2.89 | 3.14 | 3.38 | 3.62 | 3.87 | 4.11 | 4.35 | 4.60 | 4.84 |

NOTE.—This table shows the value of every combination of shillings and pence less than £1; the upper margin representing the shillings, and the left-hand margin the pence. Thus, to find the value of 17 shillings and 6 pence, follow the column 17 downward until it meets the left-hand column opposite 6, and it shows $4.25. By this method any number of pounds, shillings, and pence can be reduced to United States gold quickly and accurately.

## 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 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.

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NEW HOLIDAY.—The Legal-Holiday Act, which has just passed the Legislature of New York, provides that the first day of January, commonly called New Year's Day, the 22d day of February, the 4th day of July, the 25th day of December, any general election day, and any day appointed or recommended by the Governor of this State or the President of the UNITED STATES as a day of thanksgiving, or as a day of fasting and prayer or other religious observance, the 30th day of May, to be known as Decoration Day, shall, for all purposes whatsoever as regards the presenting for payment or acceptance and of the protesting and giving notice of the dishonor of bills of exchange, bank checks, and promissory notes, **made after the passage of this act,** be treated and considered as the first day of the week commonly called Sunday, and as public holidays. Whenever one of the days above-named falls upon Sunday, the Monday following shall be observed as the holiday.

BANK TAXATION.—The impression seems to prevail among certain collectors of internal revenue that the act of December 24, 1872, which requires persons engaged in banking to make returns to the internal revenue officers of their capital, circulation and deposits semi-annually instead of monthly as heretofore, extends to the National banks, and in some instances National banks have been required to make such returns to internal revenue officers. This is incorrect. The law in question extends only to private and State bankers. The duty on the capital circulation and deposits of the National banks is payable to the Treasurer of the UNITED STATES in the same manner as heretofore. The Internal Revenue Office has issued a circular informing the Collectors in question that their action is not in accordance with law, and directing them not to report for assessment such returns as may have been received from National banks.

*The Law of Stolen Bonds.*—Bankers and merchants will be interested in the important case reported in the early portion of this number, wherein the UNITED STATES sue Messrs. VERMILYE & Co., bankers, Nassau street, N. Y., for the value of certain government bonds which were stolen from the ADAMS EXPRESS COMPANY, and which afterward were purchased at their market value by the banking firm. The Express Company having paid the consignors or remitters for the loss are now claimants, through the Treasury, for the bonds. The Express Company have in this instance recovered a verdict for the amount, and the case is now on appeal. Heretofore it has been considered that the holders of government bonds, payable to bearer, were, alike negotiable commercial paper, entitled to possession, although the securities had been stolen.

BANK STATEMENTS.—Pursuant to law, the Bank Superintendent has designated the *New York Era* as the official newspaper to publish the weekly statements of the State banks, and statements will appear in that journal every Tuesday morning. The *Era* can be had at the news depots, or at the office of publication, No 132 Nassau Street.

**The New York Stock Exchange.**—The following is the government of the Stock Exchange as organized for the present year:

### Governing Committee.

*President*, H. G. Chapman. Vice-President, John B. Norris. Secretary, B. Ogden White. Treasurer, D. C. Hays.

*Class* 1.—To serve one year.—A. B. Baylis, A. S. Peabody, H. S. Wilson, G. H. Brodhead, J. K. Warren, S. T. Russell, J. Benjamin, A. M. Cahoone, W. Kimball, T. S. Ferry.

*Class* 2.—To serve two years.—John Ten Brook, A. D. Williams, John D. Prince, A. A. Drake, W. K. Soutter, D. B. Hatch, R. K. Cooke, R. L. Cutting, Jr., G. L. Haight, Chas. M. Stead.

*Class* 3.—To serve three years.—W. Seymour, Jr., W. B. Clerke, Frederick White, J. B. Norris, H. H. Hollister, E. S. Munroe, W. S. Nichols, G. W. Fuller, Reuben Manley, W. E. Strong.

*Class* 4.—To serve four years.—Edward King, J. R. Garland, Alfred Colvill, E. Brandon, G. H. Watson, G. W. McLean, Jacob Hays, 2d, Donald Mackay, John T. Denny, Brayton Ives.

### Standing Committees.

*Finance.*—Edward King, A. B. Baylis, W. B. Clerke, with the president and treasurer.

*Arrangements.*—G. L. Haight, W. K. Soutter, A. A. Drake, R. K. Cooke, S. T. Russell, T. S. Ferry, F. White.

*Admissions.*—G. H. Watson, W. Seymour, Jr., G. H. Brodhead, A. M. Cahoone, Geo. W. Fuller, John Ten Brook, H. S. Wilson, F. White, W. K. Soutter, J. R. Garland, Donald Mackay, G. W. McLean, W. S. Nichols, G. L. Haight, J. B. Norris.

*Securities at Large.*—Edward Brandon, J. Benjamin, Brayton Ives, Warren Kimball, W. E. Strong.

*Government Securities.*—S. T. Russell, W. E. Strong, Jacob Hays, 2d, C. M. Stead, D. B. Hatch.

*Stock Lists.*—A. D. Williams, A. S. Peabody, A. B. Baylis, John T. Denny, R. Manley.

*Arbitration.*—E. S. Monroe, G. H. Brodhead, Alfred Colvill, R. L. Cutting, Jr., J. K. Warren, H. S. Wilson, W. S. Nichols, C. M. Stead, G. W. McLean.

*Law.*—John T. Denny, Warren Kimball, R. L. Cutting, Jr.

*Commissions.*—G. H. Watson, J. D. Prince, H. H. Hollister.

*Printing.*—A. M. Cahoone, D. B. Hatch, John Ten Brook.

*Regular Meetings of Committees.*—Governing Committee, second and fourth Wednesdays of each month. Committee on Admissions, Thursday of each week. Arbitration Committee, Tuesdays and Fridays of each week. Committee on Stock Lists, first Monday of each month.

*Trustees of Gratuity Fund*—Edward King, to serve one year; M. L. B. Martin, to serve two years; John R. Garland, to serve three years; S. V. White. to serve four years; W. M. Parks, to serve five years.

**Stock Exchange.**—In accordance with a request of the members, the Governing Committee of the Stock Exchange resolved to tender a suitable testimonial to the retiring President, Edward King. The resolution expresses the obligations of the committee to Mr. King, and provides for the appropriation of $2,000 for securing a testimonial to be presented by a sub-committee, composed of George W. McLean, George H. Brodhead, and G. W. Fuller.

**The Stock Exchange.**—On the 29th May, the flag of the Exchange was at half mast, as a mark of respect to the memories of Mr. E. D. Stanton and Mr. H. V. R. Van Dyck, whose deaths were announced at the first session of the Board. There have now been six deaths in the Exchange since the adoption of the new life-insurance plan.

STOCK EXCHANGE HOURS.—The business hours of the Exchange for the four months ending September 30th are to be from 10 A. M. until 3 P. M.

PACIFIC MAIL S. S. CO.—At the annual election of Directors of this company, held on the 28th May, the following shareholders were elected Directors for the ensuing year: GEORGE H. BRADBURY, P. W. PARK, JAMES D. SMITH, JOHN M. BURKE, CHARLES J. OSBORN, RUSSELL SAGE, GEORGE S. SCOTT, GEORGE H. PALMER, RUFUS HATCH. The total number of votes were 151,802, and at a meeting of the Board held 28th instant, the following officers of the company were unanimously elected, viz.: President, GEORGE H. BRADBURY; Secretary, THEODORE T. JOHNSON: Treasurer, HENRY SMITH.

BANK OF BRITISH NORTH AMERICA.—The recent dividend of this bank was *ten* per cent. instead of *two* as the types made it appear in our last number.

THE MUTUAL BANK.—On the 20th May, the MUTUAL BANK of this city suspended operations. The winding up of its affairs was on an amicable basis, though involuntary. The bank did only a small but perfectly safe business—about $ 250,000 per week, and the stockholders finding that it was useless to pay a rent of $ 14,000 a year when the receipts were not sufficient to afford a profit, wisely resolved to close up its business.

*New York.*—At the annual election for Directors of THE PRODUCE BANK, Park Place and College Place, N. Y., in May last, the following gentlemen were elected for the ensuing year: Alfred Bennett, Thos. P. Wallace, Eugene Elsworth, Isaac Rosenwald, W. B. C. Carpenter, S. G. Courtney, S. T. Wygant, J. Van Schaick S. T. Meyer, Thos. H. Walter, N. H. Decker, William Buck, Richard Vose, James Kay, Thos. L. Raymond, E. Greenfield, F. H. Leggett, W. H. Woglom. At a subsequent meeting of the Board of Directors Mr. T. L. RAYMOND was unanimously re-elected president. J. Z. WESTERVELT, Jr., A. Cashier.

*Removals.*—Messrs. EUGENE KELLY & CO. have removed from No. 34 Pine to No. 45 Exchange Place, where they issue bills on SMITH, PAYNE & SMITHS, London; and also on the CONSOLIDATED BANK, London; HOTTINGUER & CO., Paris; and on DONAHUE, KELLY & CO., San Francisco. The BANK OF NORTH AMERICA has removed from No. 44 Wall to 37 Wall street, pending the erection of their new banking house at No. 44.

The trustees of the WILLIAMSBURGH SAVINGS BANK have adopted a series of appropriate resolutions on the occasion of the death of their late associate, Mr. WATERBURY. The action of this body expresses only the sentiment of all who knew Mr. WATERBURY, who was a man of the highest character for integrity.

CALIFORNIA.—The FIRST NATIONAL BANK OF SANTA BARBARA, Santa Barbara County, (No. 2104), was organized in May, with a capital of $ 50,000, limited to $100,000. President, MORTIMER COOK; Vice-President, JOHN EDWARDS; Cashier, AMASA L. LINCOLN. Their New York correspondent is the FOURTH NATIONAL BANK. The new bank succeeds to the business of MORTIMER COOK.

CONNECTICUT USURY LAW.—The Senate passed on June 19th the usury law fixing the rate of interest at 7 per cent.

ILLINOIS.—ALLEGED COUNTERFEITER AND FORGER ARRESTED.—Special Treasury Agent BAILEY arrested at Springfield, June 15, for counterfeiting and forgery, one MERRILL, *alias* MOORE, *alias* MORRIS, and probably other *aliases*. On his person were found blank drafts on the FIRST NATIONAL BANK, of Memphis, the NATIONAL BANK, of Grand Rapids, MICHIGAN, and two or three National banks in VERMONT. He also had a letter of credit, presumed to be forged, purporting to come from a banking house in Utica, N. Y.

A BANK WITHOUT CAPITAL.—At a meeting in Chicago, June 18, of the creditors of the FARMERS' BANK, a small private banking institution which closed its doors a few days before the fact was developed that the proprietors, two brothers named TEN EYCK, commenced business without a dollar of capital—not even enough to pay for fitting up their bank or to pay their rent—

but, nevertheless, succeeded in securing deposits amounting to a few thousands of dollars.

IOWA.—The DUNLAP BANK, at Dunlap, Harrison County, IOWA, has been organized under a State charter. President, L. KELLOGG; Cashier, G. W. THOMPSON; with a capital of $ 25,000. Their New York correspondents are Messrs. ALLEN, STEPHENS & CO., No. 12 Pine street.

*Charles City.*—The banking firm of E. C. CHAPIN & CO., at Charles City, Floyd Co., IOWA, has been dissolved, and is succeeded by the new firm of FAIRFIELD & BALCH at the same place. Their New York correspondent is the NINTH NATIONAL BANK.

KANSAS.—By act of Congress, the name of the KANSAS VALLEY NATIONAL BANK OF TOPEKA has been changed to the FIRST NATIONAL BANK OF TOPEKA. The capital remains at $ 100,000. President, DANIEL M. ADAMS: Cashier, CHARLES N. RIX. Their New York correspondent is the FIRST NATIONAL BANK.

MORTGAGES AS COLLATERALS.—The United States Circuit Court for the district of KANSAS has decided, in accordance with the decision of the Supreme Court of PENNSYLVANIA, in the case of FOWLER *v.* SCULLY, that National banks cannot enforce a mortgage given for advances of money to be made, though for debts already due a mortgage can be enforced.

MASSACHUSETTS.—The following new National Banks were organized in May:

*Ashburnham.*—THE FIRST NATIONAL BANK OF ASHBURNHAM, Worcester Co., (No. 2,113), was organized in June. President, GEORGE C. WINCHESTER; Cashier, GEORGE W. EDDY.

*Boston.*—THE MANUFACTURERS' NATIONAL BANK OF BOSTON, (No. 2,111). President, EDWARD TURNER; Cashier, FRANCIS E. SEAUR; capital, $ 500,000, limited to $ 1,000,000. THE FIRST WARD NATIONAL BANK OF BOSTON, (No. 2112). President, WILLIAM L. STURTEVANT; Cashier, HENRY A. ROBERTS; capital $ 100,000, limited to $ 200,000.

*Watertown.*—THE UNION NATIONAL BANK OF WATERTOWN, (No 2,108). President, GEORGE N. MARCH; Cashier, JOHN K. STICKNEY; capital, $ 100,000.

*Boston.*—In the United States District Court at Boston, on Tuesday, June 3d, Mr. J. L. SAVAGE, lately Cashier of the LECHMERE NATIONAL BANK of East Cambridge, MASS., was sentenced to five years' imprisonment in the Lowell jail for defrauding the bank.

*Clearing House, Boston.*—At the annual meeting of the Clearing-House Association, held in May, the following-named gentlemen were elected officers for the year ensuing: JAMES H. BEAL; Chairman; HENRY B. GROVES, Secretary; Clearing-House Committee, THOMAS LAMB, A. D. HODGES, BENJAMIN E. BATES, SAMUEL H. WALLEY, and JOHN CUMMINGS. By the report of the manager it appears that the aggregate exchanges for the past year have been $ 2,674,943,559. The aggregate balances received and paid during the same time have been $ 308,604,070. The excess in the exchanges over the year preceding has been $ 179,168,701. By the first annual report of this institution, made in the spring of 1857, it appeared that the exchanges for the year had been $ 1,415,923,238, thus showing by the report of this year the increase in the yearly transactions of the Clearing-House to be $ 1,259,020,321.

*Chelsea.*—At the annual meeting of the CHELSEA SAVINGS BANK CORPORATION, in May, 1873, Mr. JOHN H. OSGOOD was elected President, and Miss LOUISA J. FELLOWS was made Secretary. This is a class of appointments well adapted for educated females. The duties pertaining to this responsible office may as well be performed by female accountants as by males.

MINNESOTA.—The business of the Duluth House of E. W. CLARK & CO. has been transferred to the BANK OF DULUTH, organized under the general banking law of MINNESOTA. Mr. B. S. RUSSELL, who has been resident partner and manager at Duluth of the former firm is the President; Mr. C. P. BAILEY, Cashier, and Mr. J. Q. ADAMS, Assistant Cashier.

MISSOURI.—The Bank Clerks' Mutual Association of MISSOURI was held in May, at the office of Messrs. BARTHOLOW & LEWIS, bankers. In the absence of the president and vice-president, Mr. H. G. SMITH, cashier of the FIRST NATIONAL BANK, Palmyra, Mo., was chosen chairman. The reports of the president, secretary and treasurer were read and ordered filed. From these reports it appears that there are now 157 members, an increase of forty-five during the year. There have been three deaths and seven resignations; paid to the families of deceased members, $710; current expenses, $123.85; balance in the treasury, $1,225.19. After the reading of the reports, the following were elected members of the association: J. C. VAN BLARCOM, J. A. BURNHAM, NICHOLAS A. HOOK, HERMAN H. DUEKER, St. Louis, and SAMUEL D. SOUTH, Palmyra, Mo.

The officers, directors and trustees for the ensuing year, were then elected, as follows:

President, C. R. GOODIN; Vice-President, GEO. D. BARKLAGE; Recording Secretary, E. A. MEYSENBURG; Corresponding Secretary, WILLIAM C. LITTLE; Treasurer, O. E. OWEN.

*Directors.*—CHARLES KERN, HENRY GROSS, F. F. STOEWENER, CHARLES S. JONES, G. DASCHEL, W. W. BELL, H. H. WERNSE, V. L. RUNYAN, JULES DESLOGE, W. KIESELHURST, T. F. IGLEHART and T. B. MOORE.

*Trustees.*—T. J. BARTHOLOW, J. H. MCCLUNEY, T. A. STODDARD, WM. SHIELDS, E. C. BRECK.

A committee on resolutions, of Messrs. O. E. OWEN, H. C. SMITH and J. T. HOWENSTEIN was appointed and reported as follows: *Resolved*, That the thanks of this association are hereby tendered to our late worthy and esteemed president, General WILLIAM SHIELDS, who was so largely instrumental in the organization of this association, and who has labored so faithfully and ably to promote its success and prosperity; and that this association is deeply obligated to him for his untiring and disinterested zeal in its behalf, and for his kind expression of interest for the future of the association, as given in his letter declining a re-election as its president.

*St. Louis.*—The IRON MOUNTAIN BANK, of St. Louis, has commenced business at No. 810 South Fourth Street, under a State charter of March, 1873. The capital is $300,000, of which ten per cent. has been paid in. President, RUDOLPH W. ULRICI; Vice-President, NEWEL G. LARIMORE; Cashier, RUDOLPH J. SCHENCK. Their New York correspondent is the MERCANTILE NATIONAL BANK.

DISAPPEARANCE OF A BANK CASHIER.—WILLIAM A. STUMPE, cashier of the MARKET STREET SAVINGS BANK, in St. Louis, has disappeared mysteriously. It is stated that an examination of his accounts reveals a deficit of some $2,000 on overdrawn account; also, that he borrowed $2,500 of the cashier of another savings bank.

*St. Louis.*—The MULLANPHY SAVINGS BANK commenced operations March 1, 1873, under a State charter, at No. 1,601 Broadway, corner of Mullanphy street, St. Louis, with a subscribed capital of $300,000; of which $60,000 has been paid. President, ALBERT SCHULHERR; Vice-President, F. G. NEIDRINGHAUS; Cashier, CHARLES E. KIRCHER. Their New York correspondent is the GERMAN-AMERICAN BANK.

*Tipton.*—The BANK OF TIPTON has been established with a capital of $100,000. B. F. REAVIS, President; H. A. TOMPKINS, Cashier. Both the president and cashier of this bank are well known as successful business men, and have the entire confidence of their community as worthy of trust and capable to fill the responsible positions now occupied by them.

NEBRASKA.—A new bank has been organized at Lincoln called the MERCHANTS' BANK. It is incorporated under the State law, and among the stockholders are a number of the wealthy business men of that region.

At a meeting of the directors, the following officers were chosen: President, JOHN FITZGERALD; Vice-President, A. C. RUDOLF; Cashier, GEO. P. EATON. The card of the new bank will be found on the cover of this number.

NEW JERSEY.—FRAUDULENT ALTERATION OF A CHECK.—GEORGE MARKS has been convicted in the Essex County Court, at Newark, of raising a check from $20 to $690, and was sentenced to ten years in the State prison. It having been discovered that a plot was on foot to effect his escape, Sheriff GAMBLE took him down to Trenton in the noon train. MARKS got the check from a saloon keeper in exchange for a $20 note, on the pretext that he wanted to send the check to a friend in the country. It was then raised to the amount stated, presented at the bank, and as the signature was recognized as genuine, the amount was paid without hesitation. When the fraud was detected the drawer of the check insisted that he was only liable for the amount he had drawn the check for, while the bank insists that having given the check, he was liable for the whole amount. A suit is to be brought to test the matter.

GRACE ON DRAFTS.—The following is the law recently enacted:

Supplement to an act entitled "An Act relating to commercial paper," approved March twelfth, one thousand eight hundred and sixty-two.

1. Be it enacted by the Senate and General Assembly of the State of NEW JERSEY, that all bills of exchange or drafts drawn, payable at no fixed time or period, or on demand, or on presentation at any place within this State, other than those upon banks or banking associations, shall be deemed due and payable at the expiration of three days' grace, after the same shall be presented for acceptance. [Approved April 2, 1873.]

When it is not intended to allow grace, the words "*Without grace*" should always be inserted in such drafts.

NEW SAVINGS BANKS.—Five new savings banks were incorporated in the State of NEW YORK in the year 1872, viz.:

I. COLLEGE POINT SAVINGS BANK.
II. PORT RICHMOND SAVINGS BANK.
*III. RIVERHEAD SAVINGS BANK, Riverhead, Suffolk County, (Long Island.)
*IV. WALDEN SAVINGS BANK, Walden, Orange County.
* V. WHITESTONE SAVINGS BANK, Whitestone, Queen's County.

Those marked * have commenced business. The increase of savings deposits in this State has been as follows:

| | | *Deposits.* | | *No. Depositors.* |
|---|---|---|---|---|
| January, 1859 | .... | $48,194,000 | .... | —— |
| " 1864 | .... | 93,786,000 | .... | —— |
| " 1870 | .... | 194,360,000 | .... | —— |
| " 1871 | .... | 230,749,000 | .... | —— |
| " 1872 | .... | 267,905,000 | .... | 776,700 |
| " 1873 | .... | 285,286,000 | .... | 822,642 |

In addition to the deposits, there are surplus accumulations of interest, advance in securities, &c., $19,776,000, equivalent to nearly seven per cent.; out of which dividends would be payable in January last.

NEW YORK.—At a meeting of the depositors of the ATLANTIC NATIONAL BANK, of New York, a statement was read, showing the cash in the bank to be $312,194, and trustworthy assets $137,000, making altogether about 75 per cent. of its liabilities. It was stated that a dividend of 30 or 40 per cent. would be declared within a short time. The defaulting cashier of this bank set up a plea for the quashing of the indictment against him on these grounds:

1. That his bank was not properly authorized to set up as a National bank.

2. That his indictment was defective in that it did not specify the time and place of his embezzlement.

3. That the prisoner's health had suffered so much from the great strain upon his physical and mental system that he was unfit to go to trial.

But these points were steadily overruled. He will be tried at the June term of the United States District Court.

*Bowles Brothers.*—Judge FANCHER has refused an application for an order compelling the New York Receiver in the case of BOWLES BROS. to turn over all the property in his hands to the assignee in bankruptcy appointed in CONNEC-

TICUT, notwithstanding the attachments put on to property in New York, at the instance of Messrs. MILLER & HURD, creditors of the firm.

*Chatham Village.*—The COLUMBIA BANK of W. A. WOODBRIDGE & CO., at Chatham Village, (formerly conducted under the State banking law,) has suspended, creating great excitement in the village, as nearly every business man there had money deposited. The utmost confidence was reposed in the institution. The cause of the failure is not made public, but it is supposed that the recent collapse of the Columbia Paper Company involved the bank heavily.

THE WALKILL NATIONAL BANK.—The Comptroller of the Currency has declared a third dividend of 25 per cent. in favor of the creditors of the WALKILL NATIONAL BANK, of Middletown, N. Y., making in all dividends of 75 per cent.

PENNSYLVANIA.—The PENN BANK has commenced business at No. 118 Wood street, Pittsburgh, PA., under a charter granted April, 1872. President, JAMES H. HOPKINS; Treasurer, JACOB H. WALTER; Cashier, WILLIAM N. RIDDLE. Their New York correspondent is the IMPORTERS & TRADERS' NATIONAL BANK.

*Philadelphia.*—The personal property and effects of HARRISON GRAMBO, the embezzling stock broker, have been sold by public sale. The property, valued at $ 80,000, brought $ 11,000 from the auctioneer's hammer.

*Pittsburgh.*—The liabilities of S. R. McLEAN & CO., bankers, who suspended in June, cannot be acertained. It is alleged that the depositors' accounts will reach $ 60,000, the rest being divided among banks and bankers. The assets are said to be considerably in excess of the liabilities, and it is thought an amicable settlement will be made at an early day.

A Shoe and Leather Savings Bank has been established in Pittsburgh by parties in the shoe and leather interest.

TEXAS.—The CITY BANK OF SHERMAN has been established at Sherman, Grayson County, with a capital of $ 200,000. JAMES S. PORTER, president; C. C. JONES, cashier. Mr. PORTER, the president, is an old citizen of Sherman, and is favorably known for his public spirit and financial resources. Mr. JONES, the cashier, was several years Cashier of the FIRST NATIONAL BANK of Clinton, MO., and more recently of the successful banking house of POAK & JONES of Sherman.

VERMONT.—The NATIONAL BANK OF BARRE, Washington County, (No. 2,109), was organized in May, with a capital of $ 200,000. President, NORMAN W. BRADLEY.

VIRGINIA STATE BONDS.—The Second Auditor announces that the interest of the public debt for July 1, 1873, as presented by the act of March 13, 1873, will be paid at Richmond, on and after 1st July. The sterling interest will be paid in London by BARING BROTHERS, the board constituted by the act of March 13, 1873, to consider that question, having determined that the unpaid balances of interest for January or July, 1872, as provided by the act of March 19, 1872, shall also be paid on and after 1st July. Where stock has not been funded the old bonds or certificates must be presented at Richmond, in order that the interest paid thereon may be stamped on such stock.

WYOMING.—The WYOMING NATIONAL BANK, of Laramie City, Albany County, (No. 2,110), was organized in May, with a capital of $ 50,000. President, EDWARD IVINSON; Cashier, A. G. SWAIN.

WISCONSIN.—Mr. FREDERICK HURLBUT has been elected Vice-President of the NATIONAL BANK OF COMMERCE OF GREEN BAY. Mr. GEORGE A. LAWTON remains President; EDWARD DECKER Cashier; capital, $ 100,000.

CANADA.—Sir FRANCIS HINCKS has been elected President of the CITY BANK OF MONTREAL, and WILLIAM WORKMAN Vice President.

THE CANADIAN PACIFIC RAILWAY.—It is stated in Montreal that Sir HUGH ALLEN and colleagues have succeeded in making arrangements in London for the immediate supply of a large portion of the capital required for building the Canadian Pacific Railway, the remainder to be furnished as the work proceeds.

# NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from June Number, page* 996.)

## NEW YORK.

Samuel Campbell, 25 William. Craven & Co., 11 Wall.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Camden, Ark | David C. Tuttle | Bank of America. |
| Pueblo, Col | People's Bank | Donnell, Lawson & Co. |
| West Winsted, Conn. | Gilbert & Gay | Importers & Traders' N. B. |
| Brunswick, Geo | David T. Dunn | John J. Cisco & Son. |
| Mount Vernon, Ill | Evans, Wilbanks & Co | Geo. Opdyke & Co. |
| Rockford, " | People's Savings Bank | ........ |
| Dyersville, Iowa | Koch Brothers | Greenbaum Bros. & Co. |
| Greene, " | Chas. V. McClure | Austin Corbin. |
| Estherville, " | Howard Graves & Co | German-American Bank. |
| Garnett, Kansas. | Anderson County Savings Bank. | Ninth National Bank. |
| Burlingame, " | Burlingame Savings Bank | Northrup & Chick. |
| Baltimore, Md | Clabaugh, Nelson & Co | Hallgarten & Co. |
| Boston, Mass | Manufacturers' National Bank | ........ |
| " " | First Ward National Bank | ........ |
| Ashburnham, " | First National Bank | ........ |
| Watertown, " | Union National Bank | ........ |
| Staunton, Mich | Howe & Chapin | Ninth National Bank. |
| St. Louis, Mo | Bank of North America | Northrup & Chick. |
| " " | Hibernia Savings Bank | Nat. B'k of the Republic. |
| Joplin, " | Bank of Joplin | ........ |
| Tipton, " | Bank of Tipton | Donnell, Lawson & Co. |
| Lincoln, Neb | Merchants' Bank | ........ |
| College Point, N. Y. | College Point Savings Bank | ........ |
| Port Richmond, " | Port Richmond Savings Bank | ........ |
| Riverhead, L. I., " | Riverhead Savings Bank | ........ |
| Walden, " | Walden Savings Bank | ........ |
| Whitestone, " | Whitestone Savings Bank | ........ |
| Cincinnati, Ohio. | German Banking Co | ........ |
| Seville, " | Bank of Seville | Ninth National Bank. |
| Tiffin, " | Tiffin Savings Bank | Third National Bank. |
| Upper Sandusky, " | Central Bank | Jay Cooke & Co. |
| Watsontown, Pa | Watsontown Bank | Henry Clews & Co. |
| Pittsburgh, " | Penn Bank | Importers & Traders' N. B. |
| Harrisburg, " | Farmers' Bank | Jay Cooke & Co. |
| Dallas, Texas | City Bank of Dallas | ........ |
| Sherman, " | City Bank of Sherman | Donnell, Lawson & Co. |
| Weatherford, " | J. R. Couts & Co | ........ |
| Abingdon, Va | Lynchburg Banking & Ins, Co. | Union National Bank. |
| " " | Bank of Abingdon | ........ |
| " " | Far. B'k of Lynchburg (*agency*) | ........ |
| Goodson, " | Exchange Bank | National Park Bank. |
| Barre, Vt | National Bank of Barre | ........ |
| Laramie City, Wyo. | Wyoming National Bank | ........ |

## CHANGES OF PRESIDENT AND CASHIER.

**June, 1873.**

*(Monthly List; continued from May No., page 915.)*

The MAGAZINE contains 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.

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| First N. B., Tuscaloosa, ALA. | J. M. Lester. *Cash* | F. S. Moody. |
| First N. B., Davenport, IOWA | H. Price, *Pres.* | Ira M. Gifford. |
| Iowa " Ottumwa, " | E. S. Sheffield, *Cash.* | J. B. Field. |
| Nat. B. Illinois, Chicago, ILLS. | Henry H. Nash, *Cash.* | Wm. M. Scudder. |
| North W. N. B. " " | James D. Sturgis, *Cash.* | ...... |
| Cook Co. N. B., " " | B. F. Allen, *Pres.* | D. D. Spencer. |
| State Sav. Inst'n, " " | D. D. Spencer, *Pres* | John C. Dore. |
| Miners' N. B., Braidwood, " | D. N. Cobb, *Pres* | John H. Daniels. |
| First Nat. Bank, Cairo " | R. W. Miller, *Pres.* | D. Hurd. |
| " " " " | Chas. Cunningham, *Cash.* | Cicero N. Hughes. |
| First N. B., Fairbury, " | J. D. Weaver, *Cash* | N. E. Lyman. |
| Dixon " Dixon, " | F. A. Truman, *Pres.* | H. B. Jenks. |
| Gallatin " Shawneetown, " | R. W. Townsend, *Cash.* | F. C. Crawford. |
| Union N. Bank, Aurora, " | H. C. Paddock, *Pres.* | J. R. Coulter.* |
| " " " " | T. B. Coulter, *Cash* | H. C. Paddock. |
| First N. Bk, Lafayette, IND. | A. H. Byrns, *Cash.* | D. McBride. |
| " " Marshalltown, " | Geo. Glick, *Pres* | C. M. Woodbury. |
| " " Newport, " | S. S. Collett, *Cash* | A. Sexten, *Acting.* |
| " " Rockville, " | Nathan Pickett, *Pres* | A. McCune, |
| Muscatine Nat. Bank, " | B. F. Coombs, *Cash.* | F. L. Underwood. |
| First Nat. Bank, Osceola, " | M. W. Messinger, *Cash.* | Wm. Christy. |
| Emporia Nat. Bank, KAN. | P. B. Plumb, *Pres.* | L. T. Heritage. |
| " " " | L. T. Heritage. *Cash* | I. E. Perley. |
| Osage City Sav. Bank, " | B. Haywood, *Pres.* | I. R. Swallow. |
| Bank Kentucky, Louisville, KY. | Tho. L. Barret, *Pres.* | H. A. Griswold.* |
| " " " | W. G. Hume, *Cash.* | Tho. L. Barret. |
| Far. & Trdrs', Shelbyville, " | J. L. Caldwell, *Pres.* | J. D. Guthrie. |
| " " " " | J. T. Middleton, *Cash* | J. L. Caldwell. |
| Clark Co. N. B., Winchester, " | John W. Bean, *Pres.* | T. H. Robinson. |
| Teutonia N. B., N. O., LA. | Charles Pithoff, *Pres.* | Rudolph Sieg. |
| " " " | J. M. Wagner, *Cash.* | ...... |
| N. Hide & L. B., Boston, MASS. | William Claflin, *Pres.* | Daniel Harwood. |
| Pocasset N. B., Fall River, " | Weaver Osborn, *Pres.* | S. Hathaway.* |
| Northborough Nat. B. " | Wilder Bush, *Pres.* | Geo. C. Davis.* |
| First Nat. Bank, Lapeer, MICH. | H. K. White, *Pres.* | E. J. White. |
| " " " " | Chester G. White, *Cash.* | H. K. White. |
| First N. B., Ishpeming, " | E. D. Nichols, *Cash.* | ...... |
| N. Granite State B., Exeter, N.H. | W. F. Putnam, *Cash.* | N. A. Shute. |
| Farmers' N. B., Mt. Holly, N.J. | J. S. Goldsmith, *Cash.* | W. H. Pancoast. |

N. Com. Bank, Albany, N. Y. E. A. Groesbeck, *Cash.*... James Martin.
First Nat. Bank, Albion, " Albert S. Warner, *Cash.*.. A. Stewart.
Bank of Attica, Buffalo, " Geo. S. Hazard, *Pres.* ..... J. M. Ganson.
Farmers' & M. B., Rochester, " John F. Holmes, *Cash.*... Thomas Raines.

Citizens' N. B., Galion, O. . William G. Beatty, *Pres.* .. John Beatty.
Clinton Co. N. B., Wilm'gt'n " .. Madison Betts, *Cash.*...... J. H. McMillan.

Easton National Bank, Pa. .. William Hackett, *Pres.*.. John Davis.
First Nat. B., Hanover, " .. C. W. Forney, *Cash.*...... Stephen Keifer.
First N. B., Waynesboro, " .. Joseph Price, *Pres.* ...... W. S. Amberson.

N. Exch. Bank, Newport, R. I.. P. Caswell, Jr., *Pres.*...... R. R. Hazard.
" " " . S. H. Norman, *Cash.*...... D. W. Holloway.

Springfield Nat. Bank, Tenn... H. T. Stratton, *Cash.* .... W. H. Brown.

Salt Lake City N. B., Utah ... J. M. Burkett, *Cash.*...... Hugh White.

First N. B., La Crosse, Wis.... A. McMillan, *Pres.* ...... W. R. Sill.

* Deceased.

## DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from June No., page* 996.]

### NEW YORK CITY.

The Mutual Bank, 756 Broadway.
Samuel Campbell & Co., 25 William.
E. Judson Hawley & Co.
Hubbard, Craven & Co., 11 Wall.
Justh & Co.
E. D. Stanton, 22 William.*

Alabama.—T. K. Ferguson & Co., *Selma*, (*failed.*)

Georgia.—John King, *Columbus.*

Illinois.—Ten Eyck, Brothers & Co, *Chicago*, (*failed.*)

Iowa.—Ingham & Smith, *Algona*, (succeeded by Kossuth County Bank.)

Kansas.—Kansas Valley National Bank of *Topeka*, (changed to First National Bank of Topeka.)

Michigan.—National Bank of *Lyons*, (succeeded by Second National Bank of Ionia.)

Missouri.—National Bank of *Springfield*, (changed to First National Bank of Springfield.)

Montana.—Fox, Lyster & Roe, *Helena*, now People's National Bank.

New York.—East Chester National Bank of *Mt. Vernon*, (sold out to German National Bank, *Evansville*, Ind.); W. A. Woodbridge & Co., *Chatham Village*, (*failed*); Cornwall & Walton, *Alexandria Bay*, (not in banking business); M. C. Murcur, *Towanda.*

Ohio.—J. F. Oliver, *Alliance*; J. V. Painter, *Cleveland*; Charles A. Smith, (Warren County Bank), *Lebanon*, (*failed.*)

Pennsylvania.—S. R. McClean & Co., *Pittsburgh*, (*suspended*).

Texas.—Hughes, Couts & Co., *Weatherford*, (succeeded by J. R. Couts & Co.); T. C. Jordan & Co., *Dallas*, (merged into City Bank of Dallas.)

Vermont.—R. T. Du Bois, *West Randolph*, (now Du Bois & Gay.)

* Deceased.

# NOTES ON THE MONEY MARKET.

## New York, June 21, 1873.

*Exchange on London, at sixty days' sight,* 109 @ 109¼ *for gold.*

The month of June shows a return of the money market to comparative ease, with the usual dullness in stocks, which is common to the early summer. Our merchants complain of dullness or inactivity in trade; on the other hand we observe, in New York city at least, a bustle in every branch of trade. In fact there is too much business for a healthy condition of the money market. If the importations were less by ten per cent. there would be yet too large a business for the wants of the country, and too much to pay for. The importations of 1873, at this port, for five months, were 191 millions; and for eleven months 384 millions; a large portion of which has been paid for in specie and a larger portion in twenty-year bonds.

*Foreign Imports at New York for the five months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $ 88,865,927 | $ 98,985,328 | $ 84,091,321 |
| Entered for warehousing | 64,242,927 | 88,374,363 | 61,036,656 |
| Free goods | 13,736,707 | 14,033,539 | 44,930,815 |
| Specie and bullion | 3,390,046 | 733,854 | 1,841.654 |
| Total entered at port | $ 170,235,607 | $ 202,127,084 | $ 191,900,446 |
| Withdrawn from warehouse | 54,487,088 | 56,468,319 | 54,869,692 |

Compared with 1871-2 the foreign importations for eleven months are a trifle larger this year; but are 66 millions beyond those of 1870-71, as is shown in the annexed summary:

*Foreign imports at New York for eleven months, ending May* 31.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Six months | $ 156,339,208 | $ 183,028,276 | $ 199,396,050 |
| January | 28,792,062 | 35,679,496 | 37,803,691 |
| February | 35,491,324 | 38,206,143 | 38,860,517 |
| March | 38,696,064 | 39,218,268 | 43,440,621 |
| April | 32,967,661 | 46,443,937 | 37,179,426 |
| May | 34,288,496 | 42,579,240 | 34,616,191 |
| Total for 11 months | $ 326,574,815 | $ 385,155,360 | $ 391,226,496 |
| Deduct specie | 8,091,731 | 2,340,410 | 6,658,284 |
| Total merchandise | $ 318,483,084 | $ 382,814,950 | $ 384,568,212 |

These figures represent gold; and on the other hand the exports of domestic produce represent paper money only. The general results are as follows for five months:

*Exports from New York to foreign ports for five months from January* 1.

| | 1871. | | 1872. | | 1873. |
|---|---|---|---|---|---|
| Domestic produce | $ 92,832,816 | ........ | $ 81,394,156 | ........ | $ 110,177,625 |
| Foreign merchandise, free | 461,388 | ........ | 581,823 | ........ | 1,149,604 |
| Do. dutiable | 3,372,605 | ........ | 4,390,944 | ........ | 3,717,326 |
| Specie and bullion | 32,949,884 | ........ | 24,576,697 | ........ | 21,163,288 |
| Total exports | $ 129,616,693 | ........ | $ 110.943,620 | ........ | $ 136,207,843 |
| Total, excluding specie | 96,666,809 | ........ | 86,366,923 | ........ | 115,044,555 |

A further comparison for eleven months of the fiscal year shows an increase of exports compared with two years before.

*Exports (exclusive of specie) from New York to foreign ports for eleven months of the fiscal year.*

| | 1871. | | 1872. | | 1873. |
|---|---|---|---|---|---|
| Six months | $ 107,654,919 | ........ | $ 119,604,290 | ........ | $ 130,400,814 |
| January | 18,837,876 | ........ | 18,951,004 | ........ | 20,050,550 |
| February | 18,739,742 | ........ | 17,915,169 | ........ | 21,139,002 |
| March | 22,139,332 | ........ | 16,530,019 | ........ | 21,982,209 |
| April | 18,930,074 | ........ | 17,089,784 | ........ | 25,619,768 |
| May | 18,019,785 | ........ | 15,880,947 | ........ | 26,253,026 |
| Eleven months | $ 204,321,728 | ........ | $ 205,971,213 | ........ | $ 245,445,369 |
| Specie | 74,300,759 | ........ | 46,887,621 | ........ | 56,007,431 |
| Total, 11 months | $ 278,622,487 | ........ | $ 252,858,834 | ........ | $ 301,452,800 |

The latest quotations for loans in Wall street are as follows; there being exceptional transactions at lower figures:

| | Per Cent. |
|---|---|
| Loans on call—Government collaterals | 5 @ |
| " " Miscellaneous collaterals, first-class | 5 @ 6 |
| Commercial first-class indorsed paper, sixty days | 6 @ |
| Commercial first-class indorsed paper, four months | 6½ @ 7 |
| Commercial first-class indorsed paper, six months | 7 @ |
| Commercial first-class, single names, sixty days | 7 @ |
| Commercial first-class, single names, four to six months | 7½ @ 9 |
| Bankers', first-class domestic, three to four months | 6½ @ 7 |

Government bonds continue to be steady, though lower since the decline in gold. Purchases were made by the Treasury of $ 500,000 on June 4th, at 116.20 *a* 116.44 and interest; and on 18th of the same amount at 115.47 *a* 115.62. We annex the latest quotations for the several issues:

| | Offered. | Asked. |
|---|---|---|
| U. S. Currency 6s | 114¼ | 114½ |
| U. S. 6s, 1881, Registered | 116⅛ | 116⅜ |
| U. S. 6s, 1881, Coupon | 121¼ | 121¾ |
| U. S. 5-20 Reg., May and Nov. | 115¾ | 116¼ |
| U. S. 5-20, '62, Coupon, " | 116 | 116¼ |
| U. S. 5-20, '64, Coupon, Nov. | 116 | 116¼ |
| U. S. 5-20, '65, Coupon, Nov. | 117¼ | 117½ |
| U. S. 5-20, '67, Reg., Jan. & July | 115 | 115½ |
| U. S. 5-20, '65, Coupon, July | 119⅛ | 119¼ |
| U. S. 5-20, '67, Coupon, July | 120⅝ | 120¾ |
| U. S. 5-20, '68, Coupon, July | 120⅛ | 120⅜ |
| U. S. 10-40, Registered | 112¼ | 112¾ |
| U. S. 10-40, Coupon | 112¾ | 113 |
| U. S. 5s of '81, Coupon | 114⅛ | 114⅜ |

The returns of the New York City Banks show a much more favorable condition than for some time past. They hold of specie and legal tenders some twelve millions in excess of the required reserve of twenty-five per cent. We annex the returns for a series of years:

| 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 | 585,304,790 |
| 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 | 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 | 818,260,202 |
| April 7 | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| May 5 | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471,900 | 698,038,785 |
| " 26 | 279,846,380 | 20,632,600 | 42,752,900 | 27,493,800 | 209,762,300 | 578,673,925 |
| June 2 | 277,958,800 | 19,482,000 | 44,332,300 | 27,447,100 | 208,136,500 | 454,272,030 |
| " 9 | 277,418,800 | 25,984,800 | 45,308,000 | 27,434,100 | 214,475,800 | 560,623,857 |
| " 16 | 277,714,400 | 26,967,600 | 46,397,000 | 27,402,700 | 218,171,100 | 439,961,870 |

A comparison with the same period in former years is as follows:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| 1872, June 15 | $288,764,300 | $20,299,700 | $55,424,500 | $27,519,300 | $228,995,300 |
| 1871, June 17 | 293,134,532 | 12,989,910 | 72,178,964 | 30,662,098 | 243,276,150 |
| 1870, June 18 | 276,689,004 | 28,895,971 | 58,120,211 | 33,072,643 | 219,932,852 |
| 1869, June 19 | 265,341,996 | 19,025,444 | 49,612,488 | 34,198,829 | 186,144,110 |
| 1868, June 20 | 274,117,608 | 9,121,830 | 72,567,582 | 34,119,120 | 211,484,387 |
| 1867, June 22 | 248,640,477 | 8,399,585 | 62,816,192 | 33,633,171 | 179,477,170 |
| 1866, June 23 | 248,436,808 | 8,504,096 | 80,840,518 | 26,585,394 | 201,969,288 |
| 1865, June 24 | 213,590,230 | 15,906,314 | 58,580,589 | 5,789,070 | 187,508,936 |
| 1864, June 25 | 197,077,002 | 22,000,898 | —— | 4,807,195 | 158,727,902 |
| 1863, June 27 | 175,682,421 | 38,271,702 | —— | 6,004,177 | 158,539,308 |
| 1862, June 28 | 148,346,401 | 30,832,626 | —— | 8,910,344 | 127,660,708 |

The Boston banks present a less favorable exhibit than do those of the two other leading cities, as their returns will show:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 6, 1868 | $94,969,249 | $1,466,246 | $15,543,169 | $24,696,559 | $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 |
| April 7 | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| May 5 | 117,501,100 | 1,401,100 | 9,191,600 | 25,625,700 | 65,809,400 |
| " 26 | 116,962,600 | 1,686,400 | 10,542,600 | 25,454,300 | 68,920,300 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25,445,100 | 69,422,800 |
| " 9 | 118,218,500 | 1,011,500 | 11,114,300 | 25,384,800 | 68,321,400 |
| " 16 | 119,224,900 | 978,500 | 10,929,900 | 25,491,400 | 68,985,900 |

The Philadelphia banks report enlarged deposits and extended discount lines. Their returns from 1868 to date are given below:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 4, 1868..... | $5?,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 | 11,389,972 | 41,495,605 |
| April 7, " ..... | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| May 5, " ..... | 59,006,414 | 238,944 | 11,641,739 | 11,438,679 | 45,177,200 |
| " 26, " ..... | 59,894,975 | 128,999 | 14,461,463 | 11,432,563 | 47,514,085 |
| June 2, " ..... | 61,135,011 | 116.089 | 15,377,993 | 11.434,591 | 51,833 223 |
| " 9, " ..... | 61,735,781 | 210,761 | 15,416,348 | 11,451,736 | 52,494,037 |
| " 16, " ..... | 61,350,352 | 178,117 | 15,250,814 | 11,457,796 | 49,656,368 |

Foreign exchange is tolerably steady. For 60 days' sterling bills, leading bankers ask 109¼. We quote: Bills at 60 days on London, 108⅝ *a* 108⅞ for commercial; 109 *a* 109¼ for bankers'; do. at short sight, 110⅛ *a* 110¼; Paris at 60 days, 5.28¾ *a* 5.24⅜; do. at short sight, 5.20⅝ *a* 5.19⅜; Antwerp, 5.26¼ *a* 5.21¼; Swiss, 5.26¼ *a* 5.21¼; Hamburg, 4 Reichsmark, 95⅝ *a* 96¼; Amsterdam, 39⅞ *a* 40⅜; Frankfort, 40⅞ *a* 41⅜; Bremen, 4 Reichsmark, 95⅝ *a* 96¼; Prussian thalers, 71¾ *a* 72¼.

Compared with three previous months rates are as below:

| *Sixty days' Bills.* | *March 23.* | *April 23.* | *May 22.* | *June 21.* |
|---|---|---|---|---|
| On London, bankers'... | 108 @ 108¼ | 108⅜ @ 108¾ | 108⅞ @ 109⅛ | 109 @ 109¼ |
| " commercial | 107½ @ 107⅞ | 107⅞ @ 108¼ | 108¼ @ 108¾ | 108⅜ @ 108⅞ |
| Paris, francs, ℔ dollar.. | 5.32½ @ 5.27½ | 5.32½ @ 5.27½ | 5.27½ @ 5.22½ | 5.28¾ @ 5.24⅜ |
| Amsterdam, ℔ guilder. | 39¾ @ 40⅛ | 39½ @ 40⅛ | 39⅞ @ 40⅜ | 39⅞ @ 40⅜ |
| Frankfort, ℔ florin .... | 40½ @ 40⅞ | 40½ @ 40⅞ | 40⅞ @ 41⅜ | 40⅞ @ 41⅜ |
| Hamburg, ℔ 4 R'mark.. | 94⅜ @ 95 | 94¾ @ 95½ | 95½ @ 96¼ | 95⅝ @ 96¼ |
| Prussian thalers ........ | 70⅝ @ 71¼ | 71 @ 71⅛ | 71½ @ 72¼ | 71¾ @ 72¼ |

For miscellaneous coin the price in gold is thus quoted:

**American silver, large, 93½ *a* 96; American silver, small, 92 *a* 98; Mexican dollars, old stamp, 107 *a* 108; Mexican dollars, new stamp, 103¾ *a* 104¾; English silver, 480 *a* 485; Five francs, 92 *a* 95; Thalers, 70 *a* 72; English sovereigns, 485 *a* 489; Twenty francs, 383 *a* 387; Spanish doubloons, 15.75 *a* 16.15; Mexican doubloons, 15.45 *a* 15.70.**

The premium on gold has suffered a marked decline, from 18¼ on 6th inst. to 15¼ on 20th. The cable reports a large gain of bullion (£998,000) by the Bank of England for the week ending 19th. This tends to lessen the chances of a drain from this side. Exports of specie from New York from January 1st to June 21st are $24,927,410; a large amount, but less than the aggregate shipments of the same period in 1872 and 1871. The comparison with previous years is as follows:

| | | | | | |
|---|---|---|---|---|---|
| Year 1853. | $7,919,000 | Year 1860. | $18,429,000 | Year 1867. | $22,873,000 |
| " 1854. | 14,364,000 | " 1861. | 3,024,000 | " 1868. | 43,702,000 |
| " 1855. | 15,696,000 | " 1862. | 21,749,000 | " 1869. | 14,046,000 |
| " 1856. | 12,236,000 | " 1863. | 19,031,000 | " 1870. | 15,182,000 |
| " 1857. | 20,056,000 | " 1864. | 27,411,000 | " 1871. | 37,308,000 |
| " 1858. | 11,870,000 | " 1865. | 18,521.000 | " 1872. | 32,683,000 |
| " 1859. | 31,431,000 | " 1866. | 43,534,000 | " 1873. | 24,927,000 |

State bonds are dull, but generally steady, at the quotations below:

| | *Offered.* | *Asked.* | | *Offered.* | *Asked.* |
|---|---|---|---|---|---|
| Tennessee 6s, old | 79 | 79¾ | Alabama 5s | — | 55 |
| Tennessee 6s, new | 78¾ | 79 | Alabama 8s | — | 83 |
| Virginia 6s, old | — | 50 | Alabama 8s, 1893 | — | 85 |
| Virginia 6s, Consol. Bonds | 54½ | 54¾ | Ark. 7s, L. R. & Ft. S. is | 20 | — |
| Virginia 6s, Def. Bonds | — | 10¾ | Arkansas 7s, M. & L. R. | 18 | — |
| Georgia 6s | — | 80 | Ark. 7s, L. R. P. B. & N. O. | 18 | 40 |
| Georgia 7s, new bonds | 90 | 92½ | Ark. 7s, M. O. & R. R. | 18 | 40 |
| Georgia 7s, indorsed | — | 88 | Ark. 7s, Ark. C. R. | 20 | 23 |
| North Carolina 6s, old | 24½ | 29 | Texas 10s of 1876 | 77 | — |
| North Carolina N.C.R.Co.cou. | 56 | 59½ | Ohio 6s, 1875 | 98 | — |
| North Carolina N.C.R.ex cou. | 38 | 42 | Ohio 6s, 1881 | 101 | — |
| North Carolina 6s, F. A., 1866 | — | 17 | Ohio 6s, 1886 | 101 | — |
| North Carolina 6s, F. A., 1868 | — | 17 | Illinois coupon 6s, 1877 | 98 | 100 |

The rate of discount at the Bank of England was raised from 6 to 7 per cent. on 5th inst., but lowered to 6 again on 12th. In the open London market money has ruled lower than the bank rate.

The London *Economist* of June 7th quotes the rates at the different continental cities as below:

| | Bank Rate. Per Cent. | | Bank Rate. Per Cent. |
|---|---|---|---|
| Amsterdam | 5 | Hamburg | 6 |
| Bremen | 6 | Leipsic | 6½ |
| Berlin | 6 | Paris | 5 |
| Brussels | 5 | St. Petersburg | 4½ |
| Frankfort | 6 | Vienna | 6 |

## DEATHS.

In Pass Christian, on Monday, June 2d, E. H. Summers, President of the Cotton Exchange, of New Orleans, and President of the late Crescent City National Bank.

In Marshalltown, Iowa, on Monday, April 14th, aged sixty-two years, Greenleaf M. Woodbury, President of the First National Bank, of Marshalltown, from its organization.

Near Maysville, Ky., (on board the steamer Fleetwood,) on Friday, June 13th, aged fifty-three years, Joseph C. Butler, President of the Lafayette Banking Co., and of the Safe Deposit Co., of Cincinnati, Ohio.

In Sandy Hill, N. Y., on Friday, May 23d, aged fifty-three years, Doctor William H. Miller, Vice-President of the First National Bank of Sandy Hill.

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

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## THE LAW OF SPURIOUS BONDS.

One of the most extraordinary frauds ever committed in this country was that upon the United States Treasury in the year 1867. This fraud consisted in printing surreptitiously, by parties who are not yet discovered, eighty government bonds (or seven-thirty notes) of one thousand dollars each. These parties, after printing the fraudulent securities, succeeded in negotiating them through various bankers in the West, by whom the bonds were transmitted, in due course of business, to their correspondents in New York, for the credit or account of these Western bankers, and for redemption at the Treasury. The remittances were at various dates in September and October, 1867.

The parties in New York receiving them from their correspondents were Messrs. Jay Cooke & Co., Vermilye & Co., Maxwell & Graves, Drexel, Winthrop & Co., Baker & Kitchen, and others.

The parties transmitting them were Messrs. James T. Brady & Co., Pittsburgh; the Ridgely National Bank, Springfield, Illinois; Rodman, Fisk & Co.

These fraudulent bonds were duly transmitted to the treasury for payment, by the New York bankers, and were paid by the department after the usual course of examination.

In October following, the bonds were discovered to be fraudulent, by a series of duplicate numbers. Proceedings were instituted in March, 1868, in the United States Circuit Court for the Southern

District of NEW YORK, against JAY COOKE & Co., by the UNITED STATES, for the recovery of the principal and interest paid by the Treasury on these bonds.

The plea set forth:

*First.*—For that, whereas, heretofore, to wit, on or about the twenty-first day of September, A. D. 1867, at the City of New York, in the said Southern District, the said defendants then and there doing business as brokers, and co-partners, under the firm name and style of JAY COOKE & Co., were. indebted to the UNITED STATES OF AMERICA aforesaid for the sum of one thousand and nineteen and $\frac{60}{100}$ dollars, money had and received at the city aforesaid by them, to and for the use of the UNITED STATES OF AMERICA, and of their property, on the said twenty-first day of September, A. D. 1867. Such money was obtained by said defendants at the city aforesaid from the said plaintiffs, upon the occasion of the said firm having delivered to the said plaintiffs therefor, what purported to be a certain obligation of the UNITED STATES aforesaid, known as a seven-thirty note and coupon attached for the principal sum of one thousand and nineteen and $\frac{60}{100}$ dollars interest, to wit, a note bearing seven and $\frac{30}{100}$ per cent. interest per annum, and numbered 68,446 B, of the series of seven-thirty notes, issued June 15th, 1865, by the UNITED STATES aforesaid, together with an interest coupon attached as aforesaid to said note, calling for interest from June 15th, 1867; which note with coupon attached as aforesaid, was by the said defendants composing the firm aforesaid, at the time they delivered it to the officer of the Sub-Treasury of the UNITED STATES aforesaid, professed to be, and, by the plaintiffs aforesaid and their officer aforesaid, was, when received from them, supposed to be a genuine note, with a genuine coupon attached, of the UNITED STATES aforesaid; and by the representations and inducement of the said defendants then and there practised, the same was received by the UNITED STATES and their officer aforesaid as a valid, genuine note, with genuine coupon attached, at the Sub-Treasury of the UNITED STATES aforesaid at the City of New York, on the twenty-first day of September, A. D. 1867.

The said note and coupon were in fact counterfeit, and neither of them had ever been executed or issued by the UNITED STATES OF AMERICA, their officers or agents, but had been forged and falsely made and uttered, and were no obligation whatever of or upon the UNITED STATES aforesaid; and were by them, to wit, by their officer aforesaid, received as aforesaid under the belief created by the representations and inducement aforesaid, that the said note with coupon attached was good, and formed a valuable and adequate consideration for the money received by the defendants as aforesaid, which was retained from plaintiffs after discovery that the said note and coupon were counterfeit, whereof prompt notice was given to said defendants. And being so indebted, the said defendants in consideration thereof, afterwards, to wit, on the day and year last aforesaid, at said City of New York, undertook and then and there faithfully promised the said United States of America, plaintiffs, to pay to said plaintiffs the said sum of money, to wit, one thousand and nineteen and $\frac{60}{100}$ dollars, when they the said defendants should be thereunto afterwards requested. Yet the said defendants, not regarding their said promise and undertaking, although often requested so to do, have not as yet paid said sum of money or any part thereof; but the said defendants to pay the same have hitherto wholly neglected and refused, and still do neglect and refuse, to the damage of said plaintiffs to the amount, to wit, of one thousand and nineteen and $\frac{60}{100}$ dollars, with interest from the date last aforesaid; and, therefore, they bring this suit, &c.

The case came on for trial in November and December, 1870, on a bill of exceptions on the part of the defendants, when the government claimed:

*First.*—That the Assistant Treasurer had no authority to use the money of the United States in receiving or retiring any obligations which were not actually previously issued by the United States.

*Second.*—That the defendants, or other persons, seeking to avail themselves of the benefit of the act of April 12th, 1866, authorizing the retirement of seven-thirty notes, and delivering to the Assistant Treasurer what purported to be such treasury notes, must impliedly be held in law as representing such notes to be genuine treasury notes actually issued by the United States.

*Third.*—That the liability of the defendants to repay to the United States the money taken from them by the Assistant Treasurer to pay for such notes, is not restricted or affected by any endorsement of such notes by the defendants.

*Fourth.*—That the plaintiffs have a right to recover back, in this suit, any money belonging to it, paid by it through the Assistant Treasurer of the United States to the defendants, as the consideration for supposed Treasury notes not issued in fact by the United States.

*Fifth.*—That in view of the statute of April 12th, 1866, the averment in the declaration that the defendants professed and represented that the notes delivered to the Assistant Treasurer were genuine treasury notes, is supported by the mere fact that such notes, being notes not actually issued by the United States, were in fact delivered to the Assistant Treasurer, and paid for by him with the money of the United States without further proof.

On the part of the defendants, their counsel requested the court to instruct the jury as follows:

*First.*—That in order to entitle the plaintiffs to recover, they must show that the eighteen notes produced on the trial, and marked "C 1" to "18," were the identical notes which were delivered by the defendants to the Assistant Treasurer of the United States.

*Second.*—That in order to entitle the plaintiffs to recover, they must also show that the said eighteen notes, marked "C 1" to "18," were delivered to the Assistant Treasurer of the United States, between the 20th day of September and the 9th day of October, 1867.

*Third.*—That in order to entitle the plaintiffs to recover, they must further prove that the money paid to the defendants for said notes was the money of the UNITED STATES.

*Fourth.*—That the burthen of proving that the eighteen notes in question, "C 1" to "18," are not genuine obligations of the UNITED STATES, rests upon the plaintiffs; and if the evidence be insufficient to establish the fact that such notes are not genuine obligations, as aforesaid, the defendants are entitled to a verdict.

*Fifth.*—That in determining whether the eighteen notes in question are genuine obligations, the jury are entitled to take into consideration the fact that said notes were supposed to be genuine by the Assistant Treasurer in New York, and passed through his hands and the hands of other officials connected with the Treasury Department.

*Sixth.*—If the defendants honestly believed the notes in question to be genuine obligations issued by the UNITED STATES, and so believing, and in good faith, passed them to Mr. VAN DYCK, the Assistant Treasurer of the United States, and the latter, under the like belief and in good faith, received the notes and paid for them, the plaintiffs are not entitled to recover, although the notes may not have been genuine obligations issued by the UNITED STATES.

The court refused to instruct the jury as desired, and the jury, thereupon, found a verdict for the plaintiffs for the sum of $23,630 and 88 cents. The case is now under appeal, for argument.

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*Corporation Bonds.*—The city of Boston has lately been borrowing a good deal of money in anticipation of the incoming taxes, and the city finds the market favorable for its negotiations. The question has been raised whether, under section 29 of the national bank act, a bank can loan more than 10 per cent. of its capital to any State or municipality; whether, for instance, a Boston bank can loan more than 10 per cent. of its capital to the city of Boston. We reply most decidedly in the negative. The section in question reads, "The total liabilities to any banking association of any corporation shall at no time exceed one-tenth part of the capital stock of such association actually paid in." The city of Boston is neither more nor less than a corporation. We are told by a well-posted banker that the present or some past Comptroller of the Currency says that the word "corporation" in this section does not mean to include city. But in these premises, as in others in which we have found ourselves, we take the ground that the Comptroller of the Currency has no power over the bank law. It must be taken as it stands. It is generally so clear that he who runs may read and understand. But where there is any doubt of its meaning the Supreme Court must decide for us.—*Commercial Bulletin.*

*Stock Frauds.*—J. A. COE. the broker under arrest on the charge of the heavy stock-raising frauds, appears before the United States District Court with his petitioner for a trial by jury in the matter of GEO. WARREN *et al.*, creditors, who allege that COE has transferred Copper Falls mining shares to NATHAN MATTHEWS with the intention of giving preference to Mr. MATTHEWS over other creditors, and should therefore be put into bankruptcy. Mr. COE appears to have made little progress in his attempts to procure bail, and the $400,000, under which he stands, is certainly a very difficult amount for a man in his situation to raise.

# LEGAL MISCELLANY.

*I. Notarial Notice of Protest. II. Interest. III. Discount. IV. County Bonds. V. Advances on Bills of Lading. VI. Bills and Notes. VII. Taxation of Savings Banks. VIII. Bills and Notes. IX. Bills and Notes. X. Transfers pending Bankruptcy. XI. Contracts on Sunday. XII. Bills and Notes. XIII. Contract. XIV. Bills of Lading as Collateral. XV. Bills of Lading.*

## I.—Due Diligence of Notaries Public.

*Hamilton District Court, Ohio. Before Judges Force, Murdock, Avery, Burnet, and Cox.*

Thomas J. & R. H. Cottle *v.* Joseph C. Thomas. Petition in error. The suit was brought below against the plaintiffs in error, as indorsers of a promissory note. The defense was that the indorsers were not properly notified. This is the only point in the case.

Judge Force announced the opinion of the court. As to Thomas Cottle, he held that his position on the note was that of guarantor, and that the judgment, as against him, was properly rendered.

The other party was strictly an indorser, and lived in this city. The holder of the note also lived in this city. The notice was addressed to the indorser through the post office. The question presented is, whether or not, when the holder and indorser both live in the city, it is using sufficient diligence to address the notice "Cincinnati" and put it in the post office.

Judge Force stated that there had been no decisions in reference to this question since the establishment of the present postal system for the delivery of letters throughout the city limits by the means of carriers. But the courts in various States have given out indications as to how they would decide it at the proper time. The mere address to "Mr. So-and-so, Cincinnati," he thought would be very often insufficient. A proper diligence, as required by the statute, should require that the street should also be designated in the address. There should be something which would be reasonably sufficient to guide and insure the delivery of the notice. Where that is not done, the testimony should show that the indorser was in the habit of receiving his letters by letter carriers; or, where neither of these appears, the testimony then should show that the notary was not able to ascertain the indorser's address. The proof here was that the notice was merely addressed "Cincinnati." Upon that ground, the judgment against R. H. Cottle must be reversed.

### II.—Interest.

When an instrument provides for the payment of "annual interest," and is silent as to when the interest shall be paid, it is payable at the end of each year.—*Indiana Supreme Court Reports.*

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### III.—Interest in advance.

It is not usurious or illegal to take interest in advance at the highest rate of interest allowed by law.—*Indiana Supreme Court Reports.*

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### IV.—County Bonds.

*Powers of County Commissioners.—Injunction.*—The board of county commissioners may issue bonds of the county to raise money to build, complete or repair county buildings, and for that purpose have power to decide upon the necessity of such construction, completion, or repairs, and that the revenues afforded by reasonable taxation are insufficient therefor, and to fix the time within which the bonds shall be paid, and, in the absence of fraud, the exercise of such power cannot be questioned in a suit to enjoin the issuing of such bonds; but it is required by the statute that the interest on such bonds shall be made payable annually; and if it be ordered by the board that the interest be made payable at shorter periods, the issuing of the bonds may be enjoined at the suit of a citizen and tax payer of the county.—*Indiana Supreme Court Reports.*

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### V.—Advances on Bills of Lading.

A recent decision of the Commission of Appeals of the State of New York involves a point of commercial law of great interest, not only to the legal profession, but to banks, bankers, and business men generally. It was an action brought by the Marine Bank of Chicago to recover the value of a cargo of corn, shipped from Chicago to Buffalo, and thence to New York, consigned to defendants. At Chicago the consignor made his bill of exchange for $ 3,500 at sight, directed to the defendants at New York. The plaintiff discounted the draft for the consignee, upon his delivering as security a bill of lading for the corn. The defendants received the corn in New York, but refused to pay the draft, although notified of the transfer before receiving the corn. They claimed to hold the corn for a balance due them by the Chicago consignor, and that a previous draft for $ 1,220, paid by them for the same party, should be deducted from the amount of recovery, as money advanced to purchase the corn.

The decision was in favor of the plaintiff. It was held, that the transfer of the bill of lading, under the circumstances, transferred the title to the corn; that upon the refusal of the defendant to accept the draft the plaintiff's title remained unimpaired, and the defendant was liable for the money advanced upon the security of the bill of lading. It was also decided, that where the consignor is indebted to the consignee for advances, and has agreed to give him a prior security upon the property, the lien of the latter is good as against the former; but the consignee does not thereby obtain any right to the property as against a *bona fide* pledge, for value, of the bill of lading, made prior to the delivery of the property to the consignee.

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### VI.—Bills and Notes.

A deposited a fund in bank, and received a certificate of deposit payable to his own order. He subsequently died, and the certificate was found unindorsed among B's papers, B also having died intestate; but how it came there was unexplained. In a suit, brought by A's administrators against B's, to recover the certificate, held, that the plaintiff must recover.

—Vastine *v.* Wilding. *Missouri Supreme Court Reports.*

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### VII.—Surplus of Savings Banks.

United States *v.* The Dollar Savings Bank.—*U. S. Circuit Court, W. D. of Pennsylvania.*

1.—The undistributed surplus of earnings of savings banks, added during the year to their contingent funds, are subject to taxation under the ninth section of the act of Congress of July 13th, 1866.

2.—That such a fund is held as an authorized security for depositors does not affect its liability to taxation under the act; that question depends upon the fact that it is the accumulation of surplus earnings, and not upon the purpose for which these earnings are withheld from periodical distribution.

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### VIII.—Bills and Notes.

Where a party signed a promissory note, and alleged, not that he did not know he was signing such a note, but merely that, by the terms of an instrument attached to the note when it was executed, it was only to be paid on a contingency which did not occur, and that this instrument was wrongfully detached from the note after its execution. Held, these facts did not constitute fraud in obtaining the execution of the note, but fraud perpetrated after its execution, and therefore not availing as a defense against an assignee before maturity. It is no defense to a promissory note, against an innocent assignee, that the note, when delivered, was left in blank as to the time of payment, and this blank was afterwards improperly filled by the payee.—ELLIOTT *v.* LEVINGS. *Before the Sup. Ct. of Illinois.*

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## IX.—BILLS AND NOTES.

GARRARD signed a printed note, in the blank of which was written "one hundred," leaving a blank space between that and "dollars" which was in print; this, after delivery, was filled with "fifty" in the same hand, and nothing in the appearance to raise a suspicion that it was not all right. Held, that GARRARD was liable for the face of the note to a *bona fide* holder for value. If the blank had been scored, or the alteration in any way perceptible, a purchaser would have taken it at his own risk. If one by his acts, or silence, or negligence, misleads another, or affects a transaction whereby an innocent party suffers, the blamable party must bear the loss.
—GARRARD *v.* HADDAN. *Before the Sup. Ct. of Pennsylvania.*

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## X.—TRANSFERS PENDING PROCEEDINGS IN BANKRUPTCY.

*United States District Court, N. D. Illinois. May Term,* 1872.
*In re* JOHN J. LAKE, *a bankrupt.*

The transfer of promissory notes by the payee during the pendency of bankruptcy proceedings against him, upon which he was afterwards adjudged a bankrupt, and of an injunction restraining him from disposing of his property, vests no title in the purchaser, even though he had no actual notice of the bankruptcy proceedings.

2. WHO IS TO TAKE NOTICE OF PROCEEDINGS.—All the world is bound to take notice of proceedings in bankruptcy, and the purchaser takes with constructive notice.

3. ADJUDICATION RELATES BACK, ETC.—The adjudication of bankruptcy relates back to the time of filing the petition, and carries with it title to the assignee to all property, and to all interest in property which the bankrupt had at that time; and the assignee can recover such notes from the purchasers.

4. ASSIGNEE RULED TO DELIVER WITH PROPER ASSIGNMENT.—This case is not within the rule that negotiable bills of exchange, which have been stolen, cannot be recovered from a *bona fide* holder, and the court will, in such circumstances, rule him to deliver them to the assignee.

## XI.—Contracts on Sunday.

*Before the Kentucky Court of Appeals. Contract Made on Sunday—When and How Far Binding. Campbell* v. *Young. Adair. Peters, Judge.*

Campbell loaned one Dillingham money on Sunday, paying part in cash, and the residue by a check on a Lebanon bank, which was cashed three days afterwards. At the same time the cash and check were delivered to him, Dillingham, with Young, executed a promissory note to Campbell for the amount loaned; the whole transaction being completed on Sunday. None of the parties were members of any religious society observing as a day of rest any other than Sunday.

Held: The general rule is, that all contracts made in contravention of an express statute are void, and that no action can be maintained either upon the contract or for anything done under it or growing out of it.

Contracts made on Sunday are, in some sense, an exception to the general rule. Such contracts are not tainted by any general illegality. They are illegal only as to the time in which they are entered into. When purged of this ingredient they are like other contracts. If closed on Sunday they are void, but if affirmed on a subsequent day they become valid. (6 Bingham, 653.) Where a contract made on Sunday is executory on both sides, it is simply void, until subsequently affirmed by mutual consent. Where either party has done anything under such contract, for which, of course, he would have no remedy under the contract, until it was subsequently affirmed, he may demand restitution, and where it is not compensation. Thus the other party will be put to his election whether to affirm or disaffirm the contract. His declining to make restitution or compensation is, in fact, an affirmation of the contract.

The contract here was not fully executed on Sunday. The check was collected afterwards, and the contract was thereby affirmed. Young, the surety, was active in securing the loan, and failed to disaffirm the contract. He must be regarded as affirming it.

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## XII.—Bills and Notes.

*Alteration.—Burden of Proof.*—In an action on a note negotiable by the law merchant, where the defendant alleges an alteration of the note after he had signed it, if there be no indication of such alteration appearing on the face of the note, the burden of this issue is upon the defendant.—Meikel *v.* State Savings Inst. 36 *Ind. Reports.*

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## XIII.—Contract.—Set-off.—Estoppel.

When a promissory note negotiable under the statute is executed, and subsequently the payee of the note makes a written agreement that he will accept as payment upon the note any legal claims against him that the person who has executed the note may obtain; such agreement does not in any manner change the rights of the parties.—GOLDTHWAIT AND ANOTHER *v.* BRADFORD. 36 *Ind. Rep.*

After notice to the payor of an assignment of the note to a third party, he cannot, by subsequent purchase of claims against the original payee of the note, entitle himself to a set-off against the holder. —36 *Indiana Reports.*

In a suit against the payee of a note to have the same declared paid, the complaint recited that the defendant "claimed that he had sold and assigned the said note and mortgage to" a third party, "whom plaintiff makes defendant hereto;" and said third party filed an answer, to which plaintiffs demurred, without moving to strike out the answer: Held, that plaintiffs were estopped from denying that the person so answering was a proper party defendant. —36 *Indiana Reports.*

## XIV.—BILLS OF LADING AS COLLATERAL SECURITY.

*Opinion by Judge Krum, of St. Louis.*

St. Louis, January 13, 1873.

R. E. HARDING, Esq., President of the MANUFACTURERS' SAVINGS BANK:

My opinion is asked on a case stated as follows: A shipped and consigned one thousand barrels of flour to B at New Orleans, to be sold on commission in the usual course of trade. A advised B of the consignment, and informed him that he had drawn his draft upon him for $2,500, on account of the flour, payable in ten days after sight. A sold his draft to your bank, and as collateral security for the acceptance and payment of his draft, assigned the bill of lading by his indorsement in blank thereon, and delivered the same with his draft to the bank. The draft was sent forward and was duly accepted by the drawee, the bill of lading was delivered to him at the time of his acceptance, and he received and sold the flour. Before the draft matured B failed, and his acceptance was not paid; the same was duly protested and notice thereof given to the drawer. The proceeds of the flour were lost in the hands of the consignee.

Two questions arise:

*First.* Is the drawer liable to the bank on his draft?

*Second.* Is the bank in any way liable to the drawer for the loss of the proceeds of the flour in question?

In answer to the first question, I state that, in my opinion the drawer of the draft is liable to the bank. The draft is a negotiable security, and payment having been refused by the acceptor, and due notice of non-payment having been given the drawer, he is charged and rendered liable for the amount of that draft and damages under the general law merchant.

In answer to the second question I state that, in my opinion, the bank is in no way responsible to the drawer of the draft for the loss of the proceeds of the flour in question. From the nature of the transaction, it is plain that it was the intention of the drawer of the draft that his goods should pass into the hands of his consignee, on acceptance of the draft drawn against the consignment. Acceptance of the draft depended upon the receipt of the goods by the acceptor at the time of making his acceptance.

These results are implied from the transaction itself, and in this light both parties, the drawer of the draft and the bank, must have understood the transaction at the time it was made. No express agreement or direction on the part of the drawer, that the bank should deliver the goods to the consignee, was necessary. The suggestion that the bank was under obligation to hold the goods until the draft matured and was paid, to my mind seems absurd.

The very reason why the drawer anticipated that his draft would be accepted was, that the goods would pass into the hands of the drawee at the time of presentation of the draft for acceptance. Why consign the goods to B, if it was not intended he should receive them when he became bound by accepting A's draft? Was the bank to hold the goods until the draft should be paid! Undoubtedly A supposed that the consignment of the goods to B would induce him to accept A's draft, and out of the proceeds of the sale of the goods A supposed the draft would be paid. But to whom did A look for the fulfilment of his expectations—to B or to the bank? Certainly not to the latter.

If a different rule from what I have stated should obtain, it seems to me it would put an end to transactions of this kind. No bank or merchant would buy a time draft and take an assignment of a bill of lading of goods if the holder of the draft is to be held responsible for the goods, or their proceeds, after acceptance of the draft by the consignee.

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## XV.—Bills of Lading as Collaterals.

### The Davenport National Bank *v.* Homeyer.

A consigned to B, his factor, certain flour, and drew on him for its value. The draft was discounted by a bank on the faith of a bill of lading for the flour, which was attached to the draft as collateral security, but not indorsed or formally assigned to the bank. B refused to accept the draft, A being already indebted to him for advances made on prior shipments. *Held*, that the bank had the property in the flour and could hold it against B.—*Missouri Reports, Vol.* 45.

# NATIONAL BANK DECISIONS.

## Years 1872–1873.

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*I. First National Bank* v. *Garlinghouse. II. Shunk* v. *First National Bank of Galion. III. Shinkle* v. *First National Bank of Ripley. IV. Louden* v. *Fourth National Bank of Cincinnati. V. Bromley* v. *Commercial National Bank. VI. Fowler* v. *First National Bank of Pittsburgh. VII. Lee* v. *Citizens' National Bank of Piqua, Ohio. VIII. First National Bank of Charlotte* v. *National Exchange Bank of Baltimore.*

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### I.—National Bank—Usury—State Law—Principal and Surety.

*First National Bank of Columbus* v. *Garlinghouse. Before the Supreme Court of Ohio.*

1. The discounting of a note in this State by a National bank at a usurious rate of interest does not avoid the note *in toto,* but only to the extent of the interest.

2. The statute of this State, of March 19, 1850, entitled "An act to restrain banks from taking usury," was intended to operate on banking institutions in this State whose authority to discount and purchase notes, &c., is subject to control by the legislation of this State, and has no application to banking institutions existing and exercising their powers under the authority of Congress.

3. The discounting of a note for the principal maker, at a usurious rate of interest, will not discharge the sureties, where there is no intention to practise a fraud on them, and in the absence of any express agreement or understanding that the note was to be used only at a given rate of discount. In such case the sureties must be held to have trusted the principal as to the terms on which the note might be discounted. (*See National Exchange Bank of Columbus* v. *Moore,* 2 A. L. T. B. R., 74; *Lamb* v. *First National Bank, &c.,* 5 A. L. T. R., 488.)

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### II.—National Bank—Interest—State Bank—Construction of Act.

*Shunk* v. *First National Bank of Galion.*

1. Under the thirteenth section of the act of Congress of June 3, 1864, commonly called the National-Currency Act, National banks, located in a State where by the laws thereof a certain rate of interest

is limited for banks of issue, organized under State laws, are allowed to take, receive, reserve, and charge interest at the rate so limited, and no more, although a greater rate is allowed by the laws of such State to parties other than such State banks.

2. The provisions of the act of the General Assembly of this State, passed May 4, 1869, (66 O. L., 91,) viz., "that the parties to any bond, bill, promissory note, or other instrument of writing for the forbearance or payment of money at any future time, may stipulate therein for the payment of interest on the amount of such bond, bill, note, or other such instrument of writing, at any rate not exceeding eight per centum per annum, payable monthly," were not intended to embrace banks of issue organized under State laws, whose powers in relation to taking and charging interest on loans and discounts were conferred and limited by prior and special enactments.

3. The thirteenth section of the National Currency Act provides that "the knowingly taking, receiving, reserving, or charging a rate of interest greater than aforesaid, shall be held and adjudged a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon."

Held, That, under this provision, such taking or charging a rate of interest greater than six per centum per annum in advance, by a National bank located in this State, forfeits all interest accruing on such note, bill, or other evidence of debt, after maturity and before judgment thereon, as well as interest accruing before the maturity thereof.

The judgment of the District Court affirming the judgment of the Common Pleas Court is reversed, and unless the defendant in error, within thirty days, remit from the judgment of the Court of Common Pleas all interest included therein, the judgment of said court will also be reversed.

WELCH, J., dissented from the second proposition of the syllabus.

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## III.—NATIONAL BANK—CONSTRUCTION OF ACT.

### *Shinkle v. First National Bank of Ripley.*

The words "by discounting and negotiating promissory notes, drafts, bills of exchange," &c., contained in the eighth section of the National-Currency Act of 1864, are not to be read as limiting the mode of exercising the "incidental powers" necessary to carry on the business of banking, but as descriptive of the kind of "banking" which is authorized; and the true reading of the petition is, that the company may carry on banking "by discounting and negotiating promissory notes, drafts, bills of exchange," &c., and may exercise "all such incidental powers as shall be necessary" for that purpose.

Four persons being jointly indebted to one bank in two several sums, and to another bank in one sum, by mutual agreement between all parties, the notes which the banks respectively held for the debts were given up, and the debtors, each, executed his individual note and mortgage for such part of the aggregate sum as it was agreed among the debtors he should secure and pay; and in pursuance of said agreement the new notes and mortgages were drawn and made payable to a third person, and by him indorsed to one of the two banks. In an action against one of the debtors, upon his note and mortgage, by the bank to which it had been so assigned, Held, That the transaction was a payment, and not a mere renewal of the old notes; that there was a sufficient consideration to support the new notes and mortgages; and that the bank had authority, by the provisions of the National-Currency Act, to make the arrangement, and take the new notes and mortgages in that form and manner.

In such action interest is recoverable upon the new note, although the old notes bore usurious interest, which was thus paid in full; and no offset or deduction can be allowed to the defendant on account of such usurious interest, in an action brought against him after the expiration of two years from the date of such payment, the period limited by the National-Currency Act, for recovering back double the amount of usurious interest paid.

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## IV.—Refusal to Pay Checks.

*Louden* v. *Fourth National Bank of Cincinnati. Before the Superior Court of Cincinnati*, 1873.

This action was brought to recover $ 10,000 damages for the refusal of the defendant to pay two checks of the plaintiff. Mr. Ramsey, in stating the case to the jury, said the transaction occurred on the 2d of December, 1871. The plaintiff was a merchant at that time, transacting business requiring the use of not a large amount of capital, but considerable credit, and enjoyed such credit in his business, which was profitable to him; that on the 2d of December, being a depositor in the Fourth National Bank, he took a draft there for $ 950, which was discounted by the bank, and the amount, less the discount, entered on his bank-book to his credit. In the ordinary course of his business he subsequently drew two checks and delivered them to merchants in this city; one in favor of George M. Hord & Co., and the other in favor of William M. Glenn & Sons, payment of both of which was refused by the bank, without just or lawful excuse, as he claimed, and subjecting him to injury and damage, in the loss of his credit. Counsel claimed if these facts were established, the plaintiff would be entitled to substantial damages at the hands of the jury.

Judge Collins stated the case for the defense.

The plaintiff, at the time of this transaction, had an account at the Fourth National Bank, but no money. On the 29th of November, 1871, he came to the bank with a draft on Cooley & Dwight, of Chicago, for $ 925, desiring that the bank should cash it, or put it to his credit, and let him check against it immediately, which was the same thing. After some hesitation they did so, and he checked out the money shortly afterward. He came again on the 2d of December with another sight draft for $ 950, asking the bank to cash that, which they declined until they should first learn of the payment of the first draft. They had not then heard whether the first draft had been honored, but finally they agreed to take this second draft and put it to his credit, with an understanding, however, that the plaintiff was not to check against it until they should hear the first draft had been paid. Mr. LOUDEN did, notwithstanding, check against the proceeds of that draft the next day, or at least very shortly, and before they had heard of the payment of the first draft. The first news they had of that draft was that it was in the hands of a notary, and they refused payment of the checks under the agreement they had with the plaintiff. Immediately, however, on being advised of the payment of the draft, they paid the checks, which laid over only for a day or two after they were drawn. This suit was for damages for injury to the credit of the plaintiff, by reason of his checks not being promptly paid, and the defense was that he had no money in the bank he had a right to check on.

Mr. RAMSEY said the plaintiff denied any such agreement as that stated, and this raised the issue of fact. As a matter of law he claimed that such agreement could not be proven; that the promise of the bank was a promise in writing, and was as binding as a promissory note, and no verbal agreement could be engrafted upon it.

*Court*—How is it a promise in writing?

*Mr. Ramsey*—The evidence of indebtedness is in writing in the plaintiff's bank-book, and we claim that the relation between a bank and its depositor is not that of bailor and bailee, but that of debtor and creditor; and implies, unless there are other terms in the book, that the money should be paid in the usual course of business on draft.

*Court*—Does the entry amount to more than a receipt that so much money has been received?

*Mr. Ramsey*—Yes; it is a contract, and I apprehend an action could be maintained on it at any time within fifteen years. We claim it cannot be affected by parole testimony, though as a matter of fact you can show mistake or fraud in it, as in any other contract.

The court was of opinion that the true state of facts could be shown to the jury.

The case was then argued.

Judge O'CONNOR instructed the jury that if the statement made by the witnesses for the defense was true, that the second draft was not to be checked against until payment of the first was ascertained, they need not inquire further or trouble themselves about the question of damages, because the plaintiff was not entitled to any, having violated his own agreement; but if they found his version of the transaction was the correct one, and that this was an actual discount by the bank, he would be entitled to damages, provided they found he had suffered any. If they found, therefore, that the checks were improperly rejected, the next inquiry would be the amount of damages the plaintiff suffered. They were not to presume because payment was refused, that, therefore, the plaintiff suffered injury. It may be he has; it may be he has not. If a check of the late NICHOLAS LONGWORTH had been refused at a bank, they would not presume his credit or standing would be injured thereby. It may be different in the case of a small trader, and may, in fact, be a serious matter that his check should be refused, and a knowledge of the fact spread through the community. It was a fact for the jury to determine whether the credit of this plaintiff was injured, how much notoriety was given to the refusal of the bank to pay the check, and how much of that notoriety was caused by the plaintiff himself, for he could not complain of information he had given to other parties. The question was not whether his feelings were injured, but whether this transaction injured his credit. If they found the refusal of the bank to honor the check obtained currency, they should then consider how soon the check was finally paid, and whether the credit of the party was permanently injured. In some cases damages may be proved specifically. Non-payment of a note may induce creditors to get out attachments and break a man up in business.

The relation between the plaintiff and defendant, the party who deposits money and the party who receives it, is simply that of debtor and creditor. If the plaintiff deposited this money, he had no security except the credit and standing of the bank, and the agreement of a bank is to pay to the order of the depositor at sight, on the instant the check is presented. In the first instance, the check of the depositor is the best evidence, and if there were no other proof, it would be *prima facie* evidence of the debt; but the entry in the bank book is of no higher dignity than an ordinary book account, or a pass book where goods are charged to the person who receives them, and the amount can be explained in the same manner as a book account or a receipt. The bank in this case, through two of its officers, says it is true the draft was discounted, but conditionally; the proviso being that the plaintiff should not check against it until the bank had heard of the payment of the first draft. That is the statement of Mr. COOK, and of the Teller, and if they found this was a true statement of the case no recovery could be had in the action.

It had been claimed by the plaintiff that this refusal to pay the check was very much in the nature of a slander. In slander or libel the law presumes that certain words necessarily produce injury, and if the plaintiff prove such words the law presumes damage; but in many cases the speaking of slanderous words do not prove damage, and he (Judge O'CONNOR) was of opinion that the refusal to pay the check, unless malice was proven, would not necessarily raise a presumption that injury was done to the credit of the party.

The burden of proof was on the plaintiff to satisfy the jury of the drawing of the checks, that he had in bank a sufficient amount to meet them, and that payment was refused; and inasmuch as he has produced the bank book in which it appears that he did have that amount on deposit, he has made out a *prima facie* case on that point.

The burden of proof is then on the bank to satisfy them that, notwithstanding this entry, there was a verbal condition attached to it.

Counsel for the plaintiff took exception to that portion of the charge which related to the measure of damages, and which allowed the bank book to be explained by verbal testimony.

A verdict for the defendant and case dismissed.

MATTHEWS & RAMSEY for plaintiff; COLLINS & HERRON for defendant.

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## V.—PART PAYMENT OF A CHECK.

THOMAS BROMLEY *v.* COMMERCIAL NATIONAL BANK OF PHILADELPHIA. *Before the Court of Common Pleas.*

Where the payee of a check on a bank offers to take a smaller sum, being the amount to the credit of the drawer, it is the duty of the bank to pay it to him, and indorse the amount paid on the check.

Opinion by PEIRCE, J. October 12th, 1872. The complainant is the holder of a check drawn to his order by "WILLIAM P. RAYFIELD, Agent," on the COMMERCIAL NATIONAL BANK OF PENNSYLVANIA, for the sum of $725, dated October 8, 1866.

In the month of January, 1867, the plaintiff indorsed the check and presented it at the bank for payment. The paying teller was about to pay it, when, on examination of the account of the drawer, he discovered that there was a balance of but $229.92 to his credit in the bank. The plaintiff then demanded the payment of this balance to him on account of the check, which was refused by the bank. The plaintiff then offered to deposit to the credit of the drawer a sufficient sum of money to make the check good if the bank would then pay the amount of said check. This was also refused by the bank. The plaintiff again made the said offer in 1869, and was again refused by the bank.

WILLIAM P. RAYFIELD, the drawer, died about the time of the presentation of the check, but whether before or after does not appear; and his account was never made sufficient to pay said check; and the sum of $229.92 has remained to his credit in the bank ever since. The balance in bank was afterwards claimed by DANIEL K. ALBRIGHT, as administrator of RAYFIELD, but the bank declined to pay him, because RAYFIELD's account was as agent.

The bank avers, in its answer, that it has always been ready, and willing, and desirous to pay the balance in its hands to the proper party entitled to receive the same, and is still ready to pay the same according to the order of the court.

A check on a banker is similar to an inland bill of exchange. It passes by delivery when payable to bearer; or, if made payable to the order of a particular person and indorsed by him, it seems to have the same quality of negotiability. It differs, however, from a bill of exchange in several particulars. It has no days of grace, and requires no acceptance distinct from prompt payment.

Chancellor KENT (3 *Kent's Commentaries*, 7th edition,) says, it is an absolute appropriation of so much money in the hands of the banker to the holder of the check, and there it ought to remain until called for, and the drawer has no reason to complain of delay, unless upon the intermediate failure of the banker. It is the tacit, if not the express understanding between banks and their customers, that they shall have the right to draw for the whole or a part of the funds deposited with them. The cases treat a check on a banker as an equitable assignment or appropriation; and if the holder is a holder for value, as to whom the drawer cannot rightfully revoke the power which he holds coupled with an interest, why should not the banker, upon distinct claim and notice, be held bound by the equity.

—*Byles on Bills*, 15 note.

It follows, as a consequence, that if such a check is an appropriation of the whole sum for which it calls, if so much is in the hands of the banker, it is an appropriation of any smaller sum which may be in his hands, if there be not sufficient to pay the amount of the check. In such a case, if the holder of the check is willing to receive the smaller sum, as the bank is entitled to retain the check as evidence of payment and of the holder's right to receive the money, it should indorse the amount of its payment on the check, and issue to the holder a certificate of having received the check from him, and of having paid so much on account of it.*

In this case, the plaintiff offered to deposit to the credit of the drawer a sufficient sum of money to make the check good, if the bank would pay to him the amount of the check when so made good. This was all that the bank in reason could ask, and would have been a sufficient protection to it from any demand which the drawer could make for the money.

It seems that the death of the drawer of a check is a countermand of the banker's authority to pay it. But that if the banker do pay

* There is some doubt as to the law in this case. MORSE ON BANKING says, (page 257) "If the bank has not funds enough to the credit of the drawer to pay his check in full, it is not obliged to make payment in part. MURRAY *v.* JUDAH, 6 *Cowan*, 490.) Whether or not it would be justified in doing so, may be questioned. There is no authority on the point. Nor would banks often try to exercise such a right. If they can do so they are obviously bound to indorse the amount of the payment on the check, which would, of course, still remain in the payee's hands, and which would otherwise on its face appear still to be good for the full value named in it, to the possible deception and loss of the drawer or of innocent third parties. But the better rule, perhaps, would be, to save misunderstandings and complications, that if a bank cannot pay in full, it not only may not, but must not, pay at all. The drawer has not requested it to make a part payment. He has demanded that it do a certain act, to wit: pay a certain sum of money on his account. If it will not do this act according to the terms of the authority embodied in the request, it by no means follows that it is authorized to substitute for it a partial performance, or, in fact, a materially different act. Power to pay only a part of a sum is not necessarily implied in an order, expressed without alternative, to pay that specific sum.

the check before notice of the death, the payment is good (*Byles on Bills*, 17.) In this case there is no statement of the time of the death of the drawer of the check, and as there is a presumption that a person is living who has been heard of within seven years; to rebut the presumption that the drawer was living at the time of the presentation of the check for payment, it should have been shown affirmatively that his death occurred before that event.

This case stands then as if the drawer of the check were living at the time of the demand of payment of it, and there was then no countermand of the authority of the plaintiff to receive the money. And as the rights and duties of the parties were fixed at that time, it is not perceived how the subsequent death of the drawer of the check can affect the holder's right to receive the money. And as the presumption is that the holder of a check, as against the drawer, holds it for value, in the absence of proof of a want of consideration for it, even if payment of it were countermanded, the holder of it, by virtue of the appropriation of the sum named in it to his use, would be entitled to receive it from the bank.

Let a decree be entered in favor of the plaintiff for the sum of two hundred and twenty-nine dollars and ninety-two cents, the amount admitted by the bank to be in its possession, and interest from the 18th of February, 1867, with costs.

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## VI.—MORTGAGE FOR FUTURE ADVANCES.

FOWLER et al. *v.* J. D. SCULLY, *in trust for* FIRST NATIONAL BANK *of Pittsburgh. Before the Supreme Court of Pennsylvania.*

The court below decided that a National bank could enforce by *scire facias* the payment of a mortgage for future advances; upon a writ of error the Supreme Court reversed this decision—*holding*

1. In deciding whether the mortgage for future advances, held by the National bank, is valid or not, Federal laws and Federal precedents must be followed, as the subject is one which arises out of the construction of the National Bank Act of Congress, of June 3d, 1864.

2. The evident intent of Congress in passing said act, was that National banks should be institutions of commerce, not dealers in real estate, stocks or produce, and that no other security than *personal* should be taken for money lent.

3. A National bank cannot lend money on the security of a mortgage, and its power to take and hold a mortgage is confined to the second case enumerated in the 28th section of said act, viz: "for debts *previously contracted*."

4. The mortgage in question, which contained a recital that the bank "hath agreed to discount for said FOWLER an amount in

aggregate not exceeding $100,000, such negotiable paper as he shall offer for that purpose," was made to secure the *future* debts of FOWLER whenever they should be incurred by such discounting. Even if the recital be treated as a covenant to lend, still the loans and discounts were to be made in the *future*. Being to secure future advances, the mortgage is therefore void.

5. The distinction between a mortgage to cover future advances at the discretion of the mortgagee, and one to cover advances he is bound to make, recognized in TER HOVEN *v.* KERNS, 2 BARR., 99, and other cases, has no bearing on the present question.

6. The mortgage being in direct violation of a positive statute, and therefore void, its payment cannot be enforced. The plaintiff could not open its case without disclosing that it sought the enforcement of an illegal security; its action must therefore fail.

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## VII.—TRANSFER OF BANK SHARES.

LEE *v.* THE CITIZENS' NATIONAL BANK OF PIQUA. *Before the Superior Court of Cincinnati, General Term. Before Judges* YAPLE, O'CONNOR, and HAGANS.

The petition alleges that ROBERT B. MOORES was (May 2, 1867,) a director and cashier of the PIQUA BANK, which was organized under the law known as the National banking act, passed June 3, 1864. That he owned fifty shares of capital stock of $100 each, duly signed by DORSEY, President, and MOORES, Cashier, and contains on the back a blank form of indorsement and power of attorney. He afterward signed the blank form of indorsement, and delivered the certificate to a trading firm of which he was a member, for hypothecation to effect a loan of $3,000. That the certificate was delivered to A. G. BURT & Co., as security for the loan. Part of the loan was paid, but BURT & Co. brought suit for the balance, and in 1870 obtained a judgment for $1,567.44, and levied on this stock and sold it by the sheriff to ADOLPH WOOD & CO. WOOD & CO. presented the stock and bill of sale to the bank, and demanded a transfer, which was refused. They then sold it to the plaintiff, who also demanded a transfer, and was refused by the bank.

DORSEY, in his answer, claims that he is the sole owner of the stock; that on January 16, 1868, he received a transfer from MOORES of all his stock on the books of the company, to secure an indebtedness to the bank, amounting to $23,500. He (DORSEY) afterward gave his own obligation to the bank for MOORES' indebtedness, and received a transfer of the right of the bank to MOORES' stock; that, by the rules of the bank, no stock could be transferred without the consent of the Board of Directors if the stockholder owed the bank, and was only transferable by the stockholders in person or by attorney; that MOORES was liable to the bank for $8,500 when orα stock was transferred to BURT & Co. DORSEY asks that the stock be delivered to him to be canceled. The bank having accepted DORSEY as its creditor, the question in this case is between the plaintiff and DORSEY,

1. It was held that the act of Congress under which the bank was organized, providing for the issue of stock, the form of certificate, the grant of power to the bank to make by-laws, must be construed together, and while the bank's equity is superior to those of the more general creditors of the stockholders, a person who receives such certificate from the holder, so indorsed in blank, in the usual course of business, for value, and without actual notice of the owner's liability to his bank, or of its rules and by-laws, acquires a right and property in such stock paramount to the equities of the bank; and upon return of the certificate, may compel such bank to transfer such stock to him. Such stock is not negotiable paper, in the legal sense of the term, but the assignee's right is derived from the fact that the bank itself has put it in the power of the stockholder to raise money upon it, and must bear the loss as between it and an innocent purchaser or pledge.

2. In this case the stock has never been transferred; the acts of the cashier and bank attempting to do so are void, the certificate of stock not having been returned, as required by the rules of the bank, and that was notice to the bank of others' rights in the stock.

3. The owner of a certificate of stock, in this form, may assign it and appoint an attorney in blank, though it be an investment under seal.

4. Such stock cannot be levied upon and sold on execution, and such attempted levy and sale are void, without the levy and sale were assented to by the owner of the certificate.

5. The holder of such stock in pledge, as collateral security for its owner's debt, is an agent of the latter, which agency is coupled with an interest in the pledge; and, like a trustee, he must account to his *cestue que trust* for the surplus remaining after the satisfaction of his interest, which imposes upon him the duty of guarding the interests of all parties, as far as possible. He can only sell with the consent of the pledger, or after due notice to him; and if he do so, he will be liable for the sacrifice of others' interests.

6. Upon the facts in this case the bankers holding the pledge have, in equity, assigned their debts and pledge to the plaintiff, who stands in their stead.

7. He cannot, therefore, claim title to the entire stock, but only a lien upon it for $1,600 (the amount he paid for it) and interest on that sum from the date of its judgment.

8. The 57th section of the banking act, authorizing suits to be brought against such banks in State courts only, in the counties of their location, is a mere personal privilege, which they may waive, and if they enter their appearance to suits brought in other counties they give to the State courts jurisdiction over them.

The judgment of the court was for the plaintiff for $1,600, with interest, upon receipt of which he was to deliver to DORSEY the certificate.

## VIII.—INVESTMENTS IN STOCKS.

THE FIRST NATIONAL BANK OF CHARLOTTE, N. C. *v.* THE NATIONAL EXCHANGE BANK OF BALTIMORE, MD. *Before the Superior Court of Baltimore City.*

The court admits the general proposition of law to be true, as contended for by the plaintiff, that a National bank is not authorized by the act of Congress to *purchase* stocks, either for speculation or investment, and if the facts of this case justified such an interpretation of the transaction between the plaintiff and the defendant, would have no hesitation in assenting to the propositions contained in the plaintiff's prayers. But upon a careful consideration of the evidence the court can come to no such opinion as matters of fact. Instead of a *purchase* of stocks, in the ordinary sense of the term, the court finds the transaction between the parties to have been a fair and *bona fide* compromise of a case in which the plaintiff—finding itself subject to a claim of $ 55,000, founded upon a transaction admitted in the argument to have been a legitimate banking transaction—thought it expedient to reduce an apprehended loss by a compromise, in which it acquired the stock in question. That a National bank has a right, under such circumstances, to save itself from loss through the medium of an arrangement by which it shall receive stock, to be again turned into money, to avert or diminish an apprehended loss, and not for investment or speculation, the court does not doubt, and believing from the evidence, this to have been such a transaction, it now enters a verdict for the defendant, and orders a judgment to be entered thereon according to the course of the court.

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BILLS OF LADING.—A bill of lading forms the contract for the transportation of the goods between the consignor and the carrier, and if it is accepted by the consignor without objection to its terms, any conditions which it may contain, restrictive of the carrier's liability, if such as the law will allow to be made by an express contract, become binding upon him. He is not allowed to show that he did not read it. [56 MASS. (2 CUSH.), 80. 5 N. H., 1867. 98 MASS., 239.] The case of a stipulation in a bill of lading differs from a notice in a passage ticket, [65 MASS. (11 CUSH.), 97; 78 MASS. (12 GRAY), 388] or in a receipt given to a mere agent of the consignor, for goods received for transportation under a previous general contract made between the consignor and the carrier. [97 MASS., 124; 98 MASS., 249; 55 ME., 462; 1868, GRACE *v.* ADAMS, 100 MASS., 505. See *Abbott's United States Digest for* 1870, *page* 120.]

# THE SAVINGS BANKS OF NEW YORK.

The annual report of the Superintendent of the Banking Department of this State, in relation to savings banks, under date of February, 1873, presents favorable features, and demonstrates great activity and thrift among the laboring classes of our city and State. With a population of 4,382,000 in 1870, and of about 4,530,000 at this date, in the State, the aggregate deposits on 1st January last were $285,286,621, with depositors 822,642 in number. The average deposit of each individual was $346; while the depositors formed more than eighteen per cent. of the total population. The growth of deposits and population since the year 1860, is represented in the following summary, showing the average for each person in the State to be about sixty-two dollars; and for each depositor, $346:

| | *Population.* | | *Savings.* | | *Average.* |
|---|---|---|---|---|---|
| 1860, | 3,880,735 | .... | $58,178,160 | .... | $15 |
| 1870, | 4,382,759 | .... | 194,360,217 | .... | 44 |
| 1873, | 4,530,000 | .... | 285,286,620 | .... | 62 |

The city and country are represented in their aggregates as follows, showing the estimated population in 1873, the aggregate savings, and the average to each depositor:

| | *Population*, 1873. | *Savings.* | *Depositors.* | *Average.* |
|---|---|---|---|---|
| City of New York | 990,000 | $169,503,272 | 470,417 | $360 |
| Brooklyn | 440,000 | 42,986,091 | 125,794 | 341 |
| Country | 3,115,000 | 72,797,257 | 226,431 | 321 |
| | 4,545,000 | $285,286,620 | 822,642 | $346 |

We annex the report in full for the information of our thousands of readers throughout the UNITED STATES.

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## ANNUAL REPORT OF THE BANKING DEPARTMENT OF NEW YORK TO THE LEGISLATURE. Albany, *February* 4, 1873.

### FINANCIAL SUMMARY.

#### RESOURCES.

| | *Jan.* 1, 1872. | *Jan.* 1, 1873. |
|---|---|---|
| Bonds and mortgages | $96,761,973 | $104,639,854 |
| Stock investments | 140,085,233 | 153,552,756 |
| Amount loaned on public stocks | 14,270,266 | 14,575,907 |
| Am't loaned on stocks or bonds of private corporations | 2,258,769 | 2,407,812 |
| Amount loaned on personal securities | 1,367,145 | 736,454 |
| Amount reported as invested in real estate | 5,790,987 | 6,469,430 |
| Cash on deposit in banks and trust companies | 13,392,194 | 12,532,497 |
| Cash on hand not deposited in banks | 4,915,866 | 3,796,396 |
| All other assets | 4,195,413 | 6,619,225 |
| *Total Resources* | $283,037,846 | $305,330,331 |

**Liabilities.**

| | | |
|---|---|---|
| Amount due depositors | $ 267,905,826 | $ 285,286,621 |
| Other liabilities | 393,523 | 266,846 |
| Excess of assets over liabilities | 14,738,497 | 19,776,864 |
| *Total Liabilities* | $ 283,037,846 | $ 305,330,331 |

**Statistical.**

| | | |
|---|---|---|
| Number of institutions reporting | 147 | 150 |
| Number of open accounts | 776,700 | 822,642 |
| Number of accounts opened during the last year | 231,461 | 233,455 |
| Number of accounts closed during the last year | 161,284 | 177,456 |
| Amount deposited, not including interest credited during the last year | $ 177,039,013 | $ 168,872,000 |
| Amount deposited, including interest credited during the last year | 190,783,157 | 183,849,613 |
| Amount withdrawn during the last year | 152,956,496 | 164,481,900 |
| Interest or profits received or earned during the last year | 16,849,911 | 18,174,693 |
| Interest credited to depositors during the last year | 13,744,144 | 14,977,613 |
| Average of each deposit or account | 344.92 | 346.79 |

From this statement it appears that there was on deposit on the first of January last the large sum of $ 285,286,621, represented by 822,642 open accounts, which, supposing each of these to represent a separate individual depositor, shows an average deposit of $ 346.79 to each individual, and that nearly 20 per cent. of the people of the State have savings-bank deposits.

The total assets of these institutions amount to $ 305,330,331, of which bonds and mortgages constitute about 34 per cent., United States stocks sixteen per cent, New York State stocks four per cent., stocks of other States three per cent., bonds of cities in this State 20 per cent., bonds of counties in this State four per cent., bonds of towns in this State two per cent., bonds of villages in this State one-tenth of one per cent., and other stocks and bonds less than one per cent. The stock investments constitute about 50 per cent of the entire assets, and amount to $ 153,552,756, of which the par value is $ 153,459,711.

The large increase in the amount of average deposits, in recent years, is evidence that a considerable share of the total deposits is not the earnings of labor, but that capital also has been attracted, by the safety and profit afforded by these institutions, in considerable sums, and in much larger proportion than was the case in former years.

I am not prepared, at present, to urge the passage of a law to prevent the expansion of the system, as indicated by the admission of the larger depositors to its benefits; but it is easy to perceive that the diversion of capital in this direction may ultimately become such an abuse of the system as to call for legislative interference.

It has been suggested that the banks be restricted as to the amount of individual deposits which they may be authorized to receive, in order to confine them to the objects for which they were originally intended. If a remedy in this direction could be provided, which could not be evaded by means of deposits by an individual depositor in the name of different persons, it would, doubtless, have a beneficial effect upon the system.

The following table shows the amount of deposits in the savings banks of this State, from January 1, 1858, when they were first committed to the supervision of the Superintendent, to January 1, 1873:

| | Deposits. | Increase. | Decrease. |
|---|---|---|---|
| January 1, 1858 | $ 41,422,672 | ——— | ——— |
| January 1, 1859 | 48,193,847 | $ 6,772,175 | ——— |
| January 1, 1860 | 58,178,160 | 9,983,313 | ——— |
| January 1, 1861 | 67,440,397 | 9,262,237 | ——— |
| January 1, 1862 | 64,083,119 | ——— | $ 3,357,278 |
| January 1, 1863 | 76,538,183 | 12,455,064 | ——— |
| January 1, 1864 | 93,786,384 | 17,248,201 | ——— |
| January 1, 1865 | 111,737,763 | 17,951,379 | ——— |
| January 1. 1866 | 115,472,566 | 3,734,803 | ——— |
| January 1, 1867 | 131,769,074 | 16,296,508 | ——— |
| January 1, 1868 | 151,127,562 | 19,358,488 | ——— |
| January 1, 1869 | 169,808,678 | 18,681,116 | ——— |
| January 1, 1870 | 194,360,217 | 24,551,539 | ——— |
| January 1, 1871 | 230,749,408 | 36,389,191 | ——— |
| January 1, 1872 | 267,905,826 | 37,156,418 | ——— |
| January 1, 1873 | 285,286,621 | 17,380,795 | ——— |

These statements of the condition and enormous growth of the savings banks of our State, representing as they do so large an aggregate of the small earnings of labor, will serve to commend the system to the most careful attention of the legislature.

## Multiplication of Savings Banks.

The impolicy of granting charters to savings banks in localities already sufficiently supplied with the facilities afforded by these institutions, to which the attention of the legislature has been repeatedly and fruitlessly called in the reports of this department, has again been illustrated by the failure of one of them during the past year, and by the facts disclosed by the examinations instituted under the act of the Legislature of 1871. Their unnecessary multiplication occasions sharp competition for business, and the result is that their primary object—the safety of their loans and investments—is frequently lost sight of in the necessity of attempting the realization of large profits from hazardous securities, and from a combination of functions wholly foreign to the objects and purposes of savings banks. These examinations have shown that some of them have been converted into ordinary banks of discount and deposit; that they buy and sell exchange; that they assume the functions of trust companies, although having no capital from which to make good sudden depletions, and necessitating the holding of a large fund unemployed to meet demands to which they are constantly subject. Institutions conducted upon principles so greatly at variance with the original purpose of affording a secure place of deposit for the earnings of frugality and industry, constantly invite disaster. It is the duty of the legislature to prevent this by rigidly refusing to charter them except in cases where their necessity is clearly established, and by so restricting them in their charters as to make it impossible for them to depart from the legitimate objects of a savings bank.

The failure of the PEOPLE'S SAFE DEPOSIT AND SAVINGS INSTITUTION, of Syracuse, which occurred during the past year, may be cited as an illustration of some of the evils to which I have referred. At the date of its charter there were already two savings banks in the city of Syracuse, and one additional in the county of Onondaga —a number already sufficient to accommodate the wants of that community. It was claimed that, by the provisions of its charter, it was enabled to locate its place of business anywhere in the State, outside of the cities of New York and Brooklyn, and that it was authorized to establish branches with a similar latitude of location; and, in accordance with this claim, a branch was established, and continued business until the failure of the concern, in the city of Utica. Its charter combined the wholly foreign functions of a safe deposit company and a savings bank. It contained absolutely no restriction upon the manner of investing the funds of depositors, and authorized the directors to invest them "in the public securities or stocks of any State, or of the UNITED STATES, or in the stocks or bonds of any city, county or town, corporation or association, or otherwise, of any State or the UNITED STATES, in manner and form as the directors and officers of said corporation may think proper." In addition to this unlimited discretionary power of investment granted to the directors, this extraordinary charter, so contrary to the traditional policy of the State, contained no clause forbidding them to borrow its funds. It is not surprising, therefore, that their reports to this department should show the institution in possession of personal securities amounting to more than fifty per cent. of its total resources. Under these broad powers, large investments were made in Western securities of doubtful value, at least as to their negotiability in the event of a sudden demand upon the funds of the bank; and the result, which might have been anticipated from the commencement, when this demand came, was the failure of the institution at Syracuse and of its branch at Utica.

I do not refer to this disastrous result for the purpose of reflecting upon the managers, who may not have exceeded, or even abused, a single power conferred upon them; but it is for the purpose of calling the attention of this Legislature to the danger of needlessly multiplying savings banks, and to the reckless disregard of the interests of the people that has characterized previous Legislatures in granting charters so destitute of the safeguards which should be thrown around every legalized depository for the earnings of the poor.

## LEGISLATION RECOMMENDED.

I again earnestly urge upon the Legislature the enactment of a general law to prevent the combination in one institution, of the powers of a trust company and savings bank; to prevent a savings bank from transacting the business of an ordinary bank of discount and deposit, negotiating commercial paper, buying and selling exchange, and receiving the deposits of business men, subject to withdrawal by check, without requiring the presentation of the bank book; to impose additional limitations as to the form in which the "available fund," embracing one-third of the total deposits, in nearly all recent charters, shall be held or loaned; to prohibit contracts to pay an exorbitant rate of interest upon deposits, or any rate in excess of the earnings, and to define their powers, restrict their loans and investments, and regulate their management generally. And I also recommend that the provisions of the general law requiring that, before any savings bank can commence business, the names and residences of its officers shall be transmitted to the superintendent, be incorporated in every charter hereafter granted, in order to bring it to the notice of the incorporators and prevent these institutions from being put in operation before any notice of the fact is given to this department.

The reasons upon which these recommendations are based were fully stated in my previous reports, and I do not deem it necessary to repeat them here. It is sufficient to say that they are the result of the observation and experience of this department since its organization; that they are intended to strengthen the resources of savings banks and guard their administration against abuse, and thus to protect the earnings of depositors from peculations and from the errors of the injudicious, as far as it is possible by legal enactments to do so. An additional, and perhaps the greatest security of all to the future of this wise and beneficent system, is the character of the men to whose administration it is entrusted; and the scrutiny of the legislature cannot, therefore, be too closely directed to the incorporators named in savings-bank charters presented for its consideration. If the legislature neglect to exercise the proper precaution in this respect, the most carefully drawn charter may fail to guarantee the security of depositors; for, in many cases where disaster has attended savings banks, it has not been attributable to the laws governing them, faulty as they are, but to their violation by the managers.

In no case should a charter be granted except upon the petition of the proposed incorporators, and their declaration of an intention to accept the trust, in order to prevent a practice heretofore resorted to in several cases, of inserting names of reputable citizens as corporators, without their knowledge, with a view of promoting the purposes of those having personal ends to serve in obtaining a charter. If the act of 1869, "to regulate and restrict the organization of savings banks," were enforced by the Legislature, the evil complained of would be prevented; but the provisions of this law have been so frequently ignored that the law has become practically a dead letter.

The deposits in these institutions, consisting largely of the earnings of the poor, of men generally unacquainted with the intricacies of business, and obliged to depend upon the discretion and integrity of savings-banks trustees, now reach the enormous sum of $ 285,286,621; and it cannot be asking too much of the legislature to see that only men of ability and irreproachable character are permitted to have a share in the administration of this vast and sacred trust. Recent events in the history of these institutions, not only affecting the character of those particularly involved, but threatening the stability and usefulness of the system itself, are directly traceable to the laxity of previous legislatures in granting their charters.

### Form of Charter.

I submit herewith a form of charter, which is substantially the form submitted with my last annual report. It is believed that if its provisions should be incorporated in every charter hereafter granted, depositors in these institutions would have additional guarantees for the safety of their deposits, especially in the restrictions which it imposes upon investments, and the manner in which the "available fund" shall be held or loaned. In many charters granted within late years, the trustees have unlimited control in determining how this fund, amounting to one-third of the deposits, may be invested or kept.

The ostensible purpose of the laws providing for this fund, is that it shall be kept in a form available to meet extraordinary demands on short notice; but experience has shown that, in the absence of legal restraint, the "call loans," in which form the fund has been usually kept, have proved to be the least available of the assets to meet the emergency for which it was intended. Indeed, it has proved a source of insecurity instead of strength, and has invited the very disasters it was intended to obviate, by its use in fostering speculations and promoting the personal schemes of trustees. The form of charter, herewith submitted, limits the available fund to twenty per cent. of the deposits, and prohibits loans from it except upon the securities named therein.

Perhaps, in view of the difficulty of securing desirable investments, which is made the subject of complaint by some of the officers of these institutions, it may be considered advisable to extend the limitations which it imposes in regard to loans and investments, by including in the securities named therein the stocks or bonds of other States which have for a certain period regularly paid the interest on their indebtedness, and whose securities have been maintained at not less than par in the city of New York for a certain other period previous to such loan or investment. For the same reason the limitation upon investments secured by bond and mortgage might be somewhat extended.

I would recommend that the limitation of the surplus to ten per cent. of the deposits, in the form of charter referred to, which the trustees are allowed to accumulate, be extended, and that savings banks be authorized to increase this fund beyond that limit. I would further suggest, as a wholesome provision, that they be required to reserve a certain proportion of their earnings annually, toward the accumulation of such surplus fund, until it shall have reached a limit not exceeding ten per cent. of their deposits. I am decidedly inclined to the opinion that it would be the part of prudence to encourage these banks to increase rather than diminish their surplus fund, for the reason that in periods of financial embarrassment, when they are most likely to be called upon to meet extraordinary demands, securities deemed the safest upon which to rely in such emergencies have frequently depreciated in value more than ten per cent. An institution having a surplus to provide against contingencies like these, that have happened and are liable to happen again, will prove a more reliable custodian of the moneys of depositors than one which, having little or no surplus, might be obliged to convert its depreciated securities into cash, and thus sacrifice the interests of depositors to the extent of the loss sustained by the conversion.

## Examinations.

The examinations of savings banks, provided for by chapter 693, Laws of 1871, have been continued during the past year. These examinations have necessarily been attended with considerable expense to the banks examined; but to avoid any unreasonable burden beyond what was incident to a thorough investigation of the affairs of each bank, I addressed a circular letter to its president at the time of issuing the commission, in form as follows:

Bank Department, Albany, ——, 187 .

Sir: Pursuant to the authority conferred and the duty imposed upon the Superintendent of the Banking Department, by chapter 693 of the Laws of 1871, I have this day appointed —— to examine into the condition, working and affairs generally, of your institution.

The act above cited provides that the expenses of any examination, made in pursuance thereof, shall be paid by the institution examined, in such sum as the superintendent shall certify to be just and reasonable; and desiring hereafter, as heretofore, to impose upon savings banks the least burden in the form of expense, compatible with an intelligent, thorough and efficient discharge of the duties of this office, I would recommend, as a means of aiding me in reaching a just conclusion concerning the proper amount to be allowed for the services rendered, that the president or other officers in charge of your bank advise me by mail, at the conclusion of the examination, as to the amount which, in your judgment, you regard as a fair and reasonable compensation for the services rendered.

Respectfully yours,

D. C. Howell, *Superintendent.*

To the President of the ——.

This request was generally complied with, and in my judgment there has been no instance in which more than a fair and reasonable compensation has been paid for the services rendered.

With a few exceptions, these examinations have been continued by the persons originally appointed to perform that service, namely: Messrs. EMERSON W. KEYES, WILLIAM F. ALDRICH, and GEORGE W. REID. The results of these examinations, a summary of which is herewith transmitted, have fully confirmed the high opinion of their ability, integrity and discretion which I expressed in my last annual report. Their labors have been performed with a thoroughness and impartiality which have demonstrated their peculiar fitness for the important trust committed to them. Evidence of this will be found in the report of the manner in which these examinations have been conducted, preceding the statement of results to which reference is made.

The beneficial effects of the law requiring these examinations to be made continue to be apparent at every stage of their progress. The managers have corrected irregularities in the mode of transacting business, where these have been disclosed to them by the examiners. They have substituted approved securities for investments of a speculative character, or unauthorized by law.

The examiners have found that loans were occasionally made upon United States registered bonds as collateral security, not duly assiged or transferred to the bank, and consequently not negotiable by it, and upon transfers of corporate stock similarly unavailable for want of execution or other imperfection in the title; and that bonds and mortgages were taken, both as collateral and as investments, the assignments of which were informal. Various other imperfections were discovered, rendering the security useless to the bank until remedied. The examiners have uniformly required that these irregularities should be corrected before the security affected could be reported as an asset. The managers generally were not aware of these irregularities and imperfections of title, until pointed out to them by the examiners; and it affords me pleasure to testify to the readiness with which trustees and officers have responded to every suggestion of the superintendent relative to the affairs of the institutions examined. They have exhibited a spirit of self-sacrifice worthy of commendation, in their desire to promote the interests of the sacred trust committed to their care.

I may remark in conclusion, in reference to these examinations, that while the recent failure of a few mismanaged institutions had a tendency to create an unfounded distrust of the system, the scrutiny of the examiners provides a test of the accuracy of the reports submitted to the superintendent, and consequently a basis of confidence in the solvency and judicious management of such as pass successfully through this ordeal. The beneficent effects of the law requiring these examinations will also be felt in the prevention of abuses which have heretofore grown up in consequence of the immunity of the banks from a regular and thorough investigation of their affairs.

## Newly Incorporated Savings Banks.

The following named institutions were incorporated by the Legislature of 1872:

College Point Savings Bank.
Port Richmond Savings Bank.
Riverhead Savings Bank.
Walden Savings Bank.
Whitestone Savings Bank.

The time for the commencement of business by the Tontine Mutual Savings Bank, of the city of New York, incorporated in 1869 and revived in 1871, was, by act of the legislature of 1872, extended to September 1, 1872.

Of the banks chartered at the last session of the legislature, the following have organized and reported to this department:

Riverhead Savings Bank.
Walden Savings Bank.
Whitestone Savings Bank.

And of those incorporated prior to the year 1871, the Home Savings Bank, of Albany, chartered as the Sixth Ward Savings Bank, and the Mechanics' Savings Bank, of Brooklyn, have, since the previous report, organized and reported to this department, and the Farmers and Mechanics' Savings Bank, of Schenectady, has organized, but has not commenced business.

Since the close of the year the Central City Savings Institution, of Utica, has failed, and passed into the hands of a receiver.

In concluding my report, it is no more than just and proper that I should call attention to the cordiality and efficiency with which I have been aided and supported in the discharge of my duties by the Deputy Superintendent, Daniel Shaw, Esq. Much of the office work has been transacted by him, or under his immediate supervision, and always with accuracy and dispatch. I have often availed myself of his counsel and judgment upon questions of importance presented for my decision, and never have had occasion to regret it. In every respect he has more than justified the high expectations which I had formed from the testimonials of his character, ability and integrity, which influenced me originally in selecting him, and in this public manner I desire to make to him my acknowledgments.

Respectfully submitted,

D. C. Howell, *Superintendent.*

## SAVINGS BANKS, NEW YORK STATE.

**Deposits of the Savings Banks of the Interior Cities and Towns of the State of New York, January, 1872, with the Date of Charter and Number of Depositors, January, 1873.**

| | | | *January*, 1872. | *January*, 1873. | |
|---|---|---|---|---|---|
| *Year.* | *Place.* | *Name of Bank.* | *Deposits.* | *Deposits.* | *Depositors.* |
| 1820 | Albany | Albany Savings Bank | $2,714,355 | 3,196,650 | 8,152 |
| 1856 | " | Exchange Savings Bank | 179,794 | 193,007 | 583 |
| 1850 | " | City Savings Institution | 658,564 | 961,763 | 2,053 |
| 1855 | " | Mechanics & Farmers'. | 1,397,945 | 1,417,017 | 2,910 |
| 1868 | " | National Savings Bank | 1,747,680 | 2,101,915 | 4,876 |
| 1866 | " | Hope Savings Bank | 55,979 | 51,597 | 251 |
| 1866 | " | Home Savings Bank | —— | 214,202 | 833 |
| 1867 | Albion | Orleans Savings Bank | 2,320 | 876 | 17 |
| 1849 | Auburn | Auburn Savings Bank | 1,609,628 | 1,673,569 | 6,113 |
| 1864 | " | Mutual Savings Bank | 553,132 | 511,359 | 2,282 |
| 1867 | Binghamton. | Binghamton Savings B. | 412,860 | 431,430 | 2,390 |
| 1858 | " | Chenango Valley S. B. | 305,651 | 326,416 | 1,410 |
| 1871 | Brewsters | Putnam County Sav. B. | 9,498 | 44,557 | 187 |
| 1854 | Buffalo | Erie County Savings B. | 7,378,084 | 8,124,382 | 25,406 |
| 1846 | " | Buffalo Savings Bank | 4,856,658 | 5,622,384 | 20,504 |
| 1851 | " | Western Savings Bank. | 887,861 | 1,147,574 | 2,228 |
| 1867 | " | National Savings Bank | 705,888 | 834,459 | 2,682 |
| 1858 | " | Mechanics' Savings Bk. | *Failed.* | —— | —— |
| 1868 | " | Security Savings Bank. | *Closed.* | —— | —— |
| 1868 | Catskill | Catskill Savings Bank. | 174,595 | 217,070 | 792 |
| 1851 | Cohoes | Cohoes Savings Inst. | 389,315 | 446,304 | 1,594 |
| 1860 | Corning | Corning Savings Bank. | 222 | 233 | 7 |
| 1871 | Cornwall | Cornwall Savings Bank | 9,859 | 19,029 | 126 |
| 1866 | Cortland | Cortland Savings Bank | 74,657 | 90,294 | 865 |
| 1838 | Coxsackie | Coxsackie Savings B'k. | 90,860 | 88,746 | 403 |
| 1869 | Dobb's Ferry | Greenburg Savings B'k | 56,782 | 72,466 | 396 |
| •1867 | Edgewater | Staten Island Sav. B'k. | 165,501 | 183,006 | 868 |
| 1869 | Elmira | Southern Tier Sav. B'k | 86,722 | 94,569 | 1,228 |
| 1869 | Ellenville | Ellenville Savings B'k. | 176,869 | 183,166 | 987 |
| 1857 | Fishkill | Fishkill Savings Inst'n | 467,458 | 536,349 | 1,397 |
| 1866 | " | Mechanics' Savings B'k | 272,765 | 291,391 | 1,056 |
| 1859 | Flushing | Queens County Sav. Bk | 322,750 | 351,519 | 1.771 |
| 1871 | Fulton | Fulton Savings Bank | 27,939 | 60,125 | 389 |
| 1866 | Fredonia | Chautauqua Co. Sav. B. | 44,090 | 21,278 | 239 |
| 1871 | Goshen | Goshen Savings Bank. | 37,218 | 72,402 | 459 |
| 1871 | Haverstraw. | Haverstraw Savings B. | 27,683 | 89,464 | 686 |
| 1850 | Hudson | Hudson City Sav. Bank | 1,010,042 | 1,114,385 | 3,852 |
| 1868 | Ithaca | Ithaca Savings Bank | 181,871 | 202,430 | 1,755 |
| 1866 | Jamaica | Jamaica Savings Bank. | 212,308 | 241,461 | 774 |
| 1851 | Kingston | Ulster County Sav. Inst. | 1,937,400 | 2,152,679 | 4.207 |
| 1869 | Lockport | Farmers & Mechanics'. | 336,390 | 249,896 | 1,525 |
| 1871 | Matteawan | Matteawan Savings B'k | 15,040 | 21,909 | 150 |
| 1869 | Middletown. | Middletown Ssvings B. | 304,901 | 378,167 | 1,919 |
| 1868 | Morrisania | German Savings Bank. | 503,777 | 606,507 | 2,825 |
| 1868 | " | Morrisania Savings B'k | 152,443 | 170,756 | 995 |
| 1871 | Mt. Vernon | East Chester Savings B. | 26,435 | 25,545 | 206 |
| 1852 | Newburgh | Newburgh Savings B'k | 1,944,218 | 2,101,470 | 6,300 |
| 1871 | New Paltz | New Paltz Savings B'k. | 143,315 | 88,708 | 358 |
| 1865 | New Rochelle | New Rochelle Sav, B'k. | 59,860 | 64,030 | 384 |
| 1860 | Norwich | Chenango County S. B. | 53,654 | 76,720 | 308 |

## Savings Banks, New York State—*Continued.*

| *Year.* | *Place.* | *Name of Bank.* | *January, 1872.* *Deposits.* | *January, 1873.* *Deposits.* | *January, 1873.* *Depositors.* |
|---|---|---|---|---|---|
| 1870 | Nyack ...... | Rockland Savings Bank | 20,566 | 44,893 | 489 |
| 1866 | Oneida ..... | Oneida Savings Bank.. | 255,741 | 305,902 | 1,331 |
| 1859 | Oswego .... | Oswego City Savings B. | 486,922 | 525,572 | 2,431 |
| 1871 | " .... | Oswego County Sav. B. | 136,017 | 162,032 | 879 |
| 1870 | Pawling .... | Pawling Savings Bank | 38,252 | 52,059 | 270 |
| 1859 | Peekskill ... | Peekskill Savings Bank | 744,274 | 877,809 | 2,731 |
| 1869 | Plattsburgh. | Clinton County Sav. B. | 50,747 | 68,956 | 474 |
| 1865 | Portchester . | Portchester Savings B'k | 380,369 | 429,021 | 1,729 |
| 1869 | Port Jervis . | Port Jervis Savings B'k | 91,782 | 141,095 | 769 |
| 1831 | Po'keepsie .. | Poughkeepsie Sav. B'k | 2,638,651 | 2,951,490 | 9,751 |
| 1860 | Rhinebeck .. | Rhinebeck Savings B'k | 124,641 | 134,800 | 665 |
| 1872 | Riverhead .. | Riverhead Savings B'k | —— | 36,163 | 260 |
| 1831 | Rochester ... | Rochester Savings B'k | 5,027,579 | 5,614,721 | 12,798 |
| 1850 | " ... | Monroe County Sav. B. | 3,010,536 | 3,112,286 | 7,457 |
| 1867 | " ... | Mechanics' Savings B.. | 1,522,494 | 1,355,688 | 3,134 |
| 1869 | " ... | East Side Savings B'k. | 314,702 | 408,847 | 1,121 |
| 1851 | Rome ...... | Rome Savings Bank... | 802,715 | 881,002 | 2,160 |
| 1869 | " ...... | Oneida County Sav. B. | 181,813 | 259,610 | 829 |
| 1868 | Rondout.... | Rondout Savings Bank | 541,086 | 642,222 | 1,726 |
| 1860 | Sag Harbor . | Sag Harbor Savings B. | 211,483 | 223,800 | 1,294 |
| 1867 | Saratoga Sps. | Saratoga Savings Bank | 36,148 | 38,487 | 220 |
| 1871 | Saugerties .. | Saugerties Savings B'k | 123,774 | 253,805 | 843 |
| 1834 | Schenectady. | Schenectady Savings B. | 497,800 | 541,973 | 1,451 |
| 1870 | Seneca Falls. | Seneca Falls Savings B. | 57,155 | 85,695 | 633 |
| 1854 | Sing Sing... | Sing Sing Savings B'k. | 480,284 | 573,453 | 1,588 |
| 1866 | Skaneateles . | Skaneateles Savings B. | 113,090 | 117,753 | 783 |
| 1858 | Southold.... | Southold Savings Bank | 679,368 | 765,738 | 1,913 |
| 1855 | Syracuse ... | Onondaga County S. B. | 3,896,218 | 3,878,385 | 12,206 |
| 1849 | " ... | Syracuse Savings Bank | 1,555,937 | 1,770,752 | 5,019 |
| 1868 | " ... | People's Safe Deposit.. | 1,755,411 | *Failed.* | —— |
| 1871 | " ... | Citizens' Savings Bank | 11,135 | 49,820 | 167 |
| 1853 | Tarrytown .. | Westchester Co. S. B. . | 588,198 | 601,254 | 2,009 |
| 1823 | Troy ....... | Troy Savings Bank.... | 3,104,276 | 3,418,384 | 8,103 |
| 1857 | " ....... | Mutual Savings Bank. | 243,413 | 268,116 | 725 |
| 1856 | " ....... | State Savings Bank... | 113,483 | 117,564 | 250 |
| 1857 | " ....... | Manufacturers' Sav. B. | 2,956 | 3,072 | 18 |
| 1857 | " ....... | Central Savings Bank.. | 17,633 | 14,125 | 66 |
| 1839 | Utica....... | Savings Bank of Utica | 3,400,088 | 3,409,097 | 9,830 |
| 1865 | " ....... | National Savings Bank | —— | *Failed.* | —— |
| 1851 | " ....... | Central Savings Bank.. | 180,948 | —— | —— |
| —— | Walden .... | Walden Savings Bank. | —— | 17,627 | 99 |
| 1869 | Wap'r Falls. | Wappinger's Savings B. | 29,360 | 68,729 | 396 |
| 1859 | Watertown . | Jefferson County S. B. | 166,110 | 195,694 | 1,855 |
| —— | Whitestone . | Whitestone Savings B.. | —— | 12,023 | 204 |
| 1869 | White Plains | White Plains Sav. B'k. | 44,770 | 48,446 | 248 |
| 1854 | Yonkers .... | Yonkers Savings Bank. | 778,293 | 943,638 | 2,858 |
| 1866 | " .... | People's Savings Bank. | 200,960 | 210,428 | 951 |
| | Total | Interior................ | 67,340,644 | 72,797,257 | 226,431 |
| | " | New York City......... | 161,106,592 | 169,503,273 | 470,417 |
| | " | Brooklyn .............. | 39,458,630 | 42,986,091 | 125,794 |
| | " | State of New York... | $ 267,905,866 | $ 285,286,621 | 822,642 |

## THE SAVINGS BANKS OF NEW YORK, JANUARY 1, 1873.

### *Comparative View of the Savings Banks of the City.*

The following tables exhibit the number of savings banks in this city and Brooklyn, and other cities throughout the State; the number of depositors and the amount on deposit, with a comparison with the previous year; also the date of charter:

| | | *Deposits, January*, 1872. | *January*, 1873. *No. Depositors.* | *January*, 1873. *Deposits.* |
|---|---|---|---|---|
| 1834 | Bowery Savings Bank | $25,106,821 | 58,552 | $27,897,796 |
| 1819 | Bank for Savings | 18,367,370 | 72,161 | 19,869,808 |
| 1859 | Union Dime Savings Bank | 10,109,465 | 32,827 | 10,257,683 |
| 1829 | Seamen's Savings Bank | 9,966,832 | 26,683 | 11,167,100 |
| 1850 | Emigrant Industrial Savings Bank | 9,936,139 | 25,888 | 11,370,131 |
| 1848 | Dry Dock Savings Bank | 9,163,119 | 22,960 | 9,366,578 |
| 1850 | Manhattan Savings Bank | 8,402,068 | 17,484 | 8,663,662 |
| 1833 | Greenwich Savings Bank | 8,367,740 | 27,600 | 9,613,142 |
| 1860 | Citizens' Savings Bank | 8,005,214 | 15,678 | 8,059,359 |
| 1859 | German Savings Bank | 7,019,868 | 20,815 | 9,314,548 |
| 1852 | Metropolitan Savings Bank | 6,788,495 | 10,994 | 6,880,699 |
| 1848 | East River Savings Bank | 6,238,468 | 11,263 | 6,378,383 |
| 1854 | Third Avenue Savings Bank | 5,081,325 | 8,694 | 1,485,831 |
| 1852 | Mechanics & Traders' Savings Bank | 3,404,331 | 5,476 | 2,930,540 |
| 1848 | Merchants & Clerks' Savings Bank | 3,376,825 | 8,692 | 3,461,126 |
| 1851 | Irving Savings Institution | 2,959,951 | 6,434 | 3,072,151 |
| 1860 | Atlantic Savings Bank | 2,680,761 | 5,370 | 2,203,312 |
| 1854 | New York Savings Bank | 2,479,720 | 8,172 | 2,712,531 |
| 1851 | Broadway Savings Institution | 2,003,878 | 3,839 | 2,043,706 |
| 1853 | Sixpenny Savings Bank | 1,908,493 | 28,817 | 2,042,679 |
| 1860 | Franklin Savings Bank | 1,246,319 | 7,176 | 1,616,454 |
| 1868 | Teutonia Savings Bank | 1,159,636 | 5,672 | 1,575,990 |
| 1866 | German Up-Town Savings Bank | 1,053,786 | 4,703 | 1,323,179 |
| 1869 | Excelsior Savings Bank | 930,033 | 1,624 | 580,817 |
| 1866 | North River Savings Bank | 835,760 | 4,406 | 807,565 |
| 1868 | Mutual Benefit Savings Bank | 708,981 | 2,886 | 576,809 |
| 1863 | Harlem Savings Bank | 723,038 | 4,447 | 838,773 |
| 1869 | Security Savings Bank | 679,896 | 3,299 | 718,040 |
| 1867 | People's Savings Bank | 353,961 | 1,500 | 294,069 |
| 1869 | Eleventh Ward Savings Bank | 609,017 | 2,321 | 813,084 |
| 1869 | New Amsterdam Savings Bank | 442,056 | 1,662 | 468,550 |
| 1869 | West Side Savings Bank | 267,004 | 2,493 | 300,659 |
| 1868 | Clinton Savings Bank | 177,598 | 1,674 | 159,664 |
| 1869 | Oriental Savings Bank | 202,531 | 5,032 | 284,048 |
| 1869 | Abingdon Square Savings Bank | 145,313 | 940 | 158,362 |
| 1867 | Central Park Savings Bank | 119,839 | 976 | 139,565 |
| 1869 | Yorkville Savings Bank | 31,298 | 266 | 27,279 |
| 1869 | Equitable Savings Institution | 26,417 | 620 | 50,804 |
| 1867 | National Savings Institution | 14,279 | 70 | 2,025 |
| 1870 | Trades Savings Bank | 12,272 | 104 | 9,973 |
| 1870 | Clairmont Savings Bank | 675 | 147 | 12,399 |
| 1863 | Market Savings Bank | *Failed.* | — | — |
| 1868 | Bowling Green Savings Bank | *Failed.* | — | — |
| 1868 | Guardian Savings Institution | *Failed.* | — | — |
| | *Totals, New York City* | $161,106,592 | 470,417 | $169,503,273 |
| | " *Brooklyn* | 39,458,630 | 125,794 | 42,986,091 |
| | " *Interior* | 67,340,644 | 226,431 | 72,797,257 |
| | *Totals* | $267,905,866 | 822,642 | $285,286,621 |
| | *Surplus Funds* | 14,738,497 | — | 20,043,710 |
| | *Total Assets* | $282,644,363 | — | $305,330,331 |

## SAVINGS BANKS OF BROOKLYN CITY AND KINGS COUNTY, N. Y.

The date of charter of each, deposits of January, 1872 and 1873, and number of depositors in each.

| *Charter.* | *Name of Bank.* | *January, 1872. Deposits.* | *January, 1873. Deposits.* | *January, 1873. Depositors.* |
|---|---|---|---|---|
| 1827 | Brooklyn Savings Bank | $ 10,375,872 | $ 11,331,809 | 25,396 |
| 1851 | Williamsburg Savings Bank | 9,190,826 | 10,099,560 | 21,538 |
| 1859 | Dime Savings Bank, Brooklyn | 6,695,503 | 6,819,763 | 27,907 |
| 1850 | South Brooklyn Savings Institution | 5,442,530 | 6,017,740 | 15,431 |
| 1860 | Kings County Savings Institution | 2,030,819 | 2,331,623 | 7,042 |
| 1865 | Long Island Savings Bank | 1,496,709 | 1,636,159 | 4,907 |
| 1864 | Dime Savings Bank, Williamsburg | 1,456,809 | 1,407,335 | 6,845 |
| 1866 | German Savings Bank | 1,055,018 | 1,206,310 | 5,057 |
| 1860 | East Brooklyn Savings Bank | 549,679 | 658,998 | 4,222 |
| 1867 | Germania Savings Bank | 449,102 | 536,431 | 1,810 |
| 1868 | Green Point Savings Bank | 306,880 | 421,374 | 2,654 |
| 1868 | Park Savings Bank | 124,771 | 160,971 | 1,083 |
| 1863 | Emigrant Savings Bank | 174,080 | 179,631 | 676 |
| 1868 | East New York Savings Bank | 107,352 | 142,684 | 752 |
| 1867 | Hamilton Savings Bank | 1,680 | 1,719 | 77 |
| 1868 | Bushwick Savings Bank | 1,000 | 1,000 | 1 |
| —— | Mechanics' Savings Bank | —— | 32,984 | 396 |
| Total, | Kings County | $ 39,458,630 | $ 42,986,091 | 125,794 |
| " | New York City | 161,106,592 | 169,503,273 | 470,417 |
| " | Interior of State | 67,340,644 | 72,797,257 | 226,431 |
| " | State of New York | $ 267,905,866 | $ 285,286,621 | 822,642 |

## NATIONAL BANKS OF BALTIMORE.

Capital, surplus, circulation, deposits and loans of each, June 13, 1873:

| *Names.* | *Capital.* | *Surplus.* | *Circulation.* | *Individual Deposits.* | *Loans.* |
|---|---|---|---|---|---|
| National Mechanics' B. | 800,000 | 30,000 | 360,000 | 1,866,556 | $ 1,573,004 |
| Citizens' National Bank | 1,000,000 | 300,000 | 401,700 | 1,669,117 | 2,328,036 |
| Farmers & Planters' B. | 800,000 | 240,000 | 585,000 | 1,248,573 | 1,571,873 |
| National Bank of Balt. | 1,210,700 | 300,000 | 881,755 | 1,338,535 | 2,114,336 |
| First National Bank | 1,110,000 | 172,764 | 302,600 | 1,214,739 | 2,127,996 |
| Farmers & Merchants' | 650,000 | 130,000 | 450,000 | 1,088,384 | 1,755,863 |
| Second National Bank. | 500,000 | 250,000 | 340,745 | 731,471 | 1,122,830 |
| National Union Bank. | 1,258,725 | 71,000 | 440,000 | 719,941 | 1,538,718 |
| National Exchange B'k | 600,000 | 64,000 | 477,400 | 501,341 | 860,985 |
| Central National Bank | 200,000 | 50,000 | 180,000 | 700,167 | 431,077 |
| Commercial & Farmers | 512,560 | 124,867 | 259,648 | 501,836 | 871,693 |
| Third National Bank | 600,000 | —— | 478,120 | 398,579 | 652,948 |
| Merchants' Bank | 1,500,000 | 356,202 | 1,108,500 | 1,291,379 | 2,201,671 |
| Western Bank | 500,000 | 170,000 | 434,188 | 1,080,499 | 1,279,176 |
| *June* 13, 1873 | $ 11,241,985 | 2,258,834 | 6,699,656 | 14,351,128 | 20,430,211 |
| *February* 28, 1873 | 11,241,985 | 2,175,352 | 7,219,998 | 14,000,992 | 20,907,530 |
| | | $ 53,482 | $ 520,342 | $ 350,135 | $ 477,418 |

# CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. ARE LEGAL-TENDER NOTES EXEMPT FROM TAXATION? II. NOTARIAL DEMAND AFTER BUSINESS HOURS. III. DRAFTS PAYABLE WITH CURRENT RATE OF EXCHANGE. IV. STATE TAXATION OF NATIONAL BANKS.

## I. ARE LEGAL-TENDER NOTES EXEMPT FROM TAXATION?

——— BANK, ILLS., 1873.

*To the Editor of the Banker's Magazine.*

We understand that the Supreme Court of the United States have decided that Legal-Tender Notes are not legally taxable. Do you understand that there is such a decision.

——— President.

——— ARKANSAS, 1873.

*To the Editor of the Banker's Magazine.*

Are *United States Notes* (Greenbacks) *exempt from taxation* by State, County and City Governments? There is a diversity of opinion here and many of our best men do not include Greenbacks on hand when listing their personal property for taxation. Legal men cite as authority a decision by the Supreme Court in the case of the STATE OF MARYLAND *v.* McCULLOCH, an officer of the old U. S. BANK.

——— Banker.

### *Reply.*

We have never heard of any decision of the United States Supreme Court exempting Legal-Tender Notes from taxation. The case alluded to by our Arkansas correspondent was upon the right of a State to tax United States Bank Stock. It has been twice published in the BANKER'S MAGAZINE.

Among the decisions of State Courts cited in ABBOTT'S DIGEST of Decisions in the United States, is the following:

The United States Treasury Notes, known as "Greenbacks," are declared by act of Congress exempt from State taxation, and the enactment is constitutional. But the exemption is not extended, and it is doubtful whether Congress has power to extend it to the notes of National Banks.

—*Montgomery County* v. *Elston*, 32 *Ind.*, 27.

The following letter from the Hon. JOHN JAY KNOX, Comptroller of the Currency, sets forth the views entertained at the Treasury Department on this subject:

Treasury Department,
Office of Comptroller of the Currency,
Washington, July 7th, 1873.

I. SMITH HOMANS, Esq., New York City.

SIR:—I have received your letter of 2d instant, asking if a decision has been made by the Supreme Court of the United States to the effect that legal-tender notes are not taxable.

I am informed by the Commissioner of Internal Revenue that he has no knowledge of any such decision. The Commissioner has uniformly held that legal tenders are not exempt, nor are they "securities of the United States," within the meaning of that term as employed in the statute.

Very respectfully,
JOHN JAY KNOX, *Comptroller.*

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## II. NOTARIAL DEMAND AFTER BANKING HOURS.

In the BANKER'S MAGAZINE for December, 1872, and for May, 1873, were given replies to this inquiry: "Must a note or check be presented before the close of banking hours in order to a valid protest." A valued correspondent takes exception to our reply and argues as follows:

BOSTON, ———, 1873.

My position is, if a note is made payable at a bank, such note must be presented for payment during the business hours of the bank, in order to a legal protest; but should a demand be made of an officer of the bank who might be there after the business hours of the bank, but possessing the required information, this perhaps might meet the requirement of a proper presentment.

The Teller is generally the officer proper to make the demand of, as he is the one to whom the maker would give his instructions to pay the note.

Now if this officer, at the close of bank hours, has locked up his vault and gone, and the notary makes his demand at the bank, finding the messenger or some other officer inside, who has no knowledge of any authority given the bank to pay, I hold that the protest is a nullity.

For if a demand can be made after bank hours, which shall have all the legality of one made while the proper officer is present, the notary may keep his notes, made payable at banks, upon his desk until he is satisfied the bank is closed, and then make his demand, for fear there might be funds there and he would then lose his fee.

Judge Story says: "The general usage of banks and bankers is to limit their business transactions to certain hours, called business hours. If then a note is payable at a bank or banker's, it should be presented at the bank or banker's place of business during those hours. If the presentment is made at unreasonable hours, either too early or too late, and there is no person authorized to act for the maker, in such case the presentment will be deemed a mere nullity and without any legal effect, and the holder must bear all the consequences of his lack of diligence."

I argue from this decision that the notary making this illegal demand would not only forfeit his fee, but if the credit of the maker was injured by notice of such protest, an action would hold against the notary or his employer.

——— Cashier.

*Reply.*

It is certainly better, as placing the matter beyond any possibility of question, to have demand made at bank before its fixed hour of closing. But that such is inflexibly essential does not appear to be the case, from the decision quoted by our correspondent.

The summing up on this point by REDFIELD & BIGELOW, in their *Leading Cases on Bills of Exchange and Promissory Notes*, (pp. 311. 312,) is as follows:

"What is *a reasonable hour* will depend partly on the place of business or domicile of the maker, and partly on the usage of trade where the paper is payable; and *in the case of paper payable at bank*, while it must in general be presented during banking hours, still it may be presented after such hours, provided a person be stationed there by the bank to return answers, or if there is a custom of the bank which allows a certain length of time after closing for transacting such business. BANK OF UTICA *v.* SMITH, 18 JOHNSON, 230; CHITTY *Bills*, 387; STORY *Promissory Notes*, § 226."

To meet further inquiries upon the subject of Notarial Demand, we append the following decisions:

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## THE LAW OF NOTARIAL PRESENTMENT.

### *Reasonable Hours.*

*Chitty on Bills*, page 388, says, "When the party to pay the bill or note is not a banker, a presentment at any time, not during the hours of rest, however late in the evening, will generally suffice." And in a recent case (TRIGGS *v.* NEWMAN, 10 MOORE, 249,) it was decided that a presentment between 8 and 9 o'clock in the evening, at the house of a trader or merchant, is quite sufficient, and this although no person was there to give an answer. (See WILKINS *v.* JADES, 2 B. & A., 188; S. P. BARCLAY *v.* BARCLAY, 2 CAMPBELL, 527.)

In action against drawer of a bill accepted by HARDY, (bill presented at 8 o'clock in the evening,) on the part of defendant, it was proved that he had a person stationed at the house for the purpose of taking up the bill, from nine in the morning till *four in the afternoon*, but that no one presented it during that time, and it was insisted that a presentation *so late in the evening* was insufficient to charge the drawer. Lord ELLENBOROUGH said, "I think the presentment sufficient; a common trader is different from bankers, and has not any peculiar hours for paying or receiving money; if the presentment had been during the hours of rest, it would have been altogether unavailing; but *eight in the evening* cannot be considered an unreasonable hour for demanding payment at the house of a private merchant who has accepted a bill." The plaintiff had a verdict.

In MORGAN *v.* DAVISON, (1 *Stark Reports*, 114,) the bill was accepted, payable at HERRING & RICHARDSONS, Copthall Court, London. The plaintiff proved presentment at HERRING & RICHARDSONS, who were not bankers, in Copthall Court, on the day when the bill became due, *between six and seven in the evening*, when no one was there but a girl, left to take care of the counting house. Lord ELLENBOROUGH held the presentment sufficient; the hour was not an improper one, and the holder might reasonably expect to find him in his counting house at that time.

In WELKINS *v.* JARDIS, 2 B. & A., 188. *Held*, presentment of a bill of exchange for payment at a house in London, where it was made payable (not a banker's) at *eight o'clock in the evening* on the day when it became due, is sufficient to charge the drawer, although at that hour the house be shut up and no person there to pay the bill.

COWEN, in CAYUGA CO. BANK *v.* HUNT, says, "These hours, except in case of banks, vary *through the whole day* until bedtime in the evening." Mr. PARSONS, in his work on Bills, vol. 1, p. 419, seems to draw a distinction between the presentation at the *residence* and *place of business*, but the cases cited by him in support of his views, given in his notes, are the above cases from CHITTY. See also the opinion of Judge SHEPLEY. (*Parsons on Bills, p.* 420, *note.*) In DANA *v.* SAWYER, 22 MAINE, 244, cited in *Parsons on Bills, vol.* 1, *p.* 420, it was held also that the really ordinary business hours only applied where there were regularly established business hours.

In MERCHANTS' BANK *v.* ELDERKEN, 25 *N. Y. Court of Appeals*, 178, it was held that the demand at a bank was sufficient when made *before* the closing of business hours. See also 44 *Barbour's Reports*, 69. The maker has the whole day to pay his note, but *after demand and refusal* at the place of payment, he must then seek the holder for that purpose. *See* ETHEREDGE *v.* LUDD, 44 BARBOUR, 73.

In DANA *v.* SAWYER, 22 MAINE, 244, it was held that where a note is not payable at a place where there are *established business hours*, demand must be made at a reasonable hour; but presentment to the maker at midnight, after he had retired to rest, was *not a reasonable hour*, unless it appear that payment would not have been made if presented at a reasonable hour.

Where paper is payable at a bank, it must generally be presented during banking hours, but may be presented later, IF ANY PERSON BE STATIONED THERE TO ANSWER, or it is a custom of the banks to allow a certain length of time for transacting such business. See BANK OF UTICA *v.* SMITH, 18 JOHNSON, 230; *Chitty on Bills*, 387; *Story on Promissory Notes*, § 226; *Story on Bills*, § 349.

There is a misunderstanding amongst merchants as to when payment *should* be demanded; some claim a note should be presented at the place of payment, even if a private office, before three o'clock; others claim the whole day to pay it; some claim till three o'clock to make their accounts good at their bank, and that a demand before three o'clock is premature, others that a presentment before three o'clock is ineffectual.

The above cases seem to hold, 1, That notes payable at a bank may be presented either between or during the ordinary banking hours; or if presented later, some one must be there to answer, to make the demand effective. If presented before the close of the bank, and payment is refused, no other demand is necessary—it then becomes the maker's duty to seek the holder and pay it.

2. That notes payable elsewhere may be presented at any reasonable hour during the day, and such hours range through the whole day till bed time, nine in the evening. FARNSWORTH v. ALLEN, 4 GRAY, 453.

In order to avoid a protest, therefore, persons having notes to pay should, if payable at a bank, make their account good immediately on the opening of the bank. If payable at their office, procure a certified check and leave it with some one there, who will remain there till the note is presented.

## III.—DRAFTS PAYABLE WITH CURRENT RATE OF EXCHANGE.

Louisville, July, 1873.

*To the Editor of the Banker's Magazine.*

The bank with which I deal here, gives me New York exchange free of charge. I wish to use such exchange to pay my acceptances and notes due here, and drawn "with New York exchange," "in New York exchange," or "with current rate of exchange on New York." Can the holders refuse the check on New York, and demand legal tenders and exchange?

MERCHANT.

### *Reply.*

You have no right to require a bank holding for collection your paper, payable "with current rate of exchange," to receive in payment therefor the check of another bank on New York. Payment is due in current funds, and the premium added. If your acceptances are payable "in New York exchange," then the bank holding would probably take in payment the draft of a bank in unquestionable credit. But we think that no just dealing man would insist even upon this; for it is a gross injustice to compel the bank, which has all the trouble of collecting and remitting, to do it for nothing. The small profit on exchange is all its compensation, and it is little enough.

## IV. The Taxation of National Banks.

——— National Bank, Ills., 1873.

*To the Editor of the Banker's Magazine.*

There has been some dispute in this State as to the right to tax National banks for State and county purposes.

There are several cases before the courts, but I am not aware of any definite decision.

If there have been any decisions on this point, please state some of them.

——— Cashier.

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### *Reply.*

By the Act of June 3, 1864, (section 41), Congress has distinctly shown that State taxation of National banks was not excluded by the Act of February 25, 1863, under which they are organized. For the information of our correspondent and various others, we republish the several cases that have been decided before the State courts and the United States Supreme Court.

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*I. Abbott* v. *City of Bangor. II. Bagnall* v. *the State of Wisconsin. III. Board of Commissioners of Indiana* v. *Elston. IV. City of Chicago* v. *Lunt, Preston & Kean. V. Lionberger* v. *State. VI. National Bank* v. *Commonwealth of Kentucky. VII. Provident Institution for Savings* v. *City of Boston. VIII. Stetson* v. *City of Bangor. IX. State Mutual Life Insurance Co.* v. *Jersey City. X. Strador and others* v. *State of Indiana. XI. Thompson* v. *Pacific Railroad Co. XII. Van Slyke* v. *State of Wisconsin.*

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### I.—Chas. J. Abbott *v.* Inhabitants of Bangor.

The payment of an illegal tax, assessed upon bank shares, for the purpose of preventing the seizure and sale of them by the collector, is not a voluntary payment.

To bring the assessment of a tax upon bank shares within c. 193 of the Public Laws of 1863, it must be made to appear that the stock was "held by persons out of the State, or unknown, and that," it had "not been certified to or assessed in some place in this State"; or that the stock appeared "by the books of the bank, to be held by some one residing beyond the limits of this State, or unknown."

The Act of Congress, approved February 10th, 1868, "in relation to taxing shares in National banks," had no retroactive effect upon any proceedings previously had under c. 126 of the Public Laws of 1867.

Nor does it affect the decision in PACKARD *v.* LEWISTON, 55 MAINE, 456, as to the validity, or invalidity, of the several sections of that chapter.

The right of tax payers to recover back a tax, paid under protest, must be determined by the law, as it was when the tax was assessed and paid. The repeal of the statute authorizing the assessment, after such payment and the commencement of the suit to recover it back, confers no additional rights upon the tax-payer.

PACKARD *v.* LEWISTON, 55 MAINE, 456, re-examined and confirmed. —*Maine Reports, vol.* 56, *page* 310.

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## II.—BAGNALL *v.* THE STATE.

1. Shares in National banks, located in this State, are subject to taxation by the State, although shares in the State banks are not taxed, *eo nomine.* The decision in VAN SLYKE *v.* THE STATE (23 WIS. 655), adhered to.

2. Chapter 136, Laws of 1868, which provides "for the reassessment and collection of delinquent taxes of 1865 and 1866, on the shares of National banks in this State," is valid.

3. The tax levied by law upon the capital of the State banks is a full equivalent to that levied upon the shares of the National banks under said chapter; and adequate provision is made by it to prevent the rate of taxation upon those shares being greater, than upon other moneyed capital in this State.

4. An averment that the rate of taxation upon plaintiff's shares in a National bank, in this State, was greater than that assessed for "State tax" upon other moneyed capital, in the hands of individual citizens of the city in which plaintiff resided, *held*, insufficient to show the tax illegal; it not appearing that such rate was greater than that imposed upon such other moneyed capital for State, county, and municipal purposes.—*Wisconsin Reports, vol.* 25, *page* 112.

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## III.—BOARD OF COMMISSIONERS OF MONTGOMERY COUNTY, IND., *v.* ELSTON.

1. The United States treasury notes, popularly known as "greenbacks," are not liable to State taxation.

2. The foundation of the power of the government to exempt her treasury notes from taxation is, that their sole value depends upon the promise of the government to ultimately redeem them in gold.

3. The notes of National banks, known as "National currency," are not exempted from State taxation.

4. Injunctions will not lie to prevent the collection of a tax, in part legal, and in part illegal.—*Indiana Reports, vol.* 32, *page* 27.

## IV.—City of Chicago *v.* Lunt, Preston & Kean.

*Taxation of Government Securities held by private bankers.*

Several persons associated together as partners, and doing business as private bankers, may invest their capital in bonds and negotiable securities of the United States, for the sole purpose of reselling the same, and thus making a profit, and repurchasing like securities to be sold in like manner, such capital being kept constantly absorbed in some form of such securities, and still be entitled to that immunity from State and municipal taxation, which would be accorded to an individual holding the same securities.—*Illinois Reports, vol.* 52, *p.* 414.

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## V.—Lionberger *v.* Rouse.

1. By the second limitation in the proviso to section 41 of the National banking act, which enacts that the tax which the section allows the States to impose on the shares held by persons in the said banks, "shall not exceed the rate imposed upon the shares in any of the banks, organized under the authority of the State, where such association is located."

Congress meant no more than to require of each State, as a condition to the exercise of the power to tax the shares in National banks, that it should, as far as it had the capacity, tax in like manner the shares of banks of issue of its own creation.

2. Accordingly, where a State, having at the time only two banks of issue and circulation, both of which two it had, by contract with them, disabled itself from taxing beyond a certain amount, had also numerous banks not banks of issue, having a far greater capital than the two of issue, laid a tax on all shares of stock in banks, and incorporated companies generally—the fact that it could not collect a tax past a certain amount in the two banks of issue, which it had at that time, was held no bar to the collection of the tax on the shares of the National banks for a greater amount.

—*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 468.

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## VI.—National Bank *v.* Commonwealth of Kentucky.

1. The right of the States to tax shares of the National Banks, reaffirmed.

2. The statute of Kentucky (set forth in the statement of the case) taxing bank stock, levies a tax on the shares of the stockholders, as distinguished from the capital of the bank invested in federal securities.

3. This is true, although the tax is collected of the bank instead of the individual stockholders.

4. The doctrine which exempts the instrumentalities of the federal government from the influence of State legislation, is not founded

on any express provision of the constitution, but in the implied necessity for the use of such instruments by the federal government.

5. It is, therefore, limited by the principle that State legislation, which does not impair the usefulness or capability of such instruments to serve that government, is not within the rule of prohibition.

6. A State requiring the National banks to pay the tax, which is rightfully laid on the shares of its stock, is valid under this limitation of the doctrine.

7. On a writ of favor to a State court, no question will be considered here which was not called to the attention of the State court. —*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 353.

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VII.—Provident Institution for Savings *v.* City of Boston. Pliny Jewell *v.* City of Boston.

The provisions of the statute of 1868, c. 349, for taxing National bank shares, owned by non-residents, are not unconstitutional; either as not being proportional, or reasonable, within the meaning of the Constitution of the Commonwealth, part 2, c. 1, § 1, art. 4; or as exceeding the limitation of the rate of assessment prescribed in the United States statutes, 1864, c. 106, § 41, and 1868, c. 7; or as being retrospective in their operations, or as denying to citizens of any State privileges and immunities of citizens of the several States. —*Massachusetts Reports, vol.* 101, *page* 575.

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VIII.—George Stetson *v.* City of Bangor.

A State tax assessed April 1, 1864, by the Assessors of the City of Bangor, to a citizen thereof, upon his shares in a National bank situated therein, and established under the Act of Congress of February 25, 1863, is constitutional, if levied in the same manner, and to the same extent as taxes on other similar property.

R. S., c. 6, § 5, authorizing taxes to be assessed upon "all shares in moneyed corporations," includes shares in National banks.

Sections 79 to 82 of c. 47 of the R. S., prohibiting the establishment of moneyed corporations, unless specially authorized by the legislature, do not apply to banking corporations established by authority of Congress.—*Maine Reports, vol.* 56, *page* 274.

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IX.—The State, The Mutual Life and Casualty Insurance Company *v.* John B. Haight, Collector, &c., of Jersey City, New Jersey.

1. The Act of Congress of July, 1862, enacting that all stocks, bonds, and other securities of the United States, held by individuals, corporations or associations, shall be exempt from taxation,

by or under State authority, was only declaratory of the result of previous adjudication.

2. Such securities are also exempt from taxation by section 5 of the tax law of 1866.

3. Certificates, which seem to have been given for a loan, are of that class of securities which are exempted from taxation.

—*New Jersey Law Reports, volume* 34, *5th Vroom, page* 128.

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## X.—Strader and others *v.* Manville, Treasurer. Monroe, Treasurer, *v* Strader and others.

The capital stock of a National bank, originally organized under the Act of Congress of 1863, is not exempt from taxation under the act of our legislature of March 15th, 1867, (acts 1867, page 216).

Where the assessment under said act of 1867 has been omitted by the County Auditor, and he has delivered the tax duplicate to the treasurer, the latter should insert it, but if a correct assessment be made by the auditor after such delivery, and acted upon by the treasurer, it is sufficient.

Where the correctness of an assessment so made by the auditor, in the number of the shares, and the amount of the tax was not questioned: *Held,* that an injunction would not lie to restrain the collection of the tax, because, the officers of the bank having failed to deliver to the auditor the statement provided for in the second section of the act of 1867, he did not summon them before him, and obtain from them such statement.

The capital stock of a National bank, liable under the act of 1867 to taxation, at that place where the bank is located, is not also liable under the general law to taxation again at other places where the stockholders reside.

Where a judgment has been taken against a defendant by default, on a complaint which does not state facts sufficient to constitute a cause of action, he may appeal to the Supreme Court, assigning the insufficiency of the complaint as error, without having made a motion for relief below.—*Indiana Reports, vol.* 33, *page* 111.

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## XI.—Thomson *v.* Pacific Railroad Co.

1. Although, confessedly, Congress may constitutionally make or authorize contracts with individuals, or corporations, for services to the government may grant aids by money or land in preparation for and in the performance of such services: may make any stipulation and conditions in relation to such aids not contrary to the constitution, and may exempt, in its discretion, the agencies employed in such services from any State taxation which will really prevent or impede the performance of them; yet, in the absence of all legisla-

tion on the part of Congress to indicate that such an exemption is deemed by it, essential to the full performance of the party's obligations to the government, the exemption cannot be applied to the case of a corporation deriving its existence from State law, exercising its franchise under such law, and holding its property within State jurisdiction, and under State protection, only because of the employment of the corporation in the service of the government.

2. The point decided in McCulloch *v.* Maryland does not establish a broader doctrine, even if some of its reasonings may seem to do so.—*Wallace's Reports, Supreme Court U. S., vol.* 9, *page* 579.

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## XII.—Van Slyke *v.* The State.

### *Taxation of National Banks.*

1. Under the National banking act, a State may tax the shares of National banks therein located, although it does not tax *eo nomine* the shares of banks organized under its own authority, but only their capital; provided such a tax is a full equivalent for that imposed on the National banks.

2. The tax imposed upon the capital of banks organized under the banking law of this State, prior to the amendment of 1866, was annexed to the franchise as a royalty; and that part of their capital which consisted of U. S. bonds was subject thereto.

3. Such tax was a full equivalent for that imposed upon the shares of the National banks by chap. 400, Laws of 1865.

4. In an action to recover back moneys paid as taxes on the shares of a National bank located in this State, (under said chap. 400) it will be presumed (upon demurrer to the complaint) that the assessment upon the shares was not at a greater rate than that assessed upon other moneyed capital in the hands of individuals, unless the contrary is averred in the complaint.

5. Said chapter 400 is not invalid as being in conflict with sec. 1, art. 8, of the constitution of this State, which requires that the "rule of taxation shall be uniform."—*Wisconsin Reports, vol.* 23, *page* 655.

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France.—The population of France in 1866 amounted to 38,067,094 souls; subtracting 1,597,238 inhabitants of the districts annexed to Prussia, a net total of 36,469,856 is left for the regions now within the reconstructed boundaries. In 1872 the census gave a population of 36,102,291, or a decrease of 366,935 below 1866. The principal causes of this deficit are the Franco-German war, the epidemics of small pox in 1870 and 1871, a falling off in marriages, and the excess of deaths over births. In regard to the sexes, the decrease is, males 235,830, females 131,105. There are now 17,980,476 males, and 18,122,445 females, showing an excess of females of 141,969. The males are classified as follows: Single 9,623,227, married 7,352,096, and widowers 1,005,153. The females are classified into single 8,832,148, married 7,320,510, and widows 1,969,787. It would naturally be supposed that the number of married males would be equal to that of the married females, yet the census gives an excess of 31,586 of the former class over the latter class. This evidently arises from accidental duplication, and shows how difficult it is to obtain correct census returns.

## THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from July No., page 45.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of June, 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:

| JUNE. | | 1873. | | 1872. | | 1871. | | 1870. | | 1869. | | 1868. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Sunday** | **Sun.** | | 14 | 14¼ | **11¾** | 12⅛ | 14¼ | 14⅝ | 38⅝ | 39¼ | **39⅝** | 39⅞ |
| 2 | Monday ... | 17½ | 17⅞ | **Sun.** | | 12⅛ | 12⅜ | 14½ | **14¾** | 38⅝ | 39⅜ | 39⅝ | 40⅛ |
| 3 | Tuesday .. | 17⅜ | 17⅝ | 14¼ | 14⅝ | 11⅞ | 12¼ | 14⅜ | 14½ | 38 | 38½ | 39⅞ | 40¼ |
| 4 | Wednesday | 17¾ | **18¼** | 14⅝ | 14⅝ | **Sun.** | | 14¼ | 14½ | 37¾ | 38½ | 40 | 40⅛ |
| 5 | Thursday.. | 17¾ | 18 | 14⅝ | **14¾** | 11⅞ | 12⅛ | **Sun.** | | 38¾ | 38⅞ | 39¾ | 40 |
| 6 | Friday .... | 17⅞ | 18¼ | 14½ | 14¾ | 12⅛ | 12⅜ | 13⅞ | 14⅜ | **Sun.** | | 39¼ | 39¾ |
| 7 | Saturday .. | 17¾ | 18⅛ | 13⅞ | 14½ | 12 | 12¼ | 13½ | 14 | 38½ | 39 | **Sun.** | |
| 8 | **Sunday.** | **Sun.** | | 13⅞ | 14⅛ | 12⅛ | 12⅜ | 13⅛ | 13½ | 38⅝ | 39 | 39½ | 39¾ |
| 9 | Monday ... | 17¾ | 18 | **Sun.** | | 12⅛ | 12¼ | 13⅜ | 13¾ | 38⅞ | 39¼ | 39⅝ | 39⅞ |
| 10 | Tuesday .. | 17½ | 17¾ | 14⅛ | 14⅝ | 12⅛ | 12⅜ | 13⅜ | 13⅝ | 38½ | 39⅜ | 39½ | 39⅞ |
| 11 | Wednesday | 17⅛ | 17½ | 13⅞ | 14⅜ | **Sun.** | | 13¼ | 13⅜ | 38⅞ | **39⅝** | 39⅞ | 40 |
| 12 | Thursday.. | 16¾ | 17 | 13⅞ | 14⅛ | 12⅜ | 12¾ | **Sun.** | | 39⅛ | 39½ | 39⅞ | 40⅛ |
| 13 | Friday .... | 16⅞ | 17⅛ | 13⅞ | 14⅛ | 12⅛ | 12⅜ | 12¾ | 13⅛ | **Sun.** | | 39⅞ | 40 |
| 14 | Saturday .. | 16 | 17 | 13¾ | 14 | 12 | 12⅜ | 12¾ | 13 | 39⅛ | 39⅜ | **Sun.** | |
| 15 | **Sunday.** | **Sun.** | | 13⅞ | 14 | 12¼ | 12⅝ | 12¾ | 13⅜ | 37⅞ | 38⅞ | 40 | 40¼ |
| 16 | Monday ... | 15¾ | 16½ | **Sun.** | | 12¼ | 12½ | 13⅛ | 13⅜ | 37⅝ | 38 | 40⅜ | 40⅝ |
| 17 | Tuesday... | 15½ | 15⅞ | 13⅞ | 14 | 12¼ | 12⅜ | 12¾ | 13⅛ | 37¾ | 38¼ | 40⅜ | 41¼ |
| 18 | Wednesday | 15¾ | 16⅛ | 13⅞ | 14⅛ | **Sun.** | | 12¾ | 13⅛ | 37 | 38 | 40⅛ | 40⅜ |
| 19 | Thursday.. | 15⅝ | 16 | 13⅜ | 13⅞ | 12⅜ | 12⅝ | **Sun.** | | **36½** | 37 | 40¼ | 40¾ |
| 20 | Friday .... | 15¼ | 15⅝ | 13¼ | 13⅝ | 12⅜ | 12½ | 12⅜ | 12⅞ | **Sun.** | | 40⅛ | 40⅜ |
| 21 | Saturday .. | 15¼ | 15½ | 13⅜ | 13⅝ | 12¼ | 12½ | 12¾ | 12⅞ | 36½ | 37½ | **Sun.** | |
| 22 | **Sunday.** | **Sun.** | | 13⅛ | 13½ | 12⅛ | 12½ | 12⅝ | 12⅞ | 37⅝ | 38¼ | 40⅛ | 40⅜ |
| 23 | Monday... | **15** | 15⅜ | **Sun.** | | 12⅜ | 12½ | 11⅜ | 11⅞ | 37 | 37½ | 40 | 40⅜ |
| 24 | Tuesday .. | 15⅜ | 15⅝ | **13** | 13½ | 12½ | 12⅝ | 11¼ | 11¾ | 36⅝ | 37⅛ | 40¼ | **40⅝** |
| 25 | Wednesday | 15½ | 15⅝ | 13¼ | 13⅜ | **Sun.** | | 11 | 11¼ | 37 | 37½ | 40⅛ | 40½ |
| 26 | Thursday . | 15½ | 15¾ | 13¼ | 13⅜ | 12⅜ | 12⅝ | **Sun.** | | 37⅜ | 37⅝ | 40 | 40⅜ |
| 27 | Friday .... | 15½ | 15⅞ | 13¼ | 13¾ | 12⅝ | 12¾ | **10⅞** | 11½ | **Sun.** | | 40 | 40⅜ |
| 28 | Saturday .. | 15¼ | 15¾ | 13⅜ | 13⅝ | 12¾ | 13⅛ | 10⅞ | 11½ | 37¼ | 37¾ | **Sun.** | |
| 29 | **Sunday.** | **Sun.** | | 13½ | 13⅞ | 12⅞ | 13⅛ | 11¼ | 11⅝ | 37¼ | 37½ | 40 | 40¼ |
| 30 | Monday ... | 15⅜ | 15⅝ | **Sun.** | | 12⅞ | **13⅛** | 11½ | 11⅞ | 37 | 37¼ | 40¼ | 40⅜ |

The gold premium for the month of June, 1873, continues in excess of that for the same month in the years 1870, 1871, and 1872. The highest premium reached in June last was 18¼; in June, 1872, it was 14¾; in June, 1871, 13⅛. These facts prove incontestibly that the community has less confidence now than three or four years ago in the promised resumption of specie payments. The paper currency volume is yet too large for the commercial people of the country, and must be reduced at least twenty-five per cent. before the Treasury can safely return to specie payments.

# FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

### FOR THREE MONTHS.

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

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(*Continued from page 47, July No.*)

| STOCKS. | APRIL, 1873. Lowest. | Highest. | MAY, 1873. Lowest. | Highest. | JUNE, 1873. Lowest. | Highest. |
|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 118¾ | 121 | 119 | 122⅝ | 122¼ | 123¼ |
| " Five-Twenty of 1862, " | 116 | 118⅝ | 114⅞ | 116¾ | 115⅞ | 117⅛ |
| " " 1864, " | 116 | 118⅝ | 114½ | 116¾ | 116¼ | 117¼ |
| " " 1865, " | 117⅞ | 120 | 117⅛ | 118¼ | 116⅝ | 119¼ |
| " " 1865, New, " | 115⅛ | 118⅝ | 117⅜ | 119¼ | 118⅞ | 120¾ |
| " " 1867, " | 116½ | 120 | 119¾ | 121⅞ | 120⅜ | 121⅞ |
| " " 1868, " | 116 | 118 | 117⅞ | 120½ | 119⅞ | 120¾ |
| " Ten-Forty Coupon Bonds | 111 | 114⅛ | 113⅝ | 114⅝ | 112⅞ | 115 |
| " Five per cent. of 1881 | 115¼ | 116¼ | 115¼ | 116¼ | 114⅜ | 115¾ |
| " Six per cent. Currency | 112¼ | 116 | 115 | 116¼ | 113¼ | 114½ |
| Tenn. Six per cent. Bonds, Old | 77½ | 80⅝ | 79 | 82 | 79 | 81 |
| " " " New | 78½ | 80¼ | 78½ | 82 | 78¼ | 80¼ |
| Virginia Six per cent. Bonds, Old | .. | .. | .. | .. | 43½ | 43¼ |
| " " " New | .. | .. | .. | .. | .. | .. |
| " " " Consol | 52 | 54 | 52½ | 54⅝ | 54⅜ | 55¼ |
| N. Carolina Six per ct. Bonds | 30 | 30 | 27 | 27½ | 26 | 28 |
| " " New | 16½ | 17 | .. | .. | 16 | 16 |
| " " Special Tax | 13 | 16⅞ | 15 | 15 | 12¾ | 12¾ |
| S. C. Six per ct. Bds. Jan. & July | 17½ | 19¾ | 15 | 17½ | 15¼ | 16¼ |
| " " April & Oct. | 23 | 27 | 28 | 28 | 25 | 25¼ |
| Missouri Six per cent. Bonds | 93½ | 94 | 93½ | 94¼ | 93⅞ | 97 |
| Canton Company of Maryland | 90 | 92½ | 93¼ | 110 | 99 | 101 |
| Delaware and Hudson Canal Co. | 112 | 115½ | 114¼ | 117½ | 118 | 119 |
| Consolidated Coal Co. of Maryland | 53¾ | 58½ | 54½ | 57⅛ | 49½ | 54⅜ |
| Quicksilver Mining Company | 38 | 40¼ | 36 | 40¾ | 38 | 41½ |
| " " Preferred | 50 | 50⅛ | 47 | 50 | 49¼ | 50¾ |
| Mariposa Mining Company | .. | .. | .. | .. | .. | .. |
| " " Preferred | 1 | 1¼ | .. | .. | ½ | 1 |
| Western Union Telegraph Co. | 77⅝ | 87½ | 84 | 88⅛ | 81⅛ | 86¼ |
| Pacific Mail Steamship Company | 53 | 61¼ | 39¾ | 57⅜ | 35½ | 41⅜ |
| Adams Express Company | 92¾ | 95¾ | 93 | 96 | 93 | 94⅜ |
| Wells, Fargo & Co. Express Co. | 78 | 81½ | 79⅞ | 82 | 80 | 83 |
| American Merchants' Union Express | 65½ | 69 | 67 | 69 | 63¼ | 68¾ |
| United States Express | 71½ | 76½ | 70 | 74 | 70½ | 72 |
| N. Y. Cent. and Hudson River R. R. | 97 | 102¾ | 99⅜ | 102¼ | 100⅜ | 102⅛ |
| Erie Railroad, Common | 63¼ | 66¾ | 59¼ | 65⅜ | 61⅜ | 65⅜ |
| " Preferred | 73 | 77 | 72 | 74 | 71 | 74⅜ |
| Harlem Railroad, Common Shares | 120 | 137½ | 122½ | 131 | 124 | 132¾ |
| Reading Railroad Shares | .. | .. | .. | .. | .. | .. |

| Stocks. | April, 1873. Lowest. | April, 1873. Highest. | May, 1873. Lowest. | May, 1873. Highest. | June, 1873. Lowest. | June, 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 135½ | 139 | 137½ | 140 | 132½ | 140¼ |
| Michigan Central Railroad Co..... | 103½ | 105¾ | 103½ | 105½ | 95 | 102½ |
| Lake Shore & Mich. Southern R.R.. | 88¾ | 93¾ | 89⅝ | 93 | 90¼ | 94⅝ |
| Panama Railroad Company Shares.. | 103 | 112½ | 109 | 117¾ | 108 | 112⅝ |
| Union Pacific Railroad " .. | 25 | 35 | 25¼ | 32¾ | 22 | 28⅝ |
| Illinois Central Railroad " .. | 114 | 118 | 113½ | 118 | 105 | 114 |
| Cleveland & Pittsburgh R.R. " Gtd. | 88 | 89½ | 87 | 89¾ | 87⅛ | 88 |
| " Col., Cinn. & Ind. R.R... | 82½ | 87½ | 86½ | 90 | 84¼ | 88 |
| Chicago, Rock Island & Pacific R.R. | 104½ | 114¾ | 107 | 111⅜ | 107¾ | 110⅞ |
| " Burlington & Quincy " | 109 | 111 | 107 | 109½ | 103¾ | 105 |
| " & Alton Railroad Shares.. | 110 | 111¼ | 110¼ | 111½ | 108 | 110 |
| " " " Pref. | 112 | 113½ | .. | .. | 112 | 112½ |
| " & Northwestern R.R. Shares | 76 | 82¼ | 78 | 82 | 70½ | 76 |
| " " " Pref. | 83 | 88 | 84½ | 87½ | 81 | 85 |
| Del., Lackawanna & West. R.R. Co. | 95 | 101 | 100 | 105 | 96 | 106 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 91½ | 93¾ | 93 | 93¾ | 93⅛ | 95 |
| Toledo & Wabash R.R. Co. Shares. | 62 | 72⅞ | 67¾ | 70⅝ | 64¾ | 69¾ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 40⅝ | 45½ | 40⅝ | 44⅛ | 36⅝ | 41⅞ |
| Hannibal & St. Joseph R.R. " | 37 | 45⅝ | 35 | 42 | 32 | 37¼ |
| " " " Pref. | 65 | 65 | .. | .. | 54 | 54½ |
| Milwaukee & St. Paul R.R. Shares | 53 | 62¼ | 53½ | 58⅞ | 49⅝ | 55⅝ |
| " " " Pref. | 68¾ | 76 | 71½ | 73⅞ | 70¾ | 73 |
| Boston, Hartford & Erie R.R. Shares | 2⅞ | 4⅝ | 2⅛ | 3⅛ | 2 | 3 |
| Col., Chic. & Ind. Cen. R.R. Shares | 35½ | 40½ | 29⅝ | 37½ | 26½ | 31¾ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | .. | .. |
| New Jersey Central Railroad Shares | 96 | 103 | 102 | 106¼ | 105 | 106½ |
| Morris & Essex Railroad Shares... | 90 | 92 | 92 | 94 | 90½ | 95 |
| N. Y. Central Six p. ct. Bds. of 1883 | 94½ | 95½ | 90 | 92½ | 90½ | 93 |
| Erie First Mortgage Bonds of 1868.. | 103 | 103⅝ | 101 | 101½ | 101⅞ | 102½ |
| Long Dock Bonds................ | 95½ | 97½ | 97¾ | 99 | 96¼ | 96½ |
| Mich. Southern Sinking Fund Bonds | 104½ | 105 | 101 | 103 | 103 | 104 |
| " Seven p. ct. 2d Mtge. | 99 | 100 | 97 | 98¼ | 98 | 99 |
| Central Pacific 1st Mortgage Bonds | 102½ | 103½ | 102¼ | 103¾ | 102⅞ | 103½ |
| Union " " " | 85½ | 87⅛ | 85 | 37 | 86 | 87¼ |
| " " Land Grant Bonds.. | 73¼ | 75¼ | 68 | 75¼ | 67½ | 71½ |
| " " Income Bonds...... | 72¼ | 74½ | 58 | 73 | 57 | 63⅞ |
| Alton & Terre Haute 1st Mtge. Bds. | .. | .. | 99 | 100 | 100 | 102 |
| " " 2d " Pref. | 88 | 88 | 88 | 88½ | 88½ | 90 |
| " " " Income Bds. | 80 | 82 | 78 | 78 | 78½ | 80 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | 96 | 97 | 97¼ | 97¼ |
| Chic. & N. W. Consol'n S. F. Bonds | 90 | 91¼ | 89 | 89¾ | 89½ | 91¼ |
| " " 1st Mortgage Bonds.. | 97 | 100 | 98½ | 101¼ | 100½ | 102 |
| Cleveland & Tol. Sinking Fund Bds. | 102 | 102 | 102 | 104 | 104¼ | 104¼ |
| " & Pittsb'gh Consol'n Bds. | .. | .. | .. | .. | 94 | 94 |
| " " Second Mtge. | .. | .. | 100 | 100 | 102 | 102 |
| " " Third " | 100 | 100 | 97¼ | 97½ | 98½ | 98½ |
| " " Fourth " | 84 | 85 | 85½ | 87 | .. | .. |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 103⅝ | 104 | 103½ | 104⅛ | 104½ | 106½ |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 94½ | 98½ | 97⅞ | 98½ | 97⅞ | 100½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 85½ | 87 | 86⅝ | 89¾ | 87¾ | 89 |
| " " " " 2d " | 72½ | 73½ | 70 | 73½ | 70 | 72 |
| Toledo, Peoria & Warsaw 1st, E D. | 89½ | 91 | 91 | 93½ | 91 | 91 |
| " " " 1st, W D. | 87½ | 88 | 88 | 88⅞ | 89 | 89½ |
| " " " 2d, W D. | .. | .. | 74 | 74 | 75 | 77 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 80 | 82 | 80 | 81 | 81 | 81½ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 36 | 41¼ | 34¼ | 38¼ | 28 | 35½ |

# PUBLIC DEBT OF THE UNITED STATES.

*Abstract of the Official Statements, January, 1869, to July 1, 1873.*

| | Jan. 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | June 1, 1873. | July 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 | 253,681,350 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s.............. | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 1,050,002,300 | 998,502,300 |
| | $ 2,107,835,350 | $ 1,935,342,700 | $ 1,853,856,700 | $ 1,756,651,450 | $ 1,747,305,950 | $ 1,695,805,950 |
| 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 | 22,025,000 | 2,780,000 | ............ | ............ |
| 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 | $ 79,301,512 | $ 79,301,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes...... | $ 7,463,503 | $ 7,315,822 | $ 1,739,938 | $ 4,084,220 | $ 2,156,270 | $ 51,929,710 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes............ | $ 356,021,073 | $ 356,101,086 | $ 357,592,801 | $ 358,642,295 | $ 356,082,622 | $ 356,079 968 |
| Fractional Currency.......... | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 45,276,542 | 44,799,365 |
| Gold Certificates of Deposit.... | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 30,448,600 | 39,460,000 |
| Currency, do. do. ............ | ............ | ............ | ............ | 25,370,000 | 29,125,000 | 31,730,000 |
| | $ 417,272,808 | $ 422,245,175 | $ 434,419,378 | $ 452,997,356 | $ 460,932,864 | $ 472,069,333 |
| Aggregate Debt ............... | $ 2,652,533,662 | $ 2,487,750,892 | $ 2,391,328,848 | $ 2,295,814,538 | $ 2,289,696,596 | $ 2,299,106,505 |
| Coin and Currency in Treasury.. | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 110,779,115 | 129,020,932 |
| Debt, less coin and currency.. | $ 2,540,707,201 | $ 2,349,664,320 | $ 2,264,034,528 | $ 2,186,208,689 | $ 2,178,917,481 | $ 2,170,085,573 |

Coin in the Treasury, July, 1873, $ 87,507,402; Currency, $ 41,513,530 ; total, $ 129,020,932.

# LIENS ON BANK DEPOSITS.

*Important Decision by Judge Blatchford—The Proper Jurisdiction of State Courts.*

In the case of C. CADLE, Jr., Receiver of the FIRST NATIONAL BANK OF SELMA, ALA., *v.* BINFORD A. TRACY and others, recently tried in the United States Circuit Court, the bill alleges that the bank became insolvent on April 16, 1867; that, at the time of its insolvency, a part of its assets, amounting to $6,972.88 in currency and $8,409.96 in gold coin, were in possession of the OCEAN NATIONAL BANK, of the City of New York; that the defendant, TRACY, claims a portion of them under an attachment issued in his favor, as a creditor of the BANK OF SELMA, by the Supreme Court of New York, on April 29, 1867; that the BANK OF SELMA, on and before April 12, 1867, was indebted to the UNITED STATES in more than $250,000; that the UNITED STATES recovered a judgment for that amount in the Southern District of this State on August 20, 1867; and that the UNITED STATES have a prior lien on the said assets in the possession of the OCEAN BANK. The prayer of the bill is that TRACY may be enjoined from proceeding further on his attachment, or on any judgment in the suit in which it was issued, and that the money in the possession of the OCEAN BANK may be paid to the plaintiff.

The answer of the defendant, TRACY, admits that the BANK OF SELMA became insolvent, as alleged in the bill; that the OCEAN BANK had in its possession the assets referred to, and that the UNITED STATES recovered the judgment above mentioned. It then sets up that the BANK OF SELMA, on April 15, 1867, gave to the defendant, TRACY, eight drafts drawn by it on the OCEAN BANK, all dated on that day, for $8,500 in the aggregate, payable to his order; that payment of the drafts was demanded, and was refused by the OCEAN BANK on April 27, 1867; that on the same day notice thereof was given to the BANK OF SELMA; that, on April 29, 1867, an action was begun on the drafts by TRACY, against the BANK OF SELMA, in the Supreme Court of New York, by publication of a summons and by attachment; that on the same day the attachment was levied by the sheriff on the money in the OCEAN BANK; that on May 13, 1869, an order was made in that suit, on the application of CADLE, whereby he, as receiver of the BANK OF SELMA, was substituted as defendant; that thereupon CADLE interposed an answer, that the suit was tried, and that TRACY recovered judgment in it on February 29, 1871, for $11,573.24; that CADLE appealed from the judgment, and the General Term of the Supreme Court affirmed it; that both of the judgments remain in force; that thereby TRACY has a lien on said money, which is paramount to CADLE's claim, and the amount of the judgments ought first to be paid out of said money, and the rights of CADLE extend only to the surplus of them; that CADLE, by his answer in the suit in the State Court, claimed, as his defense, that the Court had no jurisdiction either over him as an officer, over the BANK OF SELMA, or over the subject of the action; that it was his duty, as receiver of that bank, to make such disposition of its assets as was required by the act of June 3, 1864, and that to permit service of process in that suit, by attachment, to be effective, would be contrary to said act; that CADLE, by his answer, also set up the indebtedness of the BANK OF SELMA to the UNITED STATES, and the judgment in favor of the UNITED STATES, and claimed that they had a prior lien on said money; that on the trial of that suit the State court found, as a conclusion of law, that it acquired jurisdiction over the BANK OF SELMA and over CADLE to the extent of the funds attached; that it had no jurisdiction over the subject of the action; that the cause of action arose in this State; that the act referred to contained no provision operating to defeat the attachment in that suit; that the UNITED STATES has not acquired any prior lien on the funds, and that TRACY was entitled to judgment against CADLE, as such receiver, for $10,766.48 and costs, to be levied and collected out of the attached funds; that the bill in this suit is for the same matters and based on the same grounds set up by CADLE in the suit in the State court; and that the validity of TRACY's claim, by virtue of the attachment and judgments in the suit in the State court, and TRACY's right to have the same paid out of the said money, was determined. The answer then sets up the said judgments, and prays the same benefit of them as if he had specially pleaded them in bar to the bill, and as an estoppel to the plaintiff in this suit.

In the course of a long decision in this case, given recently, Judge BLATCHFORD says: "As the State court had no jurisdiction, the attachment, which is the only claim asserted by TRACY to a right to the moneys in the possession of the OCEAN BANK, must fail, and the plaintiff must have evidence declaring his title to such moneys to be free from any claim made by TRACY. Of his title to them, under the act, TRACY's claim being out of the way, and of his right and duty, under section 50, to collect them, and of his right to bring this suit in this court to collect them, there can be no doubt. (KENNEDY *v.* GIBSON, 8 WALLACE, 498.) Some disposition, before a decree can be entered, must be made of the case as against KELLY, as late sheriff, either by taking the bill as confessed against him, or otherwise. The injunction prayed for against TRACY must issue, for the bill sets up and admits the lien of the UNITED STATES on the moneys in the OCEAN BANK, and the answer of the UNITED STATES also claims such lien, it must be recognized and received by the defense in respect to such moneys as the OCEAN BANK should be decreed to pay. The bill claims that the OCEAN BANK should pay to the plaintiff the full sum of money, with interest from April 15, 1857. That bank has gone into insolvency. Its receiver, by his answer, sets up that he had declared dividends of 70 per cent. from the assets of that bank, and expects to declare further dividends therefrom. He also admits that the bank paid the $6,972.88 in currency, and the $8,409.96 in gold coin, and avers that the latter has been converted into $9,155.43 in currency, making an aggregate of $16,128.31 in currency, and that he has 70 per cent. of that sum in his possession to the credit of the BANK OF SELMA. and payable as may be decreed by this court. The plaintiff, in a special replication to such answer, objects to the sale of the gold, and claims that the receiver of the OCEAN BANK should account for the gold and currency, with interest, as a special fund or trust unaffected by any ability to declare any dividends. The question has not been discussed on the part of the receiver of the OCEAN BANK, and the parties interested in it are entitled to be heard.

The final decree in the suit was in favor of the receiver of the BANK OF SELMA, CADLE, who was decreed to take the funds sued for and apply them towards the debt of the UNITED STATES against that bank. The attachment creditor, TRACY, was decreed to have no lien, the N. Y. Supreme Court having no jurisdiction to create one.

## NEW HOLIDAY LAW OF NEW YORK.

CHAPTER 577.—An Act to amend an Act entitled "An Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy. Passed May 22, 1873.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Section one of an Act entitled "An Act to amend an Act entitled an Act to designate the holidays to be observed in the acceptance and payment of bills of exchange and promissory notes," passed April twenty-third, eighteen hundred and seventy, is hereby amended so as read as follows:

SEC. 1. The following days, namely: The first day of January, commonly called New Year's Day, the twenty-second day of February, the fourth day of July, the twenty-fifth day of December, any general election day, and any day appointed or recommended by the Governor of this State or the President of the United States as a day of thanksgiving, or a day of fasting or prayer, or other religious observance, the thirtieth day of May, to be known as Decoration day—shall, for all purposes whatsoever, as regards the presenting for payment or acceptance and of the protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after the passage of this act, be treated and considered as the first day of the week, commonly called Sunday and as public holidays.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next following shall be deemed and considered as the first day of the week, or Sunday and a public holiday—for all or any of the purposes aforesaid; and all bills of exchange, checks and promissory notes, which shall, with or without grace, become due and payable **on Sunday,** or on any of the days mentioned in the preceding section, or on any Monday kept, as aforesaid, as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

SEC. 3. All acts, or parts of acts, inconsistent with this act are hereby repealed; but such repeal shall not affect any act done or proceeding or suit instituted prior to the passage of this act.

SEC. 4. This act shall take effect immediately.

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Owing to a singular error in the above law, in including the words "on Sunday," the law was amended under date May 29th, as follows:

Passed May 29, 1873.

SEC. 2. Whenever any of the holidays mentioned in the first section of this act shall fall hereafter upon Sunday, the Monday next following shall be deemed and considered as the first day of the week, or Sunday, and a public holiday for all or any of the purposes aforesaid, and all bills of exchange, checks, and promissory notes made on or after the 22d day of May, 1873, which shall, with or without grace, become due and payable on any of the days mentioned in the preceding section, or on any Monday kept as aforesaid as a public holiday, shall be deemed to be due and payable on the business day next succeeding the day of their maturity.

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### LEGAL HOLIDAYS IN NEW YORK, 1873.

| | *Holidays.* | | *Paper will be Payable.* |
|---|---|---|---|
| Tuesday | November 4, 1873 | Wednesday | November 5. |
| Thursday | December 25, 1873 | Friday | December 26. |

### LEGAL HOLIDAYS IN 1874.

| | | | |
|---|---|---|---|
| Thursday | January 1, 1874 | Friday | January 2. |
| Monday | February 23, 1874 | Tuesday | February 24. |
| Saturday | May 30, 1874 | Monday | June 1. |
| Saturday | July 4, 1874 | Monday | July 6. |
| Tuesday | November 3, 1874 | Wednesday | November 4. |
| Friday | December 25, 1874 | Saturday | December 26. |
| Thanksgiving | November —, 1874 | | |

Commercial paper due on either of the above holidays will be payable on the next business day.

# BANKING AND FINANCIAL ITEMS.

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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.

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.

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STATE TAXATION OF NATIONAL BANKS.—National banks organized under the act of February 25, 1863, (12 U. S. Statutes at Large, 665), are subject to State taxation within the limits indicated by section 41, of the act of June 3d, 1864, (13 U. S. Statutes at Large, 111). That section is an authoritative interpretation by Congress, of the intent of the act of 1863, and shows that that act did not exclude State taxation—STETSON *v.* CITY OF BANGOR, 56 ME., 274.

THE NEW TRADE DOLLAR.—The new silver trade dollar was issued on 16th July, at the United States Mint in Philadelphia. Several hundred thousand will soon be manufactured and shipped to San Francisco for distribution throughout the North-West and Pacific slope. The coin is not as large as the old silver dollar, but its composition is the same. The following is a description of the new piece: Upon the obverse side is a female figure seated on a bale of cotton and extending the right hand, grasping an olive branch, toward the open sea. In the left hand is a scroll bearing the word "Liberty," and at the base of the device appears the motto, "In God we Trust." The date of the coinage—"1873"—is upon the obverse, together with a halo of thirteen stars. The reverse bears the figure of a spread eagle, with the inscription, "UNITED STATES OF AMERICA," and the motto, "E Pluribus Unum." The weight and fineness, with the words, "Trade Dollar," are also inscribed upon the reverse side.

THE NEW COINAGE LAWS.—TEN MILLIONS OF LIGHT COIN.—There are some inconveniences resulting from the new act of Congress fixing the value of light coins. Section 14 thus established the standard weight of all United States gold coins:

"Which coins shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in this act for the single piece, and, when reduced in weight below said standard and tolerance, shall be a legal tender at valuation in proportion to their actual weight; and any gold coin of the UNITED STATES, if reduced in weight by abrasion not more than one-half of one per centum below the standard weight prescribed by law, after a circulation of twenty years, as shown by its date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury and its officers, under such regulations as the Secretary of the Treasury may prescribe for the protection of the government against fraudulent abrasion or other practices; and any gold coins in the Treasury of the UNITED STATES reduced in weight below this limit of abrasion shall be recoined."

Under this provision the officers of the Sub-Treasury in this city have been overhauling the forty millions of gold in its vaults, and have sent to the Assay

Office on Wall Street the coins prohibited from circulation by the act. The amount so delivered to be parted by the Assayer, run into bars, stamped with the degrees of fineness, and to be forwarded to the Mint of the UNITED STATES at Philadelphia for recoinage, is estimated to be ten millions of dollars.

THE NEW STERLING EXCHANGE AND COINAGE ACTS.—From information obtained of the Director of the Mint, it appears that the value of the sovereign or pound sterling and the par of exchange does not become operative until the 1st of January, 1874. The valuation of the pound sterling, as expressed in the money of account of the UNITED STATES, will be $4.86⅔, instead of $4.84 as at present, and exchange will be quoted in United States money, and not at an assumed premium on the old colonial valuation, the nature of which is not generally understood. In view of these important changes, Dr. LINDERMAN thinks it will be well for merchants and exchange dealers to turn their attention to the subject. The *London Economist* has an interesting article on this subject, which it characterizes as of "high importance, inaugurating another of the revolutions now taking place in the coinage systems of the world." The *Economist* expresses the opinion that our "trade dollar" is certain to carry a larger premium than the Mexican dollar. The principal advocate of the adoption of the system of coining the standard metal, gold, without charge, and from whom the proposition to issue the trade dollar, containing exactly 378 grains of pure silver, and a reform in the system of computing foreign exchanges emanated, is Dr. H. R. LINDERMAN, the Director of the Mint. Few measures will prove of more substantial benefit than the Coinage act, and the law providing that the basis for converting foreign moneys of account into that of the UNITED STATES shall be the pure metal, contained in coins of standard value, instead of coins abraded more or less by circulation, and consequently not representing the values they were intended to denote. The English critics of our law do not like its operation, especially in the fact that it treats their coin as bullion in converting it into our coin.—*Philadelphia Ledger.*

THE LATEST PATTERN OF FIFTY-CENT NOTES.—The plates for the new fifty-cent note have been prepared at the Bureau of Engraving and Printing of the Treasury Department, and the printing commenced. The new note will be about a quarter of an inch shorter than that now in circulation and a quarter of an inch wider, its dimensions being 3¾ inches long by 2 inches wide. On the face of the note, left-hand side, is a vignette head of SAMUEL DEXTER, who was Secretary of the Treasury in 1801, and a former Governor of the State of MASSACHUSETTS. On the right of the note is a section of geometrical lathework, with the words "fifty cents" in white letters engraved across the face. The story or lettering on the note is the same as on the present issue, with the exception of the words "receivable for all United States stamps," at the bottom of the old note, which are omitted on the new one. The seal is printed in the centre of the face, and is enclosed in cycloidal work, a new feature upon fractional currency. The back of the note (which will be printed in New York) will be in green. It is made up of geometrical lathework and scrolls. On the right-hand corner the word "cents," found on the old note, is omitted, and the numeral "50" takes its place. The date of the passage of the act authorizing the issue is omitted from the face of the new note and put upon the back thereof. On the left-hand side of the back there is an open space to show the fibre in the paper, and it will not be shown on the face as much as in the old note. The new note, of course, will take the place of the one now in circulation, as the present issue has been counterfeited, although not to any great extent. No other new fractional currency will be issued at present.

DIVIDENDS.—The Comptroller of the Currency has declared a dividend of 40 per cent. in favor of the creditors of the ATLANTIC NATIONAL BANK, of New York city, payable on the first day of July; also a second dividend to the creditors of the FIRST NATIONAL BANK OF NEVADA, in Austin, making in all dividends of 65 per cent.

A dividend of fifteen per cent. was, on June 28th, paid the depositors of the GUARDIAN SAVINGS BANK by the receiver, JEREMIAH QUINLAN, which makes an aggregate of seventy-five per cent. paid on the whole sum deposited.

THE STUYVESANT BANK.—PREFERENCE FOR SAVINGS BANK CLAIMS.—The estate of the STUYVESANT BANK is now in process of settlement in bankruptcy, and the NEW YORK SAVINGS BANK and the SIXPENNY SAVINGS BANK, both of which had money on deposit in the STUYVESANT BANK, put in claims before the Register for the full amount of their deposits, on the ground that, under the State law, their claims operate as liens, having a preference over the claims of the other creditors. Judge BLATCHFORD held that this was so far as the items of the amounts deposited came within the provisions of the State law, and the matter is referred back to the Register for proof on these points.

THE BULL'S HEAD BANK, which suspended some months ago, has been re-organized under the State law, with a capital of $ 300,000. President, ADAM S. CAMERON; Cashier, GEORGE F. VAIL. Checks on this bank are cleared through the METROPOLITAN NATIONAL BANK.

THE LOANER'S BANK, of the city of New York, at 20 and 22 Nassau Street, is organized under a special charter of the State for loaning upon collaterals: keeping accounts of bankers, savings banks, &c. They offer to give special attention to the interests of correspondents. President, DORR RUSSELL; Vice-President, A. F. WILLMARTH. Their card will be found among those upon the cover of this work.

FINANCIAL.—The payment of the Alabama indemnity fund as arranged by the English Government will be effected without derangement of the money or exchange markets, as was apprehended would be its result. For the first time on record, the English Government has availed itself of the services of American bankers in London. The houses selected were J. S. MORGAN & CO., MORTON, ROSE & CO., and JAY COOKE, MCCULLOCH & CO. It was determined by them to transmit the indemnity fund partly in money and partly in United States five-twenty bonds, and, in accordance with this plan, DREXEL, MORGAN & CO., in New York, have drawn bills of exchange for about eight millions of dollars, somewhat over one-half the fund, which amount has already been placed to the credit of the British Government in this country. It is not the intention to transmit any more in this manner, but the balance, seven and a half millions, is to be paid in the called-in five-twenty bonds. Of these, a considerable portion have already been obtained for shipment. Practically, the transmission of the Alabama indemnity to the UNITED STATES may be regarded as almost completed, and this important financial transaction has been managed with skill. The award is payable in Washington September 13.

RAILROADS OF THE UNITED STATES.—A manual of the railroads of the UNITED STATES for 1873–74, showing their organization, route, mileage, stock, bonds, debt, cost, traffic, earnings, expenses, dividends, etc.; comparative tabular statements for a series of years given, debts of States, other valuable tabular information, etc; by HENRY V. POOR. The sixth series of the above well-known work, greatly enlarged and improved, is just published. One volume, octavo, 1,000 pages, bound in muslin. Orders received at the office of the BANKER'S MAGAZINE. Price, $5.

ALABAMA.—The report circulated that ALABAMA would not pay the July interest on her bonds it is now ascertained is partly an error. ALABAMA will meet promptly the July interest on her "straight" or regular State bonds, but owing to failure of the purchasers of the Alabama and Chattanooga Railroad to consummate their purchase-bargain with the State, the July interest on the railroad bonds guaranteed by the State will not be paid. This is quite a disappointment to Alabamians. During the war that State sent gold through the blockade to pay European holders of State bonds, and her credit has always been guarded with a jealous eye. It is believed that this failure will be temporary, and will be remedied when the Legislature meets. The default, however, does not affect any of the regular Alabama State loans or June interest on the railroad indorsements, which will be promptly met.

THE FINANCIAL EMBARRASSMENTS OF THE CITY OF MOBILE.—A committee of the Mobile Common Council report that on the 9th June there was a deficit of $ 32,941.77 in the city finances, and that the city will be unable to meet its July coupons and bonds. The total bonded debt is $ 2,911,800, besides $750,000 bonds now in the hands of a trustee, and subject, under the Harrington contract, to the demand of the Mobile and Grand Trunk Railroad

Company, and $700,000 of the $1,000,000 gold bonds contracted by the Horst administration to be given in aid of the Mobile and Northwestern Railroad Company. Should these two items be added to the present total the bond indebtedness would be swelled to $4,361,800, or to about one-fifth of the entire taxable property of the city. The committee estimate that to pay all overdue and current liabilities and carry on the city government in the most economical manner for the year will require not less than $499,603, while the annual revenue from all sources cannot possibly exceed $500,957.32. It has never come up to that standard, there being now $200,000 taxes in arrears for former years, and a deficiency of $26,000 in the collections for the current year. The committee recommend that immediate legal steps be taken to withdraw from the custody of the trustees the $750,000, and the $700,000 now held as above mentioned, and that legal advice be taken as to the priority among the different claims on a revenue inadequate to meet the whole of the municipal liabilities.

CALIFORNIA.—The gold coinage at the SAN FRANCISCO MINT for the months of July and August will, according to the information from the superintendent, be $6,000,000, *i. e.*, $3,000,000 each month.

The yield of the Crown Point and Belcher mines continues at the rate of $3,000,000 a month, in equal part of gold and silver. These metals are sent to SAN FRANCISCO, where the gold is coined into double-eagles, and the silver shipped to ENGLAND in bars.

This year there will be coined at the three mints about $10,000,000 in gold, independent of recoinage. The recoinage is for the purpose of making the coin conform to the recent law of Congress. Where there is an abrasion of more than one-half of one per cent. there must be a recoinage.

*San Francisco.*—The Directors of the BANK OF CALIFORNIA have demonstrated their appreciation of W. C. RALSTON, Cashier of the bank since its organization nine years ago, by unanimously electing him to the presidency in place of D. O. MILLS, who has tendered his resignation to take effect on the 15th inst. Probably no other selection could have more satisfactorily met the wishes of shareholders and the mercantile community at large.

*Marysville.*—On July 11, a bold attempt was made by three men to rob the bank of DECKER & JEWETT. FRANK WHIPPLE, one of the robbers, entered the bank and presented a pistol at Mr. JEWETT'S head. JEWETT fell down and made his way to the desk where Mr. BINGHAM, the chief clerk, was writing. WHIPPLE leaped over the counter followed by BINGHAM, who instantly shot WHIPPLE in the neck. A desperate and general fight then ensued. Several shots were fired, when the combatants clubbed their pistols. Finally, WHIPPLE turned to run out of the bank, when BINGHAM and JEWETT simultaneously fired upon him with double-barreled shot guns, and he fell mortally wounded on the sidewalk. WHIPPLE says he had two confederates, named JOHN TONEY and W. P. WINKLESY. They escaped, and officers and citizens are pursuing them. WHIPPLE is shot through the body in many places.

*San Francisco.*—The California Stock Exchange Board—the small Board—April 17th, elected the following officers for the ensuing year: President, T. J. L. SMILEY; Vice-President, C. L. WELLER; Caller, JOSEPH TILDEN; Secretary, W. W. LAWTON. This Board has been in existence one year, and, from February, 1872, to January, 1873, inclusive, their recorded sales amounted to $16,561,196.

HEAVY JUDGMENT UPON A SMALL NOTE.—In the case of BURNS *v.* PITCHER, judgment was rendered in the Justices' Court, in favor of the plaintiff, for $200 principal, and $1,680 interest thereon at the rate of five per cent. per month from June, 1859. The defendant left the State in July, 1859, and remained away until quite recently, in consequence whereof the statute of limitations did not operate in his favor. He did not resist the suit.—*San Francisco Bulletin.*

*Paper Currency.*—Some of our contemporaries have been trying their hands at a little financial kite-flying, and advise that the people of this State should abandon their gold and silver money, and their gold notes, and adopt what they term the "national currency," meaning greenbacks and National bank notes. It seems almost superfluous to discuss this question seriously, especially at this late day, when the pernicious character of our irredeemable and fluctuating paper currency has been so clearly demonstrated that everywhere, in every portion of the country cursed by its use, the universal cry is, down with it, and let us return to a specie basis with all the speed possible. In New York they have, for some time past, been paying from 275 to 300 per cent. per annum for the use of money for a single night or two, and this has occurred day after day. Here, although money is dear and interest high, no such exorbitant demands are made, and no such concessions given. Our market operates with a steadiness and regularity unexampled elsewhere at from 15 to 20 per cent. per year in commercial, and 9@12 per cent. per annum in savings banks. Neither is it possible for cliques or rings to lock up our pecuniary resources under the present condition of things, and force all other interests to bleed for their exclusive benefit. When a merchant buys a bill of goods he knows precisely what they cost at the time of purchase, and what they will stand him in sixty or ninety days afterwards. It is quite different where paper currency obtains. A New York merchant selling a bill of merchandise to the extent of $50,000, on the 1st of January last, payable in currency on the 1st of March, would find that he had suffered a loss of $ 3,500, that being the difference in the value of $ 50,000 in currency at the dates mentioned. Every article for which paper money is paid as an equivalent is measured by the gold standard. A thing that is purchasable for one dollar in gold cannot be had for less than a dollar and fifteen cents in currency, at this time; and its price is subject to all the fluctuations of the constantly changing purchasing power of paper money. The mechanic or laborer who receives his week's wages in gold knows precisely what it is worth now and all the time; but if he be paid in currency, he is always in doubt, and incapable of making his calculations with any degree of exactitude. There is no law in this State prohibiting a man from receiving pay in greenbacks or national bank notes if he so desires, and those who have a preference for that sort of money can be accommodated without difficulty. All who have given this subject any attention show a marked predilection for gold and gold notes, which are also national currencies, and infinitely better suited to our requirements.—*Commercial Herald, San Francisco.*

Connecticut.—The New Usury Law.—The following is the exact text of the new law:

Section 1. No person, savings bank, banking association, or incorporated institution in this State, upon any contract for the loan of money, or goods, wares, merchandise, or any property whatever, shall take, directly or indirectly, more than the value of seven dollars for the forbearance of one hundred dollars for one year, and at that rate for a greater or less sum, or for a longer or shorter time.

Sec. 2. Every person, or incorporated institution, which shall take, accept, or receive, by means of any bargain, loan, exchange, conveyance, or otherwise, more than the sum of seven dollars for the forbearance of one hundred dollars in money, or other property of that value, for one year, and at that rate for a greater or less sum, or for a longer or shorter time, shall forfeit the value of the money, or other property so taken, accepted, or received, for forbearance, to any person who shall, within one year thereafter, sue therefor, and prosecute his suit to effect.

Sec. 3. Section six of "An Act entitled An Act to restrain the taking of Usury" shall remain in force, except so far as the same relates to savings banks, savings institutions, and building associations.

Sec. 4. All acts and parts of acts inconsistent herewith are hereby repealed.

Sec. 5. This act shall not affect any contract or suit now pending; and shall take effect from its passage.

Connecticut Savings Banks.—Both Houses have passed a resolution appointing a committee to fully investigate the condition of the savings banks of this State. According to the *Hartford Times*, there is a prevalent impression that the bank commissioner has not been thorough enough in this part of his duty, and that some of the savings banks have been outside of the law, in making loans. The committee, which is likely to be thorough in its work, is composed as follows: DAVID P. NICHOLS, of Danbury, late State Treasurer; THOMAS S. MARLOR, of Brooklyn, and JOHN W. STEDMAN, of Norwich.

COLORADO.—Messrs. COLLINS, SNIDER & CO. have established a banking house at DENVER. The firm is composed of old residents of the city and territory.

GEORGIA.—The FIRST NATIONAL BANK OF NEWNAN continues its business as heretofore at that place. A bill granting them the *privilege* of changing their name and location to the "NATIONAL BANK OF COMMERCE, OF ATLANTA," was passed by Congress, but the stockholders have never accepted this privilege and have no intention of doing so. The announcement in our June number was therefore inaccurate.

ILLINOIS.—The GRIGGSVILLE NATIONAL BANK, (No. 2115), was organized in July, at Griggsville, Pike County, with a capital of $35,000, limited to $50,000. President, JAMES MCWILLIAMS; Cashier, ISAAC A. HATCH.

INDIANA.—The GERMAN NATIONAL BANK, of Evansville, has commenced business with a capital of $250,000. SAMUEL ORR, President; JOHN A. REITZ, Vice-President; PHIL. C. DECKER, Cashier. Their New York correspondent is the THIRD NATIONAL BANK.

IOWA.—The FARMERS' NATIONAL BANK OF MARSHALLTOWN, Marshall County, (No. 2115), was organized in June, with a capital of $50,000, limited to $100,000. President, HENRY E. J. BOARDMAN; Vice-President, JOHN TURNER; Cashier, JOHN H. H. FRISBEE. This bank takes the place of the MARSHALL COUNTY BANK. Their New York correspondents are Messrs. LEONARD, SHELDON & FOSTER.

KENTUCKY.—REMARKABLE LEGISLATION.—It is a fact as unpalatable as it is startling that there is no security in the State of KENTUCKY for capital loaned within our borders by foreign corporations, which rely only upon the rights guaranteed by the law of their creation and the common law of the land. Astonishing as it may seem, it has been found necessary to check and limit the introduction of capital, and to prescribe for the violation of the antedeluvian mandates adopted to hamper and intimidate capitalists a penalty no less than the total forfeiture of the sums involved. Section 6 of the chapter of the State code on currency reads as follows: "No corporation not expressly authorized by law of this State shall loan money, discount any evidence of debt, or deal in the buying or selling of exchange. Every person acting as an officer, servant or agent of a corporation, who shall aid such corporation in the violation of this section, shall for every such offense be fined from fifty to five hundred dollars. All contracts made in violation of this section shall be void, and all money paid by way of interest, discount, or for difference of exchange in violation thereof, may be recovered back by the party paying or his creditor." Such is the legacy left us by the committee on revision of statutes appointed by the extraordinary body which last week closed the carnival of legislative folly at Frankfort.

—*Louisville Courier Journal.*

DIVIDENDS.—The BANK OF KENTUCKY and the NORTHERN BANK OF KENTUCKY each announce a dividend of 5 per cent.; and the BANK OF LOUISVILLE a dividend of 3 per cent., payable on demand.

KENTUCKY.—The Louisville *Courier-Journal* of the 6th July announces the death of JOSHUA B. BOWLES, of that city, which occurred on the 4th July, and pays a high and well-deserved tribute to the deceased. Mr. BOWLES was born in Albemarle County, VIRGINIA, in the year 1795, and at an early age he migrated with his father to the West. After many wanderings and vicissitudes of fortune he came to Louisville; there he found no employment for some time; but his natural energy and perseverance would not allow him to remain without employment. Mr. BOWLES is spoken of as a man possessing remarkable traits of character in many ways, peculiarly his kindness of heart. He rose rapidly in position and influence, having been president of the BANK OF LOUISVILLE, and occupying many other offices of trust and dignity, and his well-known generosity made him the benefactor of the poor as well as the friend of the rich. Mr.

Bowles possessed the true traits and character of one of nature's noblemen. He died a Christian, and his life from the first was one of purity and nobility.

Louisiana Finances.—The indebtedness of the State, according to a statement prepared for the Attorney General, to be used in an important case in which the State is plaintiff, is as below:

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| Ante bellum debt | $3,923,000.00 |
| Contingent debt | 6,033,633.33 |
| Reconstruction debt | 6,228,800.00 |
| Post reconstruction debt | 11,000,000.00 |
| *Grand total funded debt* | $27,185,433.33 |

This sum according to the authority before us, is subject to important deductions. They leave the bonded debt as it would be if the constitutional laws had been complied with, and illegal issues made without consideration were ignored and disregarded. The matter is thus summed up:

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| Ante bellum debt as reported | $ 3,923,000.00 | |
| Less deductions claimed in the foregoing | 1,212,500.00 | |
| | | $ 2,711,500.00 |
| Reconstruction debt | 6,228,800.00 | |
| Less deductions as claimed, say | 1,900,750.00 | |
| | | 4,328,050.00 |
| Post reconstruction debt | 11,000,000.00 | |
| Less deductions and contested portions | 7,570,000.00 | |
| | | 3,430,000.00 |
| | | $ 10,468,550.00 |
| *Total bonded debt as reported* | | $ 27,185,433.33 |
| Less deductions as above | $ 10,683,250.00 | |
| Less contingent debt | 6,033,633.33 | |
| | | 16,716,883.33 |
| *Total absolute funded debt after all possible deductions* | | $ 10,468,550.00 |

As the suit in which this brief is filed enjoins the payment of many of these alleged items of indebtedness, it is likely that the whole State debt will be subjected to a rigorous scrutiny.

Louisiana.—A Washington despatch announces that Col. Charles Case, receiver of the First National Bank of New Orleans, reports to the Comptroller of the Currency that he has received intelligence from Messrs. Jevons & Ripley, his solicitors in Liverpool, that the House of Lords has recently decided the last of a series of chancery cases in his favor, thus securing some $ 70,000 or more to the fund for the general creditors of the bank. When the bank failed, some six years since, sundry creditors who had bought its bills on the Bank of Liverpool sought to secure payment of their claims in full by instituting proceedings in chancery in England, by which they tied up *pendente lite*, and hoped, finally, to appropriate, between two and three hundred thousand dollars then on deposit in the Liverpool Bank, upon the theory that there had been a specific appropriation of funds to pay the several bills as they were negotiated. The receiver, on the other hand, contended that the facts did not warrant the theory of any specific appropriation, and that it was not within the powers of a National bank to make such an appropriation in a time bill as against the contingency of its own intervening insolvency. The decision of the Vice-Chancellor was adverse to him. He appealed, and some two years since the Lord Chancellor and three Justices of Appeal pronounced elaborate opinions reversing the Vice-Chancellor's decree, and decreeing the money to be paid to the receiver. All but two of the claimants acquiesced in this decree. These two, acting, as is understood, upon the advice of Hon. J. P. Benjamin, formerly a United States Senator, now a practising barrister and Queen's counsel in London, took an appeal to the House of Lords, thus tying up

£ 15,000 of the fund two years longer. This appeal, after the most elaborate arguments on behalf of the appellants, has just been dismissed with costs, and the receiver, after six years' fighting from the lowest to the highest chancery tribunal in ENGLAND, is finally completely successful.

MARYLAND.—WANT OF PROTEST FATAL.—The Baltimore *Gazette* of June 25th reports the following case:

Yesterday, in the United States Circuit Court, Judge BOND, in the case of the NATIONAL PLANTERS AND FARMER'S BANK against R. M. SMITH, late Collector of the Third Collection District of MARYLAND, being an action brought to recover $ 5,800 paid by the bank as taxes on the premium of gold held by the bank in 1862, the Court rejected the plaintiff's prayer, and in granting the defendant's prayer instructed the jury, substantially, that there was no evidence that the taxes had been paid under protest, or under compulsion of law, and that no notice was given to the Collector at the time the taxes were paid that the officers of the bank intended bringing suit for the recovery of the money paid as taxes. The question of the legality of the taxes was not decided by the Court. Agreeably to the instructions of the Court, the jury then returned a formal verdict in favor of the defendant.

MARYLAND.—Messrs. WM. FISHER & SONS, an old established house, offer their services to correspondents as bankers and brokers, especially in the negotiation of loans and of new railroad bonds. Their card will be found on the cover of this work.

MASSACHUSETTS.—A decision of the first importance, particularly to bankers, has just been delivered by Judge SHEPLEY in the United States Circuit Court, in the cases of STEPHEN MORSE, Jr., *et al.*, against the MASSACHUSETTS NATIONAL BANK, and FRANK S. FISKE against the same. The question raised in the cases was, whether, when a check is drawn upon a bank by a drawer who has no funds in the bank to meet the check, the bank is liable upon its verbal promise to pay, if the holder would deposit it in another bank and have it go through the Clearing House in the usual manner. Judge SHEPLEY ruled that such a promise does not amount to an acceptance. The checks were not, he says, taken upon the faith of such a promise. The holder gave nothing, and relinquished no advantage for the promise. The promise was therefore held to be one without consideration, and therefore *nundum pactum*. In these cases the claim of the MASSACHUSETTS BANK, that it is not in the power of any cashier or other officer of a National bank, to make a valid promise to pay a check not drawn against funds deposited in the bank, simply in consideration that the holder of the check will present it through some other bank, and have it pass through the Clearing House, was fully sustained by the Court. The very able, clearly drawn and conservative opinion of Judge SHEPLEY is receiving wide commendations; and those of our readers who are familiar with the points raised in the famous suits between the MERCHANTS' and the STATE banks of this city, will perceive that this decision has an important bearing upon those points.

It has been a very common practice among the banks, when presenting notes and checks to each other for payment, to readily accept the hasty suggestion of the tellers or other officers to charge in through the next morning's clearing. When currency has been scarce, or when time has pressed, the suggestion in question has been considered the most natural thing in the world, and has been very generally acceptable. Under Judge SHEPLEY'S decision, this method of doing business can no longer be practiced with safety.

—*Boston Commercial Bulletin.*

*Railroad Bonds.*—Three years ago private bankers in Boston were urging investors to take hold of the Ware River Railroad bonds at 90, and many were placed at this figure. By the late sale of the Ware River Railroad to the Boston and Albany Railroad Co. for $ 375,000, all the property and franchise of the road are disposed of. As the outstanding bonds amount to $ 750,000, their holders cannot get fifty cents on the dollar on them.

BOSTON.—FRANCIS B. SEARS has been appointed cashier of the THIRD NATIONAL BANK, in Boston, in place of JONAS BENNETT, resigned. Mr. BENNETT has faithfully filled the office of cashier since the organization of the bank in 1864.

Mr. BENNETT was at one time the cashier of the FANEUIL HALL NATIONAL BANK, and it may be said, without any exaggeration, that he is about as well posted in the duties pertaining to cashiership as any man in Boston. We trust he will find, now that he has taken off his official harness, that rest for mind and body which his long and active service renders needful.

The final settlement of the STATE NATIONAL with the SECOND NATIONAL BANK, of Boston, was made by a payment by the STATE to the SECOND of $106,250. The suit thus compromised has been running along since 1867, and has been through the usual line of courts. By this compromise the STATE NATIONAL comes out of all the MELLEN, WARD & Co. and C. H. SMITH complications, with its two million capital intact. At the time of the great explosion it passed its April (1868) dividend, but with this exception it has continued through all its days of tribulation to pay regular dividends. It is our impression that the STATE NATIONAL has in all paid six or seven hundred thousand dollars on account of these now famous irregularities.—*Commercial Bulletin.*

A MISSING BANK MESSENGER TURNS UP.—ALLEN, the REVERE NATIONAL BANK messenger, who disappeared several weeks ago, has returned and paid back the funds which disappeared with him.

*Boston.*—We understand that the question of extending banking hours in this city to three o'clock in the afternoon instead of two has been again brought before our national bank managers by some of our merchants and business men. At a meeting held yesterday the subject came up, when a resolution to extend the time one hour was indefinitely postponed by a unanimous vote. The impression seemed to prevail that there was at present no occasion to follow the practice of New York in keeping the banks open until three, as our business hours began earlier than theirs, while the character of our trade and commercial business was so different as not to require any such extension as was asked for. The action taken, we understand, is not binding upon any banks which may choose to keep open, but was simply an expression of a feeling on the part of those represented that there was no occasion for a general extension of the banking hours. A few of the banks, we believe, have kept open until three for some time past to accommodate the peculiar requirements of their customers.

—*Com. Bulletin.*

MICHIGAN.—THE MINERS' BANK, D. G. STONE proprietor, has been established at Negaunee, Marquette County, for the transaction of a general banking business.

NEW HAMPSHIRE.—By the annual report of the Bank Commissioners of the State of NEW HAMPSHIRE, the savings banks of the State, on 1st January last, were sixty-one in number, with deposits amounting to $28,462,539, and depositors 94,967 in number. The growth for three years past has been rapid, viz.:

| *Date.* | *No.* | *Deposits.* | *Increase.* |
|---|---|---|---|
| January, 1870 | — | $18,759,461 | —— |
| January, 1871 | 54 | 24,700,744 | $5,941,283 |
| January, 1873 | 61 | 28,462,540 | 3,761,796 |

Seven new savings banks commenced business in the year 1872, viz.:

| *Place.* | *County.* | *Name.* | *Deposits.* |
|---|---|---|---|
| Ashland | Grafton | Ashland Savings Bank | $12,191 |
| Dover | Strafford | Cochecho Savings Bank | 17,592 |
| Fitzwilliam | Cheshire | Fitzwilliam Savings Bank | 5,570 |
| Gorham | Coos | Gorham Five Cents Savings Bank. | 5,467 |
| Concord | Merrimack | Loan and Trust Savings Bank | 141,391 |
| Sandwich | Carroll | Sandwich Savings Bank | 26,286 |
| Wolfsboro | Carroll | Wolfsboro Savings Bank | 28,860 |

Three additional savings banks were incorporated this year, viz.:

| | | |
|---|---|---|
| Epping | Rockingham | Epping Savings Bank. |
| Squamscot | —— | Squamscot Savings Bank. |
| —— | —— | People's Savings Bank. |

NEW YORK.—The HOME NATIONAL BANK OF ELLENVILLE, Ulster County, (No. 2117), was organised in July, with a capital of $ 75,000, limited to $ 150,000. President, JOHN MCELHONE; Vice-President, GEORGE H. SMITH; Cashier, PETER LEFEVRE. This bank succeeds to the business of JOHN MCELHONE, banker, Ellenville, and of LEFEVRE & DEGARMO, Walden. Their New York correspondent is the IMPORTERS & TRADERS' NATIONAL BANK.

*Havana.*—The BANK OF HAVANA, organized under the laws of the State of New York, succeeds the FIRST NATIONAL BANK OF HAVANA. Their capital is $100,000. Their stockholders and officers remain the same, the President being E. W. COOK; Vice-President, ELBERT P. COOK; and Cashier, GEORGE W. CARPENTER.

*Brooklyn.*—On the morning of July 19 the Brooklyn Trust Company closed its doors and suspended payment. This action was taken in order to give time to the officers of the institution thoroughly to investigate its affairs. Since the sudden death of its late president, Mr. E. S. MILLS, a partial examination of its affairs has shown, it is alleged, that Mr. MILLS had largely overdrawn his accounts, and that some $ 300,000 had been loaned on collaterals which cannot be sold now for the amount of the loans. The deficit is stated at $ 800,000, which is $ 200,000 in excess of the bank's capital of $ 500,000 and its surplus of $100,000. D. CHAUNCEY, the acting President, was on Saturday appointed Receiver.

NORTH CAROLINA.—At a meeting of NORTH CAROLINA special tax bondholders held recently at New York, REVERDY JOHNSON gave his opinion that the bonds are binding upon the State, and that the holders can enforce the collection of the interest through the United States Courts. A resolution was adopted that the bondholders present subscribe a *pro rata* share of the expenses, and that bondholders not present be requested to send in their assessments and subscriptions. The suits will be begun at as early a date as possible.

A CLUE TO A WESTERN ROBBERY.—The banking house of B. H. KETCHUM of Toledo, OHIO, was broken into by thieves on the night of April 5, and the safe robbed of its contents. Among other papers stolen were twenty $ 1,000 bonds of the city of Toledo, and eight $ 100 bonds of Lucas County, OHIO. After several weeks search the detectives traced the stolen bonds to New York, but here were again baffled in their attempts to recover them. The clue was again obtained, and, acting upon definite information, Detectives SAMPSON and IRVING recently arrested one WILLIAM LAMBERT on a charge of having attempted to negotiate the sale of some of the stolen bonds. On searching him the officers found in his coat pocket one of the $ 1,000 bonds. The detectives believe that LAMBERT used this bond as a sample of the others in his offers to sell the stolen property. They are also confident that they will be able to recover all the bonds.

PENNSYLVANIA.—It is stated that, by authority of the recent act of the Pennsylvania Legislature, the Pennsylvania Central Corporation will soon create a general mortgage on their whole estate and its dependencies, of *one hundred millions of dollars*, to cover all existing obligations of the company, and such additional sums as may be borrowed for the further extension and improvement of the various properties in the ownership of or under perpetual lease to this great corporation. The capital stock of the company has recently been increased, by authority of the same act of the Legislature, from $ 54,000,000 to $ 72,000,000; and of this increase of $ 18,000,000, about $ 13,000,000 has already been paid in, although only $ 9,000,000 was called for in May, and a like sum in November.

*Philadelphia.*—Mr. CLARENCE H. CLARK, whose return from EUROPE was recently chronicled, has tendered his resignation as President of the FIRST NATIONAL BANK of this city, a position which he has filled for the past ten years with much ability and advantage to the interests committed to his charge. Appropriate resolutions have been passed by the Board of Directors expressing a just appreciation of his worth and their regret at the severance of a long association. Mr. CLARK's resignation took place on the 1st of July, when Mr. GEORGE PHILLER, the present vice-president, succeeded him in office. Mr. CLARK, on being relieved from the duties of the presidency of the bank, resumes his old position in the well-known banking house of E. W. CLARK & Co., and will at the same time retain his place in the several other important institutions with which he is prominently connected.—*Ledger*.

*Issuing Checks as Currency*.—At the convening of the United States District Court, in July, Judge NIXON called the attention of the Grand Jury to what he termed "the violation of law by certain manufacturing companies who issue checks or tickets of denominations below one dollar, and circulate them as currency." During July quite a large number of manufacturers from South Jersey passed through Camden on their way to Trenton to answer processes served upon them relative thereto. As many establishments are represented to have practiced the evil alluded to by the judge, the subject is creating considerable interest, and will probably lead to a thorough investigation.

THE READING RAILROAD TAX.—Representatives of the Reading Railroad were before Commissioner DOUGLASS recently and asked to be relieved from the 5 per cent. penalty and 1 per cent. a month interest on the tax, which the Supreme Court has decided is due on dividends declared during the first seven months of 1870. The company declined to pay it then, and now that the Court has decided they must pay, they ask to be relieved from the penalty for non-payment. The Commissioner informed them he had no power to remit, the court having settled the matter. The amount of penalty due from the Reading and one or two other smaller roads in a similar condition, amounts to $ 50,000.

BANK TAXATION IN PENNSYLVANIA.—One of the praiseworthy pieces of legislation left us by the late Assembly at Harrisburg is the act removing the taxes imposed on corporations, which were so heavy as to make it necessary for them to earn nearly 10 per cent. after paying all other expenses, before any dividends could be earned for the stockholders. Before the passage of this law the tax on all bankers and banks, other than National, was 3 per cent. of their net earnings. The repeal of the tax on corporations relieves the incorporated banks from this tax, while it continues the old law in force as to private bankers. The banks chartered by the State pay no tax, for State purposes, on their earnings, while private companies in the same business, must pay the State 3 per cent. of net earnings, in addition to other State and municipal taxes. The law as it stands is unjust, discriminating as it does between corporate and private interests.—*Pittsburg Commercial*.

A DELICATE PIECE OF WORK.—The Treasury experts have finished the work of restoring the securities of the LAMBERTON SAVINGS BANK, of Franklin, PENN., which were thrown into the fire by the insane cashier. Of the $ 140,000 in government bonds all were identified; of the $ 60,000 in railroad and municipal bonds all were restored; of the $ 150,000 in notes and bills receivable, all were restored or made good by the parties interested. The only loss of the bank has been two or three thousand dollars in currency. When removed at the Treasury the whole mass appeared to be ashes and charred remnants of paper. The experts were Mrs. DAVIS, Miss PATTERSON and Miss SCHRIMER. The time occupied was about five weeks of clear days, the work being of such a delicate nature that it could not be prosecuted in cloudy weather.

SOUTH CAROLINA.—INJUNCTION AGAINST PAYING STATE BONDS.—In Columbia, July 9, Judge CARPENTER, on motion of counsel representing the tax-payers of the State, granted a temporary injunction restraining any and all fiscal officers of the State from levying or collecting any tax for the purpose of paying the interest upon the State bonds, known as Conversion Bonds, amounting to over seven million dollars.

TENNESSEE.—The FIRST NATIONAL BANK OF FAYETTEVILLE, Lincoln Co., (No. 2114), was organized in June, with a capital of $ 42,000, limited to $ 60,000. President, GEORGE W. JONES; Cashier, ROBERT S. WOODARD.

STATE FINANCES.—There are eight matured coupons due on the Tennessee State bonds, and yet they are selling at 78@79. A correspondent of the Philadelphia *Ledger*, writing thence in favor of the credit of the State, says: "The assessment of taxes now being laid will increase very largely the revenue, and no doubt is entertained of the ability of the State to pay its interest hereafter. The debt has been reduced to about $ 21,000,000, and the funding law is

10

approved by a very large majority of the people, the Governor and Comptroller being among its most strenuous advocates."

TEXAS.—The following Railroads centre at Houston:

| | | | |
|---|---|---|---|
| Houston and Texas Central | Miles completed, | | 502 |
| Houston and Great Northern, and International | " | " | 330 |
| Houston Tap and Brazoria | " | " | 50 |
| Galveston, Houston and Henderson | " | " | 50 |
| New Orleans and Texas | " | " | 106 |
| Buffalo Bayou, Brazos and Colorado | " | " | 80 |
| Total miles completed, (March, 1873), | | | 1,118 |

It is expected that there will be completed of these roads, their branches and connections, in Texas, 1,000 additional miles by the 1st of January, 1874. They traverse rich portions of Texas. Their extensions and connections will bring to Houston a flow of trade and travel which will add vastly to its wealth and prosperity. They will connect with the Texas and Pacific, bringing to tide-water at Houston the trade of the Pacific coast, and affording for heavy Eastern freights, destined for that coast, the most economical, and at the same time as quick a route, as by all rail direct. The city of Houston is situated on Buffalo Bayou, at the head of tide-water, 65 miles from the Gulf of Mexico. It is the great railroad centre of Texas, and from its position on the navigable waters of Buffalo Bayou also controls the bulk of freights tributary to the Gulf of Mexico. Population, 20,000; taxable wealth of Harris County, 1872, $ 14,322,064; taxable wealth of Houston precinct, $ 11,882,504; taxable wealth of the city for 1873, estimated, $ 10,000,000.

*Dallas.*—The DALLAS COUNTY BANK has been organized at Dallas, with a capital of $ 100,000. President, JOHN KERR; Cashier, E. H. GRUBER. Their New York correspondents are Messrs. DONNELL, LAWSON & CO. The officers are both efficient business men and experienced bankers. Dallas is an important railroad point and business centre.

THE FIRST NATIONAL BANK OF AUSTIN, Travis County, (No. 2118), was organized in July, with a capital of $ 50,000, limited to $ 100,000. President, H. M. HOLDEN; Cashier, M. W. ST. CLAIR.

BANKRUPT ACT.—The National Bankrupt Act, passed in March, 1867, was in March last amended so that such act shall not apply to certain corporations against which proceedings have been instituted in State courts for winding up their affairs.

MINERAL LANDS OF THE UNITED STATES.—By an Act of Congress, passed February 18, 1873, the mineral lands of the UNITED STATES, located within the States of MICHIGAN, WISCONSIN and MINNESOTA are declared to be now free and open to exploration and purchase; and any *bona fide* entries of such lands within these States may be patented without reference to the provisions of the Act of 10th May, 1872.

DEPOSITS IN NATIONAL BANKS.—By Act of Congress dated March 3, 1873, postmasters are authorized to make deposits of public moneys in National banks, in places where there is no public depository or assistant treasurer; but no interest shall be payable on such deposits.

THE MINT.—Appropriations were made by Act of Congress of March 3, 1873, for machinery for the branch mint at San Francisco, $ 250,000.

CANADA.—An Act relating to interest and usury in the Province of NOVA SCOTIA, was passed at the last session of the Dominion Parliament. It provides that in contracts bearing interest, where no rate is agreed upon, six per cent. shall be recoverable. For a loan of money on real estate, any person may agree in writing to pay seven per cent., but no higher rate; for a loan of money on personal property ten per cent. is the highest rate that may be stipulated for or received. There is no penalty for usury, the excess of interest charged is merely deducted from the amount claimed.

CANADA.—THE FEDERAL BANK OF CANADA. Books for the subscription of stock are now and will be open until further notice, at the offices of BLAIKIE

& ALEXANDER, and CLARK & FIELDE, Toronto; of STRATHY & STRATHY, stock brokers, Montreal; and KIRKPATRICK & ROGERS, Kingston.

*Quebec.*—MR. J. G. LEITCH, late of the BANK OF MONTREAL, has been appointed Assistant Cashier of the UNION BANK OF LOWER CANADA, Quebec.

*Stock Exchange.*—At the annual meeting of the Toronto Stock Exchange, officers were elected for the current year as follows:—President, Mr. JAMES BROWNE; Secretary-Treasurer, Mr. WM. HOPE; Committee, Messrs. H. PELLATT, H. R. FORBES, and L. BUCHAN.

DARING ATTEMPT AT ROBBERY.—Two men entered the office of FORBES & LOWNSBROUGH, bankers and brokers in Toronto, on June 17th. LOWNSBROUGH, who was alone in the office, turned to his desk, to make an entry, when he was struck over the head with a loaded cane and a dangerous wound inflicted. The men tried to rob the office, but LOWNSBROUGH shouting "murder" the villains retreated without securing any plunder.

GUARANTEE COMPANY.—The CANADA GUARANTEE COMPANY, Montreal, issues bonds of indemnity or guarantee for the faithfulness of bank officers on the following terms:

For general manager or cashier, $ 80,000; for accountants, $ 8,000: for tellers, $5,000; for bookkeepers, $ 4,000; for junior clerks, $2,000. The premium payable is one per cent. on the amount of the policy or guaranty. This company is devoted solely to the issue of bonds of security for persons in positions of trust. The company has been approved by the Dominion Government and its bonds are accepted as security in behalf of public officers. It is the only company licensed by the Canadian Government to transact a guarantee business throughout the Dominion. Office No. 235 St. James St., Montreal.

NEW BANK IN CANADA.—Application will be made to the Parliament of CANADA, at its next Session, for an act to incorporate a bank under the name of "THE LONDON AND CANADA BANK," with a capital of One Million of Pounds, or, Four Millions of Dollars, and with the head office thereof in the City of Toronto.

*Liverpool.*—A meeting of shareholders in the BANK OF LIVERPOOL, NOVA SCOTIA, is called to receive a statement of the affairs of the bank and to consider the most feasible plan of relieving the institution from its present difficulties.

BANK OF BRITISH NORTH AMERICA.—The thirty-seventh yearly general meeting of the shareholders in this bank, was held in London, ENGLAND, on Tuesday, June 3d, Mr. A. H. PHILLPOTTS in the chair.

The report of the directors stated that they were enabled to confirm their circular letter to the proprietors, of 21st March last, and to declare a dividend at the rate of 10 per cent. per annum, free of income tax, besides increasing the "rest" or undivided net profit from £ 164,830 to £ 202,213.

The chairman in moving the adoption of the report, said it justified the directors in declaring a dividend at the rate of 10 per cent. At the same time they had been enabled to increase their reserve fund. During the past year they had raised the reserve fund to about £ 2,000 in excess of the proportion required by the Canadian law, and this was calculated to have a beneficial effect on all who were doing business with the bank. The ability of the directors to make this large addition to the reserve and to declare this dividend, was the result of the general prosperity of the Dominion, and that prosperity has not been checked to a serious extent by the fact that the rate of interest which prevailed during the greater part of the year in CANADA ranged from 10 to 12 per cent.

A Proprietor asked if it was intended to go on increasing the reserve?

The Chairman said that was a matter which the shareholders would leave in the hands of the directors. It would be their desire to act in that direction; but, as the reserve was now more than £ 200,000, they should not think of acting in the same decisive manner as they had done.

The Proprietor.—Do you consider the present profits exceptionally large?

The Chairman.—It is a higher rate of interest than usual; but we must consider that in all banks the real source of profit is the absence of loss.

The motion was then agreed to.

LONDON—Two new banks are in process of organization in London: first, THE CHEQUE BANK, capital £200,000, at Clements house, Clements Lane. The prospectus says "All cheques must be drawn on the forms provided by the bank. They are crossed and payable to order, and, therefore, as they require endorsement by the person in whose favor they are drawn, they necessitate his giving by such endorsement, proof of payment to him. No customer can possibly overdraw his account. But no blank cheque-form will be supplied until the full sum for which it can be filled up has been paid to the credit of the CHEQUE BANK, with any one of the banks with which it is in relation, or deposited with the CHEQUE BANK, at any of its own offices. It is impossible, therefore, that cheques of the CHEQUE BANK against over-drawn accounts should be in circulation. The CHEQUE BANK will pay no interest on deposits, discounts no bills, and enters into no financial transactions, but all moneys paid in will be placed in the hands of the leading banking houses in relation with the CHEQUE BANK (limited). The names of such bankers will be published from time to time.

*Second*, The ANGLO-CALIFORNIAN BANK, capital £1,200,000, at No. 3 Angel Court, Throgmorton Street, London. Mr. HUGH MCCULLOCH (of the firm of J. COOKE, MCCULLOCH & CO.) is one of the directors. Messrs. I. STEINHART and D. J. SELIGMAN are the San Francisco agents. The prospectus says: "The ANGLO-CALIFORNIAN BANK (limited) is established for the purpose of conducting general banking and commercial business between ENGLAND and San Francisco, and also between San Francisco and other parts of the UNITED STATES OF AMERICA, SOUTH AMERICA, INDIA, CHINA, JAPAN, and other countries. It is well known that San Francisco is the entrepot on the Pacific coast for trade and commerce between EUROPE, AMERICA, and ASIA. In this city there are constant and increasing facilities for the employment of capital of banking and bullion business. Money can there be placed at rates from ten to fifteen per cent., with good collateral security. The vast amount of gold and silver annually produced in the surrounding districts requires large capital for its purchase and transmission to EUROPE and ASIA, thus affording an extensive and profitable field for safe banking enterprise. The old established business of Messrs. J SELIGMAN & CO., in San Francisco, will be transferred to this bank. The business of the company will include, in addition to ordinary banking business, bullion and exchange operations, the negotiation of State, municipal, or other loans, and generally the conduct of all banking, financial and agency business. It is proposed to associate with the bank prominent China and South American houses in London, which will enable it to enter at once into a very important branch of the bullion and produce business of San Francisco, *i. e.*, remitting gold and silver for London account to CHINA, JAPAN, and SOUTH AMERICA, and receiving and sending cargoes."

The BANK OF ENGLAND, in its efforts to bring to punishment the persons engaged in the recent forgeries, has been quite successful, but this success has been secured only at very heavy cost. The expenses of the bank, it is said, will be at least $100,000, and an especial difficulty in the matter has been the fact that the forgers having large means at their command, have been in a position to resist the prosecution at every step. Not a small part of the bank's expenses have been for cable messages. In a single day, recently, the telegrams across the ocean connected with the case cost $800.

PARIS.—The BANQUE DE PARIS ET DES PAYS BAS in April held its first annual meeting since its foundation by the union of the two establishments, the names of which are combined in the present title of the institution. The results of the year are a dividend of 12 per cent. on the paid-up capital, after putting by a reserve of 5,363,500 francs, and paying other charges from the profits. A considerable portion of the operations of this bank have been with the Spanish Government, and recent events in SPAIN could not fail to create apprehensions that those transactions might entail serious losses. The bank appears, however, to have acted with such prudence that, notwithstanding the extent of those operations, it had lost no time in terminating them, in order to be shielded from all eventualities. It took a large share in discounting the drafts for 250 millions of francs issued by the Spanish Government, and to reimburse which the loan of 250 millions was raised in December last.

**Irregularities in Cheques.**—The Committee of Bankers in Paris has issued a circular to all the trade, reprehending certain abuses in the use of cheques. This note, from its tone, appears to be a friendly warning, given by the Treasury, through the Committee, that the infractions of the law have not escaped the attention of the Government, and will in future expose the offenders to the rigor of the law. The chief abuse consists in making cheques perform the duties of bills of exchange, by post-dating them, or by issuing them undated and accompanied with a slip of paper fixing a date to be subsequently inserted. The circular mentions that cheques are sometimes presented for payment bearing endorsements of a date anterior to that of the pretended creation of the cheque, thus proving the post-dating of the cheque in an incontestible manner. The bankers whose names are appended to this note declare that in future they will refuse to pay any cheques not on a printed form or those bearing an adhesive stamp only; those not payable at sight, delivered with a request that they should not be presented immediately, or those irregularly dated.

**Wool.**—The wool trade of the United States has assumed vast proportions, and has become one of the important interests of the country. The annexed table shows the comparative product of the United States for three years, and the quantity imported for our own manufactures:

| | Year 1870. Pounds. | Year 1871. Pounds. | Year 1872. Pounds. |
|---|---|---|---|
| American wool clip | 163,000,000 | 146,000,000 | 160,000,000 |
| Imported wools.... | 28,559,298 | 78,249,089 | 98,306,581 |
| Total supply.. | 191,559,298 | 224,249,089 | 258,306,581 |

The stock of wool in the principal markets on the 1st January, 1873, and at the corresponding period last year were:

| | New York. Pounds. | Boston. Pounds. | Philadelphia. Pounds. |
|---|---|---|---|
| Domestic.............. | 7,175,000 | 3,603,000 | 5,043,000 |
| Foreign .............. | 7,811,500 | 9,210,300 | 2,610,000 |
| Total, 1873........ | 14,986,500 | 12,813,200 | 7,653,000 |
| Jan. 1, 1872....... | 11,171,750 | 9,508,950 | 2,993,000 |

It will be seen that the stocks in the three principal markets on the 1st January last, aggregated, in round numbers, 12,000,000 pounds more than at the corresponding period a year ago. The statistics of the wool clip in the United States from 1867 to 1872, inclusive, and of the imports during that period, show that the enormous tariff duties have equally failed to stimulate home production or to check foreign importation. The following is a comparative statement:

| | American wool clip. Pounds. | Total Imports in U. S. Pounds. | | American wool clip. Pounds. | Total Imports in U. S. Pounds. |
|---|---|---|---|---|---|
| 1867 | 160,000,000 | 30,875,309 | 1870 | 163,000,000 | 28,559,298 |
| 1868 | 177,000,000 | 23,106,752 | 1871 | 146,000,000 | 78,249,089 |
| 1869 | 172,250,000 | 42,710,812 | 1872 | 160,000,000 | 98,306,581 |

The distribution of the wool supply, according to recent compilations from the United States census of 1870, was as follows:

| Consumed in— | Domestic. Pounds. | Foreign. Pounds. | Shoddy. Pounds. |
|---|---|---|---|
| Woolen goods....... | 154,767,095 | 17,311,824 | 19,372,062 |
| Hosiery goods....... | 5,304,655 | 292,300 | —— |
| Worsted goods ...... | 13,317,319 | 3,836,982 | —— |

Carpets, 25,139,999 pounds.

# NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from July Number, page* 73.)

(*Monthly List, continued from July Number, page* 73.)

## NEW YORK.

Bull's Head Bank (*reorganized*). Arthur T. Fitch, 11 Pine.
L. Christian Meyer, 43 Exchange Place.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Eureka, CAL. | Humboldt Co. Bank | ....... |
| Denver, COL. | Collins, Snider & Co. | Tradesmen's Nat. Bank. |
| Washington, D. C. | Otis Bigelow | Drexel, Morgan & Co. |
| Chicago, ILL. | Illinois Trust & Savings Bank | Drexel, Morgan & Co. |
| " " | Skow-Petersen, Isberg & Co. | Duncan, Sherman & Co. |
| Griggsville, " | Griggsville National Bank | ....... |
| Oakland, " | L. D. Carter & Co. | Winslow, Lanier & Co. |
| Lagrange, IND. | La Grange Bank | Henry Clews & Co. |
| Eureka, IOWA | Andrews & Griggs | Allen, Stephens & Co. |
| Marshalltown, " | Farmers' National Bank | Leonard, Sheldon & Foster |
| Nevada, " | J. A. Fitchpatrick | Austin Corbin. |
| Toledo, " | Toledo Savings Bank | Austin Corbin. |
| Grassh'per Falls, KAN. | Valley Bank & Savings Inst. | Donnell, Lawson & Co. |
| Carrollton, KY. | John Howe & Son | N. Sullivan & Co. |
| Russellville, " | Russellville B'k'g & Wareh. Co. | Ninth National Bank. |
| Colon, MICH. | E. Hill & Sons | Allen, Stephens & Co. |
| Negaunee, " | Miners' Bank | National Park Bank. |
| Duluth, MINN. | Bank of Duluth | Allen, Stephens & Co. |
| St. Louis, MO. | Angelrodt & Barth | Hallgarten & Co. |
| " " | Farmers & Traders' Sav. Inst. | ....... |
| Osceola, " | St. Clair Co. Bank | Jameson, Smith & Cotting |
| St. Joseph, " | St. Joseph Savings Bank | Donnell, Lawson & Co. |
| Washington " | Washington Savings Bank | ....... |
| Elizabeth City, N. C. | Guirkin & Co | Union Bank'g Co., Phila. |
| Ellenville, N. Y. | Home National Bank | Imp. & Traders' Nat. B'k. |
| Theresa, " | G. E. Yost | Benedict, Flowers & Co. |
| Greenfield, OHIO | Highland Co. Bank | Third National Bank. |
| London, " | London Exchange Bank | National Park Bank. |
| Perrysburg, " | Perrysburg Sav. & Loan Asso. | Imp. & Traders' Nat. B'k. |
| Toledo, " | N. Western Savings Depository. | ....... |
| Upper Sandusky, " | J. H. Anderson | Imp. & Traders' Nat. B'k. |
| Waverly, " | D. Armstrong & Co. | Jay Cooke & Co. |
| Philadelphia, PA. | Maitland, Audenried & Co. | F. B. Wallace & Co. |
| Harrisburg, " | State Bank | Jay Cooke & Co. |
| Allentown, " | The Empire Trust Co. | Bank of America, Phila. |
| Bellefonte, " | Centre Co. Banking Co. | Lloyd, Hamilton & Co. |
| Bloomsburg, " | Bloomsburg Banking Co. | Ninth National Bank. |
| Boyerstown, " | Mory, Boyer & Co. | ....... |
| Chambersburg, " | James G. Elder | Jay Cooke & Co., Phila. |
| Halifax, " | Halifax Bank | Union Bank'g Co., Phila. |
| Lebanon, " | North Lebanon Savings Bank | Union Bank'g Co., Phila. |
| Mt. Carmel, " | Mount Carmel Savings Bank | Geo. Opdyke & Co. |

| *Place and State.* | | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|---|
| Pittsburg, | PA. | Western Savings Bank | Winslow, Lanier & Co. |
| do | " | Metropolitan Bank | Third National Bank. |
| Pottsville, | " | Mountain City Banking Co. | Drexel, Morgan & Co. |
| Quakertown, | " | Quakertown Savings Bank | ........ |
| Salisbury, | " | Kinn & Livengood | Henry Clews & Co. |
| Selin's Grove, | " | Snyder Co. Bank | Ninth National Bank. |
| Titusville, | " | Geo. K. Anderson | Chemical National Bank. |
| Williamsport, | " | Beard, Page & Co. | Imp. & Traders' Nat. B'k. |
| " | " | Lycoming County Savings Bank | Merchant's Ex. Nat. B'k. |
| Wood Run, | " | Wood Run Sav. Fund & Loan As. | Union Bank'g Co. of Phil. |
| Fayetteville, | TENN. | First National Bank | ........ |
| Memphis, | " | Mechanics & Traders' Bank | Security Bank. |
| Austin, | TEXAS. | First National Bank | ........ |
| Belleville, | " | Hunt, Holland & Miller | Swenson, Perkins & Co. |
| Corpus Christi, | " | Doddridge, Lott & Co. | Baltzer & Taaks. |
| Hearn's Station, | " | Lewis & Lewis | Spafford Bros. & Co. |
| Weatherford, | " | Pollard, Ball & Roach | Duncan, Sherman & Co. |
| Dallas, | " | City Bank of Dallas | National Park Bank. |
| " | " | Dallas County Bank | Donnell, Lawson Co. |
| Lynchburg, | VA. | Va. Sav'gs Bank of Lynchburg | Union National Bank. |
| Richmond, | " | City Savings Bank | ........ |
| Cedarburg, | WIS. | Bank of Cedarburg | Mechanics' Nat. Bank. |
| De Pere, | " | Bank of De Pere | Duncan, Sherman & Co. |
| Milwaukie, | " | Cramer & Co | Duncan, Sherman & Co. |
| Menomonie, | " | S. B. French | Jay Cooke & Co. |
| Sauk City, | " | J. S. Tripp | Bank of North America. |

## LATEST PATTERN OF FIVE DOLLAR NOTES.

The lettering of the new $ 5 national bank note, is as follows: "The National Bank in the City of —— will pay five dollars on demand. ——, Cashier. ——, President." And beneath this the words, "Secured by United States Bonds deposited with the Treasurer of the United States. F. E. SPINNER, Treasurer of the United States. JNO. ALLISON, Register of the Treasury." On the new note the signatures of the bank officers appear in the centre, instead of at the bottom, as in the old one, and the names of the Treasury officials are at the bottom, that of General SPINNER being at the right instead of the left. At the top of the new note, on the right-hand side, above the lathe-work, the names of the city and State wherein the bank is located will appear. Much of the lettering on the face of the old note is omitted from the face of the new one, and put on the back instead. Two large V's complete the face, one at either end of the cycloidal work. The back of the note is neatly designed and bordered by an elaborate scroll-work, with the word "FIVE" in each corner. In the centre is a classical figure representing AMERICA, and beneath this the words, "This note is receivable," etc. Another feature of the new note will be the numbering panel on the face beneath the signature of KING. The back ground of this panel is so arranged in fugitive colors that any attempt to alter the number will mutilate the whole. The bank number will appear upon this plate, and the Government number upon the back of the note in blue figures.

## CHANGES OF PRESIDENT AND CASHIER.

### July, 1873.

(*Monthly List; continued from July No., page 74.*)

**Banks are requested to furnish prompt notice of any changes.**

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| Continental Bank, N. Y. City | N. A. Cowdrey, *Pres.* | T. J. S. Flint. |
| B'k of California, S. Fran, Cal. | W. C. Ralston, *Pres.* | D. O. Mills. |
| Thompson N.B., Thompson, Ct. | H. Arnold, *Cash.* | A. E. Parker. |
| New London City Nat. B'k, " | R. N. Belden, *Pres.* | A. N. Ramsdell. |
| " " " " " | E. R. Belden, *Cash.* | R. N. Belden. |
| First Nat. B., Marseilles, Ill. | Alex. Bruce, *Pres.* | J. W. Dow. |
| First N. B., Connersville, Ind. | P. H. Roots, *Pres.* | B. F. Claypool. |
| " " " " | Charles Mount, *Cash.* | E. F. Claypool. |
| First N. B., Huntington, " | Jos. W. Purviance, *Pres.* | Samuel H. Purviance.* |
| B'k of America, Louisville, Ky. | J. D. Allen, *Pres.* | N. Gwynn. |
| First Nat. B., Baltimore, Md. | J. S. Norris, *Pres.* | C. O'Donnell. |
| Continental N.B., Boston, Mass. | C. F. Smith, *Pres.* | James Swan. |
| Falmouth N. B., Falmouth, " | George E. Clarke, *Cash.* | S. P. Bourne. |
| Commerc'l N.B., Kansas C., Mo. | Meade Woodson, *Cash.* | W. S. Ide. |
| Cocheco Nat. B'k, Dover, N. H. | C. W. Thurston, *Pres.* | T. E. Sawyer. |
| Rock'gham N.B. Portsm'th, " | John J. Pickering, *Pres.* | Jona. M. Tredick. |
| First Nat. B., Amsterdam, N.Y. | D. Cady, *Cash.* | C. DeWolfe. |
| Cayuga Co. N.B., Auburn, " | A. L. Palmer, *Acting Cash.* | J. N. Starin. |
| Nat. City Bank, Brooklyn, " | A. A. Rowe, *Cash.* | H. J. Foster. |
| Lafayette Bank, Cincinnati, O. | Henry Peachey, *Pres.* | Jos. C. Butler.* |
| " " " " | Wm. J. Dunlap, *Cash.* | H. Peachey. |
| First National Bank, Phila, Pa. | George Philler, *Pres.* | C. H. Clark. |
| Lykens Valley B., Millersb'g, " | F. H. Voss. *Cash.* | Charles Gleim. |
| N. B. Chester Co., Westch'r, " | Walter Hibbard, *Pres.* | John Marshall.* |
| First Nat. Bank, Tremont, " | T. F. Batdorff, *Cash.* | G. W. Garrett. |
| National Bank of Barre, Vt. | W. G. Austin, *Cash.* | .......... |

* Deceased.

## CHANGES OF TITLE.

| | | |
|---|---|---|
| National Bank of Springfield, Mo. | *Now* | First National Bank. |
| National Savings Bank of Joplin, Mo. | " | Joplin Savings Bank. |
| State National Bank, Philadelphia, Pa. | " | State Bank. |

## NEW YORK BANK DIVIDENDS.

### PAYABLE JULY, 1873.

*Capital and profits of each.*

*Those of the State banks are for March,* 1873.

| *Name.* | *Capital.* | *Dividends.* *Jan.* | *Dividends.* *July.* | *Profits.* *Surplus.* |
|---|---|---|---|---|
| National Bank of Commerce | $10,000,000 | 4 | 4 | $3,413,400 |
| Fourth National Bank | 5,000,000 | 4 | 5 | 1,378,800 |
| Metropolitan National Bank | 4,000,000 | 5 | 5 | 2,127,200 |
| Central National Bank | 3,000,000 | 4 | 4 | 231,600 |
| Merchants' National Bank | 3,000,000 | 4 | 4 | 968,300 |
| Bank of New York N. B. A. | 3,000,000 | 5 | 5 | 1,106,300 |
| Bank of America | 3,000,000 | 5 | 5 | 2,005,100 |
| National Park Bank | 2,000,000 | 6 | 6 | 1,411,500 |
| Mechanics' National Bank | 2,000,000 | 5 | 5 | 984,100 |
| Continental National Bank | 2,000,000 | 3½ | – | 149,100 |
| Phenix National Bank | 1,800,000 | 3½ | 3½ | 291,300 |
| Ninth National Bank | 1,500,000 | 4 | 4 | 240,800 |
| Importers & Traders' National Bank | 1,500,000 | 7 | 7 | 1,363,200 |
| Merchants' Exchange National Bank | 1,235,000 | 3 | 3 | 120,900 |
| Market National Bank | 1,000,000 | 5 | 5 | 485,600 |
| Hanover National Bank | 1,000,000 | 3½ | 4 | 210,200 |
| National Broadway Bank | 1,000,000 | 12 | 12 | 1,943,400 |
| National Shoe & Leather Bank | 1,000,000 | 6 | 6 | 711,400 |
| Tradesmen's National Bank | 1,000,000 | 6 | 6 | 550,600 |
| Third National Bank | 1,000,000 | 4 | *4 | 318,800 |
| Tenth National Bank | 1,000,000 | *None.* | *None.* | 113,400 |
| *Bank of North America* | 1,000,000 | 4 | 4 | 158,500 |
| *Dry Goods Bank* | 1,000,000 | 3½ | 3½ | 25,600 |
| National Butchers & Drovers' Bank | 800,000 | 5 | 5 | 307,400 |
| National Bank Commonwealth | 750,000 | 4 | 3½ | [illegible]41,000 |
| Leather Manufacturers' National Bank | 600,000 | 6 | 6 | 689,100 |
| First National Bank | 500,000 | 10 | †5 | 473,800 |
| Irving National Bank | 500,000 | 4 | 4 | 155,300 |
| Seventh Ward National Bank | 500,000 | 3 | 3 | 58,000 |
| New York National Exchange Bank | 500,000 | 3 | 3 | 29,000 |
| *Manufacturers & Merchants' Nat. Bank* | 500,000 | 4 | *None.* | 239,900 |
| *Security Bank* | 500,000 | *None.* | *None.* | —— |
| Chatham National Bank | 450,000 | 6 | 6 | 239,900 |
| *People's Bank* | 412,500 | 5 | 5 | 220,000 |
| National Citizens' Bank | 400,000 | 5 | 5 | 267,000 |
| Marine National Bank | 400,000 | 6 | 6 | 341,000 |
| *North River Bank* | 400,000 | 3½ | 3½ | 30,400 |
| East River National Bank | 350,000 | 4 | 4 | 176,400 |
| Second National Bank | 300,000 | 5 | 5 | 295,900 |
| Chemical National Bank | 300,000 | 10 | †15 | 2,941,200 |
| *Oriental Bank* | 300,000 | 6 | 6 | 323,900 |
| *Grocers' Bank* | 300,000 | 5 | 5 | 93,100 |
| Bowery National Bank | 250,000 | *None.* | *None.* | 237,900 |
| Sixth National Bank | 200,000 | 5 | 5 | 68,300 |
| New York County National Bank | 200,000 | 7 | 7 | 312,700 |
| *Bull's Head Bank* | 200,000 | 4 | – | —— |
| *West Side Bank* | 200,000 | 4 | 4 | 31,700 |
| *Eleventh Ward Bank* | 200,000 | 3½ | 3½ | 13,400 |
| Fifth National Bank | 150,000 | †3½ | †3½ | 100,100 |
| *Mutual Bank* | 100,000 | – | – | *Closing.* |
| *Manufacturers & Builders' Bank* | 100,000 | 5 | 5 | 23,900 |

* In gold. Banks in italic are under State charter. † Quarterly dividend.

# FINANCIAL CHRONOLOGY.

[*Continued from May No., page* 911.].

## April, 1873.

22 Death of Frank Baker, member of N. Y. Stock Exchange.
23 Bull's Head Bank resumed business (suspended March 20.)
24 Arrest of Harrison Grambo, banker, Philadelphia, for embezzlement.
24 Sale of $1,500,000, gold, by the Treasury, at 17.19 to 17.71½ premium.
24 Death of George T. Olyphant, president of the Del. & Hudson Canal Co.
26 Suspension of the Atlantic National Bank, N. Y., capital $300,000.
26 Suspension of Memphis Life and General Insurance Co., Memphis.
29 The lowest price of gold this day, for April, 16¾ premium.

## May.

1 Sale of $1,000,000, gold, by the Treasury at 17.14 to 17.20 premium.
1 Suspension of O. D. Swan & Co., brokers, New York.
1 Opening of the International Exposition, Vienna.
2 Flight of F. A. Ducros, broker at New Orleans.
4 Fraud on West St. Louis Savings Bank, $8,000.
7 Rate of discount advanced by Bank of England from 4 to 4½ per cent.
7 Purchase of Government bonds by the Treasury, $500,000, at 115.49 to 115.92.
8 Bids accepted for New York City seven-per-cent. loan, $290,500 at 103.01 to 103.25.
12 Panic in Money Market of Vienna, Berlin, &c.
12 Annual election of N. Y. Stock board.
13 Fraud of S. A. Coe, Boston, stock broker, discovered.
14 Defeat of the Usury reform bill at Albany, by vote of 74 to 45.
15 Sale of $1,900,000, gold, by the Treasury, at 17.63 to 17.71½ prem.
15 Bids for $500,000, seven-per-cent. bonds, city of Brooklyn.
15 Rate of discount raised to 5 per cent. by Bank of England.
16 Opening of the Erie Canal, Albany to Buffalo.
17 Bank of England rate of discount raised from 5 to 6 per cent.
21 Suspension of T. K. Ferguson & Co., Selma, Alabama.
21 Purchase of $500,000 Government bonds to the Treasury, 115.86 to 115.99.
21 Sale of $500,000, gold, by the Treasury, at 117.71 to 117.75.
24 Election of McMahon as president of France.
26 Numerous suspensions among the lumber trade of New York, (Albany.)
29 Sale of $1,000,000, gold, by the Treasury, at 18.40½ to 18.41.
30 Decoration day; public holiday by new law State of New York.
30 Great fire in Boston.

## June.

4 Purchase of $500,000 5-20 bonds, by the Treasury, at 116.20 to 116.44 and interest.
5 Bank of England rate advanced from 6 to 7 per cent.
5 Sale of $2,000,000, gold, by the Treasury, at 117.83 to 118.01.
12 Sale of $1,500,000, gold, by the Treasury, at 116.78 to 116.89.
12 Bank of England reduced rate of interest from 7 to 6 per cent.
19 Sale of $2,000,000, gold, by the Treasury, at 115.76 to 115.88¼.
26 Sale of $1,000,000, gold, by the Treasury, at 115.67.

## July.

2 Bids for $ 2,000,000 seven-per-cent. bonds of N. Y. Central and Hudson R. R. R. Co.
2 Bids for $ 530,000, N. Y. City seven-per-cent. stocks, 1.10 to 3.01.
3 Sale of $ 1,000,000, gold, by the Treasury, at 115.13 to 115.13.
10 Sale of $ 1,000,000, gold, by the Treasury, at 115.67 to 115.72.
15 Death of E. S. Mills, president of Brooklyn Trust Co., by drowning.
16 Purchase of $ 207,850 bonds, by the Treasury, at 115.49 to 115.86.
17 Sale of $ 1,500,000, gold, by the Treasury, at 116.01 1-10
17 Rate of interest at Bank of England reduced to 4½ per cent.
18 Suspension of the Brooklyn Trust Co.

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## DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from July No., page 77.*]

### NEW YORK CITY.

Fitch, Otis & Co. (now F. A. Otis & Co.)
Meyer & Greve (now L. Christian Meyer.)

Idaho.—Greathouse Brothers, *Boise City.*

Illinois.—John H. Daniels, *Wilmington*, (failed).

Iowa.—Marshall Co. Bank, *Marshalltown*, (succeeded by Farmers' National Bank.)

Kansas.—Real Estate & Loan Association, *Council Grove;* M. P. Hillyer & Co., *Council Grove*, (succeeded by Valley Bank and Savings Institution.)

Michigan.—S. W. Webber & Co., *Muir*, (merged into First National Bank).

New York.—Brooklyn Trust Co, *Brooklyn* (suspended); John McElhone, *Ellenville;* Lefevre & De Garmo, *Walden*, (both merged into Home National Bank of Ellenville; First National Bank, *Havana*, (now Bank of Havana).

Ohio.—Charles Boesel, *New Bremen.*

Philadelphia.—Richards & Thompson; M. Schultz & Co., (succeeded by James B. Young & Co.); Narr & Ladner, (succeeded by Ladner Bros.); Wallace & Keene, (succeeded by E. W. Keene).

Pennsylvania.—J. H. Watson & Co., *Williamsport* (merged into Lycoming Co. Savings Bank).

Texas.—Perry, Shepherd & Co., *Denison*, (now Perry & Co.)

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National Bank Deposits.—In their returns of deposits for taxation, National banks are not permitted to exclude disbursing officers' balances from their dutiable deposits, as has been incorrectly stated, but only deposits to the credit of the Treasurer of the United States. The Treasurer has recently ruled that National banks, not making a daily statement of balances of deposits, may compute their average deposits by averaging their weekly balances.

# NOTES ON THE MONEY MARKET.

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## New York, July 22, 1873.

***Exchange on London, at sixty days' sight,* 109⅛ @ 109⅜ *for gold.***

The usual condition of ease marks the period of midsummer in the money market. The balances of country banks continue to accumulate, and loans on call are made at low rates. The ordinary course of events will doubtless prevail; full sail will be carried as if summer were to last forever, and when the now plethoric accounts are diminished by their owners, sharp and sudden calls will derange not merely stock speculations but legitimate business throughout the country.

Foreign imports at this port during the month of June were one and a half millions less than those of the same month of 1872, and two and a half millions below those of 1871. But the total imports for six months exceed those of any corresponding period of preceding years except 1872. The following is a comparison:

*Foreign Imports at New York for six months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $ 103,644,062 | $ 108,754,644 | $ 94,888,863 |
| Entered for warehousing | 77,625,103 | 106,288,001 | 71,973,195 |
| Free goods | 15,822,807 | 16,960,413 | 51,394,219 |
| Specie and bullion | 4,742,052 | 777,578 | 2,791,705 |
| Total entered at port | $ 201,834,024 | $ 232,780,636 | $ 221,047,982 |
| Withdrawn from warehouse | 63,198,325 | 64,053,290 | 63,842,246 |

For the entire fiscal year, however, the total is largely in advance of that preceding, viz.:

*Foreign Imports at New York for the Fiscal Year ending June* 30.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $ 194,498,898 | $ 212,397,830 | $ 183,093,637 |
| Entered for warehousing | 131,133,036 | 171,011,048 | 137,809,234 |
| Free goods | 23,097,561 | 30,015,900 | 91,862,826 |
| Specie and bullion | 9,443,737 | 2,384,134 | 7,608,335 |
| Total entered at port | $ 358,173,232 | $ 415,808,912 | $ 420,374,032 |
| Withdrawn from warehouse | 114,423,936 | 196,516,331 | 153,872,861 |

In exports, however, a very gratifying gain is shown as follows:

*Exports from New York to Foreign Ports in the month of June.*

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $ 17,432,767 | $ 19,048,152 | $ 23,225,558 |
| Foreign free goods | 71,712 | 97,264 | 106,465 |
| do. dutiable | 890,659 | 946,144 | 1,111,303 |
| Specie and bullion | 8,604,738 | 12,538,202 | 6,665,996 |
| Total exports | $ 26,999,876 | $ 32,629,762 | $ 31,099,322 |
| do. exclusive of specie | 18,395,138 | 20,091,560 | 24,443,326 |

For the six months the remarkable increase of *thirty-three millions* is seen.

*Exports from New York to foreign ports for six months from January 1.*

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $ 110,265,583 | $ 100,442,308 | $ 133,403,183 |
| Foreign free goods | 533,100 | 679,087 | 1,256,069 |
| do. dutiable | 4,263,264 | 5,337,088 | 4,828,629 |
| Specie and bullion | 41,554,622 | 37,114,899 | 27,819,284 |
| Total exports | $ 156,616,569 | $ 143,573,382 | $ 167,307,165 |
| do. exclusive of specie | 115,061,947 | 106,458,483 | 139,487,881 |

The total year exhibits a highly satisfactory gain, viz.:

*Exports from New York to Foreign Ports for the fiscal year ending June 30.*

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $ 213,306,021 | $ 215,729,972 | $ 258,436,562 |
| Foreign free goods | 611,328 | 1,279,250 | 2,174,992 |
| do. dutiable | 8,799,517 | 9,053,551 | 9,277,141 |
| Specie and bullion | 82,905,497 | 59,425,823 | 62,663,427 |
| Total exports | $ 305,622,363 | $ 285,488,596 | $ 332,552,122 |
| do. exclusive of specie | 222,716,866 | 226,062,773 | 269,888,695 |

This aspect of mercantile affairs is the most hopeful of any of the signs of the times.

Rates for money are quoted in Wall street as follows:

| | Per Cent. |
|---|---|
| Loans on call—Government collaterals | 4 @ 5 |
| " " Miscellaneous collaterals, first-class | 5 @ 6 |
| Commercial first-class indorsed paper, sixty days | 6½ @ 6½ |
| Commercial first-class indorsed paper, four months | 7 @ 7½ |
| Commercial first-class indorsed paper, six months | 7½ @ 8 |
| Commercial first-class, single names, sixty days | 7 @ 7 |
| Commercial first-class, single names, four to six months | 8 @ 10 |
| Bankers', first-class domestic, three to four months | 6½ @ 7 |

The premium on gold has advanced about one per cent. under speculative manœvres, and closed yesterday at 16¼. Government sales during this month are five and a half millions.

For miscellaneous gold and silver coin the following are the nominal quotations in gold:

American silver, large, 94½ *a* 96; American silver, small, 94 *a* 98; Mexican dollars, old stamp, 105 *a* 106¼; Mexican dollars, new stamp, 103 *a* 104; English silver, 480 *a* 485; Five francs, 92 *a* 95; Thalers, 70 *a* 72; English sovereigns, 487 *a* 492; Twenty francs, 385 *a* 388; Spanish doubloons, 16.15 *a* 16.30; Mexican doubloons, 15.45 *a* 15.70.

Foreign Exchange has been steady at rates slightly above those of last month; bankers' sixty-days sterling bills selling at 109⅛ *a* 109⅝. We quote: Bills at 60 days on London, 108⅞ *a* 109 for commercial; 109⅛ *a* 109⅝ for bankers'; do. at short sight, 110 *a* 110¼; Paris at 60 days, 5.27½ *a* 5.23¾; do. at short sight, 5.19⅜ *a* 5.18¾; Antwerp, 5.25 *a* 5.20; Swiss, 5.25 *a* 5.20; Hamburg, 4 Reichsmark, 95¾ *a* 96⅜; Amsterdam, 40 *a* 40¼; Frankfort, 41 *a* 41⅝; Bremen, 4 Reichsmark, 95¾ *a* 96⅜; Prussian thalers, 71¾ *a* 72⅜.

Rates for the three months preceding compare as follows:

| *Sixty days' Bills.* | *April 23.* | *May 22.* | *June 21.* | *July 21.* |
|---|---|---|---|---|
| On London, bankers' | 108⅜ @ 108¾ | 108⅞ @ 109⅛ | 109 @ 109¼ | 109⅛ @ 109⅝ |
| " commercial | 107⅞ @ 108¼ | 108¼ @ 108⅜ | 108⅜ @ 108⅞ | 108⅞ @ 109 |
| Paris, francs, ℔ dollar | 5.32½ @ 5.27½ | 5.27½ @ 5.22½ | 5.28¾ @ 5.24⅜ | 5.27½ @ 5.23¾ |
| Amsterdam, ℔ guilder | 39½ @ 40⅛ | 39⅞ @ 40⅜ | 39⅞ @ 40⅜ | 40 @ 40¼ |
| Frankfort, ℔ florin | 40½ @ 40⅞ | 40⅞ @ 41⅜ | 40⅞ @ 41⅜ | 41 @ 41⅝ |
| Hamburg, ℔ 4 R'mark | 94¾ @ 95⅛ | 95½ @ 96¼ | 95⅝ @ 96¼ | 95¾ @ 96⅜ |
| Prussian thalers | 71 @ 71½ | 71½ @ 72¼ | 71¾ @ 72¼ | 71¾ @ 72⅜ |

The New York City Banks are in comfortable condition under an easy money market. Experience should teach them to prepare now for the inevitable withdrawal of country balances, which must come with autumn. We annex their returns in a series of years:

| 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 | $466,987,767 |
| 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 | 585,304,799 |
| 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 | 219,083,428 | 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 | 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 | 818,260,202 |
| April 7 | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| May 5 | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471,900 | 698,038,785 |
| June 2 | 277,958,800 | 19,482,000 | 44,332,300 | 27,447,100 | 208,136,500 | 454,272,030 |
| " 23 | 278,903,800 | 27,398,300 | 46,704,200 | 27,352,000 | 220,392,500 | 529,[illegible]30,403 |
| " 30 | 281,506,600 | 27,661,500 | 49,119,000 | 27,311,400 | 224,040,800 | 438,988,738 |
| July 7 | 286,905,800 | 33,551,400 | 48,168,000 | 27,276,200 | 232,369,400 | 478,571,386 |
| " 14 | 288,174,500 | 34,658,000 | 48,329,900 | 27,291,800 | 238,916,900 | 462,657,568 |
| " 21 | 289,878,100 | 32,273,600 | 48,872,500 | 27,281,500 | 240,206,400 | 527,666,746 |

A comparison with the same period in former years is as follows:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| 1872, July 20 | $297,214,500 | $29,571,800 | $52,895,600 | $27,376,000 | $247,551,300 |
| 1871, July 22 | 380,068,724 | 18,141,987 | 72,419,670 | 30,371,186 | 255,735,063 |
| 1870, July 23 | 286,090,798 | 34,358,612 | 53,978,711 | 32,999,337 | 233,965,513 |
| 1869, July 24 | 259,641,889 | 30,079,424 | 54,271,862 | 34,110,798 | 193,622,260 |
| 1868, July 25 | 280,345,255 | 20,804,101 | 72,235,586 | 33,963,373 | 226,761,662 |
| 1867, July 27 | 251,243,830 | 8,798,094 | 74,605,840 | 33,596,859 | 200,608,886 |
| 1866, July 28 | 256,612,071 | 9,701,540 | 84,705,814 | 27,244,981 | 214,582,926 |
| 1865, July 29 | 222,340,966 | 20,773,155 | 46,956,782 | 7,085,454 | 186,176,671 |
| 1864, July 30 | 185,838,480 | 21,051,896 | —— | 4,553,426 | 152,929,633 |
| 1863, Aug. 1 | 176,208,597 | 33,746,681 | —— | 5,700,425 | 161,173,146 |
| 1862, Aug. 2 | 150,517,844 | 34,022,409 | —— | 9,311,268 | 137,112,932 |

The banks of Philadelphia exhibit in their reports but little change of condition. The usual statements for the past month and for a series of years are annexed:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 4, 1868 | $5[illegible],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,[illegible]68 | 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 | 11,389,972 | 41,495,605 |
| April 7, " | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| May 5, " | 59,006,414 | 238,[illegible] | 11,641,739 | 11,438,679 | 45,177,200 |
| June 2, " | 61,135,011 | 116,[illegible] | 15,377,993 | 11,434,591 | 51,833,223 |
| " 23. " | 59,969,358 | 192,866 | 15,214,558 | 11,458,851 | 48,758,513 |
| " 30, " | 59,991,431 | 172,948 | 15,267,087 | 10,727,240 | 48,341,872 |
| July 7, " | 60,480,403 | 322,626 | 14,513,757 | 11,431,847 | 48,200,545 |
| " 14, " | 60,532,196 | 307,072 | 14,389,493 | 11,446,183 | 48,443,147 |
| " 21, " | 60,382,983 | 320,805 | 14,849,282 | 11,453,342 | 48,449,572 |

In Boston a good demand for money tempts the banks to enlarge their discount lines rather than their reserves. The following shows their condition and a comparison with previous periods:

| | *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 | 12[illegible],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 |
| May 5 | 117,501,100 | 1,401,100 | 9,191,600 | 25,625,700 | 65,809,400 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25,445,100 | 69,422,800 |
| " 23 | 120,163,900 | 1,156,600 | 11,183,000 | 25,556,100 | 68,413,000 |
| " 30 | 121,306,700 | 989,700 | 11,738,000 | 25,470,300 | 69,943,600 |
| July 7 | 122,947,000 | 1,935,400 | 11,267,600 | 25,487,700 | 73,218,900 |
| " 14 | 124,176,700 | 2,422,500 | 11,271,900 | 25,921,100 | 73,866,200 |

Government bonds continue strong and high and the demand appears to exceed the supply. We annex the latest quotations:

| | Offered. | Asked. |
|---|---|---|
| U. S. Currency 6s | 114¼ | 114½ |
| U. S. 6s, 1881, Registered | 118⅛ | 118⅜ |
| U. S. 6s, 1881, Coupon | 119⅜ | 120 |
| U. S. 5-20 Reg., May and Nov. | 116⅝ | 117 |
| U. S. 5-20, '62, Coupon, Nov. | 117 | 117½ |
| U. S. 5-20, '64, Coupon, Nov. | 117⅝ | 117⅞ |
| U. S. 5-20, '65, Coupon, Nov. | 118⅞ | 119⅛ |
| U. S. 5-20, '67, Reg., Jan. & July | 116¾ | 117¼ |
| U. S. 5-20,'65, Coupon, July | 117¾ | 118 |
| U. S. 5-20,'67, Coupon, July | 118¾ | 119 |
| U. S. 5-20,'68, Coupon, July | 118¼ | 118½ |
| U. S. 10-40, Registered | 114½ | 115 |
| U. S. 10-40, Coupon | 114⅞ | 115 |
| U. S. 5s of '81, Coupon | 115⅝ | —. |

For State bonds prices are well maintained. but the market is quiet. Quotations yesterday were as follows:

| | *Offered.* | *Asked.* | | *Offered.* | *Asked.* |
|---|---|---|---|---|---|
| Tennessee 6s, old | 80½ | 81 | Missouri 6s, Asy. or Uni. | 91 | — |
| Tennessee 6s, new | 80½ | 81 | Louisiana 6s, | 49½ | 55 |
| Virginia 6s, Consol. Bonds | 54 | 55 | California 7s | 112 | 116 |
| Virginia 6s, Def. Bonds | 10⅜ | — | California 7s, U. B. | 112 | — |
| Georgia 6s | 72 | — | Connecticut 6s. | 100 | - |
| Georgia 7s, new bonds | 88½ | 89 | Ark. 6s, Funded | 38 | 40 |
| North Carolina 6s, old | 27 | 28 | Ark. 7s, L. R. & Ft. S. is | 20 | — |
| North Carolina 6s, F. A., 1866 | — | 18 | Arkansas 7s, M. & L. R. | 20 | — |
| North Carolina 6s, F. A., 1868 | 16¼ | 17½ | Ark. 7s, L. R. P. B. & N. O. | 25 | 40 |
| North Carolina, new | — | 17 | Texas 10s | 77 | 86 |
| North Carolina, Spec. Tax | — | 14 | Ohio 6s, 1875 | 100 | — |
| South Carolina, Jan. & July. | 14 | 15½ | Ohio 6s, 1881 | 102 | — |
| South Carolina 7s, 1888 | — | 35 | Ohio 6s, 1886 | 103 | 105 |
| Missouri 7s | 93 | 93½ | Illinois coupon 6s, 1877 | 97 | 99 |
| Missouri 6s, H. & St Jo. is | 92½ | — | Illinois coupon 6s, 1879 | 97 | — |

Messrs. Robinson, Chase & Co., 18 Broad street, offer for sale, at par and interest, the new seven-per-cent. loan, $2,500,000, of the city of Rochester, (issued for construction of Water Works, under Act of Legislature of April 27th, 1872.) They also offer the Lake Shore and Michigan Southern Railway Co.'s new Sinking Fund seven-per-cent. loan, ($6,000,000), at 94 and interest.

The London money market manifests a growing ease, and under a gain of £37,000 in bullion for the week previous, the rate of discount at the Bank of England was reduced on 17th, to four and a half per cent.

The latest advices by mail give the following rates for money on the Continent:

| | Bank Rate. Per Cent. | | Bank Rate. Per Cent. |
|---|---|---|---|
| Amsterdam | 5 | Hamburg | 6 |
| Bremen | 6 | Leipsic | 6½ |
| Berlin | 6 | Paris | 5 |
| Brussels | 6 | St. Petersburg | 4½ |
| Frankfort | 5 | Vienna | 5 |

## DEATHS.

At Louisville, Ky., on Friday, July 4th, aged seventy-eight years, Joshua B. Bowles, for many years President of the Bank of Louisville.

In Kansas City, Mo., on Wednesday, April 2d, aged forty-six years, Daniel L. Shouse, Cashier of the Kansas City National Bank.

In Church Hill, Ohio, on Tuesday, July 1st, aged sixty-three years, W. B. Leslie, of the banking firm of Walker, Leslie & Co., of that place.

In Westchester, Pa., on Sunday, June 22d, aged seventy-two years, John Marshall, President of the National Bank of Chester County since 1863.

On Tuesday, July 15th, by drowning, Ethelbert S. Mills, President of the Brooklyn Trust Company.

THE

BANKER'S MAGAZINE,

AND

Statistical Register.

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## THE SAVINGS BANKS OF NEW ENGLAND.

The subject of savings banks—their condition, management and usefulness, is one that claims the careful consideration of capitalists, legislators and the community at large. The comparative condition of these institutions, for a few years past, is a favorable index to the accumulating wealth of the laboring classes, and illustrates fully the industry and thrift among minors as well as adults. Thus in the State of RHODE ISLAND there are over eighty thousand depositors, or more than forty per cent. of the population. In CONNECTICUT there are over two hundred thousand depositors, or about thirty-seven per cent. of the population. In MASSACHUSETTS there is a still greater proportion reported, or over forty-three per cent. Of course more than one-half the depositors are women and children. In MASSACHUSETTS there are 217,000 persons (or one-seventh of the whole State) employed in manufactures. These must form a large part of the savings bank depositors of the commonwealth, 630,246 in number at the close of the year 1872.

The management of these institutions is also well worth a critical examination on the part of their creditors, and that of the legislature. So far the management may be considered as unexceptionable. They are generally in the hands of responsible and able citizens, whose services are given to this important trust without charge. After paying an average dividend of a fraction over six per cent. per annum, (amounting in gross to $ 9,622,000), the savings banks of MASSACHU-

SETTS have a surplus of $ 3,045,000 to meet unexpected contingencies or losses in their investments. Their aggregate expenses of management for the past year were $ 469,681, or about one-fourth of one per cent. of the sum under control. No institutions in the world, of a similar magnitude, can, probably, show more economical or more intelligent control.

The third feature in these institutions, to which we are pleased to refer, is their usefulness to the community and to the country. They contribute by their loans and investments to the business of the people, to the construction of railroads, to the establishment of manufactures throughout the commonwealth. Within the last twelve years they have absorbed large amounts of the government debt, at periods when the public treasury was at a low ebb. They now hold, in MASSACHUSETTS alone, twenty-one millions of government bonds; they have loaned ninety millions on mortgages; twelve millions to counties and towns for local improvements; and thirty-three millions on personal securities. The usefulness of these institutions cannot be over-estimated.

Their usefulness as lenders of capital is still further illustrated by their combined capital, when compared with the chartered banks. The bank capital in the six New England States is 169 millions of dollars. The capital and working profits (or deposits) of the savings banks of those States is 360 millions; a sum largely exceeding the aggregate savings deposits in the UNITED KINGDOM with its population of thirty-one millions.

In order to present the subject more fully we have compiled, from the official reports of the savings banks of the six New England States, the following summary, showing the aggregate deposits and depositors of each, with those of the State of NEW YORK.

## THE SAVINGS BANKS OF NEW ENGLAND.

The deposits and number of depositors last year, compared with two previous years, were as follows:

| | *No. of Depositors.* | | | *Amount of Deposits.* | | |
|---|---|---|---|---|---|---|
| *States.* | 1870–1. | 1871–2. | 1872–3. | 1870. | 1871. | 1872–3. |
| Mass. | 431,769 | 561,001 | 630,246 | $ 112,119,016 | $ 163,704,077 | $ 184,797,314 |
| Conn. | 165,692 | 178,087 | 201,742 | 47,904,884 | 62,717,814 | 68,523,400 |
| R. Island | 67,238 | 80,076 | 88,664 | 27,067,072 | 36,385,108 | 42,583,535 |
| Maine | 39,527 | 69,411 | 81,320 | 10,490,368 | 22,787,802 | 26,154,331 |
| New Hamp. | 71,536 | 86,791 | 94,967 | 18,759,461 | 24,700,744 | 28,462,310 |
| Vermont | 14,295 | 15,988 | 15,988 | 2,037,934 | * 4,438.268 | * 4,438,268 |
| | 790,057 | 991,354 | 1,112,927 | $ 218,378,685 | $ 314,733,813 | $ 354,959,158 |
| New York | 712,109 | 776,700 | 822,642 | 230,749,408 | 267,905,866 | 285,286,621 |

* The last published return.

The following table represents the population of each of the above

States in 1870, the number of savings banks, with the amount of deposits and the number of depositors in 1873.

| *States.* | 1870. *Population.* | 1873. *No. Sav. Banks.* | 1873. *Deposits.* | 1873. *Depositors.* | *Average.* |
|---|---|---|---|---|---|
| Massachusetts.. | 1,457,351 | 172 | $ 184,797,314 | 630,246 | $ 293 21 |
| Connecticut.... | 537,454 | 78 | 68,523,400 | 201,742 | 339 65 |
| Rhode Island... | 217,353 | 36 | 42,583,535 | 88,664 | 480 03 |
| New Hampshire | 318,300 | 61 | 28,462,310 | 94,967 | 299 70 |
| Maine ......... | 626,915 | 54 | 26,154,331 | 81,320 | 321 62 |
| Vermont....... | 330,551 | 16 | 4,438,268 | * 15,988 | 277 55 |
| *New England*.. | 3,487,924 | 317 | $ 354,959,158 | 1,112,927 | $ 318 94 |
| *New York* ..... | 4,382,759 | 150 | 285,286,621 | 822,642 | 346 79 |

* The published returns from VERMONT do not state exactly the number of depositors in all the banks. The official report is defective.

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The following table represents the total population of each State; the total number of savings depositors in each; the per centage of depositors to population; the average deposit for each person in the State; and the average deposit for each depositor.

*Average per cent. of depositors to population; average deposit to each head of population; average deposit to each depositor.*

| | *Population.* | *Savings Depositors.* | *Average per cent.* | *Average to each.* | *Average to each Depos.* |
|---|---|---|---|---|---|
| Massachusetts......... | 1,457,351 | 630,246 | 43 | $ 127 | $ 293 21 |
| Connecticut........... | 537,454 | 201,742 | 37½ | 128 | 339 65 |
| Rhode Island ......... | 217,353 | 88,664 | 41 | 196 | 480 03 |
| New Hampshire....... | 318,300 | 94,967 | 30 | 89 | 299 70 |
| Maine ................ | 626,915 | 81,320 | 13 | 41¾ | 321 62 |
| Vermont.............. | 330,551 | 15,988 | 05 | 13½ | 277 55 |
| Total ............. | 3,487,924 | 1,112,927 | 32 | $ 102 | $ 318 94 |
| New York ........ | 4,382,759 | 822,642 | 19 | 65 | 346 79 |

On the whole the savings banks returns present highly favorable features, and we hope no serious disturbance will occur in their future progress.

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It is to be regretted that the savings banks of the country are yet burdened by taxation by the State and by the general Government. These institutions should, we think, be entirely free from taxation, and encouragement should be given by the State to the establishment of new ones and to further accumulations. All, men, women and children, should be encouraged, as far as possible, to labor; and to preserve the fruits of such labor, in order to meet the demands or requirements of old age. Instead of taxing such institutions for the support of government and the maintenance of the indolent, the State should, equitably, contribute a trifle to meet the expenses of management of the savings banks.

In the State of MAINE the savings banks paid last year $119,159 in taxes to the State, and $69,779 to the UNITED STATES. In the other States the taxation is equally large and burdensome, and should be, at an early day, abolished. The depositors in savings banks could, with obvious propriety, be free from taxation; and the support of the State be thrown upon those who squander their surplus earnings instead of placing them where surplus will accumulate.

We find in FRANKLIN a suitable commentary on this point, although he never heard of savings banks:

"The taxes are indeed very heavy, and if those laid on by the government were the only ones we had to pay, we might more easily discharge them; but we have many others, and much more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride, and four times as much by our folly: and from these taxes the commissioners cannot ease or deliver us, by allowing an abatement."

It is Mr. EMERSON who tells us, "What a benefit would the American government, not yet relieved of its extreme need, render to itself, and to every city, village and hamlet in the States, if it would tax whiskey and rum* almost to the point of prohibition! Was it BONAPARTE who said that he found vices very good patriots? '*He got five millions from the lovers of brandy, and he would be glad to know which of the virtues would pay him as much.*' Tobacco and opium have broad backs and will cheerfully carry the load of armies, if you choose to make them pay high for such joy as they give and such harm as they do."

The savings bank depositor, while he contributes at present to the support of the State, saves a little for the close of life. He is familiar with FRANKLIN'S maxim: "If you know how to spend less than you earn, you have the philosopher's stone;" and that of SAM. JOHNSON, "Economy is the parent of integrity, of liberty and of ease, and the beauteous sister of temperance, of cheerfulness, and of health."

In the *Edinburgh Review* for July, 1873, may be found an interesting article on *The Savings of the People*, which contains numerous and valuable suggestions, and from which the following paragraphs are taken:

> The working classes have learned by experience the disadvantage at which they are placed for want of capital. They are kept by it ever on the verge of disaster. They have no reserves to fall back upon when temporary dislocations of trade throw them out of work, or at best on the mercy of the capitalist. And they have long ago discovered that the only way of meeting the difficulties of their lot is by combinations, trades' unions, and strikes. It is well that they have these remedies—poor as they are—in default of other and better ones, else their lot would be forlorn indeed. But the possession of capital would give them a better remedy . . . . .
>
> Now there is but one way in which capital can be made to grow in the hands of the working classes—viz.: *by saving*. The great wealth of our millionaires is the result of savings, and mostly of the savings of one or two generations. There

* As well as rumsellers.—*Ed. B. M.*

is no mystery about the creation of capital. All wealth is crystalized labor. However fast wealth is produced, and however high wages may be, only that portion which is saved and laid by becomes capital. If the working classes are without capital, it is because, owing in a great degree to the circumstances already alluded to, they and their fathers have hitherto found the temptations to spend greater than the inducements to save. . . . .

We have endeavored to show that the State may do something to help them in this husbandry of capital. It may not be much, but that is no reason why it should be left undone. At the same time we do not forget that whether they make use of any proffered help is, after all, very much dependent on the success of that far greater work which the State has undertaken for their benefit—that *education* of the people, the great object of which is to help them to help themselves.

## THE BANKS AND SAVINGS BANKS OF MAINE.

### Report of the Bank Commissioner.

*To the Hon.* Sidney Perham, *Governor of the State of* Maine:

The undersigned, Bank Examiner, in discharge of the duty devolving upon him by the requirements of law, has examined the several banks of discount and deposits and the savings institutions in the State, and has the honor to submit herewith his report of their condition and business for the year ending November 1st, 1872.

### The Banks of Discount and Deposit

are the same as reported last year. By an act of the last legislature the capital stock of the Veazie Bank, of Bangor, was reduced from $150,000 to $75,000. The bank has conformed to the law, paid out the surplus and is now doing business on the reduced capital.

A detailed statement of the condition of these banks at the time they were visited will be found under the appropriate head. The aggregate of their liabilities and assets was as follows:

Liability.

| | |
|---|---|
| Capital stock | $370,000 00 |
| Circulation | 8,245 00 |
| Deposits | 289,508 78 |
| Due on dividends | 2,216 00 |
| Due to banks | 33,321 85 |
| Profits | 61,905 49 |
| | $765,197 12 |

ASSETS.

| | |
|---|---|
| Loans | $ 569,084 97 |
| Bonds and stocks | 29,200 00 |
| Real estate | 14,000 00 |
| Due from banks | 63,634 79 |
| Cash on hand | 89,277 36 |
| | $ 765,197 12 |

The outstanding circulation now amounts to $ 8,245, the larger part of which will accrue to the profit account, only $ 369, having been redeemed the past year.

The charters of these five banks now doing business will all expire in October, 1875. The National banking system proves so acceptable, giving a uniform currency in all parts of the country, it is not probable that the government prohibition on State circulation will be removed, nor is this desirable; and as the income of State banks without circulation is insufficient to induce capitalists to invest in them, the presumption is that the stockholders will not ask for a renewal of their charters.

Some action of Congress by which new banks could be organized, based on government four-per-cent. bonds, with an equal amount of circulation, would be acceptable, and could be made profitable.

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## THE SAVINGS BANKS OF MAINE.

The number of savings banks now doing business in the State is fifty-four, five having been organized during the past year, namely: 1. BETHEL SAVINGS BANK, Bethel. 2. BOOTHBAY SAVINGS BANK, Boothbay. 3. HOULTON SAVINGS BANK, Houlton. 4. LUBEC SAVINGS BANK, Lubec. 5. WINTHROP SAVINGS BANK, Winthrop.

The aggregate of deposits and profits held by these banks on the first Monday of November last was $ 26,154,333.

The investments, as compared with 1871, are as follows:

| *Investments.* | 1871. | 1872. |
|---|---|---|
| Loans on real estate | $ 5,415,233 82 | $ 6,246,323 77 |
| " collaterals, etc. | 5,163,526 26 | 5,518,314 83 |
| Invested in real estate | 243,737 74 | 229,450 42 |
| " U. S. bonds | 1,446,536 16 | 1,268,701 05 |
| " State of Maine bonds | 328,389 50 | 334,700 00 |
| " other State, county and municipal bonds | 4,837,436 36 | 6,257,176 72 |
| " railroad bonds and stocks | 4,071,608 29 | 4,940,627 53 |
| " bank stock | 456,546 00 | 574,461 25 |
| " miscellaneous stocks, etc. | 116,590 01 | 120,933 65 |
| Cash | 708,198 31 | 663,643 81 |
| | $ 22,787,802 45 | $ 26,154,333 03 |

From the foregoing statement of aggregates, and from the details of the condition of the several banks, the following facts are obtained. There has been within the year an increase in the deposits of $ 3,366,530.58. The total amount of deposits in the savings banks of the State exceeds the total of the capital, circulation and deposits of all the National banks of the State by nearly $ 2,000,000.

The increase of depositors the past year has been 11,909, which is seventy-eight per cent. of the increase of the year previous, while the increase in deposits during the same time has been but little more than half that of the preceding year, showing the deposits to be in much smaller sums, and indicating a reduced income of the laborers of the State.

The average to each depositor is $ 321.63 (last year $ 328.30).

The total number of depositors who have a balance of $ 500 or less is 68,327.

The amount standing to their credit is $ 8,768,613.

The number exceeding $ 500 and not more than $ 1,000 is 7,074.

The total amount of their deposits is $ 5,581,188.

The number of depositors with balances exceeding $ 1,000 and not more than $ 5,000 is 5,674.

Their deposits amount to $ 9,886,225.

The number who have balances exceeding $ 5,000 is 245, together holding deposits amounting to $ 1,900,307.

The average to each depositor whose balance exceeds $ 500 is $ 1,337, and, as compared with last year ($ 1,220), has increased, while those of the smaller have decreased from $ 146.69, last year, to $ 128.32, this year.

The fifty-four savings banks have paid the past year dividends amounting to $ 1,384,510, and taxes to the UNITED STATES of $ 69,779, and to the State of MAINE of $ 119,159. The banks are also setting aside a reserve fund of at least one half of one per cent. per annum, and provided losses do not first occur, the reserve will soon become of sufficient amount to be sure *guarantee* of regular uninterrupted dividends. A large saving will be made the coming year in consequence of the change of the law of Congress taxing savings banks.

The law of last winter requiring of the savings banks a tax to the State of one half of one per cent. is eminently just to other tax payers; and although the per cent. is small, the total is more than could be realized from the same property in any other way. Any attempt to enforce a tax in a different manner would ruin the savings banks of the State. The amount realized this year is $ 119,159, which, distributed over the State for the benefit of schools, gives to each scholar about fifty cents.

The semi-annual examinations now required by law to be made by the Trustees, proves beneficial, insuring to some a familiarity with the situation and character of their securities which is necessary in order to properly guard the interests of the depositors. The responsibility resting on the managers of savings banks is great. They have in their charge the all of many persons, pecuniarily, and though the amount to each be small, it is of vast importance to them.

Great caution should be exercised in authorizing the formation of new institutions. The character of the managers, the location and prospects of a growing and remunerative business, should be understood. The formation of new savings banks in remote and sparsely populated sections is not wise, the business of such being too small to insure competent officers and proper attention to the interests of the institution.

It is recommended that as little legislation as possible be had touching savings banks, as all such has a tendency to disturb timid depositors and cause the withdrawal of their funds. None such is needed at present, unless it be to ensure a more prompt payment of the tax to the State.

The result of the examinations in the main have been very satisfactory. The banks appear to be in a prosperous condition, and as far as is known their investments are safe and paying remunerative interest. The practice of late of investing in the securities of the West, remote and *unknown*, is of doubtful policy. The past furnishes no precedent to the enormous amount of corporate indebtedness of the country (especially the West), and no clear-sightedness can foretell the result. Rather than to make such investments, it would be better for the State and safer for the banks to loan on the security of names under proper legal restrictions.

WILLIAM PHILBRICK.

Skowhegan, December 31, 1872.

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## PROGRESS OF SAVINGS BANKS IN MAINE.—1861–1872.

| | *No. Banks.* | *No. Depositors.* | *Deposits.* | *Average Deposits.* |
|---|---|---|---|---|
| 1861 | — | —— | $ 1,620,270 | —— |
| 1802 | 15 | 11,833 | 1,876,159 | $ 158.55 |
| 1863 | — | —— | 2,641,476 | —— |
| 1864 | 15 | 18,506 | 3,672,976 | 198.44 |
| 1865 | — | 18,308 | 3,336,828 | 182.25 |
| 1866 | 18 | 19,186 | 3,946,433 | 205.68 |
| 1867 | 20 | 26,197 | 5,598,600 | 213.32 |
| 1869 | 36 | 39,527 | 10,490,368 | 265.40 |
| 1870 | 43 | 54,155 | 16,597,889 | 306.50 |
| 1871 | 50 | 69,411 | 22,787,802 | 328,30 |
| 1872 | 54 | 81,320 | 26,154,331 | 321.62 |

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**It is said, and we believe with truth, that more than two-thirds of the English people are dependent on wages. Probably in no other country in the world is the proportion of the people dependent on wages so large. And it would seem that at no other period of English history has so large a proportion of the English people been dependent on wages as at the present time. Whether rightly or wrongly, such is the great economic fact which practical statesmanship has to deal with in England. It is the product of her past economic history.—*Ed. Rev.***

## The Savings Banks of Maine,

**In October, 1871, and November, 1872; comparative deposits of each, with the dates of incorporation.**

| Year. | Place. | Name. | 1871. Deposits. | Year 1872. Deposits. | Year 1872. Depositors. |
|---|---|---|---|---|---|
| 1868 | Auburn .... | Auburn Savings Bank.. | $ 793,314 | $ 933,832 | 2,720 |
| 1848 | Augusta.... | Augusta Savings Bank. | 1,501,661 | 1,687,663 | 4,329 |
| 1870 | " .... | Kennebec Savings Bank | 208,958 | 275,030 | 871 |
| 1852 | Bangor .... | Bangor Savings Bank.. | 1,942,796 | 2,189,575 | 5,554 |
| 1867 | " .... | Penobscot Savings B'k. | 462,240 | 469,654 | 1,106 |
| 1852 | Bath ...... | Bath Savings Bank.... | 1,476,625 | 1,561,074 | 2,740 |
| 1868 | " ...... | People's 25-Cent Sav. B. | 332,756 | 402,547 | 1,374 |
| 1868 | Belfast .... | Belfast Savings Bank.. | 504,333 | 671,758 | 1,917 |
| 1872 | Bethel ..... | Bethel Savings Bank... | *New.* | 10,529 | 203 |
| 1867 | Biddeford .. | Biddeford Savings Bank | 375,607 | 441,363 | 1,164 |
| 1860 | " .. | York Co. Five-Ct. S. B. | 481,113 | 559,497 | 2,963 |
| 1872 | Boothbay .. | Boothbay Savings Bank | *New.* | 879 | 40 |
| 1869 | Brewer .... | Brewer Savings Bank.. | 13,816 | 22,946 | 201 |
| 1869 | Bridgton ... | Bridgton Savings Bank. | 62,968 | 97,787 | 646 |
| 1858 | Brunswick . | Brunswick Savings B'k | 347,484 | 392,994 | 1,165 |
| 1870 | Bucksport.. | Bucksport Savings B'k. | 26,038 | 65,667 | 623 |
| 1868 | Buxton .... | Buxton & Hollis Sav. B. | 50,363 | 60,806 | 355 |
| 1861 | Calais...... | Calais Savings Bank... | 164,720 | 200,561 | 664 |
| 1870 | Camden ... | Camden Savings Bank. | 107,283 | 170,533 | 827 |
| 1867 | Dexter ..... | Dexter Savings Bank... | 119,773 | 162,749 | 1,097 |
| 1869 | Eastport .. | Eastport Savings Bank. | 33,751 | 54,252 | 353 |
| 1871 | Fairfield.... | Fairfield Savings Bank. | 20,446 | 33,258 | 202 |
| 1868 | Farmington | Franklin Co. Sav. Bank | 160,540 | 189,852 | 1,360 |
| 1834 | Gardiner ... | Gardiner Savings Inst.. | 818,578 | 897,998 | 2,927 |
| 1868 | Gorham .... | Gorham Savings Inst... | 43,155 | 55,677 | 355 |
| 1854 | Hallowell .. | Hallowell Savings Inst. | 309,842 | 351,701 | 1,147 |
| 1871 | Hartland ... | Hartland Savings Bank | 8,320 | 11,948 | 184 |
| 1872 | Houlton ... | Houlton Savings Bank. | *New.* | 17,339 | 195 |
| 1871 | Kennebunk. | Kennebunk Savings B'k | 17,913 | 53,637 | 343 |
| 1860 | Lewiston .. | Lewiston Savings Inst.. | 970,438 | 1,053,057 | 3,690 |
| 1870 | " .. | Androscoggin Co. S. B. | 413,760 | 553,321 | 1,692 |
| 1872 | Lubec ..... | Lubec Savings Bank... | *New.* | 1,226 | 14 |
| 1869 | Machias ... | Machias Savings Bank. | 212,984 | 295,959 | 1,084 |
| 1866 | Newport ... | Newport Savings Bank. | 145,622 | 165,057 | 773 |
| 1870 | North Anson | North Anson Sav. Bank | 5,713 | 11,176 | 216 |
| 1866 | Norway .... | Norway Savings Bank.. | 226,163 | 250,543 | 1,436 |
| 1868 | Orono ..... | Orono Savings Bank... | 69,431 | 85,261 | 252 |
| 1871 | Pembroke .. | Pembroke Savings Bank | 10,440 | 25,657 | 148 |
| 1871 | Phillips .... | Phillips Savings Bank. | 6,780 | 13,323 | 255 |
| 1852 | Portland ... | Portland Savings Bank. | 4,023,906 | 4,166,323 | 9,137 |
| 1859 | " ... | Maine Savings Bank... | 3,230,255 | 3,545,905 | 10,666 |
| 1871 | Richmond .. | Richmond Savings B'k. | 26,180 | 43,121 | 237 |
| 1868 | Rockland... | Rockland Savings Bank | 610,535 | 803,315 | 3,104 |
| 1827 | Saco ....... | Saco & Biddeford S. Inst. | 1,121,466 | 1,345,414 | 3,550 |
| 1869 | " ....... | Saco Savings Bank..... | 68,088 | 94,290 | 754 |
| 1869 | Skowhegan. | Skowhegan Sav. Bank. | 260,975 | 313,491 | 1,297 |
| 1869 | Solon ...... | Solon Savings Bank.... | 18,703 | 20,287 | 212 |
| 1866 | So. Berwick. | South Berwick Sav. B'k | 127,668 | 176,921 | 523 |
| 1868 | Stockton ... | Stockton Savings Bank. | 14,733 | 12,132 | 156 |
| 1868 | Thomaston . | Thomaston Savings B'k | 188,868 | 319,842 | 890 |
| 1869 | Waterville.. | Waterville Sav. Bank.. | 464,445 | 570,045 | 2,377 |
| 1869 | " .. | West Waterville Sav. B. | 79,904 | 88,366 | 466 |
| 1872 | Winthrop .. | Winthrop Savings Bank | *New.* | 35,742 | 213 |
| 1866 | Wiscasset .. | Wiscasset Savings Bank | 105,340 | 121,451 | 553 |
| | | **Totals, 54 banks....** | **$ 22,787,802** | **$ 26,154,331** | **81,320** |

## SAVINGS BANKS OF RHODE ISLAND.

### ANNUAL REPORT.

State Auditor's Office, Providence, February 13th, 1873.

Circulars were issued from this office subsequent to Friday, December 6, 1872, asking of the State banks, Savings institutions, and RHODE ISLAND HOSPITAL TRUST COMPANY, a statement of their condition on the said day, in accordance with the requirements and provisions of chapter 141 of the *General Statutes*. The accompanying returns exhibit the situation and standing of these institutions as per sworn statements of the officers whose duty it is to render the same. Twelve of the banks are located in Providence and three in Newport. The increase of capital during the year has been five thousand five hundred and fifty dollars. Reference is made to page 20, showing the aggregate of assets and liabilities, with a summary of other items; also to page 21, for description of stocks and bonds owned by the banks, and page 22, for a description and the amount of stocks held as collaterals for loans. Thirty-six institutions for savings are reported; the COVENTRY SAVINGS BANK, of Anthony, and SMITHFIELD SAVINGS BANK, of Greenville, having organized and commenced business during the year. In addition to former requirements under the old statutes, a provision in the *General Statutes* requiring the amount loaned on mortgages in other States, specifying the name of the State, has been complied with by these institutions. The names of depositors, with the amount of deposits which, for any reason, the treasurer believes will never be claimed, have not been rendered in any instance.

Reference is made to page 64, showing the aggregate of deposits and number of depositors; to page 65, for a summary of resources and liabilities; also to a table showing amount of deposits and number of depositors for the ten years from 1863 to 1872, on pages 66 and 67, made for a certain day in the months of November or December in each year. JOEL M. SPENCER, *State Auditor.*

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The population of RHODE ISLAND in 1860 was only 174,260. It is now computed at 240,000, having savings deposits to the extent of $ 42,000,000, which is double the amount existing in the year 1867.

## The Savings Banks of Rhode Island.

The deposits of each at the close of the years 1871 and 1872, and number of depositors.

| Place. | Name. | November, 1871. Deposits. | December 6, 1872. Deposits. | December 6, 1872. Depositors. |
|---|---|---|---|---|
| Providence | Providence Inst. for Sav. | $5,709,083 | $6,473,672 | 17,744 |
| " | People's Savings Bank | 3,683,967 | 3,871,226 | 6,367 |
| " | Mechanics' Savings Bank | 4,018,237 | 4,715,587 | 8,300 |
| " | Franklin Inst. for Savings | 2,571,361 | 2,784,573 | 6,894 |
| " | City Savings Bank | 2,008,820 | 2,231,054 | 3,253 |
| " | Rhode Island Inst. for Sav. | 687,708 | 537,146 | 1,093 |
| " | Union Savings Bank | 1,073,750 | 1,337,255 | 2,123 |
| " | Cranston Savings Bank | 259,761 | 1,027,963 | 2,379 |
| " | Citizens' Savings Bank | 52,026 | 100,149 | 358 |
| " | Merchants' Savings Bank | 14,638 | 87,133 | 188 |
| " | National Inst. for Savings | 38,900 | 164,018 | 388 |
| Anthony | Coventry Savings Bank | *New.* | 67,926 | 191 |
| Ashaway | Ashaway Savings Bank | 6,906 | 25,897 | 217 |
| Bristol | Bristol Inst. for Savings | 189,812 | 229,894 | 978 |
| E. Greenwich | E. Greenwich Inst. for Sav. | 128,904 | 153,978 | 479 |
| Kingston | Kingston Savings Bank | 172,298 | 209,777 | 493 |
| Centreville | Warwick Inst. for Savings | 1,198,218 | 1,343,649 | 2,495 |
| Newport | Newport Savings Bank | 2,753,591 | 3,201,674 | 4,685 |
| " | Coddington Savings Bank | 406,756 | 496,554 | 1,637 |
| N. Providence | Providence Co. Sav. Bank | 2,765,590 | 3,327,157 | 5,154 |
| Pascoag | Pascoag Savings Bank | 437,510 | 530,045 | 925 |
| Phenix | Phenix Savings Bank | 262,070 | 285,636 | 670 |
| Pawtucket | Pawtucket Inst. for Sav. | 1,672,652 | 1,933,536 | 3,748 |
| " | Franklin Savings Bank | 970,476 | 1,169,833 | 2,157 |
| Wakefield | Wakefield Inst. for Sav. | 237,408 | 266,855 | 714 |
| Warren | Warren Savings Bank | 391,625 | 480,943 | 1,194 |
| Westerly | Westerly Savings Bank | 743,651 | 809,604 | 2,025 |
| " | Niantic Savings Bank | 135,375 | 228,394 | 705 |
| Wickford | Wickford Savings Bank | 399,192 | 437,936 | 1,044 |
| Woonsocket | Woonsocket Inst. for Sav. | 2,345,294 | 2,677,295 | 6,612 |
| " | People's Savings Bank | 401,420 | 470,089 | 1,049 |
| " | Citizens' Savings Bank | 325,430 | 357,930 | 743 |
| " | Producers' Savings Bank | 173,020 | 224,884 | 457 |
| Wyoming | Hopkinton Savings Bank | 75,254 | 155,198 | 597 |
| Westerly | Mechanics' Savings Bank | 75,405 | 129,034 | 470 |
| Greenwich | Smithfield Savings Bank | *New.* | 40,041 | 138 |
| | Totals, 36 Savings Banks | $36,385,108 | $42,583,535 | 88,664 |

The progress since the year 1863 has been as follows:

| | | | | Depositors. | Deposits. | Average. |
|---|---|---|---|---|---|---|
| Totals, | 25 banks, | November, | 1863, | 37,774 | $9,560,437 | $253 09 |
| " | 25 | " | " 1864, | 44,352 | 12,815,097 | 288 94 |
| " | 25 | " | " 1866, | 52,126 | 17,751,713 | 340 55 |
| " | 25 | " | " 1867, | 59,071 | 21,413,648 | 362 50 |
| " | 25 | " | " 1869, | 67,238 | 27,067,072 | 402 55 |
| " | 25 | " | " 1870, | 72,891 | 30,758,501 | 421 29 |
| " | 34 | " | " 1871, | 80,076 | 36,385,108 | 454 37 |
| " | 36 | " | " 1872, | 88,664 | 42,583,535 | 480 03 |

The number of depositors has increased in ten years from 37,774 to 88,664, and from an average of $253.09, for each in 1863, to $480.03 at the close of the year 1872.

## SAVINGS BANKS OF NEW HAMPSHIRE.

### REPORT OF THE BANK COMMISSIONERS, MAY, 1873.

*To his Excellency the Governor of the State of New Hampshire:*

We have the honor to submit the annual report of the Bank Commissioners for the year ending May, 1873. During the year seven new savings banks have commenced operations. These are the ASHLAND, COCHECO, GORHAM, LOAN AND TRUST, WOLFEBOROUGH, FITZWILLIAM, and SANDWICH, making the total number of savings banks now in operation under the laws of the State sixty-one.

| | |
|---|---|
| These sixty-one have deposits amounting to...... | $28,462,539 98 |
| And an aggregate surplus of.................... | 1,296,242 29 |
| | $29,758,782 27 |

Showing an increase of deposits during the year of $3,814,321.40, and an increase of depositors, 7,875.

The very rare circumstance of a defalcation among NEW HAMPSHIRE banks has occurred during the past year, at the EXETER SAVINGS BANK, which appears to have been robbed by the treasurer of about $112,000. Upon hearing of the treasurer's flight the Commissioners proceeded to examine the bank, and finding its condition, petitioned Justice DOE for an injunction to prevent the bank doing further business, and for the appointment of receivers to take charge of its remaining effects, for the equitable benefit of its depositors. An injunction was issued, and Hon. JOSEPH F. WIGGIN and WOODBRIDGE ODLIN, Esq., were appointed receivers. The Commissioners have full faith that the interest of the fifteen hundred and ninety-three depositors of the bank will be well cared for, and such measures taken as the trustees and depositors shall mutually agree upon as best.

The SALMON FALLS BANK is the only State bank doing business. The FARMINGTON BANK having paid out ninety-seven per cent. of its capital, and having between two and three hundred dollars cash, awaits the collection of seventeen thousand dollars of slow and doubtful debts, and the expiration of its charter.

They present herewith an abstract of these sixty-one savings banks, by which it will be seen that their total resources at date of examination amounted to $29,671,114, being an increase of resources over previous years of $4,533,897, after deducting the loss at Exeter.

They also give a statement of the condition of the SALMON FALLS BANK, with such tables and remarks as seem proper.

The foregoing statements are embodied in written answers to interrogatories, and are signed and sworn to by the Treasurers and Cashiers, in addition to a careful examination by your Commissioners of the funds and books of the banks, institutions for savings and the loan and trust associations organized under the general statutes, and doing business in the State at the date of examination, 1873, as stated in the several reports.

Of the State banks only the SALMON FALLS remains, and that is a most worthy and well-managed institution of a past era.

The examinations, which extended over some considerable time, and embraced records, books, notes and mortgages, collateral securities, and stocks and bonds, and a close inspection of the several safes and vaults, were in most instances highly satisfactory, and the courtesies extended to the Commissioners by the bank officers, when other business oftentimes demanded their attention, is worthy of grateful remembrance.

In all cases the officers of the banks, especially the Treasurers, courted and seemed gratified with the most searching investigation. It is evident that where the same man is Cashier of a National bank, and Treasurer of a savings bank, that the examination of either might be made a farce, inasmuch as a dishonest officer might produce the securities of either bank as the property of the other. Hence the Commissioners made an arrangement with the National bank examiner that wherever National banks and savings banks had the same Cashier and Treasurer, they should be examined together and produce all the securities of both banks at the same time, and the examination of such banks was made in this way. This plan was satisfactory to the National bank examiner, and to the several treasurers who offered every facility for its accomplishment.

Your Commissioners conceive that the first duty of a savings bank is to securely invest the savings of those in moderate circumstances, which may be intrusted to their care, and upon due notice return the same with a fair rate of interest. Honesty in such officers is the first requisite, while ability, diligence and accuracy are of vast importance. Savings banks created by the State and having in charge the money of its citizens should in the first place be careful to accommodate its citizens, in their respective localities, with loans, and have an eye to the welfare of the section from which come their deposits, and the building up of the cities and towns thereof. It is evident that the resources of such localities are developed by such facilities, and that there is a consequent depression in business when they are deprived of them.

Your Commissioners regret to see in this connection the diminished amount of loans on real estate. They consider such loans, judiciously made, among the best, and that they should hold a conspicuous place in the investments of the banks. So long as all classes of our citizens pay more than six per cent. for the use of money, it is respectfully suggested that it might be well to so modify the usury laws, that by agreement in writing, at the time of the contract, any rate, not exceeding $7\frac{3}{10}$ or 8 per cent. per annum, might be taken by lenders. As the law rate now is, banks are not willing to loan on mortgages at six per cent., and generally consider it injudicious to take more on that class of loans, it would be well to induce banks to give such loans preference over others, till at least a prominent portion of the investments are of this class. It is noticeable in aggregating the banks' business that with nearly $ 30,000,000, their loans in the State (excluding investments) are only $ 11,000,000, and that only five thousand nine hundred and seventy-three parties in the State are accommodated with loans not exceeding $ 1,000 each, and yet we gladly notice the fact, and think those banks should have full credit where with deposits of from one hundred thousand to half a million, they show loans of the above description to numbers ranging from six hundred and sixty to three hundred.

The tendency of banks is to invest in Western loans and securities. The continual demand of the depositors for large dividends, coupled with rivalry among the banks, to make as large a surplus exhibit as possible, induces the investigating committee to look beyond the State for the high rates of interest offered, especially when 6 per cent. is the highest rate legal at home. It is deemed by the Commissioners that this has a tendency to weaken the security of the institutions, besides being detrimental to other interests of the State.

Depositors demanding great dividends of their banks should remember that they are virtually urging their bank officers to take heavy risks. It is believed that, in the long run, those banks and bankers have been most successful who have looked more to due securities than extraordinary rates of interest.

It is evident that the treasurer of a savings bank should never be indebted to the bank, either directly or indirectly, except upon the official bond, and it would seem advisable that such bond be approved of by the trustees in writing on the bond, and be lodged with the president, and safely kept by him beyond the reach or care of the treasurer, and that a copy, attested by the president, be forwarded by him to the Secretary of State.

The law passed June session, 1872, relating to the examinations by trustees, twice a year, and quarterly when the deposits exceed half a million of dollars, has been generally complied with to the satisfaction of the Commissioners; but with all due deference to the law makers, they fail to see that a statute requiring a majority of the trustees to quarterly or semi-annually thoroughly examine and report the condition of their respective banks to the Commissioners, is advisable or, in all cases, practicable. Most of the banks have a large number of trustees, and it is oftentimes very inconvenient, sometimes impossible, to get them together at an examination. Many of the good and able men of our State who are called to such positions of trust, neither spent their youth in schools, nor have passed their time poring over ponderous ledgers. Besides, their time is occupied and to them precious, and when it is considered that there are perhaps seven hundred trustees of savings banks in the State, and that some four hundred men are thus called quarterly or semi-annually, without compensation, to such laborious tasks as the faithful examination of large banks, the onerousness of their duties under the law will be perceived. Would it not be more practicable, and fully as advantageous to the depositors of the banks, for the trustees, at a meeting called for that purpose, to choose a committee of not less than three to make such examination, and report, and receive therefor such reasonable compensation as the trustees deem proper. The law is silent upon the point of the reports being made under oath. It would be well that such returns be sworn to.

Your Commissioners also think that all property left as collateral with the bank should be specified in or upon the note, for the protection of the borrowers and the information of whoever examines the bank, otherwise such collateral might be appropriated to cover any deficiency at time of an examination. It is neither safe, for obvious reasons, nor in our opinion proper, for the private funds of individuals to be deposited in the vaults of the savings banks for safe keeping.

It would seem that no one, however little accustomed to business experiences, with even a casual examination of the preceding pages of this report, can fail to realize, in some degree at least, that the interests of our savings banks are assuming greater magnitude each successive year. While commending those officers who have faithfully performed what we deem a sacred duty, we cannot urge too strongly upon the trustees and all examiners the importance of so attending to their trusts that no safeguard shall be omitted for the protection of the funds committed to their care. The sixteen hundred sufferers on account of the defalcation of the treasurer of the Exeter Savings Bank appeal loudly to those who have in charge the savings of the widow and the orphan, to perform with fidelity their trusts, and such crime renders it imperative that those who accept the responsibilities connected with these institutions be held to a strict accountability.

J. D. Lyman,
M. R. Emerson,
Buel C. Carter,
*Bank Commissioners.*

Concord, May 20, 1873.

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The miser's motive is meanly sordid and selfish. But the thrift which husbands capital is not likely to be engendered by a merely selfish and sordid motive. It is a product far more of the domestic than of the selfish instincts of mankind. A man's mere selfishness is not often found in practice to be sufficiently far-sighted to keep up the long effort of present self-denial for a distant gain. It is the domestic instinct—the love of home and family, and an honest place in society—which furnishes the strongest motive, and hence it is in practice that amongst the working classes there is little danger of saving becoming a vice. It means the curbing of vices, and not their indulgence.—*Edinburgh Review.*

## The Savings Banks of New Hampshire.

**Amount of deposits in 1871 and 1872, and number of depositors in 1872; and date of charter of each.**

| *Year.* | *Place.* | *Name of Bank.* | 1871. *Deposits.* | Year 1872. *Deposits.* | Year 1872. *Depositors.* |
|---|---|---|---|---|---|
| 1869 | Alton | Alton Five-Cent Sav. Bank | $5,741 | $7,603 | 104 |
| 1872 | Ashland | Ashland Savings Bank | *New.* | 12,191 | 112 |
| 1831 | Charlestown | Connecticut River Sav. B'k | 231,118 | 244,800 | 1,162 |
| 1838 | Claremont | Sullivan Savings Institution | 619,126 | 764,325 | 2,142 |
| 1872 | Concord | Loan & Trust Savings Bank | *New.* | 141,391 | 357 |
| 1867 | " | National Savings Bank | 1,429,193 | 1,579,829 | 4,232 |
| 1830 | " | New Hampshire Savings B'k | 982,492 | 1,088,985 | 3,410 |
| 1870 | " | Merrimack Co. Savings Bank | 132,743 | 192,772 | 665 |
| 1869 | Conway | Conway Savings Bank | 25,712 | 51,894 | 221 |
| 1870 | Derry | Derry Savings Bank | 21,727 | 36,558 | 168 |
| 1824 | Dover | Savings Bank of Strafford Co. | 1,593,220 | 1,866,069 | 4,643 |
| 1872 | " | Cocheco Savings Bank | *New.* | 17,592 | 150 |
| 1856 | " | Dover Five-Cent Savings B'k | 375,017 | 398,521 | 2,041 |
| 1869 | East Jaffrey | Monadnock Savings Bank | 39,034 | 74,204 | 265 |
| 1851 | Exeter | Exeter Savings Bank | 359,530 | 402,517 | 1,500 |
| 1868 | " | Union Five-Cent Sav. Bank | 49,531 | 56,386 | 623 |
| 1868 | Farmington | Farmington Savings Bank | 130,110 | 149,392 | 860 |
| 1869 | Fisherville | Pennacook Savings Bank | 132,480 | 198,192 | 1,291 |
| 1871 | Fitzwilliam | Fitzwilliam Savings Bank | *New.* | 5,569 | 56 |
| 1868 | Francistown | Francistown Savings Bank | 104,166 | 107,976 | 442 |
| 1869 | Franklin | Franklin Savings Bank | 119,401 | 209,732 | [illegible] |
| 1868 | Freedom | Ossipee Valley Ten-Cent S.B. | 35,844 | 52,964 | 247 |
| 1872 | Gorham | Gorham Five-Cent Sav. B'k | *New.* | 5,467 | 147 |
| 1845 | Great Falls | Somersworth Savings Bank | 464,138 | 581,478 | 2,109 |
| 1860 | Hanover | Dartmouth Savings Bank | 265,917 | 303,218 | 1,500 |
| 1833 | Keene | Cheshire Provident Inst. | 1,553,656 | 1,672,849 | 5,990 |
| 1868 | " | Keene Five-Cent Sav. Bank | 291,313 | 418,888 | 3,067 |
| 1831 | Laconia | Laconia Savings Bank | 474,931 | 533,411 | 2,043 |
| 1868 | " | Belknap Savings Bank | 256,630 | 336,912 | 775 |
| 1864 | Lake Village | Lake Village Savings Bank | 65,443 | 101,567 | 550 |
| 1868 | Lancaster | Savings Bank of Coos Co. | 21,268 | 27,717 | 285 |
| 1869 | Lebanon | Lebanon Savings Bank | 178,048 | 305,979 | 1,065 |
| 1868 | Littleton | Littleton Savings Bank | 8,091 | 63,008 | 366 |
| 1852 | Manchester | Amoskeag Savings Bank | 2,691,498 | 2,982,454 | 7,500 |
| 1846 | " | Manchester Savings Bank | 2,110,870 | 2,326,079 | 5,002 |
| 1858 | " | Merrimac River Savings Bank | 1,337,374 | 1,846,896 | 3,950 |
| 1859 | " | City Savings Bank | 530,900 | 562,068 | 1,900 |
| 1870 | Mason | Mason Village Savings Bank | 5,198 | 18,252 | 160 |
| 1869 | Meredith | Meredith Village Sav. Bank | 53,120 | 79,922 | 395 |
| 1859 | Milford | Milford Five-Cent Sav. Bank | 414,150 | 458,818 | 1,442 |
| 1854 | Nashua | Nashua Savings Bank | 1,225,136 | 1,440,779 | 3,151 |
| 1863 | " | City Savings Bank | 1,108,826 | 1,016,377 | 2,800 |
| 1869 | " | Mechanics' Savings Bank | 200,966 | 825,242 | 823 |
| 1849 | New Ipswich | New Ipswich Savings Bank | 101,154 | 103,882 | 320 |
| 1832 | New Market | New Market Savings Bank | 36,867 | 40,434 | 579 |
| 1868 | Newport | Newport Savings Bank | 152,611 | 218,348 | 919 |
| 1859 | Peterboro | Peterboro Savings Bank | 567,822 | 566,001 | 1,717 |
| 1855 | Pittsfield | Pittsfield Savings Bank | 98,640 | 128,594 | 600 |
| 1823 | Portsmouth | Portsmouth Savings Bank | 1,716,387 | 1,937,899 | 9,000 |
| 1867 | " | Rockingham Ten-Cent S. B. | 356,822 | 425,848 | 3,096 |
| 1871 | " | Trust & Guarantee Co, | 160,051 | 349,975 | 465 |
| 1851 | Rochester | Norway Plains Savings Bank | 556,410 | 578,536 | [illegible] |
| 1864 | " | Gonic Five-Cent Sav. Bank | 46,530 | 40,101 | 105 |
| 1850 | Rollinsford | Rollinsford Savings Bank | 551,120 | 636,510 | 1,627 |
| 1872 | Sandwich | Sandwich Savings Bank | *New.* | 26,286 | 148 |
| 1869 | Pembroke | China Savings Bank | 20,721 | 44,649 | 312 |
| 1870 | Tilton | Iona Savings Bank | 66,928 | 98,744 | 341 |
| 1864 | Wilton | Wilton Savings Bank | 90,856 | 92,961 | 553 |
| 1855 | Winchester | Ashuelot Savings Bank | 96,490 | 102,740 | 675 |
| 1857 | Wolfeboro' | Carrol Co. Five-Cent Sav. B'k | 446,680 | 491,849 | 2,600 |
| 1871 | " | Wolfeborough Savings Bank | *New.* | 28,860 | 94 |
| | | *Totals*, 61 *Banks* | $24,700,744 | $28,462,310 | 94,967 |

The progress of savings banks in New Hampshire since the year 1848 to the close of 1872 is shown in the annexed summary:

| *Year.* | *No. of Banks.* | *No. of Depositors.* | *Amount of Deposits.* | *Average.* |
|---|---|---|---|---|
| 1848 | 9 | 12,424 | $1,619,689 | $130.36 |
| 1850 | 12 | 13,031 | 1,641,543 | 126.97 |
| 1852 | 15 | 15,771 | 2,009,617 | 127.42 |
| 1854 | 16 | 20,145 | 3,222,261 | 159.95 |
| 1856 | 19 | 23,489 | 3,537,363 | 150.59 |
| 1858 | 21 | 23,463 | 3,588,658 | 152.94 |
| 1860 | 26 | 30,828 | 4,860,024 | 157.65 |
| 1862 | 27 | 35,920 | 5,653,585 | 157.39 |
| 1864 | 28 | 43,175 | 7,661,738 | 177.45 |
| 1865 | 29 | 43,572 | 7,831,335 | 179.33 |
| 1866 | 29 | 42,894 | 7,857,601 | 183.18 |
| 1867 | 28 | 47,792 | 10,463,418 | 218.77 |
| 1868 | 31 | 55,218 | 13,541,534 | 245.12 |
| 1869 | 38 | 62,931 | 16,379,857 | 260.28 |
| 1870 | 45 | 71,536 | 18,759,461 | 262.25 |
| 1871 | 54 | 86,791 | 24,700,744 | 284.59 |
| 1872 | 61 | 94,967 | 28,462,310 | 299.70 |

## ANNUAL REPORT ON THE SAVINGS BANKS OF THE STATE OF CONNECTICUT.—*January*, 1873.

*To the Honorable the Legislature of the State of Connecticut:*

The undersigned, your Bank Commissioner, having performed the duties devolving upon him, would respectfully submit the following report:

### Savings Banks.

The number of savings banks doing business under the laws of this State, on the first day of January, 1873, were (78) seventy-eight, of this number (6) six were chartered by the Legislature of 1872, and are as follows, viz: The Brooklyn Savings Bank, the Canaan Savings Bank, the Dime Savings Bank of Willimantic, the Stafford Savings Bank, the Workingmen's Five-Cent Savings Bank of Hartford, and the Woodbury Savings Bank.

The Bethel Savings Bank is closing up its affairs, and is not included in the number of banks doing business January 1st, 1873.

Three savings banks, chartered by the Legislature of 1872, and one by the Legislature of 1871, have not yet commenced business; they are as follows, viz: The East Bridgeport Savings Bank, the Milford Savings Bank, the Operatives' Savings Bank of New Haven, and the Seymour Savings Bank.

The condition of the savings banks of the State on the first day of January, 1873, and a comparison with their condition on the first day of January, 1872, will be shown by the following statement:

## Assets.

| | 1872. | 1873. | *Increase.* |
|---|---|---|---|
| Loans on real estate | $ 38,625,514 50 | $ 43,174,015 14 | $ 4,548,500 64 |
| " stocks and bonds | 4,461,499 54 | 4,384,276 90 | — |
| " personal security | 4,014,913 56 | 5,111,541 78 | 1,096,628 22 |
| Invested in bank stock | 3,100,634 82 | 3,375,977 77 | 275,342 95 |
| " R. R. stocks and bonds | 1,294,205 75 | 1,378,415 80 | 84,210 05 |
| " United States bonds | 5,336,154 88 | 4,771,970 25 | — |
| " Real estate | 429,154 86 | 423,342 33 | — |
| " Town, City & State bonds | 6,206,402 72 | 6,897,297 83 | 690,895 11 |
| Cash on hand | 1,521,529 45 | 1,567,334 86 | 45,805 41 |
| Other assets | 317,459 82 | 187,222 44 | — |
| | $ 65,307,469 90 | $ 71,271,395 10 | $ 6,741,382 38 |
| Less decrease in loans on stocks and bonds, in U. S. bonds, in real estate, and in amount of other assets | | | 777,457 18 |
| | | | $ 5,963,925 20 |

## Liabilities.

| | | | |
|---|---|---|---|
| Deposits | $ 62,717,814 77 | $ 68,523,397 88 | $ 5,805,583 11 |
| Other liabilities | 81,705 72 | 161,046 96 | 79,341 24 |
| Surplus | 2,507,949 41 | 2,586,950 26 | 79,000 85 |
| | $ 65,307,469 90 | $ 71,271,395 10 | $ 5,963,925 20 |

This statement shows that our savings banks held on the first day of January, 1873, assets to the amount of $ 71,271,395.10, with liabilities to their depositors of $ 68,684,444.84, leaving a surplus of $ 2,586,950.26. They held on the first of January, 1872, assets to the amount of $ 65,307,469.90, with liabilities of $ 62,799,520.49, and a surplus of $ 2,507,949.41, being an increase during the year of $ 5,884,924.35 in their liabilities to depositors, and of $ 79,000.85 in the amount of their surplus.

The whole number of depositors to whom this amount is due, compiled from reports rendered to me on the first day of January, 1873, was 201,742; and the number of depositors to whom the banks owed less than $ 500 each, was 157,821; the number whose balance was more than $ 500, and less than $ 1,000 each, was 27,373; and the number to whom the banks owed more than $ 1,000 each, was 16,548.

The whole number of persons that have made savings banks the custodians of their funds during the existence of the present banks was, January 1st, 1873, 541,887, a number larger than the entire population of our State, according to the census of 1870.

The whole amount deposited in our savings banks the past year, was $ 21,864,553, including interest credited to depositors, and the amount withdrawn was $ 15,979,628.

The whole amount of dividends, or interest credited to depositors, was, during the year, $ 3,847,017. The whole amount of taxes paid, was $ 622,479.22, being to the State $ 448,567.16, to the United States $ 173,912.06. And the whole amount of expense incurred in the transaction of the business of savings banks, exclusive of taxes, was $ 202,042.39.

An examination of the preceding statement of the condition of our savings banks will disclose the fact, that the funds of these institutions are, in the aggregate, well invested, they having loaned $43,174,015, or 60 per cent. of their whole liabilities, on the first mortgage of real estate in this State, the balance of their funds being invested in, or loaned on, securities more readily realized upon than loans on real estate.

They hold $1,378,415.80 of railroad bonds, some of which are not immediately available to meet the demands of depositors; they held last year $1,294,205.75, an increase, during the year, of $84,210.05. An increase due mainly to purchases on the part of banks, who have the special privilege to invest in such bonds, and the increased valuation at which they report bonds held last year.

Your Commissioner is very strongly of the opinion that the privilege of investing the funds of savings banks in the bonds of railroad companies, is a dangerous one, and, if granted, would inevitably result in loss. It would be the bonds of new and unfinished companies that would present the greatest temptation to savings bank managers, by the low prices at which they are offered, and by the large commissions allowed to agents, and such bonds the developments of the last few years have proved not to be a safe investment, at least for the savings of the poor.

It is gratifying to discover a disinclination to favor the granting of this privilege, one that has been so often sought of the legislature, among the managers of savings banks in our State at the present time.

The importance, to the welfare of the State, of prudent management on the part of those who control savings banks, is very apparent. They hold the funds of 201,742 persons, about 39 per cent. of the whole population of our State, and of this number 157,821, owning each a balance of less than $500, are of a class to whom the loss of the whole, or any portion of, or the failure to receive regular dividends from, this amount, would be a serious disaster.

There is no moneyed interest of our State of equal magnitude, and none with the prosperity of which the people of the State are so intimately connected.

This is shown, not only by the large number of persons who are creditors of these institutions, but is also shown by the number of our people who are debtors.

The welfare of these last, being nearly as closely associated with the stability and permanence of our savings banks as the first. It is shown by the statement previously given, that our banks have loaned on the mortgage of real estate, $43,174,000; the proportion of the real value which they loan is never more than one-half, and generally somewhat less. It is therefore probable that our banks hold a first mortgage on real estate, valued at $100,000,000 in our State. This real estate consists, to a great extent, of the homes of people of moderate means, who, stimulated by the opportunity afforded by savings banks to utilize small savings, have accumulated a small sum, and borrowing of a savings bank an amount in addition sufficient to obtain a home, with the implied understanding between them, that with the prompt payment of the interest, on the part of the debtor, the principal can remain unpaid, until, by the habit of saving already acquired, the debt can be paid.

The importance to the borrower of the pursuit on the part of savings banks, of a policy that will tend to the permanence of this relation, is at once apparent. And why is it not true that our savings banks are under obligations to the State, which created them, to continue this condition of affairs?

By so doing they are the instruments by which real taxable property is created, our towns and cities built up, and, by engendering habits of economy and sobriety among the people, advance the prosperity of the whole State.

That this obligation, first to the depositor, to provide a safe place of deposit for small sums, and next to the borrower, to loan money for the procuring of a home, or the prosecution of any legitimate enterprise, at a rate of interest consistent with their duties to their depositors, is generally recognized by our savings banks, is shown by the statements made previously. Yet, it is obvious, by the course some of our banks have pursued during the last six months, that a perverted sense of their obligations to both parties, exists to some extent.

Since the repeal of the usury law, some ten or twelve of our savings banks have advanced their rate of interest on their real estate loans to eight per cent., the rate previously being six per cent., and the State and Government taxes. The reasons given for this course being that the repeal of the usury law would lead to the withdrawal of money by their depositors, with the expectation of employing it at higher rates of interest, and that for their own protection they must increase their rate of dividends. The fallacy of this reasoning is shown by the large increase in the amount of deposits during the year past, notwithstanding the remarkable stringency of the money market.

And, will not these fears of the withdrawal of deposits always be groundless, if the use of our savings banks by persons of wealth, and by those who are able to take care of their own means, is not encouraged?

Savings banks are not chartered for the purpose of making large profits, but to keep money absolutely safe, and in striving for large profits by increased rates on loans on real estate do they not impair the ultimate security of such loans?

It appears to be a fact to your Commissioner, that borrowers on real estate, especially borrowers with small means, the loaning to whom by savings banks has been of incalculable benefit to our State at large, cannot afford to pay so high a rate, especially as they are not allowed by law to deduct the amount they owe to savings banks, from the amount assessed them for taxation. In many localities this makes the rate actually paid by the borrowers ten per cent. This rate is more than the profits of any business can pay, for a series of years, and I submit, that, by disregarding their obligations to this class of persons they retard the growth of our State, and, which follows from this, impair the security of their loans, and fail to fulfil their duties to the State.

It is evident that this action has aroused a feeling of doubt in many minds, of the wisdom of the repeal of the usury law, and a demand for either a re-enactment of a usury law, or a law restricting savings banks in their charges on real estate.

The re-enactment of a usury law your Commissioner does not consider within the province of his duties to discuss, but would say, that the time has been very short since the repeal, not adequate, it would seem, for the effect on the prosperity of our State of free-trade in money to be shown, and that, during this time, many causes have been in operation calculated to produce extreme stringency in the money market, and, consequently, high rates of interest, and further, that the rates for money in our State have been governed by the rates in New York city, where a usury law is in force.

A law restricting the savings banks in their charges on real estate, your Commissioner believes would be conducive to the best interests of the banks themselves, and to the State at large.

The enormous transactions of our savings banks are worthy of notice, they having during the year received on deposit simply, including dividends declared, $ 21,864,553, and have disbursed to depositors $ 16,058,992; operations incident to the loaning of their funds are also in the aggregate very large. They have declared dividends to the amount of $ 3,847,017, paid to the State taxes to the amount of $ 448,567, to the United States Government $ 173,012; and the expenses incurred, including salaries, are only $ 202,042, about 5 per cent. of the amount of their dividends.

The conduct of so large a business without loss or confusion, the keeping of so many accounts as appear on their books, requires the services of experienced men, and the use of the most perfect system of book-keeping. Your Commissioner would bear witness to the carefulness displayed, and the excellent system of book-keeping adopted by most of the banks. There are, however, some exceptions to this state of affairs, one case being so culpable a neglect of duty, on the part of the treasurer, as to make the interference of the Commissioner imperative.

In this instance, no cash account was kept at all, and the funds of the institution were kept with the private funds of the treasurer, he himself keeping no private cash account; no ledger account being kept of his earnings, or his loans, and, indeed, no ledger accounts at all were kept except with individual depositors. His practice being, at such times as it was necessary for him to make a statement of the condition of the bank, to ascertain, from his ledger, the aggregate balance due his depositors; from a memorandum book the amount of interest received, and expenses paid; and having no account by which he could determine what his assets should amount to, if there was any excess in his assets over what was called for by this process, he claimed such excess as his own private property.

It will be seen that great injustice was liable to be done to depositors by so loose a manner of keeping the accounts of the bank, as no errors could be detected without a cash account, and in the event of any neglect to enter a deposit, or interest received, the amount not entered would inure to the benefit of the treasurer himself. Your Commissioner ascertained as nearly as possible from the meagre records kept, the actual condition of the bank, finding the liabilities to be considerably larger than was stated by the treasurer in his last report, and opened books on the proper system, and insisted that such a system should be pursued; if not done, it will clearly be the duty of your Commissioner to take further action in the case.

It has been necessary during the year to institute proceedings to close up the affairs of the STAFFORDVILLE SAVINGS BANK, a small bank, with liabilities of $ 120,000.

Through losses incurred by the depreciation of $ 30,000 South Minnesota R. R. bonds purchased several years ago, and the failure of the firm of STANFIELD, WENTWORTH & CO. of Boston, the bank became unable to pay its liabilities in full, and, as a feeling of distrust was aroused among the depositors, on consultation with His Excellency the Governor, it was thought that the wisest course to protect the interest of all the depositors was to close its affairs.

On application to counsel it was thought that the statute authorizing the Bank Commissioners to proceed for the forfeiture of the charter of a bank did not apply to savings banks, and that the best course was for the bank to make a voluntary assignment. This was accordingly done.

Your Commissioner would here suggest the propriety of the passage of a law, prescribing the duties and authority of bank commissioners with reference to savings banks, in this respect.

The losses of this bank resulted from investments and loans made contrary to law. It was located in a manufacturing village, built up by its former treasurer, who was instrumental in obtaining its charter for the benefit of his employees.

It was found difficult to make loans on real estate, and to keep its funds employed, the Treasurer borrowed from the institution to use in his own business, from time to time, until, when visited by the present Bank Commissioner, in company with his superior in office, the preceding Bank Commissioner, the amount so borrowed by him amounted to nearly $ 30,000. He had also, as he stated, by the advice and consent of his President and Trustees, invested $ 30,000 in South Minnesota railroad bonds.

He was informed that in both cases he had violated the law regulating the investments of savings banks, and that he must repay the amount borrowed by himself, and he was advised to sell the railroad bonds. With regard to the first, he stated his willingness to comply with the request; with reference to the latter, as the bonds had somewhat depreciated in price, he thought he had better hold them until such time as he could dispose of them to better advantage. Ere he could fulfil his promise to repay his own indebtedness his death occurred, his estate paid the amount due, giving for a portion of the sum, STANFIELD, WENTWORTH & Co's acceptances; before these became due, the Boston fire occurred, and the firm failed, and, by their failure, rendering insolvent the estate of the former treasurer of the bank.

This left the bank, with the obligation of this firm, and the estate of its former treasurer, to the amount of $ 13,500, and $ 30,000 of the bonds of the railroad company before mentioned, the value of this last depends upon the future development of the road, but it is probable the loss from all sources will not exceed 10 per cent. of the amount of its deposits.

A law of the State authorizes any savings bank holding deposits to the amount of $ 500,000, to pay to its president a salary for his services. Parties interested in savings banks have called attention to the fact that there is no limit to the amount that can be paid, named in the law, and suggesting that a definite sum should be stated in the law, and requesting your Commissioner to recommend an amendment to that effect. It is true that, as the law now stands it is open to abuse by designing men. It is, also, probably true that the amount the wisdom of the Legislature would see fit to make the limit, would exceed the sum now received by presidents of such banks in our State.

Several savings banks still continue the practice of buying single name paper in the market, and, during the year past, have been very fortunate in having met with few losses, but it appears to your Commissioner, that the best interests of such banks, and all others in the State, would be served if the practice was prohibited.

The combining of the legitimate business of a savings bank with that of ordinary banks of discount and business deposit, is a practice much to be deprecated. A few savings banks in our State persist in departing in this way from the objects they were created to accomplish.

Your Commissioner has reason to hope that another year will see this course abandoned throughout the State, and never resumed.

The whole amount of deposits held by our savings banks averages to each person in the State $ 127.50, and to each depositor $ 340.

It is important that safeguards and restrictions be established about this large system by the Legislature, adequate to the protection of its interests, in our State.

Copies of the reports of savings banks, showing in detail their resources and liabilities, and a condensed statement of the total resources and liabilities of all the savings banks, will be found appended to this report.

## Banks of Discount.

There are but four institutions doing business under the laws of the State, as banks of discount.

They are as follows, viz.: The State Bank, of Hartford, the Connecticut River Banking Co., of Hartford, the City Bank, of New Haven, and the Mechanics' Bank, New Haven. These institutions are under the management of competent men, and deprived as they are of the benefits to be derived from the circulation of their own notes, are doing a safe, careful, and profitable business. One of their number, the Connecticut River Banking Co., has, during the year, sustained some loss from the dishonesty of a clerk, who would take from the files, checks of dealers with the bank, previously paid, charged, and canceled, and charge them a second time, selecting the checks of parties whose balances were large, and in whose accounts the changes were frequent, a change in which, therefore, not as likely to be noticed by the officers of the bank, would take the money to correspond with these charges from the drawer, for his own use.

Before this practice was discovered, he had obtained some $12,000, and fled from the State. He was arrested at Chicago, brought back, and put under bonds for trial, but escaped trial and punishment by forfeiting his bail. The bank recovered some portion of the money at the time of his arrest, together with numerous articles of jewelry, in the purchase of which, and in fast living, the money stolen was principally squandered, and the loss resulting to the bank was not very heavy.

It is obvious that in the interests of public morality, such offenders in our State should be made to suffer the penalties of the laws they transgress.

Copies of the quarterly returns of the above banks are appended to this report.

## Trust Companies.

The number of chartered trust companies in operation on the 1st day of January, 1873, was eight (8).

These institutions, by a law enacted by the Legislature of 1872, were required to make quarterly returns to the bank commissioner. Copies of these returns are appended to this report.

Trust companies have become the depositories of large sums, and are transacting a large business.

An examination of their affairs shows them to be well managed, and their business confined to the sphere of legitimate banking.

Paying interest, as they do, on all sums left with them on deposit, extra vigilance must be exercised by the parties having these corporations in control, in order to combine profit with safety.

The Equitable Trust Company, of New London, with a branch in New York city, does not enter into competition with other banking corporations of the State, in the obtaining of deposits, and other branches of a regular banking business, although allowed to do so by its charter.

The object the managers of this company seek to attain, is the loaning of their own funds, on the mortgage of real estate, and, guaranteeing the payment of the amount loaned, sell the obligation of the borrower to other parties, receiving their compensation and profit by charging a certain per cent. for their guarantee.

The field they seek for their operations in loaning their funds, is principally the Western States, and in selling their securities, EUROPE.

This project was conceived by certain parties in our own State, in NEW YORK, and the West, and receiving their charter from our State, these parties have paid in a capital of $ 1,000,000, to be used in the way above indicated.

Their securities, so far as your Commissioner can determine, are worthy of the confidence of investors, and, with the character of the men connected with the company, would make the enterprise legitimate, and not calculated to bring our State into discredit.

There are three institutions in our State doing business as banking corporations, that were organized under the joint stock laws of our State.

They are as follows, viz.: The THOMPSONVILLE TRUST CO., the MERCHANTS' LOAN AND TRUST CO., of Rockville, with a branch at Willimantic, and the ELTON BANKING CO., of Waterbury.

These institutions, by an act of the last Legislature, were required to report to, and were made subject to the supervision of, the Bank Commissioner, in the same manner as chartered institutions.

Copies of the reports of these companies will be found appended to this report. These institutions are found to be doing a similar business, and fulfilling the same duties as our trust companies. They have cheerfully complied with the law making them subject to the inspection of the Bank Commissioner, giving him every facility to make his examinations satisfactory, although none of the institutions knew of the enactment of the law, until the Commissioner made his appearance.

The Legislature of 1872 passed an act requiring trust companies, and other banking corporations, to keep in their banking office gold and silver coin, or bullion, legal-tender notes, or National bank currency, or bonds of the UNITED STATES, to an amount of not less than one-tenth of all liabilities, except capital stock.

The gross liabilities of most of our banking corporations are swelled largely at times, by amounts due other banks on merely collection accounts, payable at certain specified times only, and, to meet which, they have the same amounts due them from other banks, at the same specified times. Your Commissioner would suggest the impropriety of requiring banks to keep a reserve of ten per cent. of such amounts, and would recommend the passage of an amendment to the law, releasing them from such a requirement, and also, the propriety of allowing a portion of such reserve to be kept in balances due them from banks in New York or Boston.

LUCIUS L. HOLMES,
*Bank Commissioner.*

## The Savings Banks of Connecticut.

List of Savings banks in the State of Connecticut, January 1, 1873, with the deposits of each compared with January, 1872; also the number of depositors and date of charter.

| *Charter.* | *Location.* | *Name.* | *January*, 1872. *Deposits.* | —*January*, 1873.— *Deposits.* | *Depositors.* |
|---|---|---|---|---|---|
| 1862 | Ansonia | Savings Bank of Ansonia | $ 193,200 | $ 203,004 | 915 |
| 1863 | Bethel | Bethel Savings Bank | *Closed.* | — | — |
| 1842 | Bridgeport | Bridgeport Savings Bank | 2,630,470 | 2,781,223 | 7,139 |
| 1859 | " | City Savings Bank | 1,539,732 | 1,716,425 | 6,300 |
| 1860 | " | People's Savings Bank | 822,894 | 986,815 | 2,257 |
| 1870 | Bristol | Bristol Savings Bank | 118,093 | 191,089 | 965 |
| 1872 | Brooklyn | Brooklyn Savings Bank | *New.* | 23,942 | 131 |
| 1871 | Chester | Chester Savings Bank | 3,150 | 6,970 | 102 |
| 1858 | Collinsville | Collinsville Savings Bank | 97,163 | 107,414 | 522 |
| 1872 | Canaan | Canaan Savings Bank | *New.* | 4,364 | 21 |
| 1871 | Cromwell | Cromwell Savings Bank | 3,634 | 33,102 | 217 |
| 1849 | Danbury | Savings Bank of Danbury | 1,316,540 | 1,433,918 | 4,066 |
| 1866 | " | Union Savings Bank | 256,995 | 319,442 | 950 |
| 1864 | Danielsonv'le | Windham Co. Sav. Bank | 1,036,890 | 1,229,518 | 2,960 |
| 1851 | Deep River | Deep River Savings Bank | 268,988 | 286,482 | 1,043 |
| 1846 | Derby | Derby Savings Bank | 747,350 | 877,651 | 2,692 |
| 1871 | Eastford | Eastford Savings Bank | 3,030 | 19,003 | 185 |
| 1851 | Essex | Essex Savings Bank | 337,085 | 367,385 | 1,494 |
| 1854 | Falls Village | Falls Village Sav. Bank | 384,251 | 425,965 | 1,102 |
| 1851 | Farmington | Farmington Savings B'k. | 1,213,100 | 1,273,271 | 2,741 |
| 1870 | Greenwich | Greenwich Savings Bank | 51,120 | 70,047 | 434 |
| 1850 | Groton | Groton Savings Bank | 507,520 | 532,459 | 1,466 |
| 1819 | Hartford | Society for Savings | 6,852,580 | 7,020,545 | 24,490 |
| 1858 | " | State Savings Bank | 1,423,965 | 1,599,317 | 4.467 |
| 1861 | " | Mechanics' Savings Bank | 842,871 | 977,045 | 2,389 |
| 1870 | " | Dime Savings Bank | 250,467 | 439,079 | 6,777 |
| 1872 | " | Workingmen's 5-ct. S. B. | *New.* | 5,614 | 330 |
| 1850 | Litchfield | Litchfield Savings Bank. | 482,051 | 569,839 | 1,906 |
| 1861 | Manchester | Manchester Savings Bank | *Closed.* | — | — |
| 1851 | Meriden | Meriden Savings Bank | 975,556 | 1,165,210 | 3,603 |
| 1825 | Middletown | Middletown Savings B'k. | 5,001,770 | 5,326,512 | 9,129 |
| 1858 | " | Farmers&Mechanics'S.B. | 1,975,422 | 1,911,179 | 3,650 |
| 1870 | " | Dime Savings Bank | 18,937 | 36,264 | 824 |
| 1870 | Moodus | Moodus Savings Bank | 24,135 | 44,548 | 363 |
| 1870 | Naugatuck | Naugatuck Savings Bank | 9,216 | 13,472 | 97 |
| 1862 | New Britain | Sav. B'k of New Britain. | 496,814 | 606,904 | 2,235 |
| 1859 | New Canaan | New Canaan Savings B'k | 227,698 | 258,498 | 862 |
| 1870 | New Hartford | New Hartford Sav. Bank | 4,613 | 4,947 | 64 |
| 1860 | New Haven | Townsend Savings Bank | 3,582,754 | 3,698,014 | 15,000 |
| 1838 | " | New Haven Savings B'k. | 3,504,543 | 3,732,438 | 11,078 |
| 1857 | " | Connecticut Savings B'k | 2,006,290 | 2,072,680 | 4,647 |
| 1866 | " | National Savings Bank | 523,986 | 567,552 | 1,470 |
| 1827 | New London | Sav. B'k of New London. | 2,585,226 | 2,789,019 | 5,917 |
| 1867 | " | Mariner's Savings Bank. | 362,210 | 494,045 | 1,132 |
| 1858 | New Milford | New Milford Savings B'k | 309,734 | 359,957 | 1,434 |
| 1855 | Newtown | Newtown Savings Bank. | 176,095 | 188,147 | 684 |
| 1860 | Norfolk | Norfolk Savings Bank | 95,670 | 96,771 | 600 |
| 1849 | Norwalk | Norwalk Savings Society | 1,505,030 | 1,789,137 | 4,539 |
| 1824 | Norwich | Norwich Savings Society | 6,999,030 | 7,279,052 | 13,247 |
| 1858 | " | Chelsea Savings Bank | 2,287,042 | 2,549,739 | 4,897 |
| 1869 | " | Dime Savings Bank | 280,276 | 525,499 | 3,866 |
| 1865 | Portland | Freestone Savings Bank. | 385,548 | 433,123 | 1,252 |
| 1862 | Putnam | Putnam Savings Bank | 837,171 | 946,376 | 3,610 |

## The Savings Banks of Connecticut—*Continued.*

| *Charter.* | *Location.* | *Nam.* | *January, 1872. Deposits.* | | *January, 1873. Deposits.* | | *January, 1873. Depositors.* |
|---|---|---|---|---|---|---|---|
| 1871 | Ridgefield ... | Ridgefield Savings Bank | $ 4,716 | .. | $ 23,634 | .. | 176 |
| 1858 | Rockville ... | Savings B'k of Rockville | 347,313 | .. | 391,776 | .. | 1,586 |
| 1870 | " ... | People's Savings Bank.. | 50,014 | .. | 83,202 | .. | 403 |
| 1848 | Salisbury.... | Salisbury Savings Society | 516,630 | .. | 602,132 | .. | 1,256 |
| 1860 | Southington. | Southington Savings B'k | 134,597 | .. | 165,760 | .. | 647 |
| 1860 | South Norw'k | South Norwalk Sav. B'k | 113,705 | .. | 111,180 | .. | 640 |
| 1854 | Southport ... | Southport Savings Bank. | 466,686 | .. | 491,055 | .. | 1,287 |
| 1858 | Stafford Sprgs | Savings Bank of Stafford | 323,492 | .. | 354,036 | .. | 1,248 |
| 1855 | Staffordville . | Staffordville Savings B'k | 146,347 | .. | 119,573 | .. | 539 |
| 1872 | Stafford ..... | Stafford Savings Bank.. | *New.* | .. | 54,917 | .. | 211 |
| 1851 | Stamford .... | Stamford Savings Bank.. | 1,059,888 | .. | 1,111,747 | .. | 3,253 |
| 1869 | " .... | Citizens' Savings Bank.. | 253,585 | .. | 340,714 | .. | 1,295 |
| 1850 | Stonington .. | Stonington Savings B'k. | 491,038 | .. | 554,761 | .. | 1,157 |
| 1869 | Suffield ..... | Suffield Savings Bank... | 110,418 | .. | 131,433 | .. | 559 |
| 1865 | Thompsonv'le | Thompsonville Sav. B'k. | 100,347 | .. | 135,488 | .. | 731 |
| 1871 | Thompson... | Dime Savings Bank..... | 9,988 | .. | 43,954 | .. | 201 |
| 1841 | Tolland ..... | Savings Bank of Tolland | 299,982 | .. | 293,248 | .. | 811 |
| 1871 | Wallingford . | Dime Savings Bank..... | 3,580 | .. | 18,395 | .. | 265 |
| 1850 | Waterbury .. | Waterbury Savings Bank | 1,288,786 | .. | 1,362,240 | .. | 4,500 |
| 1870 | " .. | Dime Savings Bank..... | 90,608 | .. | 182,409 | .. | 1,795 |
| 1860 | Westport.... | Westport Savings Bank . | 68,840 | .. | 74,330 | .. | 351 |
| 1850 | West Winsted | Winsted Savings Bank .. | 583,222 | .. | 660,657 | .. | 2,632 |
| 1842 | Willimantic . | Willimantic Savings Inst. | 638,985 | .. | 725,095 | .. | 2,841 |
| 1872 | " . | Dime Savings Bank..... | *New.* | .. | 12,704 | .. | 306 |
| 1871 | Windsor L'ks | Windsor Locks Sav. B'k | 12,328 | .. | 29,376 | .. | 218 |
| 1868 | Wolcottville . | Wolcottville Savings B'k | 44,836 | .. | 51,945 | .. | 392 |
| 1872 | Woodbury .. | Woodbury Savings Bank | *New.* | .. | 7,625 | .. | 127 |
| | | *Totals, 78 banks*...... | $ 62,717,814 | | $ 68,523,397 | . | 201,742 |

Connecticut.—The growth of Savings banks in Connecticut, since the year 1861, is shown in the following summary:

| *Year.* | *No. of Banks.* | *No. of Depositors.* | *Amount Deposits.* | *Average.* |
|---|---|---|---|---|
| 1861 | — | 97,144 | $ 20,791,856 | $ 214 03 |
| 1862 | — | 90,956 | 20,676,712 | 227 32 |
| 1863 | 49 | 105,476 | 23,486,386 | 222 67 |
| 1865 | 51 | 121,681 | 29,142,288 | 239 18 |
| 1866 | 50 | 107,572 | 27,319,013 | 253 96 |
| 1868 | 54 | 138,846 | 36,283,460 | 261 32 |
| 1870 | 58 | 165,692 | 47,904,834 | 289 12 |
| 1871 | 72 | 178,087 | 62,717,814 | 352 17 |
| 1873 | 78 | 201,742 | 68,523,400 | 339 65 |

That £ 90,000,000 a year are worse than wasted by the working classes may be true enough. That the same amount saved would make them capitalists is equally true. But between wasting and saving such a sum there is, in practice, a gulf, which is not to be taken at a leap. Take, for instance, the one item—£ 30,000,000 a year—a third of the whole amount—wasted in excess of drink and tobacco. That £ 30,000,000 is worse than thrown away—spent in poison, it may be, but it has been robbed from the necessary family allowance of beef and bread.—*Edinburgh Review, July,* 1873.

## NEW SAVINGS BANKS.

| *Place.* | *County and State.* | *Name.* |
|---|---|---|
| Bethel | Oxford County, ME. | Bethel Savings Bank. |
| Boothbay | Lincoln " " | Boothburg Savings Bank. |
| Houlton, | Aroostook " " | Houlton Savings Bank. |
| Lubec | Washington" " | Lubec Savings Bank. |
| Winthrop | Kennebec " " | Winthrop Savings Bank. |
| Ashland | Grafton County, N. H. | Ashland Savings Bank. |
| Dover | Strafford " " | Cocheco Savings Bank. |
| Fitzwilliam | Cheshire " " | Fitzwilliam Savings Bank. |
| Gorham | Coos " " | Gorham Savings Bank. |
| Concord | Merrimack " " | Loan and Trust Savings Bank. |
| Bridgewater | Plymouth Co., MASS. | Bridgewater Savings Bank. |
| Brookfield | Worcester " " | Brookfield Savings Bank. |
| Cambridge | Middlesex " " | North Adams Savings Bank. |
| Edgerton | Dukes " " | Dukes County Savings Bank. |
| E. Weymouth | Norfolk " " | East Weymouth Five-Cent S. B. |
| Holliston | Middlesex " " | Holliston Savings Bank. |
| Holyoke | Hampden " " | Mechanics' Savings Bank. |
| Lawrence | Essex " " | Broadway Savings Bank. |
| Monson | Hampden " " | Monson Savings Bank. |
| Orange | Franklin " " | Orange Savings Bank. |
| W. Stockbridge | Berkshire " " | Miners' Savings Bank. |
| Brooklyn | Windham Co., CONN. | Brooklyn Savings Bank. |
| Canaan | Litchfield " " | Canaan Savings Bank. |
| Hartford | Hartford " " | Workingmen's Five-Cent S. B. |
| Stafford | Tolland " " | Stafford Savings Bank. |
| Willimantic | Windham " " | Dime Savings Bank. |
| Woodbury | Litchfield " " | Woodbury Savings Bank. |
| Anthony | Kent County, R. I. | Coventry Savings Bank. |
| Providence | Providence Co., " | National Institution for Savings. |
| Greenwich | " " " | Smithfield Savings Bank. |
| Riverhead | Suffolk County, N. Y. | Riverhead Savings Bank. |
| Walden | Orange " " | Walden Savings Bank. |
| Whitestone | Queens " " | Whitestone Savings Bank. |

### *New Savings Banks Chartered but not in Operation.*

| *Place.* | *County and State.* | *Name.* |
|---|---|---|
| Buckfield | Oxford County, ME. | Buckfield Savings Bank. |
| Ellsworth | Hancock " " | Hancock County Savings Bank. |
| Lisbon | Androscoggin Co., " | Lisbon Savings Bank. |
| Paris | Oxford " " | South Paris Savings Bank. |
| Tremont | Hancock " " | Tremont Savings Bank. |
| Bridgeport | Fairfield Co., CONN. | East Bridgeport Savings Bank. |
| Milford | New Haven Co., " | Milford Savings Bank. |
| New Haven | " " " | Operatives' Savings Bank. |
| Seymour | " " " | Seymour Savings Bank. |
| College Point | Queens County, N. Y. | College Point Savings Bank. |
| Port Richmond | Richmond " " | Port Richmond Savings Bank. |

## SAVINGS BANK LIENS.

The laws of NEW YORK provide that the claims of savings banks upon insolvent State banks, for deposits, are preferred debts, and are a lien upon the assets of the latter in case of insolvency.

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*An Act relative to savings banks or institutions for savings in the city and county of New York and county of Kings.*

PASSED April 15th, 1853.

SECTION 2. It shall be lawful for any such savings bank or institution for savings to make temporary deposits in any bank or banking association, to an amount equal to ten per cent. of the actual cash capital stock paid in of such bank or banking association, and to receive interest thereon at such rates, not exceeding that allowed by law, as may be agreed upon; provided that all the deposits in any one bank or banking association shall not exceed in amount twenty per cent. of all the deposits belonging to such savings bank or institution for savings, and that no contract or agreement in relation to said deposits shall be for a longer period than one year.

SEC. 3. It shall not be lawful for any of such savings banks or institutions for savings to make any loans to any bank or banking association, exceeding the limits above prescribed, unless such savings bank or institution for savings shall require and receive of such bank, for all sums so deposited exceeding the limits above prescribed, such securities therefor, and equal in amount, as the comptroller or superintendent of the banking department is now lawfully authorized to receive in exchange for bills or notes for circulation; nor shall it be lawful for any trustee of a savings bank or institution for savings to be a trustee of more than one savings bank or institution for savings at the same time; nor shall the trustees of any savings bank or institution for savings hereafter to be incorporated be directors at the same time in any bank or banking association wherein any part of the moneys of said savings bank or institution for savings shall be deposited.

SEC. 4. All the assets of any bank or banking association, now or hereafter to be created, that shall become insolvent, shall, after providing for the payment of its circulating notes, be applied by the directors thereof, in the first place, to the payment of any deficiency that may arise on the sales of the securities aforesaid, and thereafter of any sum or sums of money deposited with such bank or banking association by any savings bank or institution for savings, within the range of twenty per cent., as provided in the second section of this act.

# THE BANK OF ENGLAND.

*From the London Times.*

The bill introduced by the Chancellor of the Exchequer for authorizing, in certain contingencies, a temporary increase of the amount of Bank of England notes, has been printed. It provides that whenever the First Lord of the Treasury and the Chancellor of the Exchequer are satisfied that the *minimum* rate of interest then being charged by the bank is not less than 12 per cent., that the foreign exchanges are unfavorable to this country, and that a large portion of the existing circulation is rendered ineffective for its ordinary purpose by reason of internal panic, they may empower, in excess of the authorized issue, a special and temporary issue of notes in exchange for an equal amount of government securities, and that the bank shall pay to the government the profit of such issues, which is in no case to be less than 12 per cent. per annum, subject to a deduction of two per cent., which may be allowed to the bank for its expenses.

But for the evil of an example which teaches the public that it is the business of government to step to the rescue of improvident persons, and thus to check the wisdom which can be acquired alone by the rigid lessons of experience, anything more harmless than this measure could scarcely be conceived. Since the grand mistake of the first suspension of the act every one has known that a certain amount of pressure would infallibly induce the government again to tamper with it, and the signal for this pressure, according to common belief, would always be found in the existence of a ten-per-cent. rate.

Hence, assuming it to be hopeless to look for a period when men at the head of affairs will be possessed of sufficient logical courage to refuse the cry for empirical action, and to point out the true modes of relief, some good may result from people being informed that they must wait for a twelve-per-cent. rate, and a condition of the foreign exchanges such as to render it certain that all the relief that can really be requisite is coming already from other sources. The provision that the profit of any extra issue that may be made is to go to the State, is obviously on every ground essential.

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By an act of Parliament in 1872, the bank is authorized to re-elect seven-eighths of the directors annually, instead of two-thirds as heretofore.

## THE LONDON CLEARING HOUSE.

The returns of the London clearing house for the year ending April 30, show transactions amounting to £6,003,335,000, equivalent in round numbers to thirty thousand millions of dollars, It is to the efforts of Sir JOHN LUBBOCK that the business world owes these returns. Unfortunately it is only since 1867 that they have been preserved, but they promise in the future to be in the highest degree instructive. It has come to be generally admitted that there is a kind of cycle in financial affairs, at least with a specie currency. First comes the quiescent or stagnant period, then the period of activity, then that of inflation and speculation, then that of panic and violent contraction, with a recurrence to the first condition. The elements involved in these changes are, apart from specie: first, the note currency, whether bank or government; second, the deposit currency, being the bank deposits; and third, the rapidity with which the first two kinds circulate. It will be found that the last element is by far the most important. Thus the figures of the London clearing house are for the year ending:—

| | | | | |
|---|---|---|---|---|
| April 30, 1868 | .... | £3,257,411,000 | .... | $16,000,000,000 |
| " " 1869 | .... | 3,534,039,000 | .... | 17,500,000,000 |
| " " 1870 | .... | 3,720,623,000 | .... | 18,500,000,000 |
| " " 1871 | .... | 4,018,464,000 | .... | 20,000,000,000 |
| " " 1872 | .... | 5,359,722,000 | .... | 26,500,000,000 |
| " " 1873 | .... | 6,003,335,000 | .... | 30,000,000,000 |

Thus, while the note currency has remained nearly stationary, and the deposit currency has not increased probably more than twenty per cent., the clearings have nearly doubled. When the period of panic takes place these returns will doubtless decline, though not perhaps to the point of 1868; yet to very much below their present amount. If proof of this is wanting, it may be had in ample measure from the table of returns of the New York clearing house.

Mr. GLADSTONE has promised a commission of inquiry, at an early date, into the working of the BANK OF ENGLAND system, in which event such figures as the above will have the highest value and importance. We believe the English system of note currency to be as nearly perfect as can be expected in human institutions, with the slight exception, perhaps, that the issue department might be still more completely separated from the banking. The weak point in the English currency is the practically free system of deposit banking, without efficient check or regulation, and the salient point of attack lies just in these clearing-house returns. If you allow the heavy fly-wheel of a steam engine to attain to its maximum velocity, and then suddenly insert a bar between the spokes, a smashing will inevitably follow. The object to be attained is such a gradual slowing of the revolutions as will preserve the machine, though with considerable friction, from actual breaking. The illustration is exactly applicable to these movements of banking. The English theory of applying this check through a steady rise in the rate of interest is perfectly sound, but unfortunately it is neutralized in practice by the defective conditions of English banking. Mr. PALGRAVE, in a paper read before the Statistical Society, declares, upon data admitted to be generally sound, that the deposits of the British banks amount to £584,000,000, or about $2,900,000,000, (those of our National banks are $650,000,000,) against which they hold a cash reserve of only four per cent. The truth is that the country banks lean upon the London banks and the latter upon the BANK OF ENGLAND, which, large as it is, is too weak to bear such pressure. Here then, as we conceive, is the point of departure for the new BANK OF ENGLAND inquiry, and it ought to be of great interest to us as an addition to the storehouse of experience, available if we should ever contemplate anything so chimerical as a scientific regulation of our own system of currency and banking.

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SAVINGS BANKS PASS BOOKS.—A case of much general interest came up in the Superior Court of Buffalo, before Judge JAMES M. SMITH and a jury; the circumstances, as stated by the *Commercial Advertiser*, being as follows:

EDWIN APPLEBY, a mechanic, had upon deposit in the ERIE COUNTY SAVINGS BANK the sum of $925.50, his entire property. On the 23d of April last the pass book given him by the bank was stolen from his trunk, which was locked and in his room at his boarding house. The thief, a former room-mate, who had become familiar with Mr. APPLEBY'S signature, presented the pass book to the assistant teller of the bank and demanded the money. The teller was not acquainted with Mr. APPLEBY, and on comparing the signature to the receipt signed by the thief, in the name of APPLEBY, with the latter's signature upon the bank's signature book, concluded that the signature was genuine, and paid the entire amount of the deposit to the forger and thief, who immediately fled from the city. Upon discovering the loss of his pass book, APPLEBY gave notice of the fact at the bank, and was then informed that his money had been paid as above related. Upon demanding his money, Mr. APPLEBY'S attention was called to a by-law of the bank, printed in his pass book, as follows:

*Although the bank will endeavor to prevent fraud upon its depositors, yet all payments to persons producing the pass books issued by the bank shall be valid payment to discharge the bank. In case of lost books, the bank will decide as to the person to whom payment shall be made, without the right of depositor in such lost book to question the correctness of the payment.*

Mr. APPLEBY claimed that the by law had escaped his attention. The bank refused to pay him, and thereupon the suit was brought. The plaintiff's counsel insisted that the by-law was not reasonable, and consequently was void, and that, in any event, the jury should be allowed to pass upon the question whether the bank officers were not guilty of negligence in paying the money under the circumstances. The theory of the defense, in trying the case, was, that APPLEBY had either drawn the money himself, or was in collusion with the alleged thief who drew it. Justice SMITH, however, held that the by-law was a reasonable one, and that the bank officers were not guilty of negligence in paying over the money to the bearer of the pass book. He directed a verdict for the defendant, subject, however, to the opinion of the General Term. The decision was given, therefore, without reference to any disputed question of fact.

# THE COMMERCIAL AND MONETARY INTERESTS OF CALIFORNIA.

*Agriculture, Mining Interest, Commerce, Manufactures, Monetary Policy of California, Ratio of Currency to Population, Amount of Currency Needed, the Country approaching Specie Payments, Introduction of Greenbacks, National Bank Notes, What can be Done with Paper Money? Annoyance to Visitors and Immigrants, Landholders and the Greenbacks, Gold Monopoly, Expulsion of Gold, Exclusion of Capital, the "Prosperity" Argument, the Transition Period.*

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BY AMASA WALKER, LL. D.
Late Lecturer on Public Economy, Amherst College.

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*From the Overland Monthly for June*, 1873.

The State of CALIFORNIA may, perhaps, not improperly be regarded as an exponent of the industrial and commercial interests of the nation of which she forms an important part; her interests, in fact, being those in which the prosperity of the whole country is involved. Combining within herself, as she does in an unequaled measure, all the great forces of production, and the essential elements of commercial greatness, whatever public policy would advance her interests must be certain to conduce to the general welfare.

CALIFORNIA has a vast capacity for profitable agriculture, her soil and climate being in a high degree favorable to that branch of production. Her mining interests, though much diminished, are still extensive; manufactories, too, have already begun their natural career of growth and development. In addition to all these, she has unsurpassed advantages for the building up of an immense commercial marine. She has a port destined to be to the Pacific what New York is to the Atlantic coast—the great emporium of foreign and domestic trade. With regard to this superiority, there can be no doubt. In the finest harbor in the world, with a central position between two hemispheres, the commercial supremacy of San Francisco on the Pacific coast is assured, and she must, in the natural course of events, become one of the largest marts of commerce on the globe.

What other State combines *all* those advantages and peculiarities in so large a degree? Where are the great interests of agriculture, mining and commerce so remarkably blended as here?

Upon a State in which such varied and important interests are united, the financial and monetary policy of the National Government must, of necessity, exert a very great influence, favorable or otherwise; and hence, such a State must be peculiarly sensitive in regard to that policy, which, if a false or mistaken one, must cause her to suffer more severely than sister States having a less diversified industry.

With this view of the character and condition of CALIFORNIA, our purpose is to inquire in what manner and to what extent the State in question is affected by the action of the General Government? What are the leading and most essential features of its economical policy?

1st. The creation of a monetary system, which supersedes the use of coin, and makes paper a legal tender.

2d. A system of restrictions upon trade, designed to affect the commerce and influence the industry of the country.

In what manner and to what extent is CALIFORNIA affected by these important measures? First, in its

### AGRICULTURE.

This is its principal interest, not only at present, but prospectively. I find it stated, on what I conclude to be good authority, that the agricultural product of this State, for 1872, was "$75,000,000, of which $50,000,000 were exported." Have these agricultural products been raised in price by the issue of a legal-tender currency? Not at all. The great staples, as shown by the *Price-Current* of New York, on the 8th of January, 1860 and 1873, were essentially the same. Indeed, as a matter of fact, the prices of agricultural products were lower at the latter date than the former. So it is certain, that although the paper money of the country—which in 1860 was but $207,000,000, and in 1873 is over $700,000,000—has had no effect in raising the price of farmers' products, yet we know very well that the prices of all other commodities created and consumed in this country have been advanced by some fifty to seventy-five per cent. How, it may be asked, is it that one description of property should not be advanced in price, while all the others are? The answer is a plain one. Our staples—wheat, corn, beef, pork, etc.—are exported. We have, and always shall have, a large surplus of these, which we must send to countries that have gold as the standard of value. Whatever our staples, therefore, are worth in gold here, for shipment, determines the value of the entire crop. We can not have two prices, and therefore the price of the whole depends upon the value of the surplus exported.

Quite otherwise is it with those articles produced and consumed at home. They are measured by our home currency—our paper money—and are necessarily greatly advanced in price, because the currency is greatly expanded; and it is a well-settled principle, that general prices depend upon the quantity of the existing currency. For this reason, all the farmer has to purchase from home manufacturers of furniture, boots, shoes, clothing, carriages, harnesses, machinery, farming-tools, etc., are enhanced in cost from fifty to seventy-five per cent.; while all his products remain, as we have seen, at their former prices. This entails a heavy loss upon the farming interest; since all the expenses have been increased, while his products, being still measured by the old standard, are not enhanced at all in price, and thus he is made to bear a great proportion of the loss arising from the use of our present false standard of value. Such, incontrovertibly, are the facts of the case; and this loss falls with great severity upon the States whose chief industry is agriculture. It is, however, the natural and unavoidable result of adopting a greatly inflated circulating medium.

### Mining Interest.

Let us turn for a moment to the mining interest—the production of the precious metals. What effect does the financial policy which substitutes paper for coin, as a medium of exchange and standard of value, have upon this branch of your industry? To answer this understandingly, we must inquire, Why are these metals mined? Because there is a universal demand for them. What occasions this demand? They are wanted throughout the commercial world for use as money, and very little, comparatively, for other purposes. Now, then, it is certain, that the greater this demand for gold and silver as money, the greater will be their value, the more they will purchase of all other commodities: and therefore, anything which diminishes this demand will certainly diminish, in proportion, the value of all other commodities; and therefore, anything which diminishes this demand will certainly diminish, in proportion, the value of these metals. The Government of the United States has declared that its notes, promising payment at some indefinite future, are the authorized currency of the country, and a legal tender for all debts and demands.

The effect of this act is to demonetize gold and silver, and reduce them to the level of wheat, cotton, or tobacco. They are made, for all domestic uses, mere merchandise. Of these paper promises for use as money, the National Treasury has issued $ 356,000,000, and Congress has authorized some 2,000 banks to put out $ 354,000,000 more—in all, $ 710,000,000. Gold and silver, therefore, are now only wanted in the States for the payment of duties at the custom-house and the interest on the National bonds.

The effect of this policy is obvious. Gold and silver, not being wanted in any considerable quantity at banks, are sent abroad for what they are worth in other countries, and, since the price has been forced down by the Secretary of the Treasury, are the cheapest commodity we have to part with. The result is, to lessen their value. A dollar—twenty-five and eight tenths grains of standard gold—will not command as much of any other commodity as before this unnatural expansion. For example: boots, which in 1860, when the currency was at par with gold, could be bought at $ 3, are now worth $ 4.50. The miner, therefore, pays fifty per cent. more than formerly for his boots, and loses the difference, because he can get his gold with no less labor than in 1860. He cannot water his gold, as the Government and banks do the currency. He must produce the real article, not the promise of it. Hence the mining interest suffers to the full extent of the difference between coin values and paper-money values, so far as purchases are made of any commodities produced and consumed entirely within the country. That this policy of the Government expels our gold product is seen in the fact that we exported, in 1872, $ 95,000,000—a great deal more than the whole product of the year. And such has been the case ever since the present insane policy of the Government was adopted, until now the country is nearly drained of its specie, and the premium on gold is advancing, and will probably continue to advance, until it reaches its normal rate, which, since the war, has never been less than thirty to thirty-five per cent.

## Commerce.

Another interest to which we must refer is commerce. How is this affected by the financial policy of the nation? I answer, most adversely. Our commercial marine has been rapidly diminishing ever since the war, and bids fair to become extinct. In 1860, seventy-five per cent. of all the foreign imports were made in our own bottoms; now, but about twenty-five per cent. Why this strange result? There are two principal causes. First, our paper money so raises the cost of production, so increases the expenses of ship-building in the East (where it formerly and most naturally existed), that we cannot compete with ship builders in the British Provinces, or on the banks of the Clyde, where they use a gold standard. Second, in addition to all this, heavy duties are laid on iron and other materials entering into the construction of vessels, which still further embarrass our ship builders, and prevent them from successfully competing with foreigners.

In consequence of all these obstacles, we have nearly ceased the construction of vessels, except for coastwise trade, into which foreigners are not permitted to enter. But it may be asked, probably with some surprise, Why, if we cannot build, do we not buy foreign ships, and thus keep up our commerce? That is certainly a very common-sense question. Why do we not buy? I answer by relating a fact communicated to me since I came to this place. A Swedish vessel, I think it was, arrived recently at Portland, Oregon, with a cargo of iron. After discharging its freight, the vessel, a fine iron steamer, was offered for sale, at what was deemed a very satisfactory price, and arrangements were made for its purchase by a few enterprising merchants; but they found, on inquiry, that Government would not permit this—that an American register would not be allowed to a foreign-built vessel. So the project failed, and the steamer departed.

While a false currency, retained without the slightest necessity, and heavy duties unwisely imposed upon the materials used in construction, prevent our building vessels, unwise restrictions forbid our purchasing them, as we might advantageously do; and thus the restoration of our mercantile marine is rendered quite impossible.

## Manufactures.

Of the effect of the financial policy of the Government upon the manufacturing interests of the gold and silver-producing States it is only necessary further to remark, that manufactures of different kinds commence and grow up in every country with the natural increase of wealth and population. They should be encouraged, but never forced. If there be no interference on the part of the Government, this growth and development will be natural and advantageous. The grasses and wild flowers do not more certainly appear when the forest has been cleared, and the earth opened to the influence of the sun, than do manufactures when society has advanced in its conditions to that point at which they can be profitably introduced. This law of progress and development will be found as true in its operations in California as in Massachusetts. Manufactures—those especially adapted to the country—will, of necessity, be established and prosper. At present, this State has an advantage over the East in its currency, which, in spite of all opposing interests, has been maintained in specie. Your labor, and all your expenses of manufacturing, are no greater now than in 1860; while in the paper-money States they are at least sixty per cent. higher. This is favorable to the introduction of such manufactures as come most in competition with eastern fabrics. I have found in this city an establishment, employing about 400 hands, engaged in the manufacture of boots and shoes, and, I presume, successfully. This the owners are enabled to do by the fact that gold has been retained as the standard of value. In this, as in other respects, you are receiving the benefit of that courageous and determined course of action which secured to you a sound and reliable monetary system, upon which to base your business transactions. The result of this policy will be found even more advantageous in the future than the past; because the terrific revulsion certain to come upon all that part of the Union where an inconvertible and redundant currency exists, will be but little felt here, and California will escape the wreck and ruin that will fall upon other sections of the country.

With this brief and general view of the evils inflicted upon the most prominent interests of the State by the policy of the General Government, I now proceed, in further illustration of the subject, to speak of the existing currency of the country, and of the false ideas entertained by a large part, if not a majority, of the nation with regard to it. And, first, I remark upon the

## Monetary Policy of California.

The Constitution of this State most wisely prohibits the introduction of paper money. So far it is the wisest document of the kind in the Union, and if the people are able to maintain their fundamental law in all its integrity, they have an immense advantage over the rest of the nation. Of this the people may rest assured, and if those gentlemen who are so dissatisfied with the present state of things will wait until the general explosion, which is sure to take place, and which from present appearances can not long be delayed, they will be quite satisfied that California has done well in preserving the gold standard. Wait until the inevitable collapse takes place, and then if the wisdom of your course is not fully vindicated, I am mistaken.

## Ratio of Currency to Population.

The great redundancy of the currency in this country has already been referred to, but many persons are ready to dispute the fact, and insist that although the circulation has been greatly increased, the business of the country has been equally enlarged, so that relatively they are in the same proportion, and consequently there has been no actual expansion. In reply to this I would say, that there is no better criterion of the increase of business than the increase of population, and what has this been. Why, from 1860 to 1870 the increase was about twenty per cent., while our paper circulation has been enlarged in the meantime 250 per cent. This disproportion is so enormous that, making all reasonable allowances possible, the currency must now be expanded to the extent of at least 100 per cent. beyond the business wants of the country.

Hence in the great agricultural States east of the Rocky Mountains the pressure of the present state of things is severely felt; although, most unfortunately, the cause of that pressure is not well understood. If it were so, the remedy would soon be applied. If what were once known as the Great West, or what are now the Middle States, comprehended the fact that no issue of paper money, however large, can raise the price of farmers' produce a single farthing, while it will greatly advance the price of everything the farmer buys, we should hear no cry for more greenbacks from that section of the country. On the other hand, Congress should be effectually called upon to take measures for the gradual restoration of the currency of the country to par with the gold standard. It would seem that the agriculturists of California, being brought into contact with the markets of Europe, would discover before long that the price of their wheat depended entirely upon its gold value for shipment to Liverpool, while the price of all they purchase from the other side of the Rocky Mountains is determined by the greenbacks of the Eastern States, and would be brought to understand that the paper money of the country is worth for domestic uses—that is, for the erection of buildings, the manufacture or purchase of home commodities—not more than sixty or sixty-five cents on the dollar. Instead of a difference, as many imagine, of some twelve or fifteen per cent., the mere gold premium, the real difference is some forty or fifty per cent.

### Amount of Currency Needed.

A great deal of popular misapprehension exists in regard to the quantity of money actually required for the transaction of business. It seems to be generally believed that the money of a country must be necessarily increased in equal ratio with the increase of population and production; but this is not true, because the amount of currency needed is determined by two facts: one its quantity, the other the rapidity of its circulation; therefore, if the facilities for using money increase as fast as the transactions of business, the currency may remain stationary and yet be sufficiently plentiful. Such is the theory, and it is most abundantly confirmed by the experience of different nations—especially that of Great Britain, whose trade and industry, exports and imports, have beeu quadrupled since 1825, but whose paper-money circulation is no greater now than fifty years ago; it being at present about $ 200,000,000 (or 40,000,000 pounds sterling), against three and a-half times that amount in the United States, whose commerce is only about half as great, and whose population is only about a third greater. To have a paper currency equal to that of the United States, Great Britain should have something like $ 500,000,000, instead of $200,000,000. The introduction of steam transportation and telegraph communication have so wonderfully increased the power of money, together with the thousand-and-one contrivances that modern discoveries have introduced for dispensing with the direct use of it, that a very small quantity is now needed for business purposes, compared with that required forty or fifty years ago; and it is unquestionably true, that, if the gold discoveries of California and Australia had never been made, the general commerce of the world in other commodities would be as great, and be conducted with as much ease as at present.

### The Country Approaching Specie Payments.

The delusion is very commonly entertained on both sides of the Rocky Mountains "that the country is fast approaching, by an easy and natural process, the resumption of specie payments—that we are 'growing up' to the present volume of circulation, and shall soon find our paper on par with gold." There can not be a greater fallacy than this. So far as the conditions necessary for a resumption of specie payment are concerned, the country is further from that *desideratum* to-day than five years ago. But it will be asked, Has not the difference between gold and greenbacks been greatly diminished within the past few years, and does not that show that we are on the way to the return to specie payments? Not at all; because this fall in gold has not been the result of the operations of the laws of trade, but of the manipulations of the Secretary of the Treasury, who has been playing the *bear* in the gold market for the last four years. The premium on gold was about thirty-three per cent.; it has been reduced by the sales of the Treasury to an average of about thirteen per cent., a reduction of twenty per cent. But what good has all this done? Who is the better for it? The gold miners? No; for they have been obliged to part with their products for twenty per cent. less when exchanged for greenbacks, or those commodities that come from the East where greenbacks are used. Have the farmers gained by it? No; for their commodities have been lowered, as we have seen, when measured by greenbacks, to the same extent as the decline in the gold premium. How great this loss has been in the aggregate may be seen if we take into consideration that the amount of agricultural productions, including cotton, have not been less than $ 300,000,000 per annum, amounting, in four years, to $ 1,200,000,000, upon which, if the loss by the decline of the gold premium has been twenty per cent., the total amount will be $ 240,000,000. This is a very low estimate, and, being so, it is not to be wondered at that the farming interest is greatly depressed in all sections of the UNION.

That this fall in the gold premium, which is thus injurious to the interests of agriculture, has been very prejudicial to those engaged in manufactures, will be seen, if we consider that when the gold premium was thirty-three per cent. they had, of course, twenty per cent. more protection against foreign competition than when it fell to thirteen—a protection they greatly needed, not against foreign labor, but against depreciated currency, by which the expenses of manufacturing have been most enormously increased. The manufacturers in the paper-money States are damaged by their currency as truly as the farmers of the gold-currency States, but not by any means to an equal extent. The former make their goods on a false standard of value, but they sell them also by the same standard, and get a profit, though that profit is realized in depreciated paper. But the manufacturers of the East are losing a large market for their goods in INDIA, CHINA, and SOUTH AMERICA, which they once had, in consequence of this unnatural increase of cost. We sent off in 1860 cotton fabrics to the value of $ 11,000,000, principally to CHINA and other eastern countries. Now we export less than $ 2,500,000. So of boots and shoes, furniture, and other articles. Besides, our false system is building up rival establishments in the CANADAS and other British provinces, which are fast superseding our own, and if the present policy is continued, the manufacturers of the country are bound to feel as greatly embarrassed as the farmers are now. They cannot enjoy a sound, satisfactory state of trade until the currency has been restored to par. Their interests, like yours, are injured by the use of a degraded currency, though in a different way, and at present to a less extent.

And here I will say a word to those who object to any contraction of the currency, on the ground that the demand for money is now greater than the supply. That is certainly true, and it always will be while the currency is unduly expanded; for under such circumstances the speculative demand, to which the expansion has given rise, will always cause a scarcity of money and a high rate of interest, as we see at the present moment. This has ever been the case in the past history of this country under the former mixed currency system. An over issue would make money plenty: that would raise prices; that would occasion speculation; that would cause such an unnatural and excessive demand for money as to create great stringency and an exorbitant rate of interest; and therefore interest has always been highest when the volume of currency was greatest, and lowest when the circulation was at its natural level. These facts are indisputable.

### Introduction of Greenbacks.

I have learned, with surprise and regret, that many persons and presses, at this late day, advocate the introduction of paper money into this State. I have no doubt of the sincerity and honesty of those who favor this proposal, but such persons are greatly mistaken in their ideas of what the effect would be upon the interests of California. Would such a measure raise the value or increase the quantity of your products? Not at all. How, then, could it benefit this State? If the farmer got no more for his cereals, and the miner no more for his gold, how would either gain by it? No class could be benefited, except speculators. They would reap a temporary harvest, which the adoption of a depreciated standard of value would occasion by the general disarrangement of prices which would follow. But the injury to all regular business would be great. The price of all merchandise would be raised equal to the gold premium, and a profit upon it besides. If, in exchanging your gold for greenbacks, you gained nominally twenty per cent., you would more than lose it whenever you made a purchase of any kind of merchandise; besides, labor would not rise at once to so great an extent as merchandise, and the laborer would for a long time suffer much loss in consequence.

The rate of interest would advance largely. Throughout the paper-money States interest has advanced far beyond what was ever known prior to the expansion. In Massachusetts, where capital is most abundant and cheapest, the rate has nearly or quite doubled. I never knew a mortgage made at a higher rate than six per cent. before the war; now the rate on such securities is anywhere from seven to ten, while business men are paying from ten to fifteen per cent., and speculators from fifty to one hundred for their call loans. The average rate can not be less than twelve per cent. throughout the paper-money States. Such is the necessary effect of expanding the currency beyond its natural limits, and such will be its effect here. If so, what is gained by exchanging your gold currency for paper? If your products will not be raised in price, nor your production increased, nor the rate of interest be made lower, why make the change? Why cause all the derangement and injustice which the change would certainly occasion?

As the question of substituting notes for gold is a mooted one, and highly important in its bearings, let us, for a moment, inquire as to the *modus operandi* by which they could now be introduced into California, and the effects likely to follow. The first question would seem to be, How much will be wanted? To answer this, we must inquire how much the State has of gold coin now; for it is assumed by the advocates of the proposed change that a greater amount of currency is needed.

From diligent inquiry among the principal bankers and capitalists of San Francisco—those who have been longest and most intimately acquainted with its business and monetary affairs—I find the lowest estimate of the quantity of gold coin now in use in the State is $ 15,000,000. Many regard the quantity as much greater, but I accept the smaller as nearest the true amount; and, if the population, as estimated, at this time is 600,000, it gives $ 25 to every man, woman and child in the State. Whether this is a sufficient quantity, we must judge by comparing it with the circulation of the other States, which we have called $ 710,000,000, exclusive of the fractional. If the Union has now a population, as supposed, of 40,000,000, and California 600,000, then, deducting the 600,000, the population of the rest of the country will be 39,400,000, and this will give to all the other States together $ 19.30 per capita.

We find, then, that California has already a greater currency by over twenty-five per cent. than the rest of the Union. That this result is a true one, there can be no reasonable doubt, because it is a well-known fact that gold—especially in new States, where the population is sparse, and there are few savings-banks—is more extensively hoarded than paper money is in States densely populated, and having a savings institution in almost every considerable village. So much of currency California now has in gold; but she wants more, it is assumed, and therefore must introduce greenbacks. This may certainly be done at any time, if the citizens will, as a community, agree to accept them in all the transactions of trade; but how will they get them? The Government will not be generous enough to make a present of them. The people must buy them—with what? Gold? Then it will take all the gold they have, and more, too, of course, if they are to increase the volume of their present currency; and if they do not, what advantage is gained by the change? And when all this has been done, will the greenbacks stay in the State any better than gold? Not at all. If debts are due on the other side of the Rocky Mountains, the greenbacks must pass over in payment; if capitalists can get more interest on their funds in New York (as they can at present) they will send off their greenbacks just as soon as they would their gold.

If this be so—and no one can reasonably doubt it—where is the benefit to be derived from the introduction of greenbacks, and the consequent expulsion of gold? If any one can discover the advantage to be derived from such an alteration in the monetary *status* of California, he ought certainly to show it by a plain statement of the manner in which it can be brought about. Unfortunately, however, the clamor for greenbacks is sustained, so far as we have seen, only by vague assumptions and idle fallacies, which will be noticed hereafter.

## National Bank Notes.

To all this it may be replied, perhaps, "although we talk of greenbacks, we would as soon have National bank notes, and those we are as much entitled to as other States." Very well; but to what amount are you entitled? The Comptroller of the Currency, in his report of December 1, 1872, has given a table (page 11), showing the amount each State can call for, and from that we find the proportion of California to be $6,324,183. But since the circulation authorized by Congress has already been distributed, to get this amount of bank-notes, an act must be passed legalizing a further expansion of the currency.

This would be the first obstacle to be encountered. Supposing, however, Congress should be disposed to grant the needful authority, what then? To get the amount of notes required, it will be necessary to deposit say $ 7,000,000 in the bonds of the United States, as security for their redemption. Thus it would require an investment of $7,000,000 of real capital, in order to acquire the $6,324,183 of bank notes which California is supposed to be so anxious to obtain.

Admitting, however, that the wealthy capitalists of this State—of whom the number is certainly large—should furnish the bonds, get the notes, and establish the banks, what next? To circulate their notes according to law, the new banks must keep a reserve in "lawful money"—which means greenbacks or specie—upon the whole amount of their circulation and deposits. How much of the funds of these banks must then be held for this purpose? Why, if their deposits should be equal to the average in other States, the amount will be nearly double their circulation; that is, about $ 12,000,000.

It appears from the before mentioned report (page 6), that the banks of the nation had

| | |
|---|---|
| Circulation outstanding | $ 333,495,027 |
| Deposits | 625,708,307 |
| Total | $ 959,263,334 |

And they had of

| | |
|---|---|
| Specie | $ 10,229,756 |
| Lawful money | 118,971,104 |
| Total | $ 129,200,860 |

equal to about 13½ cents on the dollar. If the proposed banks in California, having a

| | |
|---|---|
| Circulation of | $ 6,324,183 |
| Deposits | 12,648,366 |
| Total | $ 18,972,549 |

keep a proportionate reserve, the amount will be found, in round numbers, $ 2,300,000. The result then is, that the banks, with a circulation of $ 6,324,183, must have a reserve in lawful money or specie of about $ 2,300,000, leaving say $ 4,000,000. This is the sum total of National bank currency which could be had for circulation, over the amount of greenbacks or specie which must be held in reserve. This is the upshot of the matter, when carefully examined. The whole circulation of bank-notes might be, as before stated, $ 6,324,182; but to sustain these, some $ 2,500,000 of bank funds must be kept on hand.

### What can be done with the Paper Money.

The banks being established, and merchants and others having borrowed the much coveted currency, what will they do with it? Will they discharge their existing debts? This they could not do, as the obligations were entered into under the law of the State authorizing special contracts, and are payable only in coin. The law cannot be repealed in regard to past indebtedness, because there can be no *ex post facto* legislation; nor can a State enact a law "violating the obligation of contracts." The Constitution of the United States expressly forbids this.

Will dealers sell goods, or part with any kind of property, at the same rates they do now, and take their pay in depreciated greenbacks or bank-notes? Most certainly not. If disposed to give credits at all, they would be sure to ask higher prices for everything offered for sale, and certain to charge a greater advance than the mere existing gold premium, because of uncertainty as to the value of the currency when their demands become due.

All kinds of property, then, under these circumstances, must be measured not only by a new, but uncertain, standard, and all business transactions be thrown into confusion and doubt; while the only class that could profit by the monetary chaos would be those who could take advantage of the embarrassments and distresses of their fellow-citizens to speculate upon their misfortunes.

A few words, now, in regard to the fallacies by which the proposal to introduce greenbacks, or National bank notes, is sustained.

### Annoyance to Visitors and Immigrants.

One of the popular arguments in favor of substituting paper-money for coin is, that persons from the East, on arriving in California, are much annoyed to find themselves obliged to lose (say as at present) fifteen per cent. on their funds, and that this fact prevents many from coming here and investing their money. Let us examine this statement of the case. I came to this city and put up at one of the first-class hotels (and there are no better in the nation), and find myself charged $ 3 per day for a single room, and, if I want extra rooms, in proportion. In New York, Philadelphia, and other Atlantic cities, I would be charged $ 4 per day for no better accommodations. What is the pecuniary result to me? I sold my draft on Boston for eighty-five cents on the dollar, so I lost fifteen per cent., but as I was charged but $ 3, the gold price here, instead of $ 4, the currency price at home, I gained a difference of about twelve per cent.—that is, it took $ 3.53 of my money to pay $ 3 here, instead of $ 4 in the other States, a difference of forty-seven cents per day in my favor.

That is the kind of LOSS which the eastern visitor or immigrant makes in coming to CALIFORNIA; and, if he has sagacity enough to see it, he certainly will not grumble at the discount on his paper-money, nor hesitate to make investments of greenbacks at the gold values in CALIFORNIA.

The principle shown in the illustration given is equally true of all values, real and personal, throughout the State. All are measured alike by the gold standard, and on that account the immigrant who invests here actually gains when he purchases any kind of property.

### LANDHOLDERS AND THE GREENBACKS.

Many of the large owners of land are said to be strongly in favor of substituting paper for gold, on the ground that they will be thereby enabled to make sales they cannot effect now. "We could sell our land," say they, "if we would take greenbacks, but as such notes are worth but eighty-five cents on the dollar, we should lose fifteen per cent." Let us see how the case is. A has a tract of land for which he asks $ 10,000. He could take that for it if he would accept greenbacks, but this he will not do, as it would involve a loss of $ 1,500. But he "wishes the State had greenbacks as currency, for then he could sell his land and accept them as pay, because they they would be current everywhere." True, he could then sell his land for greenbacks, and he can do the same now. If he were to take the greenbacks after they became the recognized currency, he would still lose the $ 1,500, as he would find whenever he came to make any investments, for the good reason that every kind of property would at once be advanced at least as much as the depreciation of the greenbacks. He could, therefore, avoid this loss only by raising the price of his land equal to the difference between the gold and paper. If he did so, could he sell his land any better than before? and if he could not, then what had he gained by the change?

### GOLD MONOPOLY.

Another argument is frequently made—namely, that the great capitalists and financial operators of this State are now able to control the gold market, and dictate high rates of interest, and therefore paper should be substituted. Admitting the statement to be true, would not these same capitalists have equal power over a paper currency? could they not as readily monopolize the latter as the former? or rather, could they not more easily manipulate paper than gold?

They could do so, undoubtedly, and this argument in favor of paper, therefore, falls to the ground.

The plain truth of the matter is, that capital is power, and will be wielded by those who have it, whether the currency be sound or unsound.

### Expulsion of Gold.

Again, it is often asserted that the absence of greenbacks has caused gold to be sent out of the State. This is, however, an illogical conclusion, contradicted by the palpable fact that California has not only more money in circulation per capita than any other State, but holds more gold at this time than all the National banks in the Union had in 1872, as shown by their returns. Instead of expelling, it has been the means of retaining so much of coin as is found needful for use as currency.

But it is said that the gold is certainly being drawn off to New York. This may very naturally be so, since that city is the great commercial centre of the nation, and at this moment the rate of interest is very high there, owing principally to the demands of the speculative classes. If the whole currency were greenbacks, the results would be the same. Capital will certainly flow to those points where it will command the largest income. It is altogether a mistake to conclude that California has less money, less capital, or less prosperity than she would have had if she had adopted a false and dishonored currency.

### Exclusion of Capital.

It may undoubtedly be true, as often asserted, that some persons have been deterred from bringing their capital here from other States in consequence of the nominal loss they would experience in the discount upon their paper money; but, on the other hand, it is unquestionable that a large amount of foreign capital has been, and is still, attracted to this State by the fact that the standard of value here is sound and reliable, and therefore there is less danger to be feared from the great revulsion and decline of values regarded as certain to take place in the expanded currency and credits of other parts of the country. What the State may have lost on one hand she has doubtless more than gained on the other.

### The "Prosperity" Argument.

"States having paper money are enjoying high prosperity, while California, with her gold currency, is making little progress; therefore, she should secure the use of a paper circulation." Such is the argument of some who desire to exchange their gold for paper. Massachusetts, especially, is said to be advancing rapidly in wealth from this cause. These assumptions are without any adequate foundation whatever. Neither the old Bay State nor any other Eastern State is increasing in wealth at an unusual rate. The reverse of this is quite true.

The nature of that great prosperity, which seems to excite so much envy, has been strikingly illustrated in the case of MASSACHUSETTS, by her *Statistics of Industry*, taken every ten years, between the decennial censuses of the nation. For example: in 1855, the whole annual product of her agriculture was $305,820,681; in 1865, it was $517,240,613; showing a gain of $211,419,932, or nearly seventy-five per cent. for the decade. That seemed to be a most gratifying result, and her chief magistrate congratulated the State on its "wonderful prosperity." But what was the real fact? An analysis of the census was made, by which it was ascertained how many bushels of grain, tons of hay, and other articles, had actually been produced; and it was found that, in many cases, there was not only no gain, but an absolute falling off; and the conclusion was reached, that there had been "no material increase in actual values." Thus the illusion was dissipated. So at the present time, all over the paper-money States, prices have been greatly raised, and the cost of production largely increased. Rents are higher, wages are higher; but the net results are far less favorable to the laborer and capitalist now than in 1860. The prosperity is fiction, not fact. In traveling through the country, at the present time, one can not fail to observe, that there are more splendid residences and more cheap tenement-houses than before the war; that there has been a great disturbance of the national industry; that the few have acquired enormous wealth, and the many been proportionably impoverished; and when the average is struck, the result will be that there has been no general improvement in the well-being of the masses, even in the most favored States.

### THE TRANSITION PERIOD.

In conclusion, I would notice the obvious but not generally recognized fact, that this great State of the Pacific is passing through a transition period. CALIFORNIA has a remarkable history—a history almost without a parallel. In 1848, gold was discovered in the bed of one of her rivers. It could be taken up by the shovelful. The news spread with electric velocity to all parts of the globe; and, in the memorable year 1849, tens of thousands poured into the country where gold was to be found in such plenty. In only five years from the discovery the product had arisen to $53,000,000. Such a marvelous accumulation of wealth the modern world had never seen. It was overwhelming, and the excitement it produced was correspondingly great. From that period, however, the gold product began gradually to decline, until it is, at present, only about $20,000,000. But the fever which such a vast and sudden accession of wealth created has not ceased; the speculative spirit engendered by it has not passed away. The public mind, if I mistake not, is still in an abnormal state—still excited—still looking anxiously for new discoveries of the precious metals. A large number of persons have for several years been emigrating to NEVADA and other States, to find new fields for their enterprise. The population of CALIFORNIA, therefore, though actually increasing, has not of late advanced as fast as that of many of the new agricultural States. She has not had so large an immigration from abroad. Yet, in the meantime, a far more profitable, more reliable, and, in every moral and social aspect, more desirable industry, has grown up, with surprising rapidity. The cultivation of the soil, at first contemned and disregarded, has already become the chief industry of the State, although yet in its infancy, and capable of almost illimitable expansion. But in the present more natural and more wholesome state of affairs, there is little excitement. Fortunes are not now made in a day. The State grows in wealth; but individuals do not become millionaires in a few months. Hence, to those familiar with the exhilarating scenes and vicissitudes of ten or twenty years ago, all seems dull and monotonous. To a reflecting mind, however—to one who can calmly look at the case —the situation and prospects of CALIFORNIA are highly encouraging. There is absolutely nothing in her soil, climate, or position, to deplore. The great and beneficent change in progress necessarily involves more or less disturbance and ephemeral depression. All that CALIFORNIA, on her part, needs, is patience under the temporary evils incident to the changes taking place in her industry, and faith in well-directed efforts to extend her agriculture, her manufactures, and her commerce. She must comprehend the situation, understand her own interests, and be true to herself. She has no occasion to ask for governmental favors, for nature has been bountiful; but she should insist on just National legislation; and, if I understand the case aright, her delegation in Congress should be united, earnest, and persistent in demanding a gradual but certain restoration of the currency to par with the CALIFORNIA standard; that all restrictions upon the purchase of foreign vessels be removed, and the heavy duties now imposed upon materials entering into ship building be abolished, or greatly lessened, so that San Francisco may have as many ocean steamers and sailing vessels as her merchants may choose to build or buy, with which to transport her varied products to every quarter of the globe.

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THE DUTIES OF TRUSTEES.—We are happy to see that the press throughout the country is alluding to the unperformed duties of trustees in a manner which will awaken some gentlemen, who hold these positions of trust, to a realizing sense of their responsibility. Many years ago there was a heavy defalcation in one of the savings institutions of this city. A gentleman who lost more than he could afford to part with called upon one of the directors to see if anything would be realized. "Why do you come to me?" inquired the director. "My name was used without my consent, and I don't know where the bank was located." It was upon the strength of this director's name that the depositor placed confidence in the bank.

—*Boston Journal.*

# THE LAW OF DEPOSITS.

## THE LIABILITY OF A BANK TO THE HOLDER OF A CHECK.

Chief Justice FARWELL, of ILLINOIS, rendered, in July, a decision in favor of the FOURTH NATIONAL BANK of Chicago, in a somewhat complicated case, which the Chicago *Journal* explains as follows:

"The bank discounted a customer's note which had not matured when the cause of action arose. The customer had money to his credit, against which he drew a check, which passed into the hands of the FIRST NATIONAL BANK OF GRAND RAPIDS, and was duly presented. Before payment of the check was demanded, proceedings had been commenced which eventuated in the individual being adjudged a bankrupt. The bank retained the money to meet the note which had not matured, and has succeeded in holding it against the claims of the Grand Rapids bank and the assignee. A chancery suit having been instituted by the BANK OF GRAND RAPIDS to recover the amount of the check, the Chicago bank claimed an equitable offset to the moneys which were lying in its hands at the time the check was presented. The case was argued on a demurrer to the bill, and Judge FARWELL sustained the demurrer, dismissing the bill filed by the Grand Rapids concern. The case is a very complicated one, and numerous authorities were cited on both sides. It is probable that further proceedings will be taken."

It is to all bankers and business men a matter of great importance that the status be clearly understood which the holder of a check sustains towards the bank on which it is drawn. Upon this subject the following opinions are advanced and authorities cited by the *Albany Law Journal*:

It becomes important, in the outset, to understand what is the relation existing between a bank and a depositor, for on that point this whole question hinges. This question was very elaborately discussed in FOLEY *v.* HILL, 2 *H. L. Cas.*, 28, and it was unanimously *held*—Lord Chancellor COTTINGHAM and Lords BROUGHAM, CAMPBELL and LYNDHURST delivering opinions—that the relation between a banker and a customer who pays money into the bank is the ordinary relation of debtor and creditor, not of agent and principal, nor of trustee and *cestui que trust*. The money deposited becomes the absolute property of the banker impressed with no trust, and which he may dispose of at his pleasure, subject only to his personal obligation to the depositor to pay an equivalent sum upon his demand or order. This decision has been approved and followed in the later cases. BANK OF THE REPUBLIC *v.* MILLARD, 10 WALL., 152; THE MARINE BANK *v.* THE FULTON BANK, 2 *id.*, 252; THOMPSON *v.* RIGG, 5 *id.*, 663; CARR *v.* THE NATIONAL SECURITY BANK, 107 MASS., 45;

ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, 46 N. Y., 82; 7 *Am. Rep.*, 314.

It is a settled rule of law that a creditor cannot split up his demand against the debtor and require the latter to pay it in parcels, and this rule is decisive of the present question, the banker being only an ordinary debtor to the depositor.

The case of CHAPMAN *v.* WHITE, 6 N. Y., 412, has been usually regarded by the courts as an authority for the proposition, that the ordinary holder of a check has no claim upon the bank. The reporter's head-note to that case is as follows: "The BANK OF GENEVA having a large deposit in the CANAL BANK, on which the latter paid interest, sold to the plaintiff, on the 7th of July, a draft for $500 on the CANAL BANK, payable on demand to the order of its cashier, which the plaintiff sent by mail to the cashier, with instructions that it was sent to pay his (plaintiff's) note of $500, payable at that bank on the 12th of July. The draft was received by the cashier on the 8th, and was neither indorsed by him, nor accepted by the bank. On the 10th the bank failed. On the 12th the plaintiff's note was presented at the bank and payment refused. And, afterward, the draft was returned to the plaintiff, at his request, by a receiver of the assets of the bank. *Held*, that the plaintiff had acquired no right to be paid the amount of his draft from the assets of the bank, in preference to its general creditors." It is true that the court said, that there was nothing to show that the deposit of the GENEVA BANK was held by the drawee when the draft was received; but the decision was put upon the broad ground that the drawee owed no duty to the holder. Under the circumstances of the case it was not absolutely necessary to determine the question we are discussing, but the court did determine it. Judge GARDINER, who delivered the prevailing opinion said: "It is immaterial whether the implied engagement upon the part of the banker is to pay the sum in gross or in parcels as it shall be required by the depositor. In either case the draft or check of the latter would not, of itself, transfer the debt or a lien upon it to a third person without the assent of the depository."

But, however wide of the mark CHAPMAN *v.* WHITE may come, there are some other cases that hit it precisely. BANK OF THE REPUBLIC *v.* MILLARD, 10 WALL., 152, is one of these. Mr. Justice DAVIS, who delivered the opinion of the court, stated the question involved in the following terms: "The only question presented by the record which it is material to notice is this: 'Can the holder of a bank check sue the bank for refusing payment in the absence of proof that it was accepted by the bank or charged against the drawer?'" The question we are considering was, therefore, fully and unmistakably presented. The court held that the holder had no such right. The following is a portion of the language of the decision: "It is very clear that he (the holder) can sue the drawer if payment is refused, but can he also, in such a state of case, sue the bank? It is conceded that the depositor can bring assumpsit for the breach of the contract to honor his check, and, if the holder has a similar right, then the anomaly is presented of a right of action upon one promise for the same thing existing in two persons at the same time. On principle there can be no foundation for an action on the part of the holder, unless there is a privity of contract between him and the bank. How can there be such a privity when the bank owes no duty and is under no obligation to the holder. The holder takes the check on the credit of the drawer, in the belief that he has funds to meet it, but in no sense can the bank be said to be connected with the transaction."

In BELLAMY *v.* MAJORIBANKS, 7 *Exch.*, 404, PARK, B., said: "The lawful owner of a cheque is of necessity entitled to receive payment of it. He could not sue the drawee unless he had accepted the cheque, a practice not usual but legal, but he could sue the drawer on non-payment of it, if he was the holder for value." In *Addison on Contracts* (*6th ed.*), 810, under the title, "*Cheques on Bankers*," the author says: "But the holder cannot sue the banker upon whom it has been drawn, unless the banker has accepted the cheque or promised to pay it to the holder." To the same effect are LOYD *v.* McCAFFREY, 46 *Penn. St.* 410; BULLARD *v.* RANDALL, 1 GRAY, 605; DANA *v.* THIRD NATIONAL BANK, 13 ALLEN, 445; HARRIS *v.* CLARK, 3 N. Y., 93; THORNHILL *v.* HULL, 2 *Cl. & Fin.*, 28.

The question was directly raised and passed upon in CARR *v.* NATIONAL SECURITY BANK, 107 MASS., 45, which was an action of contract by the payee and holder against the drawee on a bank check. The drawee was a bank holding funds of the drawer and was in the habit of paying his checks, but refused to pay that of the plaintiff. The defendant demurred on the ground that the plaintiff had not set forth a cause of action. The court sustained the demurrer, and in the course of its opinion said: "A check drawn by him (the depositor) in common form, not designating any special fund out of which it is to be paid, nor corresponding to the whole amount due to him from the bankers at the time, is a mere contract between the drawer and the payee, on which, if payable to bearer, and not paid by the drawees, any holder might doubtless sue the drawer, but which passes no title, legal or equitable, to the payee or holder, in the moneys previously paid to the bankers by the drawer; and the banker's promise to the drawer to honor his checks does not render them, while still liable to account with him for the amount of any check as part of his general balance, liable to an action of contract by the holder also, unless they have made a direct promise to the latter by accepting the check when presented or otherwise." Nothing certainly could be more explicit than this language.

We will only refer to one other decision on this side of the question. In ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, 46 N. Y., 82; 7 *Am. Rep.*, 314, the facts were that the "Florence Mills" having a balance of $694 to its credit with defendant, sent to it on the 2d of April, by mail, a check on another bank for $4,895, accompanied by a letter containing this direction: "which (the check inclosed) please credit our account and charge us our note of $5,000 due the 4th inst." The check was received and credited in account on the 3d, and on the same day defendant paid a past due note of

$5,000 of the "Florence Mills," payable at defendant's bank, and charged it in account. On the 4th the note referred to in the letter, held by plaintiff, was presented and payment refused. The court of appeals held that the direction in the letter did not transfer the fund, and that plaintiff acquired no title to it and could not recover. The principle involved was identical with that involved in the cases where a bank had refused to pay a check, and the decision of the court was placed upon the same ground. The opinion is elaborate and discusses fully the question we are now considering. One extract from the judgment will indicate the view of the court on that question: "The cases all agree that, notwithstanding the agreement which bankers make with their customers, to pay their checks to the amount standing to their credit, a check-holder can take no benefit from this agreement, and that a check does not operate as a transfer or assignment of any part of the debt, or create a lien at law or in equity upon the deposit."

The few cases opposed to this doctrine are deserving of but little consideration. In FOGARTIES *v.* STATE BANK, 12 *Rich. L. R.* (SOUTH CAROLINA), 518, the bank was held liable to the holder of a check, but much stress was laid upon the clause in the bank's charter, that it "shall receive money on deposit and pay away the same to order free of expense." The court regarded the bank as "trustee," a notion which, as we have shown, has been entirely exploded. The opinion is not fortified by authorities, and shows an entire misapprehension of the relations between the banker and his customers. The same may be said of MUNN *v.* BURCH, 25 ILL., 35, wherein the same doctrine was held, and which was followed in the Chicago Ins. Co. *v.* STANFORD, 28 ILL., 168, the same judge, CATON, writing the opinions in both cases. ROBERTSON *v.* AUSTIN, 26 IOWA, 315, has been cited as an authority to the same effect, and while the opinion of COLE, J., who delivered the judgment, was evidently on that side, he expressly said that the case "was not a controversy between the holders of the checks and the drawers or bankers having the deposits, as to the legal right of the former to sue the latter at law, prior to acceptance; but it is a controversy between the assignee of the drawer of the checks and the holders of them." The case is, therefore, not an authority on either side of the question.

It is hardly necessary, after referring to the cases of BANK OF THE REPUBLIC *v.* MILLARD, and CARR *v.* NATIONAL SECURITY BANK, *supra*, to say that the allegation, that an ordinary check differs from a bill of exchange, is entirely without foundation, so far as this question is concerned. It was said in CHAPMAN *v.* WHITE, *supra*: "As Judge COWEN remarked in HARKER *v.* ANDERSON, 21 WEND., 373, there are dicta of learned judges, taking a distinction between checks and bills of exchange, but the whole current of authority is the other way;" and in ÆTNA NATIONAL BANK *v.* FOURTH NATIONAL BANK, *supra*, it was said that "checks are but inland bills of exchange, and subject to all the rules applicable to instruments of that character, and imposed no obligation upon the drawers until accepted."

# DECISIONS OF THE TREASURY DEPARTMENT, 1872–1873.

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### *National Banks cannot Deduct Premium on Bonds from Capital Stock in Semi-Annual Returns.*

A National bank, in stating the amount of its United States bonds, in its return of semi-annual duty, can make only the actual face value of the bonds belonging to the bank an item of deduction from the capital stock of the institution. The law does not consider premiums any part of the investment. *(Letter to National Bank of Spring City, Pa., January* 7, 1873.)

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### *Postmasters are not required to Redeem Mutilated Currency.*

Postmasters are not required by law or regulation to redeem mutilated currency of the UNITED STATES. Postmasters were formerly required to receive, in payment for postage stamps and stamped envelopes, any United States currency clearly genuine and not subject to discount; but that requirement has been done away with by the Post Office Department, and postmasters are required to receive only current and "passable" money. *(Letter to First National Bank, Brattleboro, Vt., January* 13, 1873.)

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### *Terms on which New Fractional Currency is Furnished in Redemption of Old Currency.*

Fractional currency can be obtained from the Treasurer's office in any amount by registered mail under Circular No. 4 [and under Circular No. 6], in redemption of old or defaced United States currency forwarded to the Treasurer in the same manner; and in sums of $5 or upwards in redemption of old or defaced fractional currency, or in sums of $50 or upwards in redemption of old or defaced legal-tender notes, forwarded to the Treasurer by express under Circular No. 1 [superseded by No. 6]. *(Letter to L. H. Willie, Oxford, N. C., January* 17, 1873.)

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### *Returns for Old Currency Received by Express are invariably made in New Currency by Express to the Owners.*

The Secretary is not disposed to modify the requirements of Circular No. 5 [which requires that returns for old currency received by express shall be invariably made in new currency by express to the parties from whom the old currency is received] as he is of the opinion that the currency will be kept in better condition by making returns for old currency in new currency, directly to the owners, than by returning checks on New York. *(Letter to Deseret National Bank, Salt Lake City, Utah, January* 25, 1873.)

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*The Deposit with Treasurer of Bonds of Funded Loan of* 1881 *does not Exempt National Banks from Semi-Annual Duty on Circulation or Deposits.*

The deposit with the Treasurer by National banks of bonds of the five-per-cent. funded loan of 1881, as security for the redemption of their circulating notes, does not exempt them from any semi-annual duty on their circulation or deposits. The act of July 14, 1870 (16 *Statutes*, 272) declares that the bonds of the funded loan of 1881, and the interest thereon, "shall be exempt from the payment of all taxes or duties to the United States," but the exemption does not extend to the circulation or deposits of National banks [which have deposited such bonds with the Treasurer].

Under the forty-first section of the National Currency Act the capital of National banks is, however, exempt from semi-annual duty to the extent to which it is invested in United States bonds. *(Letter to Farmers and Mechanics' National Bank, Frederick, Md., February* 11, 1873.)

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*The Department wishes to Retire all Legal-Tender Notes of issues prior to* 1869.

The Department is desirous of withdrawing all the legal-tender notes of issues prior to 1869, whatever their condition, and offers the most liberal facilities for their redemption. [See Circular No. 6.] *(Letter to Leather Manufacturers' National Bank, New York, February* 11, 1873.)

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*A National Bank cannot deduct from Average Deposits in Semi-Annual Return an amount due at "Ten Days' Sight."*

A National bank is not permitted to deduct from its average deposits in its semi-annual return the amount due the Treasurer of the State "at ten days' sight." No deductions of any character can be made other than those specified in the form of return, namely: National bank depositaries may deduct the amount due the Treasurer of the United States. All other National banks are required to make an average of all their deposits during the term, of every name, and in strict compliance with the printed form defining deposits. *(Letter to Farmers and Mechanics' National Bank, Rochester, N. Y., February* 27, 1873.)

*Coupon Bonds Pass by Delivery, and when Stolen will be Paid to an Innocent Third Party.*

Coupon bonds of the UNITED STATES are all made payable to bearer [except the "Oregon War Debt" bonds], and will be paid on presentation to the person presenting them for payment. Their ownership passes, precisely like that of the circulating notes of the Government, by delivery. They are unlike registered stocks, which can be paid only to the party in whose name they stand. In the hands of an innocent third party, coupon bonds that have been stolen are just as good as if they had been originally issued directly to him. (*Letter to Hon. James B. Beck, M. C., March* 1, 1873.)

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*Amount of Unmatured Coupons Lacking is Deducted in Redeeming "Called" Bonds.*

When a "called" bond, which lacks coupons maturing after the date at which interest on the bond ceased, is presented to the Department, in accordance with the terms of the call in which it is included, a coin check, in redemption thereof, for principal and interest accrued to date of cessation of interest, less the full amount of coupons detached, will be remitted. (*Letter to I. I. Folts, Allen's Grove, Wis., March* 10, 1873.

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*Statement of Reasons for Deducting from "Called" Bonds the Amount of Unmatured Coupons Lacking.*

The fact that public notice has been given by the Department [in pursuance of express provisions of law] that interest on "called" bonds ceases at the expiration of three months from the date of the call, inhibits the accounting officers from passing such bonds for their full amount in the Treasurer's account, unless all coupons, subsequent to the date when interest ceased, are attached thereto or accounted for. Deductions are made for such coupons when missing [see Decision preceding], not for the protection of the Government, but for the protection of the holder of the coupons, who has given value for them, as against the holder of the bond, who received value for them when he parted with them. (*Letter to Brown, Wadsworth & Co., New York, May* 24, 1873.)

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*Adams Express Company should Pay Charges on New Currency Forwarded to Banks without the Limits of Express Contract.*

The express charges on new currency [forwarded to banks without the limits of the Government contract with Adams Express Company, in return for currency redeemed by the Treasurer] should be paid by Adams Express Company, and charged in its account with the Department. (*Letter to Colorado National Bank, Denver, C. T., March* 29, 1873.)

*The Department will not Pay Express Charges on New Notes Returned for Redemption.*

While the Department is disposed to afford every facility to the public in the matter of exchanging mutilated currency free of expense, it cannot consent to pay express charges on new notes returned for redemption in the same condition in which they left the Treasurer's office. *(Letter to National Whaling Bank, New London, Conn., March* 29, 1873.)

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*Certificates of Deposits and Notes Payable on Future Days must be Included by National Banks in Estimating their Average Deposits for Payment of Duty.*

A certificate of deposit payable at a future day is to be included by a National bank in making an estimate of its average deposits for the payment of semi-annual duty, just as it would include in its footings of deposits certificates payable on presentation. The note of a National bank, payable at a future day, the consideration for which is money loaned to the bank, is also subject to payment of duty as a deposit. Whatever money a bank receives for which it gives its obligation to pay must be treated as a deposit and pay duty as such. *(Letter to Covington City National Bank, Covington, Ky., April* 4, 1873.)

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*Unpaid Dividends are not Subject to Semi-Annual Duty as Deposits.*

It has been decided that the law [imposing a duty on deposits in National banks] does not include unpaid dividends. *(Letter to National Bank of Commerce, New Bedford, Mass., April* 5, 1873.)

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*Congress has made Provision for the Repayment of Semi-Annual Duty Exacted on Surplus and Undivided Profits.*

By a resolution, approved May 2, 1867, Congress made provision for the repayment [to National banks] of the amount claimed to have been illegally exacted [as semi-annual duty] on "surplus" and "undivided profits." *(Letter to Philadelphia National Bank, Philadelphia, Pa., April* 9, 1873.)

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*Facts Required to be Stated in Affidavits concerning Partial Destruction of United States Currency.*

An affidavit, for the purpose of securing the redemption in full of fragments of United States currency, should state the particulars, in connection with the partial destruction of the notes [including the fact that the missing portions have, to the knowledge of the affiant, been totally destroyed]. It should also state the circumstances under which the fragments were found, and furnish all the information possible. *(Letter to William Smith, Dorcasville, Pa., April* 21, 1873.)

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*Only the Treasurer is Authorized to Redeem United States Currency at a Discount.*

Depositaries of the UNITED STATES are not authorized to redeem currency at a discount. Notes of which less than three-fifths are presented, which are the only notes redeemable for less than their face value, are redeemable only by the Treasurer of the UNITED STATES. *(Letter to Childs & Prince, Chicago, Ill., May* 17, 1873.)

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*The Treasurer cannot Waive a Demand for Semi-Annual Duty due from a National Bank that has failed.*

A demand for semi-annual duty due from a National bank which has failed cannot be waived on the ground that its officers have squandered its assets. No power is vested in the Treasurer to waive any lawful claim of the Government against National banks. The receiver of the bank should make return from the beginning of the period to which duty has been paid to the day the bank was declared closed by the Comptroller of the Currency; otherwise a statement must be prepared at the Treasurer's office under section 41 of the National-Currency Act. *(Letter to the Receiver of the Wallkill National Bank, Middletown, N. Y., June* 3, 1873.)

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*The Act of December* 24, 1872, *requiring Banks to make Semi-Annual Returns to Internal Revenue Officers, does not extend to National Banks.*

The 5th section of the act of December 24, 1872, amends section 110 of the act of June 30, 1872, so as to require persons engaged in banking to make their returns to the internal revenue officers semi-annually, instead of monthly, as before. A proviso to section 110, however, excepts from its requirements associations which are taxed under the National-Currency act. Consequently the 5th section of the act of December 24, 1872, does not apply to National banks, [who should continue to make returns to the Treasurer.] *(Letter to First National Bank, Lewiston, Me., June* 4, 1873.)

### *Powers of Attorney for Collecting Treasury Drafts must be Witnessed by Two Witnesses.*

Under section 1 of the act of February 26, 1853, "all powers of attorney . . . . for receiving payment of any claim upon the UNITED STATES shall be absolutely null and void unless the same shall be freely made and executed in the presence of at least two attesting witnesses . . ." The First Comptroller has rejected powers of attorney for the collection of Treasury drafts because they were not witnessed as required by this act. *(Letter to Merchants' Exchange National Bank, New York, June* 20, 1873.)

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### *All denominations of Legal Tenders are a Legal Tender for any Amount. —National Bank Notes are not a Legal Tender in Payment of Private Debts.*

There is no limit placed by law on the amount for which any denomination of legal tender notes is a legal tender. Notes of National banks are not a legal tender for any amount in payment of private debts. *(Letter to Merchants and Planters' National Bank, Augusta, Ga., June* 23, 1873.)

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### *A National Bank cannot deduct Overdrafts from its Average Deposits in Making its Semi-Annual Return.*

A National bank is not permitted to make an average of its deposits by deducting overdrafts from its account of deposits. *(Letter to First National Bank, Kewanee, Ill., June* 24, 1873.)

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### *A National Bank that has been Reorganised, Retaining the Same Name, need make but one Semi-Annual Return.*

A National bank which has been reorganized during the term for which semi-annual duty is due, but retains the same title, need make but one return for the duty payable by both the old and the new institution, which should cover all the transactions of both. *(Letter to Richmond National Bank, Richmond, Indiana, June* 26, 1873.)

## THE LAW OF AGENCY.

### The Dealings of Brokers.—Important Decision.

The Supreme Court, General Term, of this city, has rendered a decision in a case in which James H. Taylor is plaintiff and William A. Guest defendant, which cannot fail to be of interest to all dealers in stocks. The suit was tried before Judge Sutherland, acting as referee, where it appeared by the testimony that on the 4th of November, 1871, Messrs. Scott, Strong & Co., brokers for plaintiff, by the latter's request sent word to the defendant, a broker, that they had $110,000 of the bonds of the Jefferson Railroad for sale. These bonds had no quotable market rate. In response to the message a Mr. Potter J. Thomas came from Mr. Guest to Scott, Strong & Co., and obtained the particulars. A few days subsequently Mr. Thomas returned to Scott, Strong & Co. with a letter from Guest, offering sixty per cent. for the bonds, remarking in connection therewith that such was the best price he could get. Scott, Strong & Co. accepted the offer, relying on the truth of Thomas' statement, and delivered the bonds to Guest, who paid $66,000 therefor. A month subsequent to the sale, Scott, Strong & Co. ascertained that when Guest made his offer through Thomas, he had already contracted with Daniel Drew to take the bonds at $85,000. Scott, Strong & Co. thereupon complained to Guest, who said Thomas was not his agent, and he was not responsible for his statements. The present suit then ensued to compel Guest to pay over to Scott & Co. the difference—$19,000.

Judge Sutherland held that as no commissions were paid, and Guest's offer had been made in writing and accepted, plaintiff could not recover.

On an appeal taken from this decision, the case was argued at great length by H. S. Bennett, Esq., on behalf of plaintiff, and Hon. Waldo Hutchings for defendant, before Chief-Justice Ingraham, and Judges Brady and Davis, in General Term. The latter Court has now decided to reverse the original judgment, and Judge Brady, in delivering the formal opinion, says:

The evidence in this case establishes the facts that Mr. Scott sent to the defendant's office to say that his firm held the bonds, and wanted to sell them or to find a purchaser for them; that in reponse Mr. Thomas called, and was advised by Mr. Scott that he wanted him to sell the bonds for the best price he could; that Thomas had previously acted for the defendant in transactions of a similar character; that Thomas and the defendant obtained an offer of seventy-five per cent. for the bonds; that subsequently Thomas went to Mr. Scott and said that sixty per cent. was the best price he could obtain; that Mr. Scott finally accepted the bid, and that defendant gave his checks for the amount of the price of both purchases. It also appears that Mr. SCOTT, when he learned that the bonds had been sold to Mr. DREW for seventy-five per cent., complained to THOMAS of the circumstance as a fraud, and that the latter admitted having made the statement that sixty per cent. was the best price he could obtain for the bonds. The referee finds that THOMAS made this representation, but adds that it was done without the knowledge of, and without any express direction or authority of or from the defendant. It is not questioned—indeed, it cannot be—that the defendant reaped the benefit of such representation. He gave the checks for the bonds, knowing that he had a purchaser that stood ready to pay him fifteen per cent. advance, and whom he had secured prior to the purchase. The fact that THOMAS represented him, and that he knew it, whether he was ignorant of his mode of negotiation or not, is undoubtedly established by the proof, and on well settled principles he is responsible for the conduct of his agent. (*Story on Agency, pp.* 126, 127, and cases cited; ELWELL *v.* CHAMBERLIN, 31 *N. Y. Reports*, 611; GUTCHERS *v.* WHITING, 46 BARBOUR, 139; *Story on Contracts, vol.* 1, *ch.* 496, *4th ed.; Parsons on Contracts, vol.* 1, *p.* 73, *5th ed.;* ATWOOD *v.* SMALL, 6 H. & F., 488.) The referee finds that Mr. SCOTT had a right to presume, from the relations existing between THOMAS and the defendant, that THOMAS made the statement under consideration as the agent or employe of the defendant, and therefore, whether he knew it or not is, as already suggested, immaterial. He availed himself of the result of the misrepresentation, and he cannot hold it either in law or in morals. It is enough to require him to make restitution, that through the instrumentality of his authorized representative he has obtained improperly what he is called upon to restore, (ELWELL *v.* CHAMBERLIN, *supra.*) No other proposition can be maintained in courts of justice, and the contrary has not been asserted except where the agent has acted beyond the sphere or scope of his powers or authority in reference to the transaction. The statement of the best price was legitimately within it, and was one, as stated by the learned referee, upon which Messrs. SCOTT, STRONG & Co. had a right to rely. This is not the case of an offer made by a person contemplating a purchase, where the right undoubtedly exists to make any bid which judgment or fancy may dictate. It is, on the contrary, a transaction in which the dealing rested upon the statement and belief that the price named was the best that could be obtained, made by a person acting on behalf of the seller, or pretending to do so, no matter which. The omission or intention not to pay a commission does not affect the question. The proof that brokers do not charge it, as against each other, is not material in this case. The fraudulent element which pervades the transaction destroys all minor consideration. (See CONKEY *v.* BOND, 34 BARBOUR, 276; same case in Court of Appeals, 3 ABBOTT, N. S., 415.) And it may be said, in addition, that the defendant's gain by the sale which he made was, no doubt, entirely satisfactory, rendering insignificant the amount a commission would furnish. It seemed, therefore, that whether we accept the findings of the referee or group them from the testimony, this judgment should be reversed, and such must be the order of the Court.

# THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 127, August No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of July, 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:

| | JULY. | 1873. | | 1872. | | 1871. | | 1870. | | 1869. | | 1868. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Tuesday .. | 15⅛ | 15½ | 13¾ | 14 | 13⅛ | 13¼ | 12⅛ | 12¼ | 37⅛ | 37¾ | **40⅛** | 40⅜ |
| 2 | Wednesday | **15** | 15⅜ | 13⅝ | 13⅞ | **Sun.** | | 11¾ | 12¼ | 36⅞ | 37¾ | 40⅜ | 40½ |
| 3 | Thursday.. | 15⅛ | 15¼ | 13¾ | 13¾ | — | — | **Sun.** | | 36¾ | 37¼ | 40¼ | 40½ |
| 4 | Friday .... | Holiday. | | Holiday. | | — | — | Holiday. | | **Sun.** | | Holiday. | |
| 5 | Saturday .. | do. | | 13⅝ | 13¾ | 13⅜ | **13⅝** | 11⅜ | 11⅞ | Holiday. | | **Sun.** | |
| 6 | **Sunday.** | **Sun.** | | **13½** | 13¾ | 13⅛ | 13½ | **11⅛** | 11¾ | 35⅝ | 37 | 40½ | 40¾ |
| 7 | Monday ... | 15⅛ | 15⅜ | **Sun.** | | 13⅛ | 13¾ | 11¼ | 12⅛ | **34** | 35¼ | 40½ | 41 |
| 8 | Tuesday .. | 15¼ | 15⅝ | 13⅝ | 13¾ | 13⅛ | 13¼ | 11¾ | 12¼ | 35⅛ | 36 | 40⅝ | 41 |
| 9 | Wednesday | 15⅝ | 15⅞ | 13¾ | 13⅞ | **Sun.** | | 12 | 12¾ | 35⅝ | 36⅜ | 40⅝ | — |
| 10 | Thursday.. | 15⅝ | 15⅞ | 13¾ | 14 | 12⅝ | 12⅞ | **Sun.** | | 35⅝ | 36 | 40⅝ | 40⅞ |
| 11 | Friday .... | 15¾ | 16⅛ | 13⅞ | 14 | 12¼ | 12⅝ | 13⅛ | 15⅛ | **Sun.** | | 40⅞ | 41¼ |
| 12 | Saturday .. | 15⅞ | 16⅛ | 13⅞ | 14⅛ | 12½ | 12¾ | 13 | 14⅛ | 36¼ | 36⅞ | **Sun.** | |
| 13 | **Sunday.** | **Sun.** | | 14 | 14⅛ | 12⅛ | 12⅝ | 12 | 12¾ | 36⅞ | **37⅞** | 41¼ | 41⅞ |
| 14 | Monday ... | 15¾ | 16 | **Sun.** | | 12 | 12⅛ | 12⅞ | 13⅞ | 36⅞ | 37⅜ | 41⅝ | 42⅛ |
| 15 | Tuesday... | 15⅝ | 16 | 14⅛ | 14⅜ | 12⅛ | 12⅜ | 14 | 15½ | 36¾ | 37¼ | 41⅞ | 42⅝ |
| 16 | Wednesday | 15⅞ | 16⅛ | 14⅜ | 14⅝ | **Sun.** | | 16⅛ | 16¾ | 36 | 36⅞ | 42¼ | 42⅞ |
| 17 | Thursday.. | 15¾ | 16 | 14½ | 14¾ | 12¼ | 12⅝ | **Sun.** | | 35¼ | 35⅞ | 42⅞ | 43⅜ |
| 18 | Friday .... | 15¾ | 16⅛ | 14⅜ | 14¾ | 12⅜ | 12½ | 17¾ | **22¾** | **Sun.** | | 43¼ | 44 |
| 19 | Saturday .. | 15⅞ | 16⅛ | 14¼ | 14½ | 12¼ | 12½ | 20⅜ | 22½ | 35⅝ | 36¼ | **Sun.** | |
| 20 | **Sunday.** | **Sun.** | | 14¼ | 14½ | 12⅜ | 12⅝ | 21⅝ | 22⅝ | 35 | 35⅝ | 42⅞ | 43⅜ |
| 21 | Monday... | 16 | 16⅜ | **Sun.** | | 12 | 12¼ | 20½ | 21⅞ | 34⅞ | 35½ | 42⅝ | 43¼ |
| 22 | Tuesday .. | 16 | **16⅜** | 14⅛ | 14⅜ | **11¾** | 12 | 18⅝ | 20⅛ | 35⅛ | 35½ | 43 | 43⅜ |
| 23 | Wednesday | 15¾ | 16⅛ | 14¼ | 14⅝ | **Sun.** | | 19⅜ | 20⅜ | 35¼ | 35¾ | 43⅛ | 43⅜ |
| 24 | Thursday . | 15⅝ | 15⅞ | 14⅜ | 14⅝ | 11¾ | 12 | **Sun.** | | 35⅝ | 36½ | 43⅛ | 43½ |
| 25 | Friday .... | 15⅝ | 15¾ | 14½ | 14⅝ | 12⅛ | 12⅜ | 20½ | 21¼ | **Sun.** | | 43⅛ | 43⅝ |
| 26 | Saturday .. | 15½ | 15¾ | 14⅝ | 14¾ | 12¼ | 12½ | 20⅞ | 21⅝ | 36⅜ | 37½ | **Sun.** | |
| 27 | **Sunday.** | **Sun.** | | 14½ | 14¾ | 12 | 12⅝ | 21 | 22 | 36½ | 37⅝ | 43½ | 44¼ |
| 28 | Monday... | 15½ | 15¾ | **Sun.** | | 12 | 12⅛ | 21⅝ | 22 | 36⅛ | 36¾ | 43¾ | 44½ |
| 29 | Tuesday .. | 15⅝ | 15⅞ | 14⅝ | 14⅞ | 12 | 12¼ | 20⅝ | 21¾ | 35⅝ | 36⅜ | 44 | 44½ |
| 30 | Wednesday | 15¾ | 15⅞ | 14¾ | 15 | **Sun.** | | 20½ | 21 | 36⅛ | 36¾ | 44⅝ | 45¼ |
| 31 | Thursday.. | 15⅝ | 15⅞ | 15 | **15¼** | 12 | 12⅛ | **Sun.** | | 36⅛ | 36½ | 44⅝ | **45¼** |

The gold market for July, 1873, exhibits a range of 1⅜ premium, or from the lowest quotation of 15 to the highest of 16⅜. The market has not yet reached the low premium recorded in July, 1872 (13½ *a* 15¼); or July, 1871 (11¾ *a* 13⅝); or July, 1870 (11⅛ *a* 22¾).

The foreign report of gold for seven months of 1873 has been $37,000,000; the remittances of government bonds being largely in lieu of gold.

# FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

## FOR THREE MONTHS.

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

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(*Continued from page* 128, *August No.*)

| STOCKS. | MAY, 1873. *Lowest.* | MAY, 1873. *Highest.* | JUNE, 1873. *Lowest.* | JUNE, 1873. *Highest.* | JULY, 1873. *Lowest.* | JULY, 1873. *Highest.* |
|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 119 | 122⅝ | 122¼ | 123⅛ | 119¾ | 120⅛ |
| " Five-Twenty of 1862, " | 114⅞ | 116¾ | 115⅞ | 117⅛ | 116½ | 117¼ |
| " " 1864, " | 114½ | 116¾ | 116¼ | 117¼ | 116½ | 117⅜ |
| " " 1865, " | 117⅛ | 118¼ | 116⅝ | 119⅛ | 118 | 119¼ |
| " " 1865, New, " | 117⅝ | 119¼ | 118⅞ | 120⅜ | 116 | 118¾ |
| " " 1867, " | 119¼ | 121⅞ | 120⅝ | 121⅞ | 117¼ | 119⅛ |
| " " 1868, " | 117⅞ | 120½ | 119⅞ | 120⅞ | 117½ | 118¾ |
| " Ten-Forty Coupon Bonds...... | 113⅝ | 114⅝ | 112⅞ | 115 | 114¼ | 115¼ |
| " Five per cent. of 1881......... | 115¼ | 116¼ | 114⅝ | 115¾ | 114⅝ | 115⅛ |
| " Six per cent. Currency......... | 115 | 116¼ | 113¾ | 114½ | 114¼ | 115¼ |
| Tenn. Six per cent. Bonds, Old..... | 79 | 82 | 79 | 81 | 80¼ | 81⅝ |
| " " " New..... | 78½ | 82 | 78½ | 80½ | 79¾ | 81⅛ |
| Virginia Six per cent. Bonds, Old.. | .. | .. | 43½ | 43½ | .. | .. |
| " " " New.... | .. | .. | .. | .. | 50 | 50 |
| " " " Consol.. | 52½ | 54⅝ | 54⅝ | 55¼ | 52¾ | 54⅛ |
| N. Carolina Six per ct. Bonds...... | 27 | 27½ | 26 | 28 | 28 | 28 |
| " " New....... | .. | .. | 16 | 16 | 16 | 16 |
| " " Special Tax | 15 | 15 | 12¾ | 12¾ | 13 | 14 |
| S. C. Six per ct. Bds. Jan. & July.. | 15 | 17½ | 15¼ | 16¼ | 14½ | 15¼ |
| " " April & Oct.. | 28 | 28 | 25 | 25¼ | 20¼ | 20¼ |
| Missouri Six per cent. Bonds....... | 93½ | 94¼ | 93⅞ | 97 | 92 | 94 |
| Canton Company of Maryland..... | 93½ | 110 | 99 | 101 | 99½ | 103 |
| Delaware and Hudson Canal Co.... | 114¼ | 117½ | 118 | 119 | 114½ | 120 |
| Consolidated Coal Co. of Maryland. | 54½ | 57⅛ | 49½ | 54⅝ | 54 | 55¾ |
| Quicksilver Mining Company...... | 36 | 40¾ | 38 | 41½ | 37 | 39½ |
| " " Preferred | 47 | 50 | 49¼ | 50¾ | 48 | 48 |
| Mariposa Mining Company......... | .. | .. | .. | .. | .. | .. |
| " " Preferred | .. | .. | ½ | 1 | .. | .. |
| Western Union Telegraph Co...... | 84 | 88⅛ | 81⅛ | 86½ | 84¼ | 93¼ |
| Pacific Mail Steamship Company.. | 39¾ | 57⅝ | 35¼ | 41⅝ | 34¼ | 40 |
| Adams Express Company.......... | 93 | 96 | 93 | 94¾ | 94¼ | 95 |
| Wells, Fargo & Co. Express Co.... | 79⅞ | 82 | 80 | 83 | 72 | 78 |
| American Merchants' Union Express | 67 | 69 | 63¼ | 68¾ | 61½ | 65 |
| United States Express............ | 70 | 74 | 70⅛ | 72 | 65⅜ | 73 |
| N. Y. Cent. and Hudson River R. R. | 99⅝ | 102¼ | 100⅜ | 102⅛ | 101¾ | 105¾ |
| Erie Railroad, Common........... | 59¼ | 65⅝ | 61⅝ | 65⅝ | 58 | 65¼ |
| " Preferred........... | 72 | 74 | 71 | 74⅛ | 71½ | 73¼ |
| Harlem Railroad, Common Shares. | 122½ | 131 | 124 | 132¾ | 125 | 134 |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | May, 1873. Lowest. | May, 1873. Highest | June, 1873. Lowest. | June, 1873. Highest. | July, 1873. Lowest. | July, 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 137½ | 140 | 132½ | 140¼ | 134 | 138 |
| Michigan Central Railroad Co..... | 103½ | 105½ | 95 | 102½ | 90 | 95½ |
| Lake Shore & Mich. Southern R.R.. | 89⅝ | 93 | 90¼ | 94⅝ | 91⅝ | 96½ |
| Panama Railroad Company Shares.. | 109 | 117¾ | 108 | 112⅝ | 110 | 117¾ |
| Union Pacific Railroad " .. | 25¼ | 32¾ | 22 | 28⅝ | 24½ | 29¼ |
| Illinois Central Railroad " .. | 113½ | 118 | 105 | 114 | 106 | 110½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 87 | 89¾ | 87⅛ | 88 | 86 | 89¼ |
| " Col., Cinn. & Ind. R.R... | 86½ | 90 | 84¼ | 88 | 85 | 89 |
| Chicago, Rock Island & Pacific R.R. | 107 | 111⅝ | 107¾ | 110⅞ | 108⅞ | 111¾ |
| " Burlington & Quincy " | 107 | 109½ | 103¾ | 105 | 98¼ | 105 |
| " & Alton Railroad Shares.. | 110¼ | 111½ | 108 | 110 | 108½ | 109½ |
| " " " Pref. | .. | .. | 112 | 112½ | .. | .. |
| " & Northwestern R.R. Shares | 78 | 82 | 70½ | 76 | 68⅛ | 71¾ |
| " " " Pref. | 84½ | 87½ | 81 | 85 | 80½ | 84 |
| Del., Lackawanna & West. R.R. Co. | 100 | 105 | 96 | 106 | 97¼ | 102⅛ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93 | 93¾ | 93⅛ | 95 | 93¼ | 93¾ |
| Toledo & Wabash R.R. Co. Shares. | 67¾ | 70⅝ | 64¾ | 69¾ | 68⅛ | 73⅛ |
| " " " Pref. | .. | .. | .. | .. | 85 | 85 |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 40⅝ | 44⅛ | 36⅝ | 41⅞ | 38½ | 41¼ |
| Hannibal & St. Joseph R.R. " | 35 | 42 | 32 | 37¼ | 36¾ | 42 |
| " " " Pref. | .. | .. | 54 | 54½ | 54¼ | 60 |
| Milwaukee & St. Paul R.R. Shares | 53½ | 58⅞ | 49⅝ | 55⅝ | 50¾ | 53⅞ |
| " " " Pref. | 71½ | 73⅞ | 70¾ | 73 | 72½ | 74¾ |
| Boston, Hartford & Erie R.R. Shares | 2⅛ | 3⅛ | 2 | 3 | 2¾ | 3 |
| Col., Chic. & Ind. Cen. R.R. Shares | 29⅝ | 37½ | 26½ | 31¾ | 27¾ | 33¾ |
| Dubuque & Sioux City Railroad... | .. | .. | .. | .. | 54 | 58 |
| New Jersey Central Railroad Shares | 102 | 106¼ | 105 | 106⅛ | 101½ | 105¾ |
| Morris & Essex Railroad Shares... | 92 | 94 | 90½ | 95 | 91 | 92½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 90 | 92½ | 90½ | 93 | 93 | 94 |
| Erie First Mortgage Bonds of 1868.. | 101 | 101½ | 101⅞ | 102½ | 102½ | 104 |
| Long Dock Bonds................. | 97¾ | 99 | 96¼ | 96½ | 96 | 96 |
| Mich. Southern Sinking Fund Bonds | 101 | 103 | 103 | 104 | 103 | 105 |
| " Seven p. ct. 2d Mtge. | 97 | 98¼ | 98 | 99 | 98¾ | 99½ |
| Central Pacific 1st Mortgage Bonds | 102¼ | 103¾ | 102⅞ | 103½ | 99⅞ | 101¼ |
| Union " " " | 85 | 87 | 86 | 87¼ | 81 | 86 |
| " " Land Grant Bonds.. | 68 | 75¼ | 67½ | 71½ | 69½ | 72 |
| " " Income Bonds...... | 58 | 73 | 57 | 63⅞ | 59¼ | 61 |
| Alton & Terre Haute 1st Mtge. Bds. | 99 | 100 | 100 | 102 | 98 | 98¼ |
| " " 2d " Pref. | 88 | 88½ | 88½ | 90 | 90 | 90¾ |
| " " " Income Bds. | 78 | 78 | 78½ | 80 | 78 | 78 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | 96 | 97 | 97¼ | 97¼ | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 89 | 89¾ | 89½ | 91¼ | 92 | 93¼ |
| " " 1st Mortgage Bonds.. | 98½ | 101¼ | 100½ | 102 | 101 | 102 |
| Cleveland & Tol. Sinking Fund Bds. | 102 | 104 | 104¼ | 104¼ | .. | .. |
| " & Pittsb'gh Consol'n Bds. | .. | .. | 94 | 94 | 95 | 95 |
| " " Second Mtge. | 100 | 100 | 102 | 102 | 102⅛ | 102⅛ |
| " " Third " | 97¼ | 97½ | 98½ | 98½ | 98¼ | 98½ |
| " " Fourth " | 85½ | 87 | .. | .. | 85 | 85¼ |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 103½ | 104⅛ | 104½ | 106½ | 102¾ | 103 |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 97⅞ | 98½ | 97⅞ | 100½ | 100 | 102 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 86⅝ | 89¾ | 87¾ | 89 | 88½ | 89 |
| " " " " 2d " | 70 | 73½ | 70 | 72 | 71½ | 72½ |
| Toledo, Peoria & Warsaw 1st, E D. | 91 | 93½ | 91 | 91 | 91 | 91 |
| " " " 1st, W D. | 88 | 88⅞ | 89 | 89½ | 90 | 90½ |
| " " " 2d, W D. | 74 | 74 | 75 | 77 | 75 | 76 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 80 | 81 | 81 | 81½ | 78½ | 80 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 34¼ | 38¼ | 28 | 35½ | 32 | 34½ |

# PUBLIC DEBT OF THE UNITED STATES.

*Abstract of the Official Statements, January, 1869, to August 1, 1873.*

| | *Jan.* 1, 1869. | *January* 1, 1871. | *January* 2, 1872. | *January* 1, 1873. | *July* 1, 1873. | *August* 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 | 231,204,100 |
| 6-per-cent. of 1881 | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 998,502,300 | 998,290,800 |
| | $2,107,835,350 | $1,935,342,700 | $1,853,856,700 | $1,756,651,450 | $1,695,805,950 | $1,726,798,550 |
| 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 | 22,025,000 | 2,780,000 | ............ | ............ |
| 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 | $79,301,512 | $79,301,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes | $7,463,503 | $7,315,822 | $1,739,938 | $4,084,220 | $51,929,710 | $20,691,170 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes | $356,021,073 | $356,101,086 | $357,592,801 | $358,612,295 | $356,079,968 | $356,079,967 |
| Fractional Currency | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 44,799,365 | 44,372,467 |
| Gold Certificates of Deposit | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 39,460,000 | 42,831,800 |
| Currency, do. do. | ............ | ............ | ............ | 25,370,000 | 31,730,000 | 33,570,000 |
| | $417,272,808 | $422,245,175 | $434,419,378 | $452,997,356 | $472,069,333 | $476,854,234 |
| Aggregate Debt | $2,652,533,662 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $2,299,106,505 | $2,303,645,466 |
| Coin and Currency in Treasury | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 129,020,932 | 123,030,875 |
| Debt, less coin and currency | $2,540,707,201 | $2,349,664,320 | $2,264,034,528 | $2,186,208,689 | $2,170,085,573 | $2,180,614,591 |

Coin in the Treasury, August 1, 1873, $80,144,186; Currency, $42,886,689; total, $123,030,875.

# THE NATIONAL BANKS.

The following is the statement of the condition of the National banks of the United States on the 25th of April last, giving the resources and liabilities of all the National banks of the country, to which we add the figures for the corresponding period of last year:

## Resources.

| | April 25, '73. | | April 19, '72. |
|---|---|---|---|
| Loans and discounts | $ 908,071,471 | .. | $ 841,069,414 |
| Overdrafts | 3,990,795 | .. | 3,832,838 |
| U. S. bonds to secure circulation | 386,763,800 | .. | 374,428,450 |
| U. S. bonds to secure deposits | 16,235,000 | .. | 15,169,000 |
| U. S. bonds and securities on hand | 9,613,550 | .. | 19,292,100 |
| Other stocks, bonds and mortgages | 22,449,146 | .. | 21,538,914 |
| Due from redeeming and reserve agents | 88,815,557 | .. | 82,120,017 |
| Due from other National banks | 38 671,088 | .. | 36,697,592 |
| Due from State banks and bankers | 12,883,353 | .. | 12,299,716 |
| Real estate, furniture and fixtures | 34,216,878 | .. | 30,809,274 |
| Current expenses | 7,410,045 | .. | 7,026,041 |
| Premiums | 7,559,987 | .. | 6,544,279 |
| Checks and other cash items | 11,277,715 | .. | 12,461,171 |
| Exchange for clearing house | 94,132,125 | .. | 114,195,966 |
| Bills of other National banks | 19,276,210 | .. | 18,443,652 |
| Bills of State banks | 38,992 | .. | 49,180 |
| Fractional currency | 2,198,973 | .. | 2,143,249 |
| Specie | 16,868,808 | .. | 24,433,899 |
| Legal-tender notes | 99,935,287 | .. | 103,308,461 |
| U. S. certificates of deposit for legal tenders | 17,215,000 | .. | —— |
| Clearing-house certificates | 2,612,493 | .. | 13,579,000 |
| Three-per-cent. certificates | 10,000. | .. | 4,210,000 |
| Total | $ 1,800,303,280 | .. | $ 1,743,652,213 |

## Liabilities.

| | | | |
|---|---|---|---|
| Capital stock | $ 487,891,251 | .. | $ 467,924,318 |
| Surplus fund | 115,805,574 | .. | 104,312,525 |
| Undivided profits | 52,415,348 | .. | 46,428,590 |
| National bank notes outstanding | 338,163,864 | .. | 325,305,752 |
| State bank notes outstanding | 1,280,208 | .. | 1,763,885 |
| Dividends unpaid | 1,462,336 | .. | 1,561,914 |
| Individual deposits | 616,848,358 | .. | 620,775,265 |
| U. S. deposits | 7,880,057 | .. | 6,355,722 |
| Deposits of U. S. disbursing officers | 4,425,750 | .. | 3,416,371 |
| Due to National banks | 126,631,926 | .. | 120,755,565 |
| Due to State banks and bankers | 35,036,433 | .. | 35,005,127 |
| Notes and bills rediscounted | 5,403,043 | .. | 4,075,622 |
| Bills payable | 7,059,132 | .. | 5,971,557 |
| Total | $ 1,800,303,280 | .. | $ 1,743,652,213 |
| Number of banks | 1,962 | .. | 1,844 |

15

The number of banks has risen, during the twelve months compared, from 1844 to 1962—an increase of 118; and the capital stock has increased from $467,900,000 to $487,900,000—a gain of twenty millions, or an average of about $161,000 for each of the new banks. The loans and discounts stand at $908,000,000—an increase of $67,000,000, which shows the large increase in the extent of banking accommodation required by the country; while the deposits show a decrease of $1,500,000, which equally indicates the "scarcity of money" (to use the common though ambiguous phrase). Towards the increased loaning capacity required by the expansion of sixty-seven millions in the loans and discounts, $20,000,000 is contributed by new capital, $11,500,00.. by addition to the "surplus fund," and $6,000,000 by increase of "undivided profits." In the absence of any increase of deposits, this increase of $37,500,000 in capital resources owned by the banks is not quite adequate to the expansion of loans we have noted; for the capital resources of the banks have generally amounted to 75 per cent. of the loans and discounts, while the present gain in those resources is only about 58 per cent. of the increase in the loans. This fact indicates the pressure for advances under which the banks are placed by those derangements in the money market to which we have repeatedly alluded. The issue of bank notes stands at $338,163,864 — an increase of about $12,800,000; the actual circulation, however, is still nearly sixteen millions below the amount authorized by law. It is deserving of note that the amount of government bonds on hand has fallen, during the twelve months, from $19,292,100 to $9,613,550. To a certain extent, the decrease of these investments may be due to the high prices at which the bonds are selling; but it is mainly attributable to the fact that the banks are compelled to sell out their securities in order to meet the urgent wants of their customers, whose loans yield them a better rate of interest than the five per cent. realized on the market value of governments.

## NEW YORK BANK DIVIDENDS.

Payable February and August, 1873; with the surplus profit of each.

| Name. | Capital. | Dividends. Feb. | Dividends. Aug. | Surplus. |
|---|---|---|---|---|
| * German-American Bank | $2,000,000 | 4 | 4 | $47,100 |
| * Manhattan Bank | 2,050,000 | 5 | 5 | 1,121,400 |
| * Corn Exchange Bank | 1,000,000 | 5 | 5 | 566,400 |
| * Pacific Bank | 422,700 | †3 | †3 | 360,400 |
| National Bank of the Republic | 2,000,000 | 4 | 4 | 403,600 |
| St. Nicholas National Bank | 1,000,000 | 4 | 4 | 196,900 |

* State Banks. † Quarterly.

# BANKING AND FINANCIAL ITEMS.

*New Trade Dollar. See p. 135, August No.*

THE TAXATION OF LEGAL TENDER NOTES.—Several inquiries having been made as to the exemption of greenbacks from State Taxation, we call attention to the following clause in Section 1, of "An act to provide ways and means for the support of the Government, and for other purposes," approved June 30, 1864. (*Page* 147, *Loan Acts*):

"And all bonds, treasury notes, and other obligations of the UNITED STATES **shall be exempt from taxation** by or under State or municipal authority."

The above act, in full, and also all acts of Congress relating to loans, are published in one volume, octavo, at the office of the BANKER'S MAGAZINE.

GOVERNMENT BONDS.—The Secretary of the Treasury has issued the following circular:

TREASURY DEPARTMENT, August 16, 1873.

By virtue of the authority given by the act of Congress, approved July 14, 1870, entlited, "An act to authorize the funding of the national debt," I hereby give notice that the principal and accrued interest of the bonds herein below designated, known as five-twenty bonds, will be paid at the Treasury of the UNITED STATES, in the city of Washington, on and after the 16th day of November, 1873, and that the interest on said bonds will cease on that day, that is to say:

Bonds known as the third series, act of February 25, 1862, dated May 1, 1862, as follows: Coupon Bonds—$ 50, No. 6,201 to No. 10,200, both inclusive; $ 100, No. 20,001 to No. 30,750, both inclusive; $ 500, No. 10,701 to No. 15,800, both inclusive; $ 1,000, Nos. 22,601 to 26,000, both inclusive. Total, $ 13,000,000.

Registered Bonds, $ 50, Nos. 1,321 to 1,375, both inclusive; $ 100, Nos. 9,501 to 10,300, both inclusive; $ 500, Nos. 5,701 to 6,100, both inclusive; $ 1,000, Nos. 23,301 to 25,000, both inclusive; $ 5,000, Nos. 7,501 to 7,900, both inclusive; $ 10,000, Nos. 9,681 to 10,100, both inclusive. Total, $ 2,000,000; grand total, $ 15,000,000.

Of the amount outstanding embraced in the numbers as above, $ 13,000,000 are coupon bonds, and $ 2,000,000 are registered bonds. United States securities forwarded for redemption should be addressed to the "Loan Division, Secretary's office;" and all registered bonds should be assigned "to the Secretary of the Treasury for redemption."

WILLIAM A. RICHARDSON, Secretary.

THE NEW TEN-DOLLAR NOTE.—The Comptroller of the Currency has issued the following circular to the National banks:

The Secretary of the Treasury has advised me that, under a provision of the act of March 3, 1873, making an appropriation of $600,000 for replacing the worn and mutilated circulating notes of National banking associations, and for engraving and preparing, in such manner and on such paper and of such form and design as the Secretary of the Treasury may prescribe, new circulating notes for such associations to replace notes of a design and denomination now successfully counterfeited, provided that each of said National banking associations shall reimburse the Treasury the costs of the circulating notes furnished under this provision. He has directed the Superintendent of the Bureau of Engraving and Printing to prepare at once a new $10 plate for National bank notes, from which shall be printed upon the distinctive paper designated by the Secretary for use in the printing of bonds and notes, and other obligations of the UNITED STATES, all the $10 notes hereafter required to be printed for National banks. The $10 notes already printed and on hand will be delivered to the National banks as usual for the present, but no new notes of that denomination will be ordered to be printed from the old plates. National bank notes of other denominations will be printed and furnished as heretofore, without expense to the banks until otherwise advised. JOHN JAY KNOX,
Comptroller of the Currency.

CALIFORNIA.—Mr. THOMAS BROWN was in July elected Cashier of the BANK OF CALIFORNIA, at San Francisco; Mr. WILLIAM C. RALSTON, Cashier since the establishment of the bank, succeeds Mr. DARIUS OGDEN MILLS, as President. The bank has branches or agencies at Virginia City, Gold Hill and White Pine, and issues letters of credit and bills negotiable at London, Hamburg, Dublin, Leipsic, Paris, Antwerp, Frankfort O. M., Berlin, St. Petersburg, Shanghai, Hong Kong, Melbourne, Sydney, Auckland, Honolulu, Yokohama, and Locano.

CONNECTICUT.—THE NEW USURY LAW, passed June, 1873, forbids the charging, directly or indirectly, more than seven per cent. per annum, for loans of money, and imposes, as a penalty, the forfeiture of the principal to *any person* who shall, within one year thereafter, sue for the same. By a section of an old law, still kept in force, no contract shall be deemed usurious by reason of the borrowers paying or agreeing to pay the taxes assessed and paid upon the sum loaned or the insurance upon the estate mortgaged to secure the same. This law of 1873 is especially objectionable, in giving permission to any person to investigate transactions involving the payment of a higher rate of interest than is allowed, and to recover the amount loaned.

THE LIABILITY OF INDORSERS.—The decision of the Supreme Court in the case of WILLIAM KIRSCHNER *v.* JAMES H. CONKLIN, of this city, is one of interest to those who give accommodation indorsements. The facts found by Judge STODDARD, who heard the evidence, are as follows: In 1871, JOHN RATHGEBER made a note for $500, and applied to the NEW HAVEN COUNTY NATIONAL BANK for a loan. The bank refused to loan the $500 unless RATHGEBER furnished an indorser. He procured the indorsement of JAMES H. CONKLIN, and subsequently he procured the indorsement of KIRSCHNER, both knowing they were accommodation indorsers, and the plaintiff in fact relying upon the indorsement of CONKLIN. There were several renewals of the note until RATHGEBER paid $50 on it, and then on April 8, 1872, gave a note for $450, which CONKLIN and KIRSCHNER, both indorsed as accommodation indorsers. They both indorsed all the renewal notes, KIRSCHNER relying upon the indorsement of CONKLIN. The former would not have indorsed, the Court found, if the note had not been previously indorsed by CONKLIN. In each case of renewal, and on the last note given, CONKLIN was the first indorser. When the note fell due it went to protest, and KIRSCHNER paid it and demanded payment of CONKLIN, who refused to pay, and this suit was brought. Judgment was given in the Common Pleas Court for the plaintiff to recover the $450 and interest. This judgment the Supreme Court by its decision affirmed.

—*New Haven Journal.*

GEORGIA.—The GEORGIA HOME BANK of COLUMBUS transacts a general banking business, and offers its services to correspondents having collections throughout the State. President, J. RHODES BROWNE; Cashier, GEORGE W. DILLINGHAM. New York correspondents, JOHN J. CISCO & SON.

ILLINOIS.—The ILLINOIS TRUST AND SAVINGS BANK has been organized in Chicago. The new bank not only begins with a respectable paid-up capital—larger, with one exception, than that of any other savings bank in the city—but its organization of directors and officers is such as to inspire confidence. Four of its directors are active, practical bankers, three of them being now prominent men in as many different National banks in Chicago, viz.: Messrs. W. F. COOLBAUGH, of the UNION NATIONAL; GEORGE STURGES, of the NORTH-WESTERN NATIONAL; JOHN DE KOVEN, of the MERCHANTS' NATIONAL; and Mr. L. B. SIDWAY, late of the STATE SAVINGS INSTITUTION. The new bank will, in addition to its saving business, give special attention to the management of trust funds. In this class of business the well-known character for integrity and success in business of all the directors, will at once give it a prominent position.

*Decatur.*—The NATIONAL BANK OF DECATUR, Macon County, (No. 2124), was organized in August, with a capital of $ 100,000. President, ROBERT G. HERVEY; Cashier, JAMES STEELE.

ILLINOIS.—The VERMILION COUNTY BANK has been established at Danville, ILLINOIS, with a capital of $ 100,000. President, WILLIAM P. CANNON; Cashier, JESSE R. HOLLOWAY. Their New York correspondents are Messrs. GILMAN, SON & CO.

INDIANA.—The DANVILLE BANKING COMPANY commenced business in July. ZENO HADLEY, President; N. T. HADLEY, Cashier. Their New York correspondents are WINSLOW, LANIER & CO.

*Plymouth.*—THE FIRST NATIONAL BANK of MARSHALL COUNTY, (No. 2119), was organized in July, with a capital of $ 34,000, limited to $ 50,000. President, M. A. O. PACKARD; Cashier, JOHN SOICE.

MASSACHUSETTS.—The City Treasurer of Boston is duly authorized to issue six-per-cent. currency bonds of the city of Boston, payable in twenty or thirty years, with coupons or registered, in bonds of not less than one thousand dollars, interest payable semi-annually.

LOANS ON GOLD.—The Comptroller of the Currency has been making a special inspection of the returns of the banks of New York, with a view of settling the question of the proportion of gold held by them as security for advances of currency, which they are counting as reserve. Having found a very large amount of specie coming within the category named, he has, after due deliberation, decided that this practice of reckoning as reserve gold belonging to pledgers is irregular, and cannot longer be permitted. The Boston banks have not taken on gold in the way in question to anything like the extent of New York city, yet the last clearing-house return of Boston banks shows that two or three of our banks have been doing a pretty large business of the sort named.
—*Boston Commercial Bulletin.*

*Pittsfield.*—Mr. THOMAS D. COLT, of Pittsfield, MASS., who has failed with liabilities of half a million of dollars, is well known in business circles, particularly among the paper dealers, for he has been one of the largest paper manufacturers of the State, turning out of his first-class paper mills at Coltsville, an immense amount of blank book and other kinds of paper. He is also familiarly known in banking circles as the President of the PITTSFIELD NATIONAL BANK. This bank holds considerable of his paper—not exactly the product of his factory, but paper promises to pay, bearing his signature on face or back. The PITTSFIELD NATIONAL BANK has a capital of $ 500,000, with a surplus of $ 192,000. Mr. NEEDHAM, the National bank examiner, has just made an examination of the PITTSFIELD NATIONAL, and reports that THOMAS COLT, the last President, is as maker and endorser on $ 62,500 of paper held by the bank, which is protected by responsible names, leaving no reason to anticipate any loss to the bank by the failure of its late president.—*Ibid.*

MISSOURI.—The BOATMEN'S SAVINGS INSTITUTION, which has been in operation several years at St. Louis, having been re-organized under the laws of the State of MISSOURI, will commence business on 1st of October next, under the title of the BOATMEN'S SAVINGS BANK. The present officers continue. President, R. J. LACKLAND; Cashier, WILLIAM H. THOMSON. The bank has a paid capital of two millions of dollars.

MINNESOTA.—The FARMERS' NATIONAL BANK OF OWATONNA, Steele County, (No. 2122), was organized in July, with a capital of $ 50,000, limited to $ 100,000. President, LEONARD L. BENNETT; Cashier, ALONZO C. GUTTERSON. Their New York correspondent is the FOURTH NATIONAL BANK.

NEBRASKA.—The FIRST NATIONAL BANK OF ASHLAND, Saunders County, (No. 2121), was organized in July, with a capital of $ 30,000, limited to $ 50,000. President, JASON G. MILLER; Cashier, JOHN SIMINGTON. Their New York correspondent is the NEW YORK NATIONAL EXCHANGE BANK.

NEW JERSEY.—An equity decision of some importance to New York savings banks and insurance companies, has been rendered by Chancellor BUNYON, of NEW JERSEY. A. W. DIMMOCK and FREDERICK BUTTERFIELD borrowed money from the THIRD AVENUE SAVINGS BANK of New York, giving a mortgage on property belonging to DIMMOCK in Elizabeth, N. J. The money not being paid, suit was brought to foreclose the mortgage and decided in favor of the plaintiffs. Defendants then applied for permission to change their defense, so as to show that the bank had no right, under its charter, to take a mortgage on lands in NEW JERSEY. The Chancellor decided that the defendant, having had the money and used it, could not, in equity, set up any such defense now.

SUSPENSION OF A SAVINGS BANK.—The HOBOKEN SAVINGS BANK closed its doors on Friday, August 1. Its Treasurer, FREDERICK KLENNEN, is reported to be a defaulter to the amount of $ 50,000. The bank had issued a notice to all depositors to send in their pass-books before July 15, "for the purpose of entering therein the amount of interest due on the several accounts, and also to compare them with the books of the bank." It appears that the defaulting cashier had been in the habit of receiving deposits, entering a smaller amount in the bank ledger and putting the balance in his pocket. He also appears to have drawn money from different deposit accounts by means of forged drafts, making the entry of such draft on the books of the bank. Without the pass-books it was impossible to find out the amount of these defalcations, or the exact condition of the bank, although a large extra force of accountants has been engaged for the purpose. Finding the depositors unwilling to leave their pass-books for examination, the directors decided not to receive or pay any more money until the examination had been completed, when the actual condition of the bank's affairs will be known. The Secretary of the bank, Mr. HOYT SANDFORD, said he was sure that the bank had assets enough to pay every dollar, but that it would require time to realize the securities. It will be fortunate when the whole truth in this case becomes known, if the condition of the bank be found to vary essentially from too many which have preceded it.

NEW YORK.—BANK STOCK.—The Comptroller of the State of NEW YORK has issued a circular to the assessors, directing them to assess all bank stock in the name of the individual shareholders at its true value, including any surplus, and in no case to assess the stock below par without proper evidence that its value has been reduced by losses actually charged over in the books. The assessment of surplus has heretofore been exempted, and there has been no uniformity in taxing this kind of stock.

THE WATERFORD BANK ROBBERY.—A TEST CASE AND A NOVEL LEGAL QUESTION.—SLADE *v.* SARATOGA COUNTY NATIONAL BANK. Action to recover for bonds deposited with defendant. The complaint alleges that plaintiff, about six years since, desiring to have a credit with defendant, to be able to procure the discount of notes, without procuring the indorsement of third parties, and to overdraw to a limited extent his amount of deposit with the defendant, deposited as collateral security with said bank, $ 3,000 in 5.20 bonds;

that defendant received the same, agreeing to return them to plaintiff on demand, provided that defendant at such time had no claim against plaintiff by reason of said credit, discounting or overdrawing; that defendant negligently and carelessly kept said bonds and did not return them to plaintiff when duly demanded so to do; that plaintiff is not in any way indebted to said bank.

Defendant denies that said bonds were deposited collaterally, but alleges that they were left with defendant's cashier for safe keeping at plaintiff's risk; that they were stolen from the bank vault with others in October, 1872, and that plaintiff never drew checks upon said bank otherwise than upon funds specifically deposited for that purpose. The decision in this case will be anxiously awaited, as many of the losers by said robbery propose to bring similiar actions against the bank, should plaintiff recover.—*Albany Times.*

OHIO.—The GERMAN BANKING COMPANY has commenced business at No. 36 West Third Street, Cincinnati, with a capital of $250,000. President, LEOPOLD BURCKHARDT; Vice-President, JOHN HAUCK; Cashier, CHARLES RICE. The directors are all successful and highly respected business men. Their names will be found in the card of the new bank on the cover of this work. Their New York correspondent is the NINTH NATIONAL BANK.

*Cincinnati.*—The GERMAN-AMERICAN BANK of Messrs. HAKMAN, HENGEHOLD & CO., is established at No. 79 West Third Street, and offer their services to correspondents, as dealers in government bonds, gold, and domestic and foreign exchange. Their New York correspondent is the GERMAN-AMERICAN BANK. Their card will be found on the cover of the BANKER'S MAGAZINE.

PENNSYLVANIA.—The total debt of the State of PENNSYLVANIA, according to a detailed statement of the Commissioners of the Sinking Fund of the Commonwealth, on the 1st of July, 1873, was $26,656,262, included in which is $861,000 of registered loan on which interest ceased July 31, 1873, and is payable on demand. Of the aggregate debt, $4,423,500 bears coin interest at 4½, 5 and 6 per cent., and $21,372,950 bears currency interest at 5 and 6 per cent. There is $158,233 of debt on which interest has been stopped, $100,724 which bears no interest, $100,837 Chambersburg certificates bearing 6 per cent. currency interest, and $500,000 of agricultural land scrip fund, bearing 6 per cent. interest.—*Philadelphia Ledger.*

THE DEBTS OF THE SOUTHERN STATES are summarized in the following: In VIRGINIA, Governor Walker states that the public debt amounts to $26,000,000. This is one-third less than the amount previously stated, that portion having been shifted to WEST VIRGINIA, which we believe will not assume the responsibility of it. In October last, the debt of NORTH CAROLINA was stated at $29,900,045. The debt of TENNESSEE, in January last, was reported at $20,966,382; it having been announced at about thirty-two millions the previous year. The difference was in rail-road bonds that have been liquidated. In SOUTH CAROLINA considerable difference of opinion exists as to what the State debt really is, but the largest amount reported is that by the Committee of Congress on Southern Affairs, in which the minority report gave it at $29,158,914. GEORGIA'S debt, on January 1, was $15,961,500, with a liability to be increased if certain projected railways should be constructed. FLORIDA, with a similar liability, has a debt of $5,512,269. MISSISSIPPI, on January 1, 1871, reported a debt of $1,145,726. ARKANSAS, adding to the bonded debt all prospective and contingent liabilities, has a total of $14,390,000, according to the report of the Congressional Committee. In LOUISIANA, on January 1, 1873, the debt was reported at $21,801,800. In TEXAS the debt was $3,836,237 on September 1, last year. The total of these debts is a little more than one hundred and eighty millions of dollars. At the close of the war in 1865, these eleven States owed about one hundred and thirty millions.—*Ibid.*

VERMONT.—The FIRST NATIONAL BANK OF CHELSEA, Orange County, (No. 2120), was organized in July, with a capital of $50,000, limited to $100,000. President, ELIHU HYDE; Cashier, JOHN C. CLARK.

WISCONSIN.—The FIRST NATIONAL BANK OF SHEBOYGAN, (No. 2123), was organized in July, with a capital of $50,000. President, JOSEPH W. DOW; Cashier, WILLIAM C. TILLSON. Their New York correspondent is the GERMAN-AMERICAN BANK. This bank succeeds the BANK OF SHEBOYGAN.

WISCONSIN.—*Chippewa Falls.*—The FIRST NATIONAL BANK OF CHIPPEWA FALLS (No. 2125), was organized in August, with a capital of $65,000, limited to $75,000. President, THOMAS L. HALBERT; Cashier, V. W. BAYLESS.

THE VIENNA BANKS.—There are 124 banks in Vienna; of these, one is 57 years old, one 31 years, and one 20 years. There are five banks between 10 and 20 years, three 9 years, two 6 years, six 5 years, twenty-two 4 years, two 3 years, sixteen 2 years, fifty-four 1 year, and eleven less than 1 year. In the late financial panic in Vienna, none of the banks founded between 1816 and 1868 failed. Of the twenty-two founded in 1869, forty-one per cent. have failed. The two founded in 1870 are still sound, Fifteen per cent. of the sixteen banks founded in 1871 have failed. Of the fifty-four founded in 1872 there have failed 40.7 per cent., and of the eleven founded in 1873 there have failed 45.4 per cent. These figures are strong proof that the financial panic in Vienna was due to overtrading and wild speculation.

VIENNA is said to have at present in session a sort of commercial parliament, which has assembled for the purpose of considering certain proposals, which are to be submitted to the government, with a view of changing the system of credit in vogue there, so as to prevent financial crises and interruptions of business, like those caused by the recent failures on the Vienna stock exchange. The representatives of various chambers of commerce and other similar bodies throughout AUSTRIA are in attendance, and the remedies proposed are a reform in the system of granting concessions, legislative authority for the issue of bank notes by private bankers, and for making the directors of joint stock companies personally responsible for losses caused by bad management or reckless speculation.

BANK NOTE PAPER.—We invite special attention to the advertisement of the NATIONAL SAFETY PAPER, which seems to fully meet every requirement for security against fraudulent alterations. Its value can hardly be estimated until we consider the vast amount of exchanges of value that are constantly moving about the world, on the simple security of a few trails of fugitive writing ink, liable at any moment to the fraud of the skillful rogue.

## FINANCIAL CHRONOLOGY.

[*Continued from August No., page* 155.]

### JULY.

24 Rate of discount at Bank of England reduced from 4½ to 4 per cent.
24 Sale by U. S. Treasury of $1,000,000 gold at 115.45 to 115.51.
31 Bank of England rate of discount reduced from 4 to 3½ per cent.

### AUGUST.

1 Suspension of Hoboken Savings Bank.
7 Sale by Treasury of $1,500,000 gold at 115.40 to 115.48.
9 Resumption of business by Brooklyn Trust Co.
13 Purchase of $500,000 bonds by Treasury advertised. $15,500 bought at 115.12.
14 Sale by Treasury of $765,500 gold at 114.50 to 115.05. (Remainder of $1,500,000 unsold.)
17 Death of William M. Meredith, Secretary of the Treasury 1849-1850.
21 Sale by Treasury of $1,500,000 gold at 115.26 to 115.40.
21 Rate of discount at Bank of England reduced from 3½ to 3 per cent.

## NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from August Number, page* 151.)

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| San Francisco, CAL. | Anglo-Californian Bank | J. & W. Seligman & Co. |
| Norfolk, CONN. | Cowles & Eldridge | ........ |
| Rome, GEORGIA | Cothran & Jackson | National Park Bank. |
| Chicago, ILL. | Garden City Savings Bank | ........ |
| Arcola, " | J. C. Justice | Gilman, Son & Co. |
| Danville, " | Vermilion County Bank | Gilman, Son & Co. |
| Decatur, " | Decatur National Bank | ........ |
| Virden, " | Bank of Virden | ........ |
| Plymouth, " | First Nat. Bank of Marshall Co. | ........ |
| Waterloo, " | De Kalb County Bank | Henry Clews & Co. |
| Danville, INDIANA | Danville Banking Co. | Winslow, Lanier & Co. |
| De Witt, IOWA | Price & Sanford | Gilman, Son & Co. |
| " " | R. H. Murdock | Ninth National Bank. |
| Exira, " | Andrews & Griggs | Allen, Stephens & Co. |
| Hamburg, " | J. T. Davis & Co. | Donnell, Lawson & Co. |
| Montour, " | Montour Exchange Bank | Allen, Stephens & Co. |
| Grassh'per Falls, KAN. | Valley Bank & Sav. Institution | Donnell, Lawson & Co. |
| Junction City, " | Davis County Savings Bank | ........ |
| Thayer, " | Chatham T. Ewing | Geo. Opdyke & Co. |
| Caverna, KY. | Merchants' Banking Co. | ........ |
| Lexington, " | Farmers & Traders' Bank | ........ |
| Boston, MASS. | George P. Baldwin & Co. | ........ |
| " " | Charles A. Shaw | ........ |
| Whitehall, MICH. | Lumberman's State Bank | Williams & Wilbor. |
| Owatonna, MINN. | Farmers' National Bank | Fourth National Bank. |
| Troy, MO. | Farmers & Mech'cs' Sav. B'k | Donnell, Lawson Co. |
| Princeton, " | Mercer County Bank | Tenth National Bank. |
| Maryville, " | Fisher, Jackson & Co. | Donnell, Lawson & Co. |
| Ashland, NEB. | First National Bank | N. Y. National Exch. B'k. |
| Gold Hill, NEV. | Miner & Hall | ....... |
| Booneville, N. Y. | S. C. Thompson | ........ |
| Elmira, " | J. S. Thurston | ........ |
| Nunda, " | Nunda Bank | Imp. & Traders' Nat. B'k. |
| Watkins, " | Schuyler Co. Bank | ........ |
| Williamsburg, " | Bushwick Savings Bank | ........ |
| Cincinnati, OHIO | German Banking Co. | Ninth National Bank. |
| Ada, " | Ada Exchange Bank | Henry G. Bell & Co. |
| " " | Citizens' Bank | Continental Nat. Bank. |
| Cleveland, " | W. H. Kelly | Drexel, Morgan & Co. |
| Findlay, " | Hancock Savings Bank | Ninth National Bank. |
| Mansfield, " | Mansfield Banking Co. | National Park Bank. |
| Philadelphia, PA. | United States Banking Co. | ........ |
| " " | James B. Young & Co. | ........ |
| " " | Ladner Brothers | ........ |
| " " | E. W. Keene | ........ |

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Allegheny, PA. | Allegheny Homestead Bank | ........ |
| Emlenton, " | Emlenton Bank | Ninth National Bank. |
| Minerstown, " | Argyle Savings Bank | Imp. & Traders' Nat. B'k. |
| Pittsburgh, " | International Bank | Dry Goods Bank. |
| Reading, " | A. L. Boyer | Henry Clews & Co. |
| Summit Hill, " | Miners' Savings Bank | Imp. & Traders' Nat. B'k. |
| Austin, TEXAS | Bremond & Co | Swenson, Perkins & Co. |
| Salt Lake City, UTAH | White, McCormick & Co | ........ |
| Chelsea, VERMONT | First National Bank | ........ |
| Burlington, " | Fars. & Mechanics S. Ins. & Tr. Co. | ........ |
| Chippewa Falls, WIS. | First National Bank | ........ |
| Sheboygan " | First National Bank | German-American Bank. |

## DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from August No., page* 155.]

CALIFORNIA.—J. Seligman & Co., *San Francisco,* (succeeded by Anglo-Californian Bank).

CONNECTICUT.—J. N. Cowles, *Norfolk,* (now Cowles & Eldridge.)

D. C.—Squier & Root, *Washington.*

GEORGIA.—Cothran & Maguire, *Rome,* (now Cothran & Jackson.)

ILLINOIS.—Cannon, Wyeth & Co., *Arcola,* (succeeded by Beggs & Clark); Craddock & Habing, *Effingham,* (succeeded by H. G. Habing); D. L. Parker & Co., and James Wilson & Sons, *Gilman,* (both succeeded by Parker & Allen); Hatch & Brother, *Griggsville,* (succeeded by Griggsville National Bank); Auton & Alter, *Princeville*; Heaton, Dubois & Chesnut, *Virden,* (succeeded by Bank of Virden.)

IOWA.—Fulton & Scribner, *Cherokee,* (succeeded by Scribner, Burroughs & Co.); Price & Dinehart, *De Witt,* (succeeded by Price & Sanford); Marshall County Bank, *Marshalltown,* (succeeded by Farmers' National Bank); O. B. Dutton & Son, *Orford,* (succeeded by Montour Exchange Bank.)

KANSAS.—S. W. Loan & Land Co., *Thayer,* (succeeded by Chatham T. Ewing.)

KENTUCKY.—Headley, Farrar & Co., *Lexington,* (now Farmers & Traders' Bank); Wilson, Andrews & Co., *Catlettsburg,* (*suspended.*)

MICHIGAN.—W. H. Davenport & Co., *Saline.* F. Blackmarr, *Whitehall,* (succeeded by Lumberman's State Bank.)

MISSOURI.—Fisher & French, *Maryville,* (succeeded by Fisher, Jackson & Co.)

NEBRASKA.—State Bank, *Ashland,* (succeeded by First National Bank.)

NEW JERSEY.—Hoboken Savings Bank, *Hoboken,* (*suspended.*)

NEW YORK.—National Bank of *Cazenovia,* (changed to "Bank of Cazenovia"); First National Bank of *Watkins,* (changed to "Schuyler County Bank"); Cornwall & Walton, *Alexandria Bay,* (not in banking business); G. W. Warren & Co., *Cape Vincent.*

OHIO.—H. P. Gage & Co., *Findlay,* (succeeded by Hancock Savings Bank.)

TEXAS.—Erastus Jones, *Jefferson.* Newsome, Ranney & Co., *McKinney.*

UTAH.—A. W. White & Co., *Salt Lake City,* (now White, McCormick & Co.)

WISCONSIN.—Bank of Sheboygan, *Sheboygan,* (succeeded by First National Bank.)

# NOTES ON THE MONEY MARKET.

## NEW YORK, AUGUST 21, 1873.

*Exchange on London, at sixty days' sight,* 107¾ @ 108 *for gold.*

The money market has become quite easy during the month of August, with a minimum rate this week of 4 per cent. on call loans. Commercial paper is not abundant and is readily taken by bankers and brokers at six to seven per cent. The demand for money at New York, arises mainly on account of new railroad enterprises throughout the country. The present construction of new railroads for the year 1873 will cover over six thousand miles, which, at thirty thousand dollars per mile, will consume about one hundred and eighty millions of capital—one-half in money and the remainder in bonds. The latter is drawn largely from London, thereby lessening the demand for gold for foreign export. Among the new loans proposed abroad on account of railroads in the United States, are the following:

1. The Atlantic and Great Western R. R. Co., £1,520,000 sterling, at eight per cent. interest; offered at 94: redeemable at par in 1876; or may be converted into Cleveland, Columbus, Cincinnati and Indianapolis R. R. shares, or Atlantic and Great Western shares. This money is for the purpose of purchasing a controlling interest by the latter in the former Company.

2. First mortgage gold bonds of the Chicago and Paducah R. R. Co.; $576,000 at seven per cent. interest.

3. Illinois Central R. R. Co. offer $3,000,000 seven-per-cent. consolidated gold bonds of the New Orleans, Jackson and Great Northern R. R. Co., and $3,000,000 seven-per-cent. bonds of the Mississippi Central R. R. Co.; repayable in forty years, (1912). The former are offered at £174, and the latter at £176 for each thousand dollar bond.

There are large offerings besides the above in the London market, for account of various companies in the United States. Among the new bonds offering in the New York market, are the following:

1. The New York Central and Hudson River R. R. first mortgage bonds at seven per cent. interest, redeemable in 1903: price 105.

2. New York and Oswego Midland R. R. first mortgage bonds, $8,000,000. Only $500,000 unsold. This Company is now running through trains from New York to Oswego. New York agents, Messrs. George Opdyke & Co.

3. Texas and Pacific Railway Co. first mortgage six-per-cent. gold bonds, offered at ninety per cent. These bonds are secured by a sinking fund, and by a first mortgage covering the Company's line through to the Pacific Ocean, with its equipments, fran-

chises, &c., including upwards of 15,000,000 acres of land donated by the Government of the United States to aid in the construction of the road. First series issued only as road is constructed on the Eastern Texas Division, 504 miles of road. 209 miles of road in operation from Shreveport to Dallas and from Mashall to Jefferson.

4. Louisville City seven-per-cent. bonds, due in 1903, $ 1,000,000, offered at ninety per cent.

5. St. Louis and South Eastern Railway Co. seven-per-cent. gold bonds. (George Opdyke & Co., New York, agents.)

6. Jersey City seven-per-cent. bonds, redeemable in forty years at seven per cent. semi-annually, $ 200,000. July 1, 1873, the total debt of Jersey City was $ 12,267,162; corporation property, including past due assessments for streets and sewers, $ 11,119,526; assessed valuation of 1872, $ 68,496,855; half of the assessed value of railroad property, which, by recent law, is taxable this year, $ 11,000,000; total assessed value for 1873, $ 79,496,855. Population of city about 103,000.

7. City of Rochester seven-per-cent. bonds, for the construction of water works; offered at par, by Robinson, Chase & Co., New York. Its indebtedness, excluding this loan, is less than $ 1,850,000, while it has public property amounting to about $ 2,850,000, and private real estate valued at $ 70,000,000. The bonds are issued in either coupon or registered form; the registered being transferable at the office of the Union Trust Company of New York, where both principal and interest is payable. The expenditure of moneys derived from their sale is directed by the Mayor of the city and the Board of Commissioners.

8. Brooklyn City water-loan bonds at seven per cent., $ 200,000; redeemable in 1904 and 1910. Bids will be opened August 29th, by the City Treasurer.

9. Burlington, Cedar Rapids and Minnesota R. R. first mortgage convertible sinking fund gold seven-per-cent. bonds, (Milwaukee Division), coupon and registered. Henry Clews & Co., Wall Street, agents.

Money continues to be in easy supply on Wall Street for call loans, but for paper running sixty days or longer higher rates prevail. We quote:

| | Per Cent. |
|---|---|
| Loans on call—Government collaterals | 4 @ 5 |
| " " Miscellaneous collaterals, first-class | 5 @ 5 |
| Commercial first-class indorsed paper, sixty days | 6½ @ 7 |
| Commercial first-class indorsed paper, four months | 7 @ 8 |
| Commercial first-class indorsed paper, six months | 8 @ 8 |
| Commercial first-class, single names, sixty days | 8 @ 10 |
| Commercial first-class, single names, four to six months | 9 @ 12 |
| Bankers', first-class domestic, three to four months | 7½ @ 8 |

The ease in the money market is increased by the more favorable exhibit of our foreign trade; the importations having declined from 270 millions for seven months, 1872, to 252 millions for same period this year, viz.:

*Foreign Imports at New York for Seven Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $ 120,054,380 | $ 118,640,268 | $ 109,417,043 |
| Entered for warehousing | 90,093,323 | 126,606,308 | 82,855,822 |
| Free goods | 17,808,800 | 22,850,813 | 57,006,581 |
| Specie and bullion | 4,918,692 | 2,819,482 | 2,941,662 |
| Total entered at port | $ 232,875,195 | $ 270,916,871 | $ 252,221,108 |
| Withdrawn from warehouse | 73,138,814 | 89,832,451 | 73,875,844 |

The increase in the free goods is owing to the addition of tea and coffee to the free list, by late act of Congress. The total is as much above that for 1871, as it is below that of last year, but the volume of imports is yet too large to sustain.

The exports to foreign countries this year (seven months) have increased about twelve per cent., with an active demand abroad in prospect, for domestic produce.

*Exports from New York to Foreign Ports for Six Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $127,413,323 | $119,582,556 | $158,231,491 |
| Foreign free goods | 654,636 | 740,893 | 1,363,247 |
| do. dutiable | 4,863,641 | 6,196,022 | 5,514,646 |
| Specie and bullion | 52,788,317 | 54,363,587 | 37,857,927 |
| Total exports | $185,719,917 | $180,883,058 | $202,967,311 |

The reader will observe by the above tables, the decrease in the export of specie. In July, 1870, it was about seventeen million dollars; in 1871, eleven millions; in 1872, seventeen millions, and for the last month only ten millions. The increase in the exports of produce and merchandise, is over five and a half million dollars.

*Revenue from Customs at New York.*

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| In July | $11,934,957 | $7,251,160 | $10,008,929 |
| Add Six months | 73,692,107 | 73,822,709 | 61,981,516 |
| Seven months | $85,627,065 | $81,073,870 | $71,990,446 |

The decrease in the aggregate is owing largely to the reduction in the tariff.

All of the import figures represent gold, the value being stated at the foreign cost in coin, freight and duty not added. The export returns, except specie, which is given at its tale value, are all reckoned at their current value here in paper currency.

The decline in the foreign importations, is noted only when compared with the year 1872. The aggregate is yet largely beyond the amount reported in 1871, and previous years. We are still suffering from an excess of foreign goods; for the payment of which we remit largely in twenty-year bonds, thus placing upon the next generation the burden of paying for the extravagance of to-day. To show this excess, we may state that the foreign importations of the year 1851, were only $3.75 per capita; in 1860 $4.53; and in 1870, had increased to $4.76; and in 1872, about $6.22; viz.:

| *Year.* | *Census U. S.* | *Imports, 7 months.* | *Average, 7 months.* |
|---|---|---|---|
| 1850 | $23,191,876 | $86,900,000 | $3.75 |
| 1860 | 31,443,321 | 142,600,000 | 4.53 |
| 1870 | 38,558,371 | 183,600,000 | 4.76 |
| 1873 | 40,500,000 | 252,000,000 | 6.22 |

The increase in seven months of 1872, was most noticeable in general merchandise—a term which includes sugar, tea, coffee, metals, spices, liquors, hardware, earthenware, drugs, hides, leather, wool, &c.; and this class of imports shows a less relative falling off this year. We repeat the comparison from the beginning of this half-century:

*Relative Imports of Dry Goods, Specie, and General Merchandise of New York, for the First Seven Months of the last Twenty-three Years;*

| *Seven Months.* | *Imports of Dry Goods.* | *Imports of Gen'l Mdse.* | *Imports of Specie.* | *Total Imports.* |
|---|---|---|---|---|
| 1851 | $42,240,217 | $43,174,714 | $1,480,476 | $86,895,407 |
| 1852 | 34,994,294 | 37,215,342 | 2,028,248 | 74,237,884 |
| 1853 | 57,421,619 | 59,393,895 | 1,099,516 | 117,915,030 |
| 1854 | 55,308,993 | 58,126,642 | 1,606,090 | 115,041,725 |
| 1855 | 34,724,393 | 49,008,832 | 523,151 | 84,256,376 |
| 1856 | 60,296,946 | 72,757,795 | 963,500 | 134,081,241 |
| 1857 | 66,716,293 | 84,156,030 | 5,857,310 | 156,729,633 |
| 1858 | 30,169,358 | 48,305,765 | 1,815,258 | 80,290,381 |
| 1859 | 71,782,984 | 83,366,928 | 1,301,082 | 156,450,994 |
| 1860 | 63,362,687 | 78,485,850 | 751,188 | 142,599,725 |
| 1861 | 31,515,606 | 54,375,955 | 32,906,166 | 118,797,527 |
| 1862 | 30,183,764 | 74,488,315 | 731,556 | 105,403,635 |
| 1863 | 35,112,935 | 70,860,800 | 1,036,013 | 107,009,748 |
| 1864 | 53,122,729 | 106,064,033 | 1,555,066 | 160,741,828 |
| 1865 | 31,850,399 | 68,018,028 | 1,305,463 | 101,173,890 |
| 1866 | 80,442,325 | 108,285,746 | 1,526,147 | 190,254,218 |
| 1867 | 53,431,860 | 104,617,997 | 1,613,302 | 159,663,159 |
| 1868 | 44,861,371 | 102,601,807 | 4,165,342 | 151,628,520 |
| 1869 | 57,420,302 | 128,698,363 | 10,213,747 | 196,332,412 |
| 1870 | 58,162,413 | 118,145,657 | 7,357,949 | 183,666,019 |
| 1871 | 78,044,000 | 149,912,503 | 4,918,692 | 232,875,195 |
| 1872 | 85,877,426 | 182,219,963 | 2,819,482 | 270,916,871 |
| 1873 | 72,638,272 | 176,641,174 | 2,941,662 | 252,221,108 |

The premium on gold has undergone rather more than the usual fluctuations since our last; having declined to 14⅜ on the 15th, but closing to-day at 15⅜. Artificial manipulations are credited to leading speculators, and efforts to force an advance have been apparent, but fruitless hitherto.

The New York City Banks still retain full lines of discount, although they must expect at the approaching season heavy demands from the interior. Their returns in a series of years compare as 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 | $466,987,787 |
| Jan. 4, '68 | 249,741,297 | 12,724,614 | 62,111,201 | 34,134,391 | 187,070,786 | 483,366,304 |
| 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 | 219,083,428 | 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 | 551,802,964 |
| 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 | 818,260,208 |
| April 7 | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| May 5 | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471,900 | 698,038,785 |
| June 2 | 277,958,800 | 19,482,000 | 44,332,300 | 27,447,100 | 208,136,500 | 454,272,030 |
| July 7 | 286,905,800 | 33,551,400 | 48,168,000 | 27,276,200 | 232,369,400 | 478,571,386 |
| July 29 | 289,389,100 | 31,249,300 | 49,957,100 | 27,225,100 | 239,118,300 | 547,225,958 |
| Aug. 4 | 289,986,200 | 30,272,200 | 50,030,500 | 27,188,000 | 238,840,900 | 465,712,370 |
| " 11 | 290,758,100 | 29,820,000 | 49,002,300 | 27,223,500 | 237,123,100 | 420,989,756 |
| " 18 | 292,614,000 | 27,644,100 | 47,540,100 | 27,222,700 | 234,857,300 | 431,024,238 |

The Philadelphia banks continue in nearly the same condition as at our last reports. Their returns, and a comparison with previous years, are appended:

| | *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 | 55,631,793 | 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 | 11,389,972 | 41,495,605 |
| April 7, " | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| May 5, " | 59,006,414 | 238,944 | 11,641,739 | 11,438,679 | 45,177,200 |
| June 2, " | 61,135,011 | 116,089 | 15,377,993 | 11,434,591 | 51,833,223 |
| July 7, " | 60,480,403 | 322,626 | 14,513,757 | 11,431,847 | 48,200,545 |
| " 29, " | 59,996,743 | 321,605 | 15,051,022 | 11,441,985 | 47,911,798 |
| Aug. 4, " | 59,923,183 | 356,531 | 15,227,709 | 11,444,767 | 48,255,437 |
| " 11, " | 58,787,541 | 306,251 | 14,576,957 | 11,416,480 | 46,993,521 |
| " 18, " | 59,535,280 | 236,302 | 14,084,674 | 11,436,474 | 46,785,247 |

The banks of Boston exhibit no material change of condition this month. Their statements and a comparison with previous months are shown below:

| | *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 |
| April 7 | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| May 5 | 117,501,100 | 1,401,100 | 9,191,600 | 25,625,700 | 65,809,400 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25,445,100 | 69,422,800 |
| July 7 | 122,947,000 | 1,935,400 | 11,267,600 | 25,487,700 | 73,218,900 |
| " 21 | 124,088,800 | 2,277,600 | 11,145,500 | 25,577,200 | 72,340,000 |
| " 29 | 123,620,900 | 1,833,000 | 11,035,900 | 25,538,100 | 71,155,900 |
| Aug. 4 | 123,617,400 | 1,536,000 | 10,955,600 | 25,550,000 | 71,110,300 |
| " 11 | 123,441,700 | 1,342,400 | 10,788,300 | 25,475,100 | 69,462,800 |
| " 18 | 123,976,500 | 1,150,200 | 10,530,600 | 25,457,400 | 68,924,800 |

The demand for government bonds to supply foreign markets has not abated, but they are not to be had in round lots. We annex the latest quotations:

| | Offered. | Asked. |
|---|---|---|
| U. S. Currency 6s | 113¼ | 113¾ |
| U. S. 6s, 1881, Registered | 117⅛ | 117¾ |
| U. S. 6s, 1881, Coupon | 119¼ | 119¾ |
| U. S. 5-20 Reg., May and Nov. | 116¾ | 117 |
| U. S. 5-20, '62, Coupon, Nov. | 116¾ | 117 |
| U. S. 5-20, '64, Coupon, Nov. | 117 | 117¼ |
| U. S. 5-20, '65, Coupon, Nov. | 118½ | 119¼ |

| | Offered. | Asked. |
|---|---|---|
| U. S. 5-20, '67, Reg., Jan. & July | 116⅜ | 117¼ |
| U. S. 5-20, '65, Coupon, July | 116¾ | 117⅛ |
| U. S. 5-20, '67, Coupon, July | 119 | 119⅜ |
| U. S. 5-20, '68, Coupon, July | 117¾ | 118⅛ |
| U. S. 10-40, Registered | 112½ | 113 |
| U. S. 10-40, Coupon | 115½ | 116 |
| U. S. 5s of '81, Coupon | 114⅝ | 114⅞ |

Foreign Exchange has undergone a marked decline during this month, and under large exports of produce and reduced imports, continues dull even at the lower rates. Bankers' 60 days Sterling bills are offered at 108. We quote: Bills at 60 days on London, 107⅛ *a* 107⅝ for commercial; 107¾ *a* 108 for bankers'; do. at short sight, 108⅝ *a* 108¾; Paris at 60 days, 5.35⅛ *a* 5.30; do. at short sight, 5.28¾ *a* 5.25; Antwerp, 5.32½ *a* 5.27½; Swiss, 5.31¼ *a* 5.26¼; Hamburg, 4 Reichsmark, 94⅛ *a* 95; Amsterdam, 39⅝ *a* 40; Frankfort, 40⅛ *a* 40⅜; Bremen, 4 Reichsmark, 94⅛ *a* 95; Prussian thalers, 70⅝ *a* 71¼.

Rates for the three months preceding compare as follows:

| *Sixty days' Bills.* | *May* 22. | *June* 21. | *July* 21. | *Aug.* 21. |
|---|---|---|---|---|
| On London, bankers'... | 108⅞ @ 109⅛ .. | 109 @ 109¼ .. | 109⅛ @ 109⅜ .. | 107¾ @ 108 |
| " commercial | 108¼ @ 108¾ .. | 108⅜ @ 108⅞ .. | 108½ @ 109 .. | 108¾ @ 108¼ |
| Paris, francs, ₱ dollar.. | 5.27½ @ 5.22½ .. | 5.28¾ @ 5.24⅜ .. | 5.27½ @ 5.23¼ .. | 5.35 @ 5.30 |
| Amsterdam, ₱ guilder. | 39⅞ @ 40⅜ .. | 39⅞ @ 40⅜ .. | 40 @ 40½ .. | 39⅝ @ 40 |
| Frankfort, ₱ florin .... | 40⅞ @ 41⅜ .. | 40⅞ @ 41⅜ .. | 41 @ 41⅜ .. | 40½ @ 40¾ |
| Hamburg, ₱ 4 R'mark.. | 95⅛ @ 96¼ .. | 95⅝ @ 96⅛ .. | 95¾ @ 96⅛ .. | 94⅛ @ 95 |
| Prussian thalers ........ | 71½ @ 72¼ .. | 71¾ @ 72¼ .. | 71¾ @ 72⅜ .. | 70⅝ @ 71¼ |

In the London money market, great ease prevails. The Bank of England rate of discount was to-day reduced to 3 per cent. in the open market, and quotations are ½ lower. At Paris a corresponding abundance is reported.

## DEATHS.

In Boston, on Tuesday, August 12th, aged eighty-four years, Charles W. Cartwright, for many years President of the City Bank, Boston, and of its successor, the National City Bank.

In New York, on Friday, July 25th, aged seventy-three years, Cassius Darling, President of the Sixth National Bank, of New York.

At Hazlewood, his late residence, near New York City, on Thursday, July 24th, aged fifty-six years, James Lees, of the banking firm of Lees & Waller, of New York City.

In Philadelphia, on Sunday, August 17th, aged seventy-seven years, William M. Meredith, Secretary of the Treasury from March 7, 1849, to his resignation July 10, 1850.

At North East, Pa., on Wednesday, July 29th, Charles Horton, Cashier of the St. Petersburg Savings Bank.

At Rawley Springs, Rockingham County, Virginia, on Saturday, August 2, aged fifty-four years, William H. Tams, Cashier of the Virginia Banking and Trust Company, of Staunton, Virginia.

At Bethlehem, N. H., on Monday, August 11th, by accident, A. S. Butler, of the firm of Butler & Peck, Bankers, of Allegan, Michigan.

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

VOL. VIII. THIRD SERIES. OCTOBER, 1873. No. 4.

## THE SAVINGS BANKS OF MASSACHUSETTS.

In the last No. of this work (September) we enumerated the savings banks of the States of MAINE, NEW HAMPSHIRE, RHODE ISLAND and CONNECTICUT. In the August No. we produced copious details of those of the city and the interior of New York, showing the growth of each institution as well as the aggregate increase of savings in each State. We now publish, for the information of our readers, a full list of the savings banks of MASSACHUSETTS, showing the deposits of each at the close of the years 1871 and 1872; the number of depositors in each at the latter date; and the date of charter of each in the city of Boston.

It will be observed that the increase of deposits last year was not quite so large as in the years 1869–1871, although there are twelve new banks reported as having commenced operations during the year 1872. The returns are highly favorable to the people of the Commonwealth, showing over six hundred thousand depositors out of a population of about 1,500,000 (or 1,457,351 by the census of 1870), or more than forty per cent: of the whole population.

Although the average to each depositor assumes large proportions, being within a fraction of three hundred dollars, it is found, on inquiry, that in many cases the deposit is a mere trifle—a mere beginning—some ten or twenty dollars—the surplus of a day laborer or a hired domestic; and in many other cases a dollar saved by a

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minor after the labors of a week in a cotton mill. These people bear in mind the poet's line—

> He is never poor
> That little hath, but he that much desires.

The savings depositor may well recur to YOUNG, who wisely says—

> Think naught a trifle, though it small appear;
> Sands make the mountain, moments make the year;
> And trifles life.

The seven States of NEW ENGLAND and NEW YORK alone report, at this time, six hundred and fifty millions of dollars on deposit in their savings banks—the small earnings and surplus trifles of nearly two millions of poor depositors. The returns from all these States show an active interest in the subject of savings banks, and that the accumulations of the people are becoming ample to meet future contingencies of business and the fluctuations in the value of property. The returns from the State of VERMONT for the past year are not yet received. The pamphlet report is defective in the omission of the number of depositors in these several institutions.

The annual reports from MAINE, NEW HAMPSHIRE, RHODE ISLAND and CONNECTICUT, contain tabular statements of each bank, and some of them give the comparative increase in the deposits of each for a series of years. This tabular view is neglected in the MASSACHUSETTS report, leading thereby to numerous inaccuracies, which will render the comparative statements hereafter defective. The report would be more valuable hereafter, if made to contain the date of charter of each institution reported.

We annex the official report of the Bank Commissioner, which contains numerous and valuable suggestions.

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## ANNUAL REPORT OF THE COMMISSIONER OF SAVINGS BANKS FOR THE COMMONWEALTH OF MASSACHUSETTS.

*December* 31, 1872.

*To* Hon. OLIVER WARNER, *Secretary of the Commonwealth.*

I have the honor to submit the seventh Annual Report of the Commissioner of Savings Banks, with the abstract of the annual returns of the savings banks in the Commonwealth, exhibiting their condition on Saturday, the twenty-sixth day of October, in answer to the requisition of His Excellency the Governor.

Also statements of the COLLATERAL LOAN COMPANY, the WORCESTER SAFE DEPOSIT AND TRUST COMPANY, and the NEW ENGLAND TRUST COMPANY, severally made to the Commissioner, in accordance with provisions in their charters.

Twelve savings banks have been organized and commenced business during the last year, namely :—

| | |
|---|---|
| Bridgewater Savings Bank | Bridgewater. |
| Broadway Savings Bank | Lawrence. |
| Brookfield Savings Bank | Brookfield. |
| Dukes County Savings Bank | Edgartown. |
| East Weymouth Five Cents Savings Bank | East Weymouth. |
| Holliston Savings Bank | Holliston. |
| Jamaica Plain Savings Bank | West Roxbury. |
| Mechanics' Savings Bank | Holyoke. |
| Miners' Savings Bank | West Stockbridge. |
| Monson Savings Bank | Monson. |
| North Avenue Savings Bank | Cambridge. |
| Orange Savings Bank | Orange. |

The present number of savings banks is one hundred and seventy-two, all of which, excepting four, quite recently established, have been examined during the year past, and an abstract of the examination is submitted.

On the twenty-sixth day of October last, the date of the requisition for the annual returns, our savings banks held

| | |
|---|---|
| In deposits | $184,797,313 92 |
| Surplus | 3,045,247 21 |
| | $187,842,561 13 |
| Increase of deposits for the year 1872 | $21,093,236 38 |
| Number of depositors | 630,246 |
| Increase | 69,045 |
| Average to each depositor | $293 21 |
| Increase of average | 1 69 |
| Amount of deposits during the year | $58,034,129 72 |
| Average of each deposit | 82 65 |
| Decrease of average | 9 42 |
| Amount of withdrawals | 43,895,674 16 |
| Average of each withdrawal | 112 70 |

Compared with last year the increase in deposits is nearly seven millions less; and for the last three months the gain has been quite small. The deposits very nearly equal those of last year, but the withdrawals have been nine millions in excess of the amount paid out during the previous year.

It is gratifying to notice the fact that the gain in the number of depositors is nearly as large as ever, while the number of large deposits is somewhat diminishing. With a decrease of the rate of interest paid by the banks, which seems to be quite certain, this unreliable class of deposits will continue to diminish until they become no more than a fair proportion of the whole amount.

The rate of interest charged on loans made during the year has varied from seven to eight per cent.; the average being somewhat less than seven and one-half per cent. on the whole loan. No return is now required of the rate of interest charged; but as it is an important fact, indicating in what manner the privilege granted by the legislature is used, and how far public interests are promoted or regarded, I suggest that the banks be required to return the rates charged, and the aggregate of loans at each rate.

No material change has been made in the investments. The amount of public funds, including government, state, city and town bonds, is somewhat less, and of bank stock and railroad bonds more than last year.

The principal increase is shown in personal loans and loans on real estate; of the first item it is over seven million dollars, and of the second over fifteen million. No losses of any considerable importance have heretofore arisen from loans on personal security; yet they are generally, and, I think, properly regarded as the least satisfactory of savings banks securities. The law excludes them entirely where investments and loans can conveniently be made within the other prescribed limits; and there seems to be no sufficient reason for modifying the law or evading its requirements.

Within five years the per cent. of deposits loaned on mortgage has increased from twenty-three to forty-eight per cent. It is the result of an unusual demand for capital in building, to meet the actual wants of a flourishing community, and, in part, the demand growing out of speculative operations in real estate, many of which seem, thus far, to be limited only by ability to borrow money, and not by any reasonable anticipation of future wants.

During this period of five years, sixty-four savings banks have commenced business, and a large share of their deposits, in many instances quite as much as permitted by law, has been placed in mortgage loans, because the income has been larger than from any other source. The older institutions have also made a large increase in similar loans, but not in the same proportion.

My attention has been particularly called to this class of securities, believing unusual danger might exist of loaning upon an excessive valuation of property. In all cases careful inquiry has been made as to the proportion of value loaned, and the description of property taken, and wherever, from any cause, the security has been suspected to be objectionable, it has been examined personally, or through the best evidence at command.

The general rule of the banks, which seems to be adhered to with great uniformity in practice, limits loans on real estate to from fifty to seventy per cent. of estimated value at a forced sale, varying with the nature of the property and the proportion represented in buildings where insurance is relied upon for security.

Some loans have been made on cheap tenement blocks, on unsalable property, and of too large proportion of value, such as ought not to be held by savings banks, where the first consideration should be to obtain absolute security. It is proper to say, however, there are no loans where the trustees anticipate any or, at most, but unimportant losses; and as a class the mortgage securities may be considered satisfactory.

No reason exists for changing the opinion heretofore expressed that the institutions are generally well managed, and all worthy of public confidence. They are of great public service in the aid furnished to all the industrial and social interests of the State.

The banks now established are quite sufficient to afford reasonable facilities for the legitimate business of savings institutions, with the possible exception of a very few localities. Where such facilities now exist, to increase the number of banks will result in a disadvantage to those who use them as depositors, because of needless expenses incurred; and they will be of no benefit to the public which can rightfully be sought through a savings bank organization.

Under the general banking law of the State, the CHAPIN BANKING AND TRUST COMPANY has been established this year, at Springfield, with a capital stock of five hundred thousand dollars, one-half of which was paid in before commencing business.

It is proposed to transact the usual business of banks of discount without using circulating notes, and is, therefore, in that respect, an institution not contemplated by law.

It is suggested that the law be so changed as to adapt it to the present currency of the country if it be thought advisable to encourage or permit banking corporations, without issue, under the law of the State.

F. M. STONE.

December 31, 1872.

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## THE PROGRESS OF SAVINGS BANKS IN MASSACHUSETTS.

### *Thirty-seven Years.*

| *Year.* | *No. of Banks.* | *No. of Depositors.* | *Aggregate Deposits.* | *Average to each.* | *Population of State.* |
|---|---|---|---|---|---|
| 1835 | 27 | 27,232 | $3,921,370 | $144.00 | — |
| 1837 | 30 | 32,564 | 4,781,426 | 146.51 | — |
| 1839 | 30 | 36,686 | 5,608,159 | 152.86 | 737,699 |
| 1841 | 30 | 41,423 | 6,714,182 | 162.08 | — |
| 1843 | 31 | 43,217 | 6,935,547 | 160.40 | — |
| 1845 | 33 | 58,178 | 9,813,288 | 168.66 | — |
| 1847 | 39 | 68,312 | 11,780,813 | 172.45 | — |
| 1850 | 45 | 78,823 | 13,660,024 | 174.57 | 994,519 |
| 1852 | 53 | 97,353 | 18,401,308 | 189.01 | — |
| 1854 | 73 | 136,654 | 25,936,858 | 189.88 | — |
| 1856 | 81 | 165,484 | 30,373,447 | 184.15 | — |
| 1858 | 86 | 182,655 | 33,914,972 | 185.67 | — |
| 1860 | 89 | 230,068 | 45,054,236 | 195.83 | 1,231,066 |
| 1862 | 93 | 248,900 | 50,403,674 | 202.50 | — |
| 1863 | 95 | 272,219 | 56,883,828 | 208.92 | — |
| 1864 | 97 | 291,616 | 62,557,604 | 214.52 | — |
| 1865 | 102 | 291,488 | 59,936,482 | 205.62 | — |
| 1866 | 102 | 316,853 | 67,732,264 | 213.76 | — |
| 1867 | 108 | 348,553 | 80,431,383 | 230.73 | — |
| 1868 | 115 | 383,094 | 94,838,336 | 247.55 | — |
| 1869 | 131 | 431,769 | 112,119,016 | 259.67 | — |
| 1870 | 139 | 488,797 | 135,745,097 | 277.71 | 1,457,351 |
| 1871 | 160 | 561,201 | 163,704,077 | 291.52 | — |
| 1872 | 172 | 623,345 | 176,799,279 | 283.63 | — |

## The Savings Banks of Massachusetts.

**The names and locations of 172 savings banks in Massachusetts, with the number of depositors in each and the amount of deposits in each at the close of 1871 and 1872: with the date of charter of each in the city of Boston.**

| *Charter.* | *Location.* | *Name.* | 1871. *Deposits.* | 1872. *Deposits.* | 1872. *Depositors.* |
|---|---|---|---|---|---|
| 1816 | 36 Temple pl. | Prov. Inst. for Savings.. | $ 12,405,954 | $ 12,967,904 | 32,870 |
| 1854 | 38 School pl. | Boston Five-Cent S. B'k. | 9,984,068 | 10,728,016 | 62,116 |
| 1833 | 47 Tremont.. | Suffolk Savings Bank..... | 6,167,723 | 6,799,742 | 18,018 |
| 1861 | Chauncey st. | Franklin Savings Bank.. | 3,562,422 | 3,862,095 | 9,208 |
| 1871 | Boylston st.. | Home Savings Bank.... | 3,490,657 | 4,696,276 | 16,400 |
| 1865 | 37 Bedford... | Union Inst. for Savings.. | 3,007,438 | 3,489,084 | 9,534 |
| 1825 | 1935 Wash'tn | Roxbury Inst. for Savings | 1,908,959 | 2,195,784 | 6,542 |
| 1867 | Cambridge st. | West Boston Savings B'k | 1,830,934 | 2,424,118 | 6,888 |
| 1861 | 387 Wash'ton. | Mercantile Savings Bank. | 2,415,862 | 3,518,751 | 9,387 |
| 1849 | Maverick sq. | East Boston Savings B'k. | 1,240,990 | 1,575,366 | 5,375 |
| 1864 | 1179 Wash'tn. | Boston Penny Sav. B'k.. | 908,778 | 1,040,565 | 8,677 |
| 1871 | 17 Franklin.. | Emigrant Savings Bank. | 833,780 | 1,589,835 | 5,864 |
| 1863 | 372 B'way... | South Boston Savings B'k | 801,220 | 1,074,921 | 5,082 |
| 1864 | 114 Dudley.. | Eliot Five-Cent (*Roxbury*) | 759,152 | 904,893 | 4,328 |
| 1871 | 80 Union.... | North End Savings Bank. | 228,198 | 362,238 | 1,250 |
| 1871 | Harrison sq.. | Dorchester Savings Bank. | 398,070 | 471,120 | 1,499 |
| | | **Total City of Boston,** | **$ 49,944,205** | **$ 57,700,708** | **203,038** |

| | | | | | |
|---|---|---|---|---|---|
| 17 | Adams........ | Hoosac Savings Bank... | $ 75,355 | $ 157,744 | 966 |
| 18 | North Adams.. | North Adams Sav. Bank | 525,795 | 631,220 | 2,148 |
| 19 | South Adams.. | South Adams Sav. Bank. | 155.502 | 198,541 | 687 |
| 20 | Abington ..... | Abington Savings Bank. | 623,196 | 722,376 | 2,513 |
| 21 | Amherst ...... | Amherst Savings Bank.. | 234,651 | 294,164 | 1,591 |
| 22 | Andover ...... | Andover Savings Bank.. | 817,417 | 930,408 | 2,653 |
| 23 | Amesbury .... | Amesbury Savings Bank | 14,646 | 30,344 | 189 |
| 24 | Arlington..... | Arlington Five-Cent S. B. | 330,111 | 407,571 | 1,557 |
| 25 | Ashburnham .. | Ashburnham Savings B'k | 2,416 | 6,998 | 58 |
| 26 | Athol......... | Athol Savings Bank..... | 425,784 | 528,809 | 2,107 |
| 27 | Attleboro ..... | Attleborough Savings B'k | 144,982 | 209,337 | 757 |
| 28 | Barnstable.... | Barnstable Savings Bank | 1,221,838 | 1,360,771 | 3,673 |
| 29 | Barre......... | Barre Savings Bank..... | 162,035 | 208,192 | 810 |
| 30 | Beverly....... | Beverly Savings Bank... | 319,330 | 424,060 | 1,643 |
| 31 | Braintree ..... | Braintree Savings Bank. | 6,554 | 21,025 | 187 |
| 32 | Bridgewater... | Bridgewater Savings B'k. | *New.* | 26,117 | 180 |
| 33 | Brighton...... | Brighton Five-Cent S. B. | 126,553 | 159,255 | 721 |
| 34 | Brookfield .... | Brookfield Savings Bank | *New.* | 6,851 | 80 |
| 35 | Brookline..... | Brookline Savings Bank. | 9,545 | 44,383 | 448 |
| 36 | Cambridge.... | Cambridge Savings B'k. | 1,149,700 | 1,321,380 | 3,947 |
| 37 | " .... | Cambridgeport Sav. B'k. | 1,143,664 | 1,287,765 | 4,220 |
| 38 | " .... | E. Cambridge 5-Ct. S. B. | 603,588 | 748,463 | 4,806 |
| 39 | " .... | North Av. Savings Bank | *New.* | 5,792 | 73 |
| 40 | Canton ....... | Institution for Savings.. | 219,094 | 247,925 | 1,021 |
| 41 | Charlestown .. | Warren Inst. for Savings | 2,916,313 | 3,133,686 | 9,430 |

## SAVINGS BANKS, MASSACHUSETTS—*Continued.*

| | *Location.* | *Name.* | 1871. *Deposits.* | 1872. *Deposits.* | 1872. *Depositors.* |
|---|---|---|---|---|---|
| 42 | Charlestown .. | Charlestown 5-Cent S. B. | $1,822,336 | $2,203,814 | 8,167 |
| 43 | Chelsea....... | Chelsea Savings Bank... | 590,736 | 694,599 | 3,844 |
| 44 | Chicopee ..... | Chicopee Savings Bank.. | 353,463 | 399,487 | 1,206 |
| 45 | Clinton....... | Clinton Savings Bank... | 413,030 | 494.378 | 1,827 |
| 46 | Cohasset ..... | Cohasset Savings Bank.. | 289,723 | 335,436 | 920 |
| 47 | Concord ...... | Middlesex Inst. for Sav. | 868,527 | 931,155 | 2,946 |
| 48 | Danvers ...... | Danvers Savings Bank.. | 690,737 | 770,881 | 2,520 |
| 49 | Dedham ...... | Dedham Inst. for Savings | 881,053 | 978,830 | 3,362 |
| 50 | E. Bridgew'ter. | E. Bridgewater S. Bank. | 4,062 | 22,784 | 180 |
| 51 | N. " | N. Bridgewater S. Bank. | 388,058 | 476,156 | 2,099 |
| 52 | East Abington. | East Abington S. Bank.. | 159,503 | 221,057 | 863 |
| 53 | Edgartown ... | Dukes Co. Savings Bank | *New.* | 357 | 10 |
| 54 | East Hampton. | East Hampton Sav. B'k. | 51,298 | 92,700 | 441 |
| 55 | E. Weymouth. | E. Weymouth 5-Ct. S. B. | *New.* | 11,980 | 164 |
| 56 | Fair Haven... | Fair Haven Inst. for Sav. | 493,330 | 613,269 | 1,231 |
| 57 | Fall River .... | Fall River Savings Bank | 5,195,462 | 5,341,347 | 11,475 |
| 58 | " .... | Citizens Savings Bank.. | 1,715,066 | 1,768,929 | 2,806 |
| 59 | " .... | Fall River 5-Cent S. B.. | 1,220,767 | 1,336,209 | 5,745 |
| 60 | " .... | Union Savings Bank.... | 517,188 | 622,540 | 1,474 |
| 61 | Fitchburg..... | Fitchburg Savings Bank | 1,936,036 | 2,150,925 | 6,418 |
| 62 | " .... | Worcester N. S. Inst.... | 620,873 | 844,751 | 2,139 |
| 63 | Foxboro ...... | Foxboro Savings Bank.. | 169,314 | 185,288 | 828 |
| 64 | Framingham .. | Framingham Savings B'k | 772,225 | 881,070 | 3,539 |
| 65 | Franklin...... | Benj. Franklin Sav. B'k. | 26,518 | 78,106 | 361 |
| 66 | Gardner ...... | Gardner Savings Bank.. | 276,586 | 375,404 | 1,217 |
| 67 | Georgetown... | Georgetown Savings B'k. | 33,352 | 49,251 | 268 |
| 68 | Gloucester .... | Cape Ann Savings Bank. | 684,570 | 810,719 | 3,115 |
| 69 | Grafton....... | Grafton Savings Bank... | 75,443 | 86,875 | 353 |
| 70 | Gt. Barrington. | Great Barrington S. B'k. | 248,307 | 321,744 | 1,369 |
| 71 | Greenfield .... | Franklin Savings Inst... | 2,232,532 | 2,487,604 | 6,682 |
| 72 | " .... | Greenfield Savings Bank. | 522,523 | 675,224 | 1,687 |
| 73 | Groveland .... | Groveland Savings Bank | 10,600 | 17,364 | 109 |
| 74 | Harwich...... | Cape Cod Five-Cent S. B. | 368,558 | 399,280 | 2,106 |
| 75 | Haverhill ..... | Haverhill Savings Bank. | 2,269,764 | 2,400,032 | 7,321 |
| 76 | " ..... | City Five-cent Sav. B'k. | 382,421 | 575,549 | 3,201 |
| 77 | Haydonville .. | Haydonville Savings B'k | 68,134 | 114,949 | 523 |
| 78 | Hingham ..... | Hingham Inst. for Sav.. | 1,211,238 | 1,318,833 | 3,625 |
| 79 | Holliston ..... | Holliston Savings Bank. | *New.* | 38,771 | 263 |
| 80 | Holyoke ...... | Holyoke Savings Bank.. | 625.614 | 740,579 | 2,484 |
| 81 | " ....... | Mechanics' Savings Bank | *New.* | 39,860 | 328 |
| 82 | Hopkinton.... | Hopkinton Savings Bank | 91,060 | 109,790 | 487 |
| 83 | Hudson....... | Hudson Savings Bank... | 89,457 | 137,236 | 603 |
| 84 | Hyannis ...... | Hyannis Savings Bank.. | 263,292 | 386,121 | 1,258 |
| 85 | Hyde Park.... | Hyde Park Savings Bank | 11,884 | 38,127 | 326 |
| 86 | Ipswich ...... | Ipswich Savings Bank.. | 6,815 | 22,716 | 195 |
| 87 | Lancaster..... | Lancaster Savings Bank. | 729,262 | 835,612 | 2,289 |
| 88 | Lawrence..... | Essex Savings Bank.... | 2,410,815 | 2,873,071 | 8,711 |
| 89 | " ..... | Lawrence Savings Bank. | 263,567 | 326,332 | 1,503 |
| 90 | " ..... | Broadway Savings Bank. | *New.* | 99,831 | 572 |
| 91 | Lee .......... | Lee Savings Bank....... | 341,466 | 374,288 | 1,298 |
| 92 | Leicester ..... | Leicester Savings Bank. | 135,156 | 173,290 | 456 |
| 93 | Leominster ... | Leominster Savings Bank | 279,660 | 353,244 | 1,608 |
| 94 | Lexington .... | Lexington Savings Bank | 10,298 | 38,969 | 275 |
| 95 | Lowell ....... | City Inst. for Savings... | 2,994,375 | 3,252,723 | 8,700 |
| 96 | " ....... | Lowell Five-Cent S. B'k. | 2,264,900 | 2,501,177 | 9,899 |
| 97 | " ....... | Lowell Inst. for Savings. | 1,708,508 | 1,815,885 | 5,261 |
| 98 | " ....... | Mechanics' Savings Bank | 1,641,553 | 1,797,124 | 4,338 |
| 99 | " ....... | Central Savings Bank... | 168,357 | 442,347 | 1,357 |

## Savings Banks, Massachusetts—*Continued.*

| | | | 1871. | 1872. | |
|---|---|---|---|---|---|
| | *Location.* | *Name.* | *Deposits.* | *Deposits.* | *Depositors.* |
| 100 | Lowell........ | Merrimack River S. B'k. | $ 39,698 . | $ 109,612 . | 336 |
| 101 | Lynn........ | Lynn Inst. for Savings.. | 1,337,824 . | 1,430,797 . | 4,813 |
| 102 | " ........ | Lynn Five-Cent S. B'k.. | 1,189,620 . | 1,290,919 . | 7,509 |
| 103 | Malden ....... | Malden Savings Bank... | 160,400 . | 192,968 . | 1,033 |
| 104 | Marblehead.. | Marblehead Savings B'k. | 17,886 . | 63,633 . | 571 |
| 105 | Marlborough . | Marlborough Savings B'k | 584,603 . | 633,573 . | 1,998 |
| 106 | Medford ..... | Medford Savings Bank.. | 104,334 . | 151,528 . | 940 |
| 107 | Medway ..... | Medway Savings Bank.. | 18,081 . | 56,562 . | 209 |
| 108 | Milford ...... | Milford Savings Bank... | 411,263 . | 455,204 . | 2,148 |
| 109 | Millbury..... | Millbury Savings Bank.. | 241,148 . | 274,028 . | 850 |
| 110 | Monson...... | Monson Savings Bank .. | *New.* . | 50,976 . | 232 |
| 111 | Nantucket ... | Nantucket Inst. for Sav. | 502,772 . | 534,338 . | 1,591 |
| 112 | Natick........ | Natick Five-Cent S. B'k. | 263,065 . | 304,626 . | 1,408 |
| 113 | New Bedford. | New Bedford Inst. for S. | 6,290,853 . | 7,149,715 . | 16,121 |
| 114 | " . | New Bedford 5-Cent S. B. | 2,152,895 . | 2,116,419 . | 10,745 |
| 115 | Newburyport. | Institution for Savings.. | 3,553,545 . | 3,941,798 . | 9,604 |
| 116 | " . | Newburyport 5-Ct. S. B. | 699,467 . | 741,363 . | 3,410 |
| 117 | Newton....... | Institution for Savings .. | 204,912 . | 269,679 . | 1,470 |
| 118 | Northampton. | North'ton Inst. for Sav'gs | 1,489,307 . | 1,632,028 . | 4,962 |
| 119 | " . | Hampshire Savings Bank | 202,150 . | 265,546 . | 1,222 |
| 120 | N. Brookfield. | N. Brookfield Sav. Bank. | 220,127 . | 237,395 . | 1,092 |
| 121 | North Easton. | North Easton Sav. Bank. | 170,790 . | 203,572 . | 768 |
| 122 | Orange ...... | Orange Savings Bank... | *New.* . | 34,847 . | 255 |
| 123 | Palmer ...... | Palmer Savings Bank... | 123,600 . | 204,340 . | 771 |
| 124 | Peabody..... | Warren Five-Cent S. B'k | 691,349 . | 828,303 . | 2,816 |
| 125 | Pittsfield..... | Berkshire Co. Sav. Bank | 1,493,707 . | 1,696,284 . | 5,080 |
| 126 | Plymouth.... | Plymouth Savings Bank. | 1,701,634 . | 1,812,471 . | 6,647 |
| 127 | " .... | Plymouth Five-Cent S.B. | 362,690 . | 416,255 . | 2,221 |
| 128 | Provincetown. | Seamen's Savings Bank. | 474,422 . | 511,424 . | 1,689 |
| 129 | Reading ..... | Quincy Savings Bank... | 774,428 . | 919,375 . | 2,814 |
| 130 | Randolph .... | Randolph Savings Bank. | 431,233 . | 512,964 . | 1,644 |
| 131 | Quincy ...... | Reading Savings Bank.. | 127,415 . | 157,037 . | 654 |
| 132 | Rockport..... | Rockport Savings Bank. | 241,979 . | 298,768 . | 1,211 |
| 133 | Salem ....... | Salem Savings Bank.... | 4,953,996 . | 5,427,296 . | 15,783 |
| 134 | " ....... | Salem Five-Cent Sav. B'k | 1,378,381 . | 1,558,298 . | 6,276 |
| 135 | Salisbury .... | Provident Inst. for Sav'gs | 1,029,811 . | 1,089,569 . | 4,367 |
| 136 | Sandwich.... | Sandwich Savings Bank. | 62,280 . | 70,990 . | 478 |
| 137 | Scituate ..... | Scituate Savings Bank.. | 111,788 . | 134,655 . | 362 |
| 138 | So. Scituate.. | South Scituate Sav. B'k.. | 313,528 . | 342,909 . | 1,052 |
| 139 | Shelburne ... | Shelburne Falls 5-ct. S.B. | 479,109 . | 529,449 . | 2,533 |
| 140 | Southbridge.. | Southbridge Savings B'k | 607,900 . | 674,273 . | 2,261 |
| 141 | S. Weymouth. | South Weymouth S. B'k. | 174,020 . | 211,694 . | 628 |
| 142 | Spencer...... | Spencer Savings Bank... | 4,546 . | 34,452 . | 165 |
| 143 | Springfield... | Springfield Inst. for Sav. | 4,763,250 . | 5,096,681 . | 13,877 |
| 144 | " ... | Hampden Savings Bank. | 1,065,492 . | 1,250,037 . | 3,033 |
| 145 | " ... | Springfield 5-Cent S. B'k. | 1,041,352 . | 1,067,123 . | 4,909 |
| 146 | Stockbridge.. | Stockbridge Savings B'k. | 6,394 . | 27,095 . | 119 |
| 147 | Stoneham.... | Stoneham 5-Cent S. B'k. | 218,547 . | 255,557 . | 1,142 |
| 148 | Taunton ..... | Bristol Co. Savings Bank | 2,141,367 . | 2,573,249 . | 7,927 |
| 149 | " ..... | Taunton Savings Bank.. | 737,127 . | 1,076,409 . | 3,204 |
| 150 | Templeton ... | Templeton Savings Bank | 10,324 . | 23,673 . | 132 |
| 151 | Uxbridge .... | Uxbridge Savings Bank. | 73,813 . | 134,441 . | 625 |
| 152 | Wakefield.... | Wakefield Savings Bank. | 59,131 . | 78,445 . | 653 |
| 153 | Wales ....... | Wales Savings Bank.... | 19,766 . | 29,790 . | 170 |
| 154 | Waltham .... | Waltham Savings Bank. | 1,025,170 . | 1,191,004 . | 4,030 |
| 155 | Ware ........ | Ware Savings Bank..... | 1,323,613 . | 1,417,633 . | 3,750 |
| 156 | Wareham .... | Wareham Savings Bank. | 414,025 . | 472,435 . | 1,411 |
| 157 | Watertown .. | Watertown Savings Bank | 23,636 . | 48,669 . | 267 |

## SAVINGS BANKS, MASSACHUSETTS—*Continued.*

| | *Location.* | *Name.* | 1871. *Deposits.* | 1872. *Deposits.* | 1872. *Depositors.* |
|---|---|---|---|---|---|
| 158 | Webster | Webster Five-Cent S. B. | $138,333 | $198,984 | 1,401 |
| 159 | Wellfleet | Wellfleet Savings Bank | 193,995 | 239,397 | 915 |
| 160 | Westborough | Westborough Sav. Bank. | 97,014 | 143,450 | 625 |
| 161 | Westfield | Westfield Savings Bank. | 595,169 | 658,191 | 2,239 |
| 162 | W. Roxbury | Jamaica Plains Sav. B'k. | *New.* | 646 | 20 |
| 163 | Weymouth | Weymouth Savings Bank | 645,337 | 701,238 | 2,444 |
| 164 | Westfield | Woronoco Savings Bank. | 65,321 | 187,252 | 539 |
| 165 | Winchendon | Winchendon Savings B'k | 423,194 | 461,568 | 1,799 |
| 166 | Winchester | Winchester Savings B'k. | 17,862 | 38,203 | 275 |
| 167 | Woburn | Woburn Five-Cent S. B. | 272,011 | 350,205 | 2,236 |
| 168 | Worcester | Wor. Co. Inst. for Savings | 4,624,723 | 5,032,219 | 15,051 |
| 169 | " | People's Savings Bank | 2,575,484 | 2,890,351 | 8,671 |
| 170 | " | Worcester Mech. S. B'k. | 2,079,550 | 2,261,287 | 5,577 |
| 171 | " | Worcester 5-Cent S. B'k. | 889,678 | 1,013,860 | 5,621 |
| 172 | W. Stockb'dge | Miners' Savings Bank | *New.* | 8,401 | 89 |
| | | *Totals,* 1871 and 1872, | $163,704,077 | $176,799,279 | 623,345 |
| | | Dividend, surplus, &c. | | 7,998,034 | * 6,901 |
| | * Overstated. | *Total reported,* | | $184,797,313 | 630,246 |

## SAVINGS BANKS OF MASSACHUSETTS.

| | 1872. 172 *Savings Bks.* | 1871. 160 *Savings Bks.* |
|---|---|---|
| No. of depositors | 630,246 | 561,201 |
| Amount of deposits | $184,797,313 92 | $163,704,077 54 |
| No. of deposits during the last year | 702,138 | 634,359 |
| Amount of the same | $58,034,129 72 | $58,409,503 79 |
| No. of deposits during the last year of and exceeding $300 at one time | 44,514 | 45,684 |
| Amount of the same | $26,201,563 68 | $26,992,748 51 |
| No. of withdrawals during the last year | 389,382 | 337,985 |
| Amount of the same | $43,895,674 16 | $34,888,870 82 |
| No. of accounts opened during the last year | 148,612 | 146,664 |
| No. of accounts closed during the last year | 88,378 | 73,986 |
| Amount of surplus on hand | $3,045,247 21 | $2,894,043 45 |
| Public funds | 21,998,497 39 | 24,918,341 22 |
| Loans on public funds | 1,680,283 28 | 1,150,476 60 |
| Bank stock | 16,972,805 21 | 16,046,834 89 |
| Loans on bank stock | 1,521,715 55 | 1,275,945 19 |
| Deposits in banks, bearing interest | 1,729,486 79 | 1,313,403 94 |
| Railroad bonds | 4,602,567 24 | 2,259,957 85 |
| Loans on railroad stock | 545,020 66 | 468,352 66 |
| Invested in real estate | 1,968,435 80 | 1,700,325 32 |
| Loans on mortgage of real estate | 89,684,246 17 | 74,396,622 97 |
| Loans to counties, cities and towns | 12,464,761 52 | 14,221,097 10 |
| Loans on personal security | 33,329,244 27 | 25,995,562 34 |
| Cash on hand | 1,657,499 45 | 1,371,898 04 |
| Average rate of ordinary dividends for the last year | 6 1-15 per cent. | 6 1-11 per cent. |
| Aggregate amount of ordinary dividends for the last year | $9,622,775 26* | $8,103,004 24† |
| Actual expenses of the institutions | 469,681 80 | 429,080 09 |

The investment in United States bonds is $13,769,449.02; in State, city and town bonds, $8,229,084.37.

* Calculated on the returns of 161 banks—11 banks not having declared dividends when their returns were made. † Calculated on the returns of 141 banks.

## TAXATION OF SAVINGS.

*Savings Banks—Double Taxation.*—Under the statute of 1869, ch. 4, all the deposits and accumulations in the several savings banks in New Hampshire, however such deposits and accumulations may be invested, are to be taxed to the banks; and such taxes are to be paid to the State, in the first instance. And such deposits, &c., are not liable to any other tax. Real estate owned by a savings bank, and purchased with the deposits and accumulations of the bank, is not, under such statute, subject to taxation as real estate in the place where the same is located. A fundamental principle in taxation is, that the same property shall not be subject to a double tax payable by the same party.

Thus, when it is decided that a certain class or kind of property is liable to be taxed under one provision of the statute, it follows, as a legal conclusion, that the legislature could not have intended that the same property should be subject to another tax.

—*Rockingham Ten-Cent Savings Bank* v. *Portsmouth*, 52 *N. H.*

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## THE SAVINGS BANKS OF CALIFORNIA,

### From 1868 to 1873.

*From the Commercial Herald of San Francisco.*

The semi-annual report of our local savings banks, for July, 1873, presents points worthy of consideration. Our own people are so accustomed to expect a prosperous showing in these statements that the fact of rapid increase, unparalleled elsewhere, excites no surprise in them; but outsiders, who have a very indefinite idea of our actual financial condition, may learn a valuable lesson by studying their import. The aggregate number of depositors is now 49,305, or 3,245 more than for the preceding six months, and the increase in amount of deposits is $ 1,256,288, being $ 43,731,223, against $ 42,474,935 on the 31st of December, 1872. Here is clear evidence of a growing spirit of economy, which denotes frugality and a deeper interest in material progress. Instead of expending their means in questionable enjoyments, the working and producing classes of San Francisco invest them in sound, paying securities, setting an example which may be followed with benefit—financial, social and moral—in all other portions of the country. The cash on hand in these banks at the close of June last was $ 705,769 more than at the end of the preceding half year, while the loans were only $ 308,065 in excess of those for the six months ending December 31st, 1872. This proves that the business has been conducted with prudence and discretion. Each depositor in our savings banks has to his credit an average of $ 887 gold; while the heaviest average due to depositors in the most flourishing State at the East is $ 402 currency, a difference of $ 537 gold in favor of the San Francisco depositor. Facts and figures like these may well arouse the attention of the laboring classes outside of California, furnishing, as they do, conclusive evidence that they will reap a richer reward for their industry here than anywhere else on the globe.

## *Semi-Annual Statement of the San Francisco Savings Institutions, July* 1, 1873.

| *Name.* | *Date of Organization.* | *Accounts.* | *Deposits.* | *Loans.* |
|---|---|---|---|---|
| Hibernia Savings and Loan Soc. | 1859, April 7 | 15,934 | $12,480,000 | $11,476,000 |
| Savings and Loan Society | 1857, July 23 | 7,636 | 9,824,000 | 9,421,000 |
| French Savings and Loan Soc. | 1860, Feb. 1 | 5,858 | 5,127,000 | 5,293,000 |
| San Francisco Savings Union | 1862, June 18 | 5,090 | 5,121,000 | 5,189,000 |
| Odd Fellows' Savings Bank | 1866, Oct. 13 | 5,785 | 5,809,000 | 5,278,000 |
| Farmers and Mechanics' S. B'k. | 1867, July 1 | 476 | 392,000 | 365,000 |
| German Savings and Loan Soc. | 1868, Feb. 10 | 4,461 | 3,618,000 | 3,708,000 |
| Masonic Savings and Loan B'k. | 1869, Nov. 4 | 1,857 | 905,000 | 841,000 |
| Humboldt Savings and Loan Soc. | 1869, Nov. 24 | 1,110 | 645,000 | 636,000 |
| Security Savings Bank | 1871. Mar. 2 | 1,098 | 805,000 | 975,000 |
| Totals. | 1873, July | 49,305 | $43,731,000 | $43,137,000 |
| " | 1873, Jan. | 46,060 | 42,474,000 | 42,828,000 |
| " | 1872, July | 42,999 | 40,369,000 | 40,258,000 |
| " | 1872, Jan. | 41,590 | 37,033,000 | 36,542,000 |
| " | 1871, July | 38,870 | 34,541,000 | 32,310,000 |
| " | 1871, Jan. | 36,862 | 31,289,000 | 30,608,000 |
| " | 1870, July | 37,136 | 29,842,000 | 29,271,000 |
| " | 1870, Jan. | 34,823 | 26,634,000 | 26,276,000 |
| " | 1869, July | 31,974 | 24,773,000 | 24,747,000 |
| " | 1869, Jan. | 29,893 | 22,372,000 | 22,021,000 |
| " | 1868, July | 26,065 | 19,678,000 | 19,330,000 |
| " | 1868, Jan. | ...... | 16,833,000 | 16,838.000 |

The aggregate dividends of the above-named savings institutions for the six months ending June 30th, 1873, amounted to $1,911,694, against $1,818,406 for the previous six months. These dividends ranged from 6 per cent. on commercial to 10 per cent. per annum on permanent deposits.

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## *Semi-Annual Report of Interior Savings Banks, July* 1, 1873.

| *Name.* | *Date of Organization.* | *Accounts.* | *Deposits.* | *Loans.* |
|---|---|---|---|---|
| Sacramento Savings Bank | 1867, Mar. 19 | 7,250 | $3,118,000 | $2,978,000 |
| San Jose Savings Bank | 1868, Feb 1 | 1,259 | 528,000 | 492,000 |
| Stockton Savings and Loan Soc. | 1867, Aug. 12 | 1,289 | 755,000 | 861,000 |
| Marysville Savings Bank | 1869, April 17 | 1,083 | 567,000 | 563,000 |
| Union Savings Bank, Oakland | 1869, June 17 | 1,175 | 565,000 | 882,000 |
| Oakland Bank of Savings | 1867, Nov. 1 | 1,206 | 589,000 | 911,000 |
| Capital Sav. Bank, Sacramento | 1869, Feb. 8 | 4,562 | 2,713,000 | 2,874,000 |
| Odd Fellows' B. of Sav. " | 1870, May 11 | 1,925 | 676,000 | 687,000 |
| Vallejo Savings Bank | 1871, May 1 | 400 | 131,000 | 269,000 |
| Napa Valley, Napa | 1871, Sept. 15 | 205 | 99,000 | 95,000 |
| Totals. | 1873, July | 20,354 | $9,745,000 | $10,617,000 |
| " | 1873, Jan. | 18,441 | 8,956,000 | 10,010,000 |
| " | 1872, July | 15,714 | 7,414,000 | 8,060,000 |
| " | 1872, Jan. | 15,292 | 7,201,000 | 7,862,000 |
| " | 1871, July | 12,949 | 6,337,000 | 6,512,000 |
| " | 1871, Jan. | 10,673 | 5,266,000 | 5.533,000 |
| " | 1870, July | 8,555 | 4,039,000 | 4,115,000 |
| " | 1870, Jan. | 5,243 | 2,259,000 | 2,226,000 |
| " | 1869, July | 4,213 | 1,989,000 | 1.816,000 |
| " | 1869, Jan. | 2,720 | 1,476,000 | 1,143,000 |
| " | 1868, July | 1,218 | 755,000 | 613,000 |

In the interior savings banks of CALIFORNIA, on the first of July, 1873, the number of depositors has increased 1,913 since January

1st, 1873, and the deposits are nearly a million more, while the average to each depositor is $479 gold, being much in excess of the average deposits in savings banks in any other portion of the globe. It will be seen that these institutions loaned over ten and a half millions of money during the past six months, showing conclusively how urgent a demand there has been for loanable funds throughout the interior, and furnishing the reason why no more pressing calls have been made on San Francisco. There is a growing disposition to furnish local banking facilities all over the State, and by this means money is more generally diffused instead of being hoarded in the metropolitan depositories until absolutely needed. A comparison between the savings banks of CALIFORNIA and those outside of her limits speaks volumes for the thrift, energy and industry of our people. There is, however, one feature in which the interior banks differ materially from those in this city; most of them do discount business, and by reason of this and the smaller amount of money they handle, can favor their depositors with a higher rate of interest, varying from 10 to 12 per cent. We learn, too, that many of them advance coin on grain securities, thereby enabling farmers to hold for what they consider better chances in the future; but we shall be much mistaken if the farmers do not eventually discover that they can not afford from 12 to 15 per cent. per year on borrowed capital, for any such purpose,

## NEW LAWS OF THE STATE OF NEW YORK, 1873.

CHAP. 151.—*For the relief of Stockholders of Corporations.*

CHAP. 501.—*An Act in relation to Mortgages.*

CHAP. 595.—*Relating to Negotiable Corporate Bonds.*

CHAP. 807.—*Relating to Notaries Public.*

[The acts of the Legislature of 1873 in reference to legal holidays may be found on pages 133, 134, August No. of this work.]

### CHAP. 151.—*An Act for the relief of stockholders of corporations whose certificates of stock have been lost or destroyed.*

PASSED March 27, 1873.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SEC. 1. Whenever any company incorporated under the laws of this State shall have refused to issue a new certificate of stock in place of one theretofore issued by it, but which is alleged to have been lost or destroyed, the owner of such lost or destroyed certificate, or his legal representatives, may apply to the Supreme Court, at any special term thereof appointed to be held in the judicial district where such owner resides, for an order requiring such corporation to show cause why it should not be required to issue a new certificate of stock in place of the one so lost or destroyed. Such application shall be by petition, duly verified by the owner, in which shall be stated the name of the corporation, the number and date of the certificate, if known, or can be ascertained by the petitioner, the number of shares of stock named therein and to whom issued, and as particular a statement of the circumstances attending such loss or destruction as such petitioner shall be able to give. Upon the presentation of said petition, said court shall make an order requiring said corporation to show cause, at a time and place therein mentioned, why it should not be required to issue a new certificate of stock in place of the one described in said petition. A copy of said petition and of said order shall be served upon the president or other head of such corporation, or on the cashier, secretary or treasurer thereof, personally, at least ten days before the time designated in said order for showing cause.

SEC. 2. At the time and place specified in said order, and on proof of due service thereof, the said court shall proceed in a summary manner and in such mode as it may deem advisable to inquire into the truth of the facts stated in said petition, and shall hear such proofs and allegations as may be offered by or in behalf of the petitioner, or by or in behalf of said corporation or other party, relative to the subject-matter of said inquiry, and if, upon such inquiry, said court shall be satisfied that such petitioner is the lawful owner of the number of shares of the capital stock, or any part thereof, described in said petition, and that the certificate therefor has been lost or destroyed, and cannot after due diligence be found, and that no sufficient cause has been shown why a new certificate should not be issued in place thereof, it shall make an order requiring said corporation or other party, within such time as shall be therein designated, to issue and deliver to such petitioner a new certificate for the number of shares of the capital stock of said corporation which shall be specified in said order as owned by said petitioner, and the certificate for which shall have been lost or destroyed. In making such order the court shall direct that said petitioner deposit such security, or file such a bond in such form and with such sureties as to the court shall appear sufficient to indemnify any person other than the petitioner who shall thereafter appear to be the lawful owner of such certificate stated to be lost or stolen; and the court may also direct the publication of such notice, either preceding or succeeding the making of such final order, as it shall deem proper. Any person or persons who shall thereafter claim any rights under said certificate so alleged to have been lost or destroyed, shall have recourse to said indemnity, and the said corporation shall be discharged of and from all liability to such person or persons by reason of compliance with the order aforesaid; and obedience to said order may be enforced by said court by attachments against the officer or officers of such corporation, on proof of his or their refusal to comply with the same.

SEC. 3.—This act shall take effect immediately.

CHAP. 501.—*An Act to amend an act entitled "An act requiring mortgages of personal property to be filed in the town clerk's and other offices," passed April twenty-nine, eighteen hundred and thirty-three.*

PASSED May 13, 1873; three-fifths being present.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SEC. 1. The third section of the act entitled "An act requiring mortgages of personal property to be filed in the town clerk's and other offices," passed April twenty-ninth, eighteen hundred and thirty-three, is hereby amended so as to read as follows:

SEC. 3. Every mortgage filed in pursuance of this act shall cease to be valid as against the creditors of the person making the same, or against subsequent purchasers or mortgagees in good faith, after the expiration of one year from the filing thereof; unless within thirty days next preceding the expiration of each and every term of one year after the filing of such mortgage, a true copy of such mortgage, together with a statement exhibiting the interest of the mortgagee in the property thereby claimed by him by virtue thereof, shall be again filed in the office of the clerk or register aforesaid, of the town or city where the mortgagor shall then reside.

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CHAP. 595.—*An Act relative to certain negotiable corporate bonds and obligations.* PASSED May 22, 1873; three-fifths being present.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SEC. 1. The owner or holder of any corporate or municipal bond or obligation (except such are designed to circulate as currency), payable to bearer, heretofore issued, or which may hereafter be issued, and payable in this State, but not registered in pursuance of any law thereof, may make the same non-negotiable (except as provided in the second section of this act), by subscribing his name to a statement indorsed thereon that such bond or obligation is his property; and thereupon the principal sum therein mentioned shall be payable only to such owner or holder, or his legal representatives or assigns.

SEC. 2. The bonds and obligations mentioned in the last section, after having been indorsed as therein provided, may be transferred by an indorsement, in blank, or payable to bearer, or to order, with the addition of the assignor's place of residence.

SEC. 3. The provisions of this act shall apply to all interest coupons accompanying any corporate or municipal bond or obligation payable in this State.

SEC. 4. So much of chapter eighty-four of the laws of one thousand eight hundred and seventy-one, entitled "An act to authorize the owners and holders of certain railroad mortgage bonds, made payable to bearer, to render the same payable to order only," as is inconsistent with this act, is hereby repealed.

SEC. 5. This act shall take effect immediately.

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CHAP. 807.—*An Act concerning notaries public in the counties of Kings, Queens, Richmond, Westchester and Rockland, and in the city and county of New York, and authorizing them to exercise the functions of their office therein.* PASSED June 18, 1873.

*The People of the State of New York, represented in Senate and Assembly, do enact as follows:*

SEC. 1. Any notary public appointed for the county of Kings, Queens, Richmond, Westchester or Rockland, or for the city and county of New York, upon filing a certified copy of his appointment, with his autograph signature, in the clerk's office of any other of said counties, is hereby authorized to exercise all the functions of his office in such other of said counties, with the same effect as he now possesses by law in the county for which he is appointed.

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Among the new laws of the State of NEW YORK, passed in the year 1873, were the following:

CHAP. 31.—To incorporate the Albany Safe Deposit Company of the city of Albany.

148.—To incorporate the Mechanics' Savings Bank, of Cohoes, Albany County.

167.—To incorporate the Union Savings Bank, of Saratoga Springs.

242.—To incorporate the New York Loan and Security Company.

260.—To incorporate the Gloversville Savings Bank, Fulton County.

293.—To incorporate the Oneonta Savings Bank, Otsego County.

316.—To incorporate the People's Savings Bank, of Amsterdam, Montgomery County.

508.—To incorporate the Long Island Loan and Trust Company, Brooklyn.

658.—To incorporate the Albany Loan and Trust Company.

673.—To incorporate the Buffalo Safe Deposit Company.

728.—To incorporate the New York Cotton Press Company.

731.—To incorporate the New York Real Estate Guaranty Company.

769.—To incorporate the Bushwick Savings Bank, Kings County.

783—To incorporate the Atlantic Guaranty and Trust Company.

832.—To incorporate the Central Trust Company, of New York.

840.—To incorporate the Manhattan Loan and Trust Company, of the city of New York.

844.—To incorporate the Saratoga Safe Deposit Company.

848.—To incorporate the Cotton and Produce Exchange Clearing House Association.

807.—An Act concerning Notaries. (Authorizes the Notaries Public of New York, Kings, Queens, Richmond, Rockland and Westchester counties to act in either or all of these counties.)

151.—For the relief of stockholders of corporations whose certificates of stock have been lost or destroyed.

585.—To provide for the final closing of incorporated banks.

595.—An Act relative to certain negotiable corporate bonds and obligations (converting bonds payable to bearer into bonds payable to order).

639.—To amend the law of holidays.

697.—An Act to authorize the Steuben County Bank, at Bath, to reduce its capital stock $ 100,000.

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The name of the Eighth Ward Savings Bank was changed to Fifth Avenue Savings Bank, New York.

The name of the Atlantic Savings Bank to the Bond Street Savings Bank.

The following places were authorized to borrow money by the issue of bonds, for the respective sums named, session of 1873.

CHAP. 49.—The city of Buffalo, Erie County, $ 40,000.
60.—*The city of Buffalo, Erie County, $ 600,000.
57.—*The city of Rome, Oneida County,† $ 35,000.
58.—The town of Milo, Yates County, $ 1,250.
113.—The city of Utica, Oneida County, $ 18,500.
187.—The town of Newport, Herkimer County, $ 5,000.
216.—The town of Portville, Cattaraugus County, $ 30,000.
226.—*The city of Troy, Rensselaer County, $ 400,000.
253.—The city of Syracuse, Onondaga County, $ 100,000.
285.—*The village of Dansville, Livingston County, $ 25,000.
342.—The city of Newburgh, Orange County, $ 34,000.
350.—*The city of Newburgh, Orange County, $ 70,000.
412.—The town of Johnstown, Fulton County.
458.—Long Island City, Queens County, $ 20,000.
499.—The city of Kingston, Ulster County, $ 60,000.
511.—The treasurer of Oneida County, $ 15,000.
520.—The town of Mamaroneck, Westchester County.
562.—The town of Saline, Onondaga County, $ 1,500.

* For water works. † In addition to former sums.

# PUBLIC DEBT OF THE UNITED STATES.

*Abstract of the Official Statements, January, 1869, to September 1, 1873.*

| | January 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | August 1, 1873. | September 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 | 231,204,100 | 250,000,000 |
| 6-per-cent. of 1881............ | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s............ | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 998,290,800 | 987,117,300 |
| | $2,107,835,350 | $1,935,342,700 | $1,853,856,700 | $1,756,651,450 | $1,726,798,550 | $1,734,420,950 |
| **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 | 22,025,000 | 2,780,000 | ............ | ............ |
| 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 | $79,301,512 | $79,301,512 |
| **ON WHICH INTEREST CEASED:** | | | | | | |
| Various Bonds and Notes...... | $7,463,503 | $7,315,822 | $1,739,938 | $4,084,220 | $20,691,170 | $12,902,730 |
| **BEARING NO INTEREST:** | | | | | | |
| United States Notes........... | $356,021,0[illegible] | $356,101,086 | $357,592,801 | $358,642,295 | $356,079,967 | $356,079 937 |
| Fractional Currency.......... | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 44,372,467 | 44,889,592 |
| Gold Certificates of Deposit.... | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 42,831,800 | 44,493,000 |
| Currency, do. do. ............ | ............ | ............ | ............ | 25,370,000 | 33,570,000 | 32,240,000 |
| | $417,272,808 | $422,245,175 | $434,419,378 | $452,997,356 | $476,854,234 | $477,702,529 |
| Aggregate Debt ................ | $2,652,533,662 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $2,303,645,466 | $2,304,327,721 |
| Coin and Currency in Treasury.. | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 123,030,875 | 131,494,537 |
| Debt, less coin and currency.. | $2,540,707,201 | $2,349,664,320 | $2,264,034,528 | $2,186,208,689 | $2,180,614,591 | $2,172,833,184 |

Coin in the Treasury, September 1, 1873, $87,190,846; Currency, $44,303,691; total, $131,494,537.

# A NEW CHAPTER ON LEGAL TENDER.

## THE VERDICT OF HISTORY.

"Mr. CHASE was not the author of the legal-tender act; it formed no part of the financial scheme which he laid before Congress in December, 1861; and when it was proposed to him from the committee of ways and means, he gave it no countenance. *It was only after persuasion and pressure that he yielded* to the prevailing influence in Congress and accepted the pernicious device of forcing into circulation a government issue of irredeemable paper. To contend that nine years afterward, when his better judgment had freed itself again from the bonds of the war panic, and when experience had clearly shown how just were his original apprehensions of the evil effects of the greenback system, he was still bound by the 'solemnity of his official oath' to stick to *the error into which he had been once beguiled and intimidated*, and to put what he knew to be a false interpretation upon the supreme law, is to carry the doctrine of a pledged judiciary a little farther than we were prepared to see it pushed."

—*New York Journal of Commerce.*

We copy the above from an elaborate article containing many statements and imputations equally vulnerable but less deserving a reply. The extraordinary course of Mr. CHASE in supporting as Secretary of the Treasury the legal-tender act, and as Chief Justice of the Supreme Court of the UNITED STATES deciding to annul it in its main features, is here defended on the ground that when at the head of the finances Mr. CHASE merely accepted the measure "after persuasion and pressure," and that he was "beguiled and intimidated" into assent. The history of the case as it occurred in open day shows not only that it was chiefly through his influence that the bill was passed in the first instance, but that he was after full deliberation committed in the most solemn manner to its legality. At the term of the Court of Appeals in the State of NEW YORK, held in September, 1863, the third year of the war, the validity of the act was maintained by that tribunal by the decisive majority of 6 to 2, and Mr. CHASE, in his report to Congress in December following, thus expressed his congratulations:

"It is a gratification to know that a tribunal so distinguished by the learning and virtue of its members as the Supreme Court of NEW YORK, has given the sanction of its judgment to the constitutional validity of the law." Every holder of a note, he adds, "from a five-cent fractional note to a five-thousand-dollar bond, has a direct interest in the security of national institutions and in the stability of national administration."

The issue of United States notes having the quality of a circulating medium, he further observes, "was justified by the disappearance of coin in consequence of the suspension of specie payments; by the necessity of providing a medium in which taxes could be collected, loans received, and payments made, and by the obvious expediency of providing that medium in the form of national issues instead of resorting to the paper of banks." His full responsibility for those issues is thus admitted: "In former reports the Secretary has stated his convictions and grounds of them respecting the necessity and the utility of putting a large part of the debt in the form of United States notes without interest and adapted to circulate as money. These convictions remain unchanged and seem now to be shared by the people."

After the first emission of $150,000,000 legal tenders under the act of February, 1862, Secretary CHASE, on the 7th of June following, sent to the committee of ways and means of the House of Representatives an official communication, accompanied by a bill which he prepared authorizing a further issue of a like sum of such notes, stating that:

"If Congress see fit to authorize the additional emission proposed, it seems highly expedient that such part as the public convenience shall require be issued in denominations less than five dollars. I am aware of the general objections to the issue of notes under five dollars, and concede their cogency. Indeed, under ordinary circumstances, they are unanswerable, but in the existing circumstances of the country they lose most if not all their force. The country is involved in the expenditures of a contest for national existence, and it is highly desirable that the burdens of the people shall be made as tolerable as possible."

The condition of the Treasury, he urged, renders prompt action highly desirable, and the act passed on the 11th of July, 1862, authorizing $150,000,000, but limiting the issue of those under five dollars to $35,000,000. In addition to this expansion Mr. CHASE supported a further legal-tender issue until the total amount of such Treasury notes had reached four hundred millions, and he urged the repeal of the provision for funding them in the six per cent. bonds of the UNITED STATES, which repeal Congress assented to, declaring that if *not* funded on or before the first of July, 1863, the right to do so should cease and determine. He also was the author of the fractional currency (the latter not made a legal tender) and of the bill to authorize $400,000,000 of Treasury notes bearing six per cent. interest (the latter a legal tender at their face value), and of various other forms of currency which so effectually expelled gold from the Atlantic seaboard that the price of it on the 29th of June, 1864, the day preceding his resignation as Secretary, was from $2.35 to $2.50 in currency. It was through his influence, mainly, that those excesses were created in the issue of money which made it difficult to recede, so fully had they become interwoven into the texture of the entire industry and business of the country.

In view of the fact that Mr. CHASE was directly responsible for all the subsequent issues of legal-tender notes after the first issue, it ought to be deemed immaterial what part he took in the first, that of

February, 1862. The *Journal* says that the policy was not recommended in his report to Congress made in 1861. On the contrary, he then relied chiefly on notes not a tender, the establishment of the national bank system, the creation of bonds and a system of taxation; but it was evident that no system of taxation could be then adopted so as to insure collections in time; and it appeared in April, 1865, after the war had terminated, although the act for the creation of national banks had passed as early as February 25, 1863, that the circulation of national bank notes had reached only $146,927,975 in two years and two months, a sum so meagre as to show that Mr. Chase, in December, 1861, when he recommended the measure, was entirely mistaken as to its effect to answer great and pressing demands. In his annual report to Congress in December, 1862, he states that the failure of the banks which occurred on the 31st of December, 1861, and the consequent failure of the government to redeem in coin its demand notes not a tender, and the failure to sell the bonds, had disappointed him and required a change of measures.

The first legal-tender act was adopted on the 25th of February, 1862. On the discussion in the Senate of Mr. Collamer's motion to strike out the legal-tender clause, Senator Sherman of Ohio urged its retention on the ground "that every organ of financial opinion in this country agrees that there is such a necessity. You commence with the Secretary of the Treasury who has given this subject the most ample consideration. He declares not only in his official communications here, but in his private intercourse with the members of the committee, that this clause is indispensably necessary to the security and negotiability of these demand notes."

Mr. Sumner, of Massachusetts, said:

"If I vote for this proposition" (to issue legal tenders) "it will only be because I am unwilling to refuse to the government especially charged with this responsibility that confidence which is hardly less important to the public interests than the money itself. Others may doubt if the exigency is sufficiently imperative, but the Secretary of the Treasury, whose duty it is to understand the occasion, does not doubt. In his opinion the war requires this sacrifice. Uncontrollable passions have been let loose to overturn tranquil conditions of peace. Meanwhile, your soldiers in the field must be paid and fed. Here there can be no failure or postponement. A remedy which at another moment you would reject is now proposed. Whatever may be the national resources, they are not now within reach except by summary process."

When the first bill was before the committee of ways and means of the House, it was referred by them to Mr Chase, who replied on the 29th of January, 1862, supporting its provisions, but without the directness which arose subsequently from the exigencies of the department. On the 3d of February following he addressed Mr. Spaulding, chairman of the sub-committee of ways and means, saying: "It is true that I came with reluctance to the conclusion that the legal-tender clause is a necessity, but I came to it decidedly and

I support it earnestly. I do not hesitate when I have made up my mind, however much regret I may feel over the necessity of the conclusion to which I come. . . . . Immediate action is of great importance. The treasury is nearly empty."

On the 5th of February he wrote to Mr. SPAULDING: "It is very important the bill should go through to-day and through the Senate this week. The public exigencies do not admit of delay. After the receipt of this letter, Mr. SPAULDING stated its contents to the House, and moved that the committee rise with a view of closing the debate, but owing to the desire of a few members to make short speeches the motion was negatived, and the bill did not pass the House until the next day. Its passage then was due in great part to the "persuasion and pressure" of the Treasury department upon Congress. Referring to the emergency in his report to Congress at the following session, he says:

"It now became the duty of Congress not merely to provide the means of meeting the vast demands on the Treasury, but to create a currency with which, until the close of the war at least, loans and taxes might be paid to the government, debts to individuals discharged, and the business of the country transacted. Nothing less would satisfy the need of the time."

And yet the *Journal of Commerce* has the boldness to say that Mr. CHASE was "beguiled and intimidated" into acquiescing in the measure. The departure of Mr. CHASE from this path of expressed opinion after he had reached the bench and become a candidate for the presidency is not to be explained by anything contained in the opinion of the court delivered by him against the validity of the act. The explanation of it must be looked for elsewhere, and it will ever be deemed a misfortune to his memory. As Secretary he had described fully the character of the exigency in which our national existence was placed by the failure in December, 1861, as well of all the banks then in existence as of the Treasury,—bonds could not be sold except at ruinous rates, taxation was then too tardy, no relief in time could be expected from the creation of national banks, the demand notes not a tender were and would continue to be discredited, the Treasury was without money or credit, and frightfully in debt to soldiers clamorous for pay; the scope of the powers of Congress in war with respect to the issue of legal tenders he had defined, declaring that the powers were ample for the purpose; the effect of the measure in sustaining the war and in securing an efficient war currency he had warmly extolled. As Chief Justice he held—sustaining a KENTUCKY tribunal with rebel sympathies and overturning the nearly unanimous decisions of the Northern States—that there was no such exigency, no such effect from the measure and no such power, even if the life of the nation depended upon its exercise, and even although such a power could be wielded against us for purposes of attack, as it was by ENGLAND in 1815. Helpless would be the condition of a country which upheld such rules of law or such a judiciary.—*Boston Daily Advertiser*.

# THE FRENCH MINT AND BANK OF FRANCE.

## Hotel des Monnaies.

A mint existed in Paris, under the second race of kings, in the royal palace of the Ile de la Cité. It was afterwards established in the rue de la Monnaie, and removed in 1775 to the present building, erected on the site of the Hôtel de Conti, after the designs of Antoine. The principal front is 360 feet in length, and 78 high. It has three stories. In the centre a projecting mass with five arcades on the ground floor supports six Ionic columns, crowned with an entablature and an attic, ornamented with festoons and statues. The front towards the rue Guénégaud is 348 feet in length. The ground plan includes eight courts, of which the central one, the most spacious, has two pedimented pavilions facing each other. The central arcade of the principal front leads into a vestibule, adorned with twenty-four fluted Doric columns. On the right is an Ionic staircase, with a bust of Antoine, the architect.

We next enter a magnificent saloon, called the *Musée Montaire*, adorned with twenty Corinthian columns in stucco, supporting a gallery. This room contains an immense collection of the coins of France and other countries, chronologically classified, besides the medals struck on various public occasions, such as marriages, victories, etc. They are contained in five rows of stands on each side, besides others in the embrasures of the windows. The stands to the left on entering contain medals only; those to the right, coins. The series of the former commences at the stand in the embrasure of the first window to the left, proceeds regularly to the third, thence to the stand immediately opposite, and ends with that nearest to the entrance. The oldest authentic medal here is one of Charlemagne, an invaluable relic, of excellent execution; the earliest medal of which the original die exists is one of Charles VII, (1461). Medals of Boccaccio, Louis XII, Henry VIII, Francis I, Loyola, Mary, Queen of Scots, Sixtus V, Cardinal Richelieu (a superb medal by Varin, 1630, for which his life was spared), Cardinal Mazarin, &c., will successively meet the visitor's eye, until, gradually descending to the present period, he will find medals commemorating all the stirring events of the last few years: the proclamation of the Republic of 1848; the days of June, Cavaignac's administration; the visit of the French National Guards to London in October, 1848; the 2d of December, 1851; the Proclamation of the Empire; the visit of the Queen of England in August, 1855; the taking of Bomarsund and of Sebastopol, the marriage of Prince Napoleon with Princess Clotilde, &c., besides an immense number of medals with portraits of the princes or leading personages of all countries, such as Queen Isabella of Spain, Victor Emmanuel of Italy, Narvaez, Kossuth, etc. The medals struck in commemoration of the Great Exhibition are all in the stands of the right-hand windows, together with a collection of French copper money before the re-coinage; smaller stands before the piers of the windows contain private medals or counters,* and Japanese, East Indian, and Chinese coins; the oldest of the latter is dated 1700 years before Christ.

We now come to the five rows of stands to the right on entering, which contain the coins. Many of the places are now empty, owing to the transfer of upwards of 6,000 coins to the National Library; nevertheless, many of them have been replaced by duplicates. The most interesting of the English coins is a silver penny of William the Conqueror (1006); of the Spanish, one of King Tuica (date 638). There are, besides the African cowrie, Mexican, Bolivian, Greek, Turkish money, etc. The fifth row from the entrance contains the whole series of French coins, from the time of the Gauls down to the present time. Four large glass presses flanking the entrance and the chimney-piece opposite, contain an interesting collection of standard weights and measures, implements for engraving, stamping, etc., and chemical substances used for the purposes of fining.

In adjoining rooms are several models of the furnaces, instruments, &c., used in coining and assaying money, and other stands containing a numismatic gallery of the Kings of France, of modern workmanship. The last room of this series is called the *Salle Napoléon;* here are arranged nearly all the dies of medals struck under the Consulate and the Empire; here is also a splendid colossal marble bust of Napoleon I, executed for Fouche by Canova in 1806, a model in bronze of the mask taken from the Emperor's face at St. Helena, twenty hours after his death; and a bust of Napoleon III, by Barre; a model of the pillar of the Place Vendôme in bronze, now, alas! doubly interesting. It was executed by Brenet, in the proportion of 1 to 24, and cost 6000 francs. A glass case contains a representation in wax of the bas-reliefs with which its shaft is encircled. On a table, under a glass case, is a closed casket, containing a collection of all the coins struck with the effigy of Napoleon I, in the kingdom of Italy, given to the Musée by Napoleon III when he was President.

Returning to the first hall, a door opposite the entrance to the right leads to the staircase of the gallery. Here, before ascending, we may remark the Chinese coins arranged in a glass stand. In the first room above we find a series of seals of State, from King Dagobert down to the second Republic; also the seals of the five great vassals or feoffees of the crown. The gallery of the large saloon contains private dies, among which we may find the heads of

* The coinage of medals and counters is a privilege of the mint of Paris. The net profit under this head amounts to about 26,000 francs.

Madame de GENLIS, Lord BYRON, and many other distinguished personages; and in the following galleries and rooms are the dies of historical medals, with the busts of DIANE DE POITIERS, HENRY IV, MARIE THERESE of Austria, LOUIS XIV, etc. In the last room, a glass stand contains prize medals, another opposite Masonic counters, and the presses contain dies of the Restoration, the time of LOUIS PHILIPPE, and the late reign. One of the presses is partly filled with specimens of mineralogy, and metals in their refined state.

A very copious and learned catalogue is published of the whole, with detailed descriptions of the medals, price only three francs. Medals of which the dies are retained are sold to visitors for the benefit of the establishment at a trifling cost; but of the coins of which only one specimen exists, or of which the dies are lost, casts exactly resembling the originals are exhibited in the cases of the museum, the originals being carefully preserved but not shown to the public. In this Hôtel are performed all the operations of coining, besides the assaying and stamping of the gold and silver for jewelers, etc., who are obliged by law to have every article stamped before it can be sold. It is also the seat of the general administration of the coinage of the State.

The *Laboratory* of the Mint is entered from the court to the left. In the first room are two steam-engines of thirty-two horse-power, by which all the machinery of the establishment is worked. A door to the left leads hence to the furnace-room, with six furnaces containing from 800 to 1200 kilogrammes of silver each. The bars cast here in iron moulds are afterwards taken to the *grand atelier*, a lofty hall, where sixteen rollers are in constant motion, flattening the bars to the required thickness, according to the coin they are intended for. After this process, the bars, which have acquired greater length and compactness by successive rolling, are taken to another furnace-room adjoining to the first, where they are exposed to a red heat, to render them more malleable. Thence they pass into the hands of the cutters, who are accommodated in a gallery running all round the top of the grand atelier. Here round pieces of the required size are cut out of the bars by machinery, and what remains of the bars is taken back to the melting-furnaces. The pieces are now weighed; if too light, they are sent down to be melted; if too heavy, they are reduced by a sort of plane. This machine is so constructed as to throw aside the piece as soon as it has undergone the process of planing, so that it only requires feeding.

When the pieces prove of the standard weight, they are taken to a room communicating with the gallery, where, after being exposed to a red heat, they are cleansed in a mixture of water and sulphuric acid. They are now reduced to the exact diameter required, by the action of a machine which at the same time gives a slight elevation to the rim. The floors of the grand atelier and of the gallery are latticed, so that a piece falling down cannot roll away or stick to the shoes of a person treading upon it.

Gold is worked in another room adjoining the engine-room; visitors are not allowed to enter, on account of the small particles of gold with which the floor is strewed, and which are carefully swept up; but the process is the same as that described above. The coining-machines are in a hall opposite the principal entrance in the first court. There are eleven of these machines, viz: one for gold, six for five-franc pieces, two for two-franc pieces, and two for small coin. When they are all worked at once, they produce 1,500,000 francs per day. They are the invention of M. THONNELIER, and well deserve inspection. Each strikes off seventy pieces per minute.

## MONETARY SYSTEM.

Accounts are kept in FRANCE in francs, each of ten decimes or 100 centimes. The modern gold coins are pieces of 100 francs, fifty francs, twenty francs, ten francs, and five francs, commonly called "pièces de cent francs," "de cinquante francs," "de vingt francs," (napoleons,) "de dix francs," "de cinq francs." The silver coins are five franc (pièce de cent sous), two franc (pièce de quarante sous), one franc (pièce de vingt sous), half-franc (pièce de dix sous), and pieces of twenty centimes. The copper coins are two sous, one sou, and two and one centime. In the monetary system of FRANCE,* the coins, if accurately minted, may serve also as weights. Thus, ten francs in copper (new coinage), 200 in standard silver, or 3100 in standard gold, weigh one kilogramme; the piece of one franc weighs five grammes, and any other piece in the same proportion. The notes issued by the BANK OF FRANCE are of 5, 10, 20, 25, 50, 100, 500, 1000 and 5000 francs, convertible into silver at the bank, at par, except two sous for the bag; or, at a small charge into silver or gold, at the money-changers'. In reckoning for twenty-five sous they say one franc twenty-five centimes; for thirty sous, one franc fifty centimes, etc. The gold and silver coins contain one-tenth alloy; but small silver coin only contain 0.79 of the pure metal.

## COMMERCIAL ESTABLISHMENTS.

THE CHAMBER OF COMMERCE consists of the prefect of the department and twenty-one bankers or merchants, five of whom are elected annually by the patented merchants of Paris, who have carried on business in it for one year at least. They communicate with the government upon commercial affairs, superintend buildings connected with trade, attend to the execution of the laws against smuggling, etc. They meet at No. 2 Place de la Bourse, every Wednesday.

The EXCHANGE is open daily from 12 till 3 for the sale of public securities, and till 5 for other transactions. Sixty *agents de change*, sixty *courtiers de commerce*, and eight *courtiers d'assurance*, named by

* Before 1795 accounts were kept in livres, of twenty sous, or 240 deniers. The louis was rated at twenty-four livres; the large *écu*, at six; and the *petit écu*, at three livres. There were also pieces of thirty and of fifteen sous, of base metal. There are mints at Bordeaux, Lille, Lyons, Marseilles, Rouen, and Strasbourg, all under the authority of the "Commission des Monnaies."

the government, are alone authorized to transact public business here. The sale of stock, railroad shares, bills of exchange, etc., belongs exclusively to the agents de change, but bills are allowed by tolerance to be negotiated by brokers. The courtiers de commerce certify the price of gold and silver, fix the price of merchandise, rates of freight, etc. The courtiers d'assurance fix the rates of insurances, etc. The legal price of public effects and goods is fixed daily at the close of Change by the agents de change and courtiers, and registered by the *Commissaire.*

## Bank of France.

Banque de France, erected by Mansard, for the Duke de la Vrilliere, in 1620, and purchased by the Count de Toulouse, a natural son of Louis XIV, in 1713. At the time of the revolution it was occupied by the Duc de Penthievre and the Princess de Lamballe, son and grand-daughter of the Count de Toulouse. The national printing-office was afterwards established in it, until it was appropriated to its present use in 1812. Its spacious apartments were formerly gorgeously decorated, and the ceiling of the Galerie Dorée still displays some beautiful paintings by Francois Perrier. The most remarkable part of the buildings are the cellars where all the bullion is kept. They are only accessible by a single winding staircase, admitting but one person at a time; and in case of alarm they can be inundated, or filled with mephitic vapors, so as to suffocate any one attempting to enter.

Bank of France, rue de la Vrillière.—This institution was formed in 1803, by a law which gave it the exclusive privilege of issuing notes payable to the bearer at sight, until 1867. Its charter was renewed in 1857, extending its duration to December 31st, 1897. Since 1848, it has branches in all the departments. It also has a branch bank at Algiers. It is directed by a governor, two deputy governors, fifteen regents, three censors, and a council, composed of twelve members, which superintends the discounts. The governor presides over the council of regency, and every year a general council, composed of 200 of the largest shareholders, audits the accounts. The operations of the bank consist in discounting bills of exchange or to order, at dates not exceeding three months, stamped and guaranteed by at least three signatures of merchants or others of undoubted credit; in advancing money on government bills, at fixed dates; on bullion or foreign gold, silver coin, and public securities; in keeping an account for voluntary deposits of every kind, government securities, national and foreign, shares, contracts, bonds of every kind, bills of exchange, other bills, and all engagements to order or to bearer, gold and silver bars, national and foreign coin, and diamonds, with a charge for keeping, according to the value of the deposit and length of time; in undertaking to recover the payment of bills for individuals and public establishments having accounts current with the bank, and in making payments for them to the amount of the sums entrusted. Open from 9 to 4 daily, except Sundays and festivals, for the exchange of bills against specie and for discounting. To be admitted to discount, and to have a running account at the bank, a request must be made in writing to the governor, accompanied by the certificate of three well-known persons. The usufruct of bank shares may be ceded, but the fee-simple may still be disposed of. The shares may be *immobilisées*, that is, converted into real property, by a declaration of the proprietor. The capital of the bank, which at first consisted of forty-five millions of francs, is now represented by 182,000 shares of 1000 francs each, exclusive of the reserve fund. The interest on the original price of these shares, which varies commonly from 12 to 15 per cent., can never be under 6 per cent. The lowest rate of discount since 1852 has been 2½ per cent., and the highest 9. The notes in circulation, which are of 5000 francs, 1000 francs, 500 francs, 200 francs, 100 francs, 50 francs, 25 francs, 20 francs, 10 francs, and 5 francs, represent about 2,013 millions of francs; the specie and bullion in reserve amounted in July, 1871, to 656 millions of francs. The accounts are submitted to the governor every evening, and a balance-sheet is published once a month.* The bank has its own private printing office.

CAISSE D'AMORTISSEMENT, ET CAISSE DES DEPOTS ET CONSIGNATIONS, 56 rue de Lille.—These two establishments, both under the control of the Government, are administered by a committee, composed of the governor of the BANK OF FRANCE, the president of the Chamber of Commerce, a director of the Ministry of Finance, and four members appointed by the Government. The Caisse d'Amortissement conducts all operations relative to the reduction of the public debt of the country. The Caisse des Dépôts et Consignations receives all moneys deposited in it in consequence of legal awards, and other public proceedings, or by any public functionaries, for which it allows interest at the rate of 4½ per cent. per annum after the money has been deposited ten days. No interest is paid for less than thirty days, and ten days' notice must be given in order to withdraw the capital. Private individuals may also deposit money here on the same terms, except the interest, which, for them is only 1 per cent. During the legislative session the president of the commission makes a report, which is published.†

CAISSE DES RETRAITES POUR LA VIEILLESSE, instituted by a law of June 18, 1850. Its capital consists of voluntary contributions of five francs at least, by persons of any age from three years upwards. Foreigners enjoying civil rights are admitted to contribute. Every contribution bears 4½ per cent. compound interest. The capital contributed is reimbursed *in toto* at the contributor's death to his heirs, provided he has notified his intention to that effect at the time of his first payment. At the age of fifty and upwards, the contributor may,

* The BANK OF FRANCE, notwithstanding the war and its having been for two months at the mercy of the Commune, has gallantly weathered the storm. Its return for 1871 shows business to the amount of 10,594,320,973 francs, branch banks included, being about 200 millions more than the previous year.

† The following was the account of the Caisse on January 1st, 1869: Receipts, 1,011,446,495 francs; payments, 954,989,910 francs; in hand January 1st, 634,433,461 francs.

two years after the first payment, claim an annuity, not exceeding 1,500 francs. Every contributor receives a *livret*, where his accounts with the establishment are registered. The *Caisse des Retraites* is conducted by a permanent committee, of which the Minister of Agriculture and Commerce is president. All the sums it receives are employed in buying *rentes*.†

COMPTOIR NATIONAL D'ESCOMPTE, rue Bergère, 14.—This establishment, created by the Provisional Government in 1848, to meet the commercial crisis of that period, has been found so useful, that its charter has been prolonged to 1887. It is under the management of a director, an assistant director, a board of fifteen administrators, and three censors. There is also a *Conseil d'Escompte*, composed of tradesmen named by the board. Capital, 80,000,000 francs. The operations of the *Comptoir d'Escompte*, which, since 1854, is under the authority of the Minister of Finance, consist: 1. In discounting bills with two signatures and falling due within 100 days, provided they be upon Paris or towns possessing a branch of the BANK OF FRANCE; 2. In discounting bills upon other towns of the departments or foreign parts, bearing two signatures and falling due within sixty-five days; 3. In opening accounts to private persons depositing their capital, which bears 2 per cent. interest. It also discounts receipts of goods deposited in the general warehouses of the State, in accordance with the decree of March 21, 1848.‡ The present rate of discount is 4 per cent. This establishment has no longer any branches in Paris as before; but it has opened agencies at Nantes and a few other French towns, and also in London, and at La Réunion, Calcutta, Bombay, Hong-Kong, and Shanghai. The business of these agencies consists in local operations, in discounting bills drawn on foreign parts as well as FRANCE, and remittances to the central *Comptoir*. The local transactions amounted in 1869 to 847,381,647 francs; the discount business to 171,512,592 francs, and the remittances to 298,415,973 francs. Since 1870, the Comptoir d'Escompte has established agencies at Marseilles and Alexandria in EGYPT.§

CREDIT FONCIER DE FRANCE, 19, rue Neuve des Capucines.—A joint-stock company, authorized in 1852, for the purpose of investing money upon mortgage throughout FRANCE on the following principles, viz:—The property to be unshackled by previous mortgages; the loan not to exceed one-half of the real value; maximum interest, 5 per cent.; the mortgage extinguishable by an annual payment of from 1 to 2 per cent. Another annual charge to cover the ordinary

† The receipts of the *Caisse des Retraites* amounted, January 1st, 1869, to 12,952,491 francs; the disbursements to 1,063,063 francs; capital accumulated, 135,592,407 francs. The *retraites* of all the functionaries of the State are now become a separate source of revenue, to provide for a Civil Service Superannuation Fund.

‡ The scarcity of money was so great at that time, that the Provisional Government opened the warehouses of the State to tradesmen, that they might there deposit their goods. Upon the receipts given in return, they raised money by loan at the *Comptoir d'Escompte*. This system still continues.

§ During the year ending June 30th, 1871, the *Comptoir d'Escompte* discounted 334,633 bills, to the amount of 408,107,658 francs. It also delivered receipts for deposited goods, to the amount of 5,921,613 francs. This was about one-half of its usual business.

expenses of the company, which may issue bonds of 100 francs and upwards, payable to bearer or otherwise, up to the amount of the loans effected, bearing interest, and to be withdrawn from circulation in the same proportion as the loans are reimbursed. If a mortgager fail to pay his annuity, his property is liable to sequestration and sale by public auction. The company is under the authority of the Minister of Finance, and cannot turn its capital to other purposes. It is bound to extend its loans to the amount of 200 millions of francs, the State contributing ten millions thereto. Its Board of Directors consists of a governor and two sub-governors named by the Government, and twenty administrators, including three receivers-general cf the taxes. It has twenty-six branch establishments in the departments. *

Credit Agricole.—This is an off-shoot of the Crédit Foncier, and established in the same buildings. It lends to agriculturists on securities for the purpose of enabling them to execute improvements on their land. During the disastrous year 1870 it transacted business to the amount of 213,800,079 francs, in conjunction with its seventeen country branches.—*Galignani's Paris Guide.*

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Bank Circulation.—Much curiosity has been excited by a comparison between the gold premium in the United States and that which prevails in France, but we believe that the solution is not difficult. The Bank of France is authorized by law to issue, whenever it shall deem such action necessary, paper money to the extent of three thousand two hundred millions of francs, equal to $640,000,000, but has managed affairs with so much judgment and financial ability that the amount has never been issued within nearly $70,000,000, while the volume of paper currency afloat in this country is $779,663,000, in round numbers, although the business requirements of France are fully as great as those of the United States. With no more population, and no more urgent use for money, we have nearly $200,000,000 more currency in circulation. This notable redundancy is of itself quite sufficient to cause a marked discrepancy between the gold premiums in France and in the United States, but it is not enough to account for a difference of fifteen per cent., which actually obtains at this date. We are, therefore, compelled to seek additional reasons, which can be found without much trouble. The Bank of France enjoys the monopoly of currency issues; but in this country that privilege is shared between the Government and the national banks, which latter have actually emitted some $60,000,00C over the $300,000,000 originally prescribed by law as the maximum of their right to issue. As a result, the French market has been steadily and wisely conducted in accordance with a fixed policy, and has been singularly free from those speculative excitements and spasms which have become habitual in New York and other leading American money centres.—*Commercial Herald.*

* The number of loans contracted with this Company up to January 1st, 1870, was 18,799, and amounted to 1,080,850,518 francs.

# The Bank of France.

## Official report of liabilities and resources, August 1872 and 1873.

| Liabilities. | Aug. 14, '73. Francs. | Aug. 16, '72. Francs. | Sept. 8, '70. Francs. |
|---|---|---|---|
| Capital of the bank | 182,500,000 | 182,500,000 | 182,500,000 |
| Profits in addition to capital | 7,654,240 | 7,648,631 | 7,045,160 |
| Reserve of the bank | 22,105,750 | 22,105,750 | 22,105,750 |
| Reserve of landed property | 4,000,000 | 4,000,000 | 4,000,000 |
| Special reserve | 24,364,209 | 24,364,209 | —— |
| Notes in circulation | 2,904,382,475 | 2,274,435,395 | 1,745,050,775 |
| Receipts payable at sight | 8,974,385 | 8,773,355 | 84,768,321 |
| Treasury account current | 118,114,528 | 593,299,811 | 178,779,821 |
| Current accounts, Paris | 146,978,931 | 498,188,373 | 334,406,630 |
| " branch banks | 23,770,828 | 85,891,752 | 107,365,186 |
| Dividends payable | 3,939,469 | 3,770,713 | 1,394,076 |
| Interests on securities transf'd | 3,457,081 | 3,881,006 | —— |
| Discounts and interests | 11,178,443 | 12,912,736 | 13,771,800 |
| Rediscounted | 4,778,387 | 3,063,393 | 1,157,050 |
| Bills not disposable | 1,504,659 | 6,450,623 | —— |
| Reserve for eventual losses | 8,136,299 | 14,000,000 | —— |
| Sundries | 2,003,574 | 1,888,129 | 12,412,834 |
| Total, 1872, 1873 | 3,477,843,262 | 3,747,173,881 | 2,694,757,406 |
| **Resources.** | | | |
| Coin in hand | 715,535,277 | 781,108,840 | 808,002,713 |
| Commercial bills over-due | 131,671 | 3,213,655 | 776,687 |
| discounted, not yet due | 493,077,792 | 577,343,090 | 792,569,240 |
| Bonds of the city of Paris | 14,782,500 | —— | —— |
| Treasury bonds | 1,228,062,500 | 1,360,392,500 | —— |
| (Treaty of June 2, 1873) | 142,000,000 | —— | —— |
| Commercial bills, branch banks | 450,279,579 | 498,589,351 | 635,724,335 |
| Advances on deposits of bullion | 5,622,900 | 32,714,400 | 13,382,400 |
| in branch banks | 3,684,600 | 4,696,500 | 7,691,350 |
| in French public securities | 27,617,300 | 22,258,400 | 53,417,000 |
| by branch banks | 15,310,250 | 18,774,300 | 11,864,910 |
| on railway shares and debent's | 49,302,200 | 21,092,900 | 44,796,200 |
| by branch banks | 16,488,350 | 20,949,250 | 39,488,350 |
| on Credit Foncier bonds | 31,749,800 | 1,205,500 | 5,015,800 |
| branches | 685,000 | 821,300 | 1,527,390 |
| to the State (Conv. June 10, '57) | 60,000,000 | 60,000,000 | 60,000,000 |
| Gov't stock reserve | 12,980,750 | 12,980,750 | 12,980,750 |
| disposable | 67,021,500 | 66,460,568 | 80,557,187 |
| Rentes Immobilisees (Law of June 9, 1857) | 100,000,000 | 100,000,000 | 100,000,000 |
| House and furniture of the bank | 7,731,939 | 7,776,815 | —— |
| Expenses of management | 1,819,163 | 986,550 | —— |
| Advances to the city of Paris | —— | 45,125,000 | —— |
| Sundries | 33,460,190 | 60,684,209 | —— |
| Total, 1872, 1873 | 3,477,843,262 | 3,747,173,881 | 2,694,757,406 |

Bank Notes.—The freedom with which Bank of France notes pass from hand to hand has produced a neglect of the most ordinary caution as to their genuineness, traders accepting the paper offered them without the slightest examination of it. This want of care has encouraged forgery, by the facility with which spurious notes may be put in circulation, and the grossest imitations frequently pass for a time undetected. Two young men of 19 have just been tried in Paris for uttering false notes they had themselves manufactured, with no other materials than tracing-paper, a pair of compasses, a steel pen, ink, and a box of colors. It seems scarcely credible that they should have succeeded in passing ninety-four 20f. notes of such rude execution. They at last came to grief from a similar want of caution; impunity engendered temerity, and they were detected by a butcher's wife, from whom they had endeavored to obtain a genuine 100f. note in exchange for five 20s of their own.

—*London Economist, August*, 1873.

# LLOYD'S, LONDON.

This celebrated establishment consists of a set of rooms on the first floor of the Royal Exchange, London, frequented by merchants, ship-owners, underwriters, etc., for the purpose of obtaining shipping intelligence, and transacting marine insurances. One large room, with small room attached to it, is set apart for the use of the underwriters, and there two enormous ledgers lie constantly open, the one containing a list of vessels arrived, the other recording disasters at sea. In the same series of rooms there is a self-registering anemometer and anemoscope for the use of the underwriters; also a valuable collection of charts for consultation. The extent of business transacted here may be imagined when we consider that the amount annually insured amounts to about £40,000,000.

None but members of Lloyd's, who have duly paid the fees, are allowed to transact business there either as insurance brokers or underwriters. The shipping intelligence is furnished by agents appointed for the purpose, and there is scarcely a port of consequence where one is not stationed. The agent receives no salary, his labor being amply compensated by the advantages he derives from the connection. The intelligence contained in the ledgers is also diffused over the country every afternoon by the publication of *Lloyd's List.* There are two other rooms—the reading room, which is merely an extensive news-room; and the captains' room, where auctions of ships are carried on, and where captains and merchants can meet together in a sociable manner. The society of Lloyd's is managed by a committee of twelve, selected from among the members, who also appoint the agents and officials of the establishment. The expenses are defrayed by fees and annual subscriptions.

*Lloyd's Register of British and Foreign Shipping* is a volume published annually, and containing information respecting vessels, their age, materials, repairs, owners, captains, etc. This information is supplied by salaried agents at the different ports. The office of the *Register* is quite distinct from Lloyd's of the Exchange.

The name Lloyd's, which is now generically applied, arose from the circumstance that the headquarters of the London underwriters was originally Lloyd's Coffee-house.

Austrian Lloyd's, an association for general, commercial, and industrial purposes, was founded in Trieste, by Baron Bruck, in 1833, to supply the want experienced by the maritime insurance companies of that port, of a central administration to attend to their common interests. This association, like its London prototype, has agents in all the principal foreign ports, whose duty it is to collect all information of a nature to affect the commerce and navigation of Trieste, and to keep a list of all entrances and clearances of ships at their respective ports. This information is published in the *Giornale del Lloyd Austriaco.* This company has established regular communication between Trieste and all the important seaports in the Adriatic and Levant, by means of a large fleet of steamers, which also carry the Austrian mails. The society of A. L. includes three sections; the first is composed of insurance companies, the second of steamboat companies, while the third or scientific department (established in 1849) has a printing press, an engraving room, and an artistic establishment for the perfecting of engraving on copper and steel. This last section has issued a great number of journals and periodicals of a literary and scientific description.

A change in the legal status and position of the society for effecting marine insurance was made by an Act of Parliament forming its members into a corporate body, 34 VICT., c. 21, citable as "Lloyd's Act, 1871."

Originally it was a voluntary society of members, whose common bond of unity was a deed of association, dated 30th of August, 1811, which governed the joint affairs and the management and regulation of the room and the business there transacted.

Apart from this common bond of unity, and from what may be called the social interest in matters of general concern, each individual member acted upon his own responsibility, and took premiums and insured risks on his own individual liability.

The effect of the Act of Parliament which constitutes Lloyd's a corporate body is to create an improved constitution in the society without making any marked alteration in the accustomed mode of transacting insurance business.

In matters of joint concern the society obtains a better foundation and greater freedom of action, but the contracts of insurance continue much as before, the personal engagements of the underwriting members for the amounts underwritten by them. The Act nominates a committee with ample power for regulating the affairs of the society, and for making by-laws for the transaction of business, subject to allowance by the Recorder of the city of London.

It has been notified that, in future, policies of insurance underwritten by members will be distinguished by a stamp bearing the words: "Subscribed by underwriting members of Lloyd's only, 34 and 35 VICT., cap. 21, sec. 31." Any imitation of this stamp is punishable on summary conviction before two justices, with a £20 penalty.

# THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 221, September No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of August, 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:

| AUGUST. | | 1873. | | 1872. | | 1871. | | 1870. | | 1869. | | 1868. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Friday .... | 15¼ | 15½ | 15¼ | 15½ | 12⅛ | 12¼ | 20⅞ | 21⅝ | **Sun.** | | 44¾ | 45⅝ |
| 2 | Saturday .. | 15⅜ | 15½ | 15¼ | 15½ | 12 | 12¼ | 21⅝ | 22 | 36⅛ | **36⅝** | **Sun.** | |
| 3 | **Sunday.** | **Sun.** | | 15⅜ | 15½ | 12 | 12¼ | 21¼ | 21⅝ | 35⅝ | 36⅛ | 45 | 45½ |
| 4 | Monday ... | 15¼ | 15½ | **Sun.** | | 12⅛ | 12¼ | 21⅝ | **22** | 35⅝ | 36 | 45⅝ | 46½ |
| 5 | Tuesday .. | 15¼ | 15½ | 15⅜ | **15⅝** | 12⅛ | 12¼ | 21⅛ | 21½ | 35⅞ | 36½ | 47 | 48⅛ |
| 6 | Wednesday | 15⅜ | 15⅝ | 15¼ | 15½ | **Sun.** | | 20¾ | 21⅜ | 36 | 36½ | 48½ | **50** |
| 7 | Thursday.. | 15⅜ | 15⅝ | 15⅛ | 15⅜ | 12¼ | 12⅜ | **Sun.** | | 36⅛ | 36⅜ | 47⅜ | 48½ |
| 8 | Friday .... | 15¼ | 15½ | 15⅛ | 15½ | 12¼ | 12⅜ | 18½ | 19⅝ | **Sun.** | | 46¾ | 47⅞ |
| 9 | Saturday .. | 15⅜ | 15½ | 15⅜ | 15⅝ | 11¾ | 12⅛ | 17⅞ | 18⅝ | 36 | 36⅜ | **Sun.** | |
| 10 | **Sunday.** | **Sun.** | | 15⅜ | 15½ | **11⅝** | 12 | 16¾ | 18 | 35½ | 35⅞ | 46⅜ | 47⅝ |
| 11 | Monday ... | 15⅜ | 15½ | **Sun.** | | 12 | 12⅜ | 15⅞ | 17⅜ | 35⅛ | 35½ | 45⅝ | 46⅜ |
| 12 | Tuesday... | 15⅛ | 15⅜ | 15⅜ | 15⅝ | 12¼ | 12½ | 17⅛ | 18 | 34 | 35⅛ | 46⅜ | 46⅞ |
| 13 | Wednesday | 15⅛ | 15⅜ | 14¾ | 15½ | **Sun.** | | 17½ | 17⅞ | 34⅛ | 34¾ | 47⅛ | 47¾ |
| 14 | Thursday.. | 14⅝ | 15¼ | 14⅝ | 14⅞ | 12⅜ | 12½ | **Sun.** | | 33⅞ | 34⅜ | 46¾ | 48 |
| 15 | Friday .... | **14⅝** | 15 | 14⅝ | 15⅛ | 12⅜ | 12⅝ | 16½ | 17¾ | **Sun.** | | 46⅜ | 46⅞ |
| 16 | Saturday .. | 14⅞ | 15⅜ | 15 | 15⅜ | 12⅛ | 12⅜ | 16¾ | 17¼ | 33⅝ | 34⅛ | **Sun.** | |
| 17 | **Sunday.** | **Sun.** | | 15 | 15⅜ | 12⅜ | 12⅝ | 17¼ | 17¾ | 32⅞ | 33⅜ | 46¼ | 47¼ |
| 18 | Monday... | 15¼ | 15⅝ | **Sun.** | | 12¾ | **13¼** | 16¾ | 17 | 32¾ | 33⅜ | 45⅞ | 46⅝ |
| 19 | Tuesday .. | 15⅜ | 15⅝ | 14⅛ | 15 | 12⅝ | 12⅞ | 16 | 16¼ | 32¾ | 33⅜ | 44⅞ | 45½ |
| 20 | Wednesday | 15⅜ | 15½ | 13⅞ | 14⅜ | **Sun.** | | **14¾** | 15¾ | 32⅝ | 33 | **43½** | 44⅞ |
| 21 | Thursday . | 15⅜ | 15⅝ | 13⅞ | 14¼ | 12⅜ | 12⅞ | **Sun.** | | **31¼** | 32⅛ | 43⅞ | 44¾ |
| 22 | Friday .... | 15¾ | 16⅛ | 13¾ | 14¼ | 12⅜ | 12¾ | 15⅛ | 15¾ | **Sun.** | | 43⅞ | 44½ |
| 23 | Saturday .. | 15¾ | **16¼** | 13¼ | 13⅞ | 12¼ | 12⅝ | 15¾ | 16½ | 31½ | 32⅛ | **Sun.** | |
| 24 | **Sunday.** | **Sun.** | | 12¾ | 13½ | 12½ | 12⅞ | 16⅜ | 17¾ | 32⅜ | 32⅞ | 44⅝ | 45½ |
| 25 | Monday ... | 15¾ | 16⅛ | **Sun.** | | 12⅜ | 12⅝ | 16⅝ | 18 | 32⅞ | 33¾ | 44½ | 46 |
| 26 | Tuesday .. | 15⅝ | 15¾ | **12⅛** | 12⅞ | 12⅝ | 12⅝ | 16½ | 16⅞ | 33 | 34 | 44 | 45 |
| 27 | Wednesday | 15⅛ | 15½ | 12½ | 13 | **Sun.** | | 16⅝ | 16⅞ | 32⅜ | 34¼ | 44⅜ | 45¼ |
| 28 | Thursday.. | 15¼ | 15½ | 12¾ | 13¼ | 12½ | 12¾ | **Sun.** | | 33⅝ | 34½ | 44⅝ | 45¼ |
| 29 | Friday .... | 15⅛ | 15¾ | 12⅞ | 13⅛ | 12⅝ | 12¾ | 16⅛ | 16⅝ | **Sun.** | | 44¾ | 45 |
| 30 | Saturday .. | 15¼ | 15½ | 12⅝ | 12⅞ | 12⅝ | 12¾ | 16 | 16½ | 33⅜ | 34⅛ | **Sun.** | |
| 31 | **Sunday.** | **Sun.** | | 12¾ | 12⅞ | 12⅝ | 13 | 16⅛ | 17⅛ | 33½ | 33⅞ | 44½ | 45 |

## MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

| DATE. | 1868. | | 1869. | | 1870. | | 1871. | | 1872. | | 1873. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January .. | 33¾ | 42¼ | 34⅝ | 36⅞ | 19⅜ | 23¾ | 10½ | 11¼ | 8½ | 10⅛ | 11⅝ | 14¼ |
| February . | 39⅝ | 44 | 30⅞ | 36⅛ | 15 | 21¼ | 10¾ | 12¼ | 9½ | 11 | 12⅞ | 15⅛ |
| March .... | 37⅞ | 41⅜ | 30¼ | 32½ | 10¼ | 16 | 10⅛ | 11⅝ | 9¾ | 10½ | 14⅝ | 18½ |
| April ..... | 37¾ | 40⅜ | 31⅜ | 34¾ | 11½ | 15⅝ | 10⅛ | 11¾ | 9⅞ | 13¼ | 16¾ | 19⅞ |
| May....... | 39⅛ | 40½ | 34⅝ | 44¾ | 13¾ | 15½ | 11 | 12¼ | 12⅛ | 14⅜ | 16⅝ | 18⅝ |
| June ..... | 39⅜ | 41¼ | 37 | 39⅝ | 10⅞ | 14¾ | 11¾ | 13⅛ | 13 | 14¾ | 15 | 18¼ |
| July ..... | 40⅛ | 45¼ | 34 | 37⅞ | 11⅛ | 22¾ | 11¾ | 13⅝ | 13½ | 15¼ | 15 | 16⅜ |
| August ... | 43½ | 50 | 31¼ | 36⅝ | 14¾ | 22 | 11⅝ | 13¼ | 12⅛ | 15⅝ | 14⅜ | 16¼ |
| September. | 41⅛ | 45¼ | 33⅛ | 62½ | 12¾ | 16¾ | 12¾ | 15⅜ | 12¾ | 15⅛ | — | — |
| October... | 33¾ | 40⅜ | 28⅛ | 31¾ | 11⅛ | 14¼ | 11½ | 15 | 12¼ | 15⅛ | — | — |
| November. | 32⅛ | 37 | 21⅛ | 28⅜ | 10 | 13¼ | 10⅜ | 12⅜ | 13⅜ | 14¼ | — | — |
| December. | 34½ | 36¾ | 19 | 24 | 10½ | 11⅜ | 8⅜ | 10⅜ | 11½ | 13¼ | — | — |

For the daily price of gold from January, 1863, to December, 1872, see the *Banker's Almanac* for 1873.

# 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 222, September No.)*

| STOCKS. | JUNE, 1873. Lowest. | | JUNE, 1873. Highest. | JULY, 1873. Lowest. | | JULY, 1873. Highest. | AUG., 1873. Lowest. | | AUG., 1873. Highest |
|---|---|---|---|---|---|---|---|---|---|
| U.S. Six per cts. of 1881, Coupon Bds. | 122¼ | .. | 123⅛ | 119¼ | .. | 120⅛ | 119⅜ | .. | 120¼ |
| " Five-Twenty of 1862, " | 115⅞ | .. | 117⅛ | 116½ | .. | 117½ | 117 | .. | 117½ |
| " " 1864, " | 116¼ | .. | 117¼ | 116½ | .. | 117¾ | 117 | .. | 117⅜ |
| " " 1865, " | 116⅝ | .. | 119⅛ | 118 | .. | 119½ | 118¾ | .. | 119⅜ |
| " " 1865, New, " | 118⅞ | .. | 120¾ | 116 | .. | 118⅞ | 117 | .. | 117⅜ |
| " " 1867, " | 120⅝ | .. | 121⅞ | 117¼ | .. | 119⅛ | 118⅝ | .. | 119⅜ |
| " " 1868, " | 119⅞ | .. | 120⅞ | 117½ | .. | 118¾ | 118 | .. | 119 |
| " Ten-Forty Coupon Bonds...... | 112⅞ | .. | 115 | 114¼ | .. | 115½ | 115¼ | .. | 116⅛ |
| " Five per cent. of 1881......... | 114⅝ | .. | 115¾ | 114⅝ | .. | 115⅞ | 113¾ | .. | 114¼ |
| " Six per cent. Currency......... | 113¼ | .. | 114½ | 114¼ | .. | 115½ | 113½ | .. | 114⅝ |
| Tenn. Six per cent. Bonds, Old..... | 79 | .. | 81 | 80¼ | .. | 81⅝ | 81¼ | .. | 82¼ |
| " " " New..... | 78½ | .. | 80½ | 79¾ | .. | 81½ | 81⅜ | .. | 82¼ |
| Virginia Six per cent. Bonds, Old.. | 43½ | .. | 43½ | .. | .. | .. | .. | .. | .. |
| " " " New.... | .. | .. | .. | 50 | .. | 50 | .. | .. | .. |
| " " " Consol.. | 54⅝ | .. | 55¼ | 52¾ | .. | 54⅛ | 51¾ | .. | 53¼ |
| N. Carolina Six per ct. Bonds...... | 26 | .. | 28 | 28 | .. | 28 | .. | .. | .. |
| " " New....... | 16 | .. | 16 | 16 | .. | 16 | 16 | .. | 16 |
| " " Special Tax | 12¾ | .. | 12¾ | 13 | .. | 14 | .. | .. | .. |
| S. C. Six per ct. Bds. Jan. & July.. | 15¼ | .. | 16¼ | 14½ | .. | 15¼ | 15 | .. | 15 |
| " " April & Oct.. | 25 | .. | 25¼ | 20¼ | .. | 20¼ | .. | .. | .. |
| Missouri Six per cent. Bonds........ | 93⅞ | .. | 97 | 92 | .. | 94 | 92 | .. | 93¼ |
| Canton Company of Maryland..... | 99 | .. | 101 | 99½ | .. | 103 | 98 | .. | 102 |
| Delaware and Hudson Canal Co.... | 118 | .. | 119 | 114½ | .. | 120 | 112½ | .. | 114¼ |
| Consolidated Coal Co. of Maryland. | 49½ | .. | 54⅝ | 54 | .. | 55¾ | 54 | .. | 55 |
| Quicksilver Mining Company...... | 38 | .. | 41½ | 37 | .. | 39½ | 38 | .. | 39⅛ |
| " " Preferred | 49¼ | .. | 50¾ | 48 | .. | 48 | .. | .. | .. |
| Mariposa Mining Company......... | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| " " Preferred | ½ | .. | 1 | .. | .. | .. | ½ | .. | ½ |
| Western Union Telegraph Co...... | 81⅛ | .. | 86½ | 84¼ | .. | 93½ | 87⅞ | .. | 93⅛ |
| Pacific Mail Steamship Company.. | 35½ | .. | 41⅝ | 34½ | .. | 40 | 36¾ | .. | 45¼ |
| Adams Express Company.......... | 93 | .. | 94¾ | 94¼ | .. | 95 | 92¼ | .. | 95 |
| Wells, Fargo & Co. Express Co.... | 80 | .. | 83 | 72 | .. | 78 | 72½ | .. | 74¼ |
| American Merchants' Union Express | 63¼ | .. | 68¾ | 61⅛ | .. | 65 | 61½ | .. | 64 |
| United States Express............ | 70½ | .. | 72 | 65⅜ | .. | 73 | 67 | .. | 68¼ |
| N. Y. Cent. and Hudson River R. R. | 100⅝ | .. | 102⅛ | 101¾ | .. | 105¾ | 103⅞ | .. | 105⅜ |
| Erie Railroad, Common........... | 61⅝ | .. | 65⅝ | 58 | .. | 65½ | 58⅛ | .. | 61⅞ |
| " Preferred........... | 71 | .. | 74½ | 71½ | .. | 73½ | 72 | .. | 73½ |
| Harlem Railroad, Common Shares. | 124 | .. | 132¾ | 125 | .. | 134 | 130¼ | .. | 133⅛ |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. | .. | .. | .. |

| Stocks. | June, 1873. Lowest. | June, 1873. Highest. | July, 1873. Lowest. | July, 1873. Highest. | Aug., 1873. Lowest. | Aug., 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 132½ | 140¼ | 134 | 138 | 136 | 138 |
| Michigan Central Railroad Co..... | 95 | 102½ | 90 | 95½ | 91 | 95½ |
| Lake Shore & Mich. Southern R.R.. | 90¼ | 94⅝ | 91⅝ | 96½ | 92¼ | 95⅝ |
| Panama Railroad Company Shares.. | 108 | 112⅝ | 110 | 117¾ | 113 | 116½ |
| Union Pacific Railroad " .. | 22 | 28⅝ | 24½ | 29¼ | 25¾ | 29 |
| Illinois Central Railroad " .. | 105 | 114 | 106 | 110½ | 106¼ | 109 |
| Cleveland & Pittsburgh R.R. " Gtd. | 87⅛ | 88 | 86 | 89¼ | 87⅞ | 89½ |
| " Col., Cinn. & Ind. R.R... | 84¼ | 88 | 85 | 89 | 84 | 86 |
| Chicago, Rock Island & Pacific R.R. | 107¾ | 110⅞ | 108⅞ | 111¾ | 108⅝ | 110¾ |
| " Burlington & Quincy " | 103¾ | 105 | 98¼ | 105 | 98¾ | 106 |
| " & Alton Railroad Shares.. | 108 | 110 | 108½ | 109½ | 104¼ | 110 |
| " " " Pref. | 112 | 112½ | .. | .. | 111½ | 111½ |
| " & Northwestern R.R. Shares | 70½ | 76 | 68⅛ | 71¾ | 64 | 69¼ |
| " " " Pref. | 81 | 85 | 80½ | 84 | 81¼ | 83¾ |
| Del., Lackawanna & West. R.R. Co. | 96 | 106 | 97¼ | 102⅛ | 100 | 102 |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93⅛ | 95 | 93¼ | 93¾ | 93½ | 94 |
| Toledo & Wabash R.R. Co. Shares. | 64¾ | 69¾ | 68⅛ | 73⅛ | 67¼ | 73 |
| " " " Pref. | .. | .. | 85 | 85 | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| Ohio & Mississippi R.R. Co. Shares | 36⅝ | 41⅞ | 38½ | 41¼ | 38 | 40⅝ |
| Hannibal & St. Joseph R.R. " | 32 | 37¼ | 36¾ | 42 | 36 | 39½ |
| " " " Pref. | 54 | 54½ | 54¼ | 60 | 52 | 54¼ |
| Milwaukee & St. Paul R.R. Shares | 49⅝ | 55⅝ | 50¾ | 53⅞ | 50⅝ | 53¾ |
| " " " Pref. | 70¾ | 73 | 72½ | 74¾ | 70 | 74 |
| Boston, Hartford & Erie R.R. Shares | 2 | 3 | 2¾ | 3 | 2½ | 2⅝ |
| Col., Chic. & Ind. Cen. R.R. Shares | 26½ | 31¾ | 27¾ | 33¾ | 30 | 32⅝ |
| Dubuque & Sioux City Railroad... | .. | .. | 54 | 58 | 60 | 62 |
| New Jersey Central Railroad Shares | 105 | 106½ | 101½ | 105¾ | 102¼ | 103½ |
| Morris & Essex Railroad Shares... | 90½ | 95 | 91 | 92½ | 91¼ | 92⅝ |
| N. Y. Central Six p. ct. Bds. of 1883 | 90½ | 93 | 93 | 94 | 91¾ | 93 |
| Erie First Mortgage Bonds of 1868.. | 101⅞ | 102½ | 102½ | 104 | 104 | 104¼ |
| Long Dock Bonds................ | 96¼ | 96½ | 96 | 96 | 95¾ | 96 |
| Mich. Southern Sinking Fund Bonds | 103 | 104 | 103 | 105 | 104 | 104 |
| " Seven p. ct. 2d Mtge. | 98 | 99 | 98¾ | 99½ | 99⅞ | 99⅞ |
| Central Pacific 1st Mortgage Bonds | 102⅞ | 103½ | 99⅞ | 101¼ | 99⅝ | 100⅝ |
| Union " " " | 86 | 87¼ | 81 | 86 | 80 | 82½ |
| " " Land Grant Bonds.. | 67½ | 71½ | 69½ | 72 | 71 | 73½ |
| " " Income Bonds....... | 57 | 63⅞ | 59¼ | 61 | 61⅝ | 65 |
| Alton & Terre Haute 1st Mtge. Bds. | 100 | 102 | 98 | 98¼ | 99 | 100 |
| " " 2d " Pref. | 88½ | 90 | 90 | 90¾ | 87½ | 88 |
| " " " Income Bds. | 78½ | 80 | 78 | 78 | .. | .. |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | 97¼ | 97¼ | .. | .. | .. | .. |
| Chic. & N. W. Consol'n S. F. Bonds | 89½ | 91¼ | 92 | 93¼ | 90½ | 92¾ |
| " " 1st Mortgage Bonds.. | 100½ | 102 | 101 | 102 | 97 | 100 |
| Cleveland & Tol. Sinking Fund Bds. | 104¼ | 104¼ | .. | .. | 101 | 101½ |
| " & Pittsb'gh Consol'n Bds. | 94 | 94 | 95 | 95 | .. | .. |
| " " Second Mtge. | 102 | 102 | 102⅛ | 102⅛ | .. | .. |
| " " Third " | 98½ | 98½ | 98¼ | 98½ | 98 | 99 |
| " " Fourth " | .. | .. | 85 | 85¼ | 85½ | 87¼ |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 104½ | 106½ | 102¾ | 103 | 102 | 102¾ |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 97⅞ | 100½ | 100 | 102 | 96 | 97 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 87¾ | 89 | 88½ | 89 | 89¼ | 90¼ |
| " " " " 2d " | 70 | 72 | 71½ | 72½ | 69½ | 70 |
| Toledo, Peoria & Warsaw 1st, E D. | 91 | 91 | 91 | 91 | 92 | 93 |
| " " " 1st, W D. | 89 | 89½ | 90 | 90½ | .. | .. |
| " " " 2d, W D. | 75 | 77 | 75 | 76 | 77 | 77 |
| Cedar Falls & Minn. 1st Mtge. Bds. | 81 | 81½ | 78½ | 80 | 79¾ | 79¾ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 28 | 35½ | 32 | 34½ | 31⅝ | 34½ |

# THE RAILROADS OF THE UNITED STATES.

*A Manual of the Railroads of the* UNITED STATES *for* 1873–1874. *By* H. V. & H. W. POOR, *New York; 8vo., pp.* 850. *Price* $ 5.

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This new volume is the sixth of the series and contains ample details and descriptions of every railroad in the UNITED STATES, (about fourteen hundred in number); showing their mileage, stocks, bonds, cost, traffic, earnings, expenses and organizations; with a sketch of their rise, progress, influence, etc. The editors have inserted an appendix containing a full analysis of the debts of the UNITED STATES and of the several States. The volume is a valuable one to every railroad company, and to every capitalist interested in railroad shares and bonds.

We learn from this work that the State of ILLINOIS has the greatest number of miles of railroads in operation, viz: 5,174; OHIO the next, 4,754; NEW YORK, the third in extent, 4,731; and PENNSYLVANIA, the fourth, 4,332. These together form about one-third of the aggregate mileage of the whole country. The State having the greatest number of miles of railroad per square mile of territory, is MASSACHUSETTS. This State has only four miles of territory per mile of railroad. The next is CONNECTICUT, five miles; NEW JERSEY, six; ILLINOIS, PENNSYLVANIA and DELAWARE, eight miles each; RHODE ISLAND, NEW YORK, OHIO and INDIANA, a fraction over nine miles of territory to each mile of railroad. There are no others having less than ten square miles of territory to each mile of railroad in operation.

Mr. POOR'S volume contains particulars as to the aggregate cost of railroads in each State; from which we learn that the total capital employed in the construction of 57,323 miles of railroads,

| | |
|---|---|
| was | $ 1,647,844,113 |
| and the amount of capital borrowed by bonds was.. | 1,511,578,944 |
| a grand total of capital | $ 3,159,423,057 |

equivalent to an average cost of $ 55,116 per mile. The expenses of construction were much larger in the Atlantic States than in the Mississippi valley, viz.: In PENNSYLVANIA, $ 88,000 per mile; NEW JERSEY, $ 87,000; NEW YORK, $ 76,000; MASSACHUSETTS, $ 73,000; while in the Western and Southern States the cost was from twenty-four to seventy-one thousand per mile. In CALIFORNIA, owing to the paucity of population and the price of labor, the average cost was ninety-eight thousand per mile.

Of these vast sums, the largest expended in any one State in behalf of railroads was in PENNSYLVANIA, viz.: $384,000,000; next, NEW YORK, $336,000,000; OHIO, $339,000,000; ILLINOIS, $248,000,000. The outlay in any other State did not exceed 187 millions up to this period.

In the item of annual revenue the largest for the year 1872, was:

| | |
|---|---|
| In PENNSYLVANIA | $74,350,000 |
| In NEW YORK | 60,920,000 |
| In OHIO | 55,516,000 |
| In ILLINOIS | 43,796,000 |
| In MASSACHUSETTS | 25,363,000 |
| In INDIANA | 24,414,000 |
| In NEW JERSEY | 20,122,000 |

The aggregate receipts for the year were $473,241,000, viz.:

| | |
|---|---|
| From Passengers | $132,309,200 |
| From Freight | 340,931,800 |

Of which 304 millions (a fraction over sixty-four per cent.) was collected in the seven States above named. If we were to add the moneys received by express companies, as freight, over and above that charged to and paid by them to the companies, the grand aggregate would exceed five hundred millions of dollars for the year, or nearly sixteen per cent. of their original cost; a proportion not too large, when we consider the risks of the investments in such property.

When we compare these aggregate investments with those in the UNITED KINGDOM, the following results appear:

| | *Miles of Railroad.* | *Aggregate Cost.* | *Annual Receipts.* |
|---|---|---|---|
| UNITED STATES | 57,323 | $3,159,423,000 | $473,241,000 |
| UNITED KINGDOM | 15,376 | *2,680,500,000 | †237,126,000 |

In the UNITED STATES the operating expenses for the year were $307,486,000, or sixty-five per cent. of receipts.

In the UNITED KINGDOM the gross receipts for the year were £48,892,000, and the working expenses £23,152,000, showing a net income of £25,740,000, or ratio of fifty-two per cent. in expenses to income.

There is one addition which Mr. POOR can with great advantage make to the next volume of this series; an addition which would add fifty per cent. to the value of the work, in the eyes of railroad constructors, officers and directors. We allude to a copious descriptive list of the railroad improvements and patents of the year, including improved machinery and patents relating to all parts of a railroad, railroad cars, engines, and appurtenances. For the want of such a chapter, in a work addressed to and prepared for railroad engineers, officers and directors, many of these cotemporary inventions are likely to remain unknown for years. At present we can refer to no

* £552,680,000 Sterling. † £48,892,000.

work containing such a synopsis; and while the compilation would occupy but little space (say eight or ten pages), it would be a decided advantage, both to inventors and to railroad men—to patentees and to all classes of mechanics.

The following extracts from Mr POOR'S recent Manual will indicate to the reader the labor involved in collecting and arranging the copious and valuable statistics comprised in the 850 pages of his volume for the current year.

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In the preparation of the preceding tables, the number of inhabitants in each State and Territory is estimated according to the ratio of increase shown by the census of 1870, and is undoubtedly very nearly correct. In giving the ratio of railroad mileage to area and to population, the whole number of miles of completed railroad, as shown on page xxix of the introduction, is taken. For the States of MAINE, NEW HAMPSHIRE, MASSACHUSETTS, CONNECTICUT, NEW YORK. PENNSYLVANIA, OHIO, INDIANA, ILLINOIS, MICHIGAN, IOWA, MINNESOTA, ALABAMA and TEXAS, the mileage is taken from the official reports of railroad commissioners, or other State officers. Elsewhere, the division by State boundaries is made upon the reports of the various railroad companies. In the extended tabular statements, showing the cost, earnings, etc., no reference in the matter of mileage is paid to political boundaries, the roads being usually assigned to those States in which the greater portion of their line is found. In estimating the ratio of mileage to cost, earnings, etc., only those roads are included whose operations are given. For example, the total number of miles of completed road, as shown on page xxix, is 67,104. The mileage of those, the operations of which are given, is only 57,323. While, therefore, the statement of ratio of mileage to area and population is strictly according to the fact, the summary of mileage for each State in the table of cost, earnings, etc., may be very wide of it. So with the earnings: The State of IOWA shows only $ 8,968,646 of earnings, and only $ 6.82 to an inhabitant, while the actual earnings of all the roads in operation in that State were undoubtedly twice that sum; but they are embraced in the statements of railroads which have portions of their lines in other States. The earnings, per head, of the railroads of the several States will undoubtedly nearly equal the aggregate of those of the group with which they are classified, and into which the country, from its topographical features, naturally divides itself, viz.: The New England States, comprising all that section which lies to the east of the Hudson River and the railroads parallel to it; the Middle States, occupying the region north of the Potomac, and east of the Ohio River and the great lakes, including WEST VIRGINIA; the Western States, including all north and west of the Ohio River to the Rocky Mountains; the Southern States, embracing all south of the Potomac and Ohio Rivers, except WEST VIRGINIA; and the Pacific States and Territories. Each of these groups expresses not only natural divisions of the country, but they all differ greatly in the industrial pursuits of their people. Those of the New England States are commercial and manufacturing; those of the Middle States, commercial and mining; those of the Western States are engaged in agriculture—in the production of the cereals; those of the Southern States in the production of cotton, in the cultivation of large plantations. The industries of the Southern States, however, are slowly undergoing a radical change; but this change has not yet proceeded sufficiently far to affect the conditions or prospects of their railroads. The people of the Pacific States are largely engaged in mining the precious metals.

It will be seen that there is a difference between the total number of miles of completed railroad and that of roads the operations of which are given, of 9,781 miles. This mileage is largely made up of lines which are only partially completed, and of which 6,427 came into operation during the year, and which, for sufficient reasons, make no return of earnings. Statements showing the financial condition of such roads will be found in their proper places in the body of the *Manual*. In a few instances, we have been unable to obtain any information whatever in reference to completed lines, and in other cases, only gross returns of earnings have been made, without any division between those received from passengers and from freight. In such cases, we have made an estimate of these items based on the actual returns received from roads situated in the same group and transacting a similar business. It must be remembered that railroad companies in this country are voluntary associations, and, in a great majority of cases, are not compelled to publish annual reports. It is also to be borne in mind that there is no fiscal year common to all the railroads of the country, or even to those of the same State, so that the period embraced in these tables is that of the last preceding fiscal year of the company, and not the calendar year, 1872.

The total cost of the railroads, the operations of which are given for the past year, as shown by the preceding table, is $ 3,159,423,057, made up of $ 1,647,844,113 of capital stock, and $ 1,511,578,944 of various forms of indebtedness, chiefly of bonds maturing at distant periods. The capital stock amounted to 52.15 per cent. and the debt to 47.85 per cent. of the total cost. The cost of these roads per mile was $ 55,116. The gross earnings for the year were $ 473,241,055, of which $ 132,309,270, or 28 per cent. was received for the transportation of passengers, and $ 340,931,785, or 72 per cent for the transportation of freight, including under this head the small amount received from "miscellaneous sources." The receipts per mile were $ 8,256. The ratio of earnings to population was $ 11.76 per head. The operating expenses for the year were $ 307,486.682, or 65 per cent. of the gross receipts, leaving $ 165,754,373, or 35 per cent. as net earnings. The per centage of gross receipts to the total cost of the roads was 15 per cent.; of net earnings, 5.2 per cent. The amount paid in dividends was $ 64,418,151, or 3.91 per cent. of the aggregate capital stock. The balance of net earnings,

$101,336,222, was equal to 6.70 per cent. on the aggregate indebtedness of the roads.

The earnings of the railroads of the several sections differed, of course, very greatly, the most productive lines being those embraced in the groups which include the New England and the Middle States. The railroads of New England earned, during the past year, $48,519,835—being $10,636 per mile, and $13.53 per head of population. Their total cost was $230,609,794, of which 55.94 per cent. was represented by capital stock. Their cost per mile was $50,418. Their gross earnings were 21.1 per cent. of their cost. Their net earnings $14,436,481, and at the rate of 6.26 per cent. of their total cost. The dividends paid amounted to $8,569,877, or 6.64 per cent. on the aggregate capital stock of $129,012,748.

The cost of the railroads of the Middle States was $922,700,774, or $79,427 per mile, of which 60.56 per cent. was represented by capital stock. Their earnings were $169,205,702, or $14,565 per mile, and $15.86 per head of population. The net earnings were $59,527,048. The gross receipts were 18.3 per cent. of the total cost; the net earnings 6.4 per cent. The amount paid in dividends was $32,344,971, or 5.79 per cent. of the capital stock of $558,838,174. In the State of New York, however, the capital accounts of the New York Central and the Erie railroads include $101,498,248 of fictitious capital, of which $54,436,626 was issued by the former as the estimated value of its property above cost, and $47,061,622 by the latter as the discount on bonds converted into stock. These sums, deducted from the capital stock of the railroads of that State, reduced the amount in that group to $457,339,926, and the cost of the roads to $821,202,526. The per centage of gross earnings on this sum was 20.6 and of net earnings 7.25; and the dividends paid were 7.09 per cent. of the actual capital stock of the roads.

The total mileage of the railroads of the Western States, the operations of which are given, was 28,778—built at a cost of $1,472,625,232—made up of $724,686,046, or 40.21 per cent. of capital stock, and $747,939,186 of debt. The cost per mile was $50,550 against $50,418 for New England and $79,427 for the Middle States. The gross earnings were $193,826,252; being $13.76 per head of population. Net earnings, $67,317,083. The ratio of gross receipts to cost was 13.1 per cent. against 21.1 in New England and (with the reduced capital) 20.6 per cent. in the Middle States. The ratio of net earnings to cost was 4.57 per cent. against 6.26 for New England, and 7.24 for the Middle States. The number of inhabitants per mile of road in the Western States is 433; in the New England and Middle States, 770. The receipts per mile in the Western States were $6,735 against $10,636 in New England, and $14,565 in the Middle States. The dividends were $20,496,447, being 2.83 per cent. on the capital stock.

These statements disclose, at a glance, the position of the Western railroads. Their unproductiveness, compared with those of the

Eastern States, is due simply to the excess of mileage to population. The earnings per head are nearly as great in the former as in the latter. Should no more railroads be constructed in the Western States for six or seven years, this disparity would be corrected by the rapid increase of their population; which may be estimated at 600,000 annually. The increase of earnings from such increase of population would fully equal $ 8,000,000 annually, which, together with the increase of receipts from the permanent population, estimated at one dollar per head, annually, would, were no new lines set in operation, soon bring up the receipts per mile and per cost of the Western railroads to the standard of the New England and Middle States.

The leading railroad companies of the West are largely responsible for the excess of mileage that has been constructed. The Milwaukee and St. Paul Railway has increased from 830 miles in 1868 to 1,396 in 1872. Its stock and bonds have in the same time increased from $ 30,578,618, to $ 56,290,644; while the earnings have only increased from $ 6,577,645 to $ 6,957,771. Nearly the whole increase of mileage has proved unproductive. The Chicago and North Western Railway has also enormously increased its mileage in the construction of branch lines, so that the gross revenue upon its investments is considerably below the average for the Western States. It is increasing its bonded debt to $ 48,000,000, to complete the various enterprises which it has undertaken. Its share capital at the close of the fiscal year for 1872 amounted to $ 35,878,644. To these two sums is to be added the capital of its leased lines, making an aggregate of nearly $ 100,000,000, with earnings, at the rate of the last fiscal year, of only about 11 per cent. While these vast additions to mileage and cost have been going on, the earnings of the road have declined from $ 12,614,846, in 1868, to $ 11,402,161 in 1872. The stockholders of these roads should put a stop to a policy so suicidal—a policy which is working more mischief to the railroad interests of the country than all other causes combined, and which, unfortunately, has been indulged in, though in a less degree, by other roads than those named.

In the Southern States, the total mileage, of which operations are given, was 10,986. The cost of the railroads was $ 401,913,267—or $ 36,575 per mile—being less than one-half the cost per mile of those of the Middle States, and 70 per cent. of the cost per mile of those of the New England and Western States. The capital stock was $ 171,683,155, or 42.71 per cent. of total cost, and the debt, $ 230,230,112. The gross earnings were $ 47,788,539—being $ 4,350 per mile—against $ 10,636 for New England, $ 14,565 for the Middle and $ 6,735 for the Western States. The net earnings were $16,455,490. The earnings per head were $ 4.31. The ratio of gross receipts to cost was 11.88 per cent.; of net earnings, 4.09 per cent. The dividends paid amounted to $ 3,006,856—being 1.5 per cent. of the capital stock.

The recent war proved a severe check to the prosperity of the railroads in this section of the country. The revolution in their industries which is slowly going on in these States will prove, in the end, of great advantage, though considerable time will be required to restore to them their former material prosperity.

In the Pacific States, with a mileage of only 1,368, the cost has been $ 131,573,990—or $ 98,300 per mile—represented by $ 63,623,990 or 49.11 per cent. of capital stock, and 50,89 per cent. of indebtedness. The gross receipts were $ 13,900,727, or 10.5 of the cost, and the net earnings 8,018,271, or 57.7 per cent. of the gross earnings and 6 per cent. of the total cost. The earnings per mile were $ 10,161; per head of population, $ 17.

By reference to the preceding statements, it will be seen that the train mileage is fully given for the more important States. That for MASSACHUSETTS was 14,167,563; the earnings were $25,363,177; the earnings per mile run by trains, $ 1.79. For NEW YORK, the train mileage was 33,181,291; earnings, $ 60,920,055; earnings per mile run, $1.83. For PENNSYLVANIA, the train mileage was 54,799,869; earnings, $ 74,349,343; earnings per mile run, $1.36. For OHIO, the train mileage was 43,319,941; earnings, $ 55,516,435; earnings per mile run, $ 1.28. For ILLINOIS, the train mileage was 30,369,720; earnings, $ 43,796,478; earnings per mile run, $ 1.44. For the five States, the mileage was 175,838,384 miles; the earnings, $ 259,945,488; earnings per mile run, $ 1.49 nearly. The receipts per mile for the whole country will not differ much from the above rate. In round numbers, the gross earnings may be estimated, at the rate of $ 1.50 per mile run; net earnings, 50c.

It is to be borne in mind that the motive for building railroads in this country is often not so much the direct income to be derived from them as the incidental advantages they secure. The Pennsylvania Railroad, one of our largest and most prosperous enterprises, was undertaken as a means of increasing the trade of Philadelphia, and could not have been constructed without the aid furnished by that city in its corporate capacity. A railroad is now regarded as a necessary highway for every community, and its construction is to be secured, if it cannot be otherwise, in the same manner as ordinary highways. To this end the State of NEW YORK has authorized nearly all its cities and towns to subscribe to the stock of railroads. In the West, land grants have been another powerful motive to the construction of these works. Many of those that have been constructed for the reasons stated are among the most productive, although for a time the ratio of income to cost is very small, and shows most unfavorably in contrast with those of the Eastern States or of foreign countries.

As will be seen, the earnings from the transportation of freight the past year were nearly three-fourths of the gross amount. The ratio of freight to passenger earnings is constantly increasing—a most favorable feature, as it indicates a very rapid development of the industries of the country. The total number of tons transported the past year will probably exceed 200,000,000 tons. The tonnage for the New England States exceeded 16,633,800 tons, or 3,660 tons to the mile. The tonnage in the Middle States equaled 93,400,000, or 8,041 tons per mile. The tonnage for both groups equaled 110,033,800 tons, or 6,790 to the mile. The immense tonnage for the Middle States is due largely to the anthracite coal trade of PENNSYLVANIA. It is only in the States in which railroads are required by law to make returns, that we have been able to give them complete. In the State of OHIO, the tonnage of its road equaled 17,061,707, or 3,588 tons to the mile; in ILLINOIS, 11,841,178 tons, or 2,245 per mile.

We have the means of ascertaining the rate of increase of railroad tonnage only in three States, MASSACHUSETTS, NEW YORK, and PENNSYLVANIA, the railroads in those States having been required in 1863, and consecutively since, to make annual returns of their operations. The following statement will show the increase in these States, in a period of ten years:

| | *Tons moved on railroads in* | | |
|---|---|---|---|
| *Years.* | *Massachusetts.* | *New York.* | *Pennsylvania.* |
| 1873 | 9,160,729 | 17,309,894 | 55,012,051 |
| 1862 | 3,708,670 | 5,803,955 | 15,745,375 |
| Increase in 10 years | 5,452,059 | 11,505,939 | 39,266,676 |
| Increase per cent | 147 | 200 | 249 |

In the above table, only the tonnage actually transported over roads within the States named is given. In all cases where the reports embrace tonnage also counted in other States, by reason of the road lying partly in each State, or on branch roads connecting with a main line, the proper deduction has been made.

With regard to the future increase of receipts, it is probable that they will double themselves in the next ten years—that is to say, in 1881 their receipts will reach $ 1,000,000,000. The States in which the actual increase in ten years ending in 1872 can be ascertained were those first named. In the State of MASSACHUSETTS, the mileage in operation in 1863 was 1,249; the receipts were $ 10,843,579; and the receipts per mile were $ 7,483. The mileage in 1872 was 1,453; the receipts, $ 25,363,177; and the receipts per mile, $17,455. The increase of mileage was 204 miles, or 16.3 per cent., while the increase in receipts was $ 14,519,598, or 134 per cent., and the increase in receipts per mile was $ 9,972, or 133 per cent. The mileage in New York in 1863 was 2,426; the receipts, $ 30,591,661. The receipts per mile in 1863 were $ 12,568. In 1872, the mileage was 4,731, an increase of 94 per cent.; the receipts, $ 60,920,055, an increase of over 99 per cent.; and the receipts per mile, $ 12,876, an increase of about $ 300 per mile. An extraordinary impulse has been given to the construction of railroads in NEW YORK for the past few years, by the provision of law allowing municipal corporations to subscribe to their capital stock.

In PENNSYLVANIA, the mileage in 1863 was 2,757; the receipts, $ 33,046,463, and the receipts per mile, $ 11,970. In 1872, the mileage in operation was 4,332, an increase of 57 per cent.; the receipts were $74,349,343, an increase of 133 per cent.; the receipts per mile, $17,102, an increase of 43 per cent.

The receipts of the railroads of these three States, in 1863, were $74,481,503; in 1872, $160,632,575—an increase of $86,151,072; or over 115 per cent. The receipts per mile in 1863 were $11,580; in 1872, $15,275, an increase of $3,695 per mile, or over 30 per cent.

The total mileage of the railroads in the UNITED STATES has more than doubled since 1863. It is fair to presume that the ratio of increase in receipts has been one-half greater than in mileage. The earnings, therefore, for 1863 may be fairly estimated at $190,000,000 against $472,241,055 for 1872, showing an increase in ten years of $280,000,000 or $28,000,000 annually.

The correctness of these estimates will be fully verified by reference to the condensed statements, for the leading railroads, covering periods of ten years.

The railroads of GREAT BRITAIN are the only ones, outside this country, the results of the operations of which can be compared intelligibly with those of our own. But it would be improper to compare the railroads of MASSACHUSETTS with those of IOWA in hope of deducing any valuable inference therefrom; the earnings of a railroad depend upon its age. Those of MASSACHUSETTS, the greater part of them, at least, have been in operation twenty years; those of IOWA, say five. The investment in each State may be nearly the same, per mile, but the earnings, from the short time in which the roads of the latter have been in operation, may not be half as great in one case as in the other. A comparison of the results of the operation of the railroads of the UNITED KINGDOM with those of the UNITED STATES is subject to the same objection, as the railroad mileage in the former increases very slowly, while that of the railroads in the UNITED STATES has doubled itself within ten years.

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A CITY WITHOUT A CLEARING HOUSE.—The London *Times* of the 2d July (money article) says: A movement has been started by the leading merchants of Liverpool to remedy a grievance, the existence of which in any large commercial town at the present day will, to every London man of business, appear almost incredible. To those who are not familiar with the local customs of the place, the fact that the facilities of ordinary banking accounts are virtually unknown there, that the payments of each day, estimated to average about two millions sterling, are made from hand to hand in bank notes and gold, and that all the losses, embezzlements, waste of interest and other evils of this state of affairs have been tolerated because the community generally have been too indifferent to adopt a concerted resolution for overthrowing the opposition of certain classes of bankers or brokers, will seem among the most singular announcements. In 1867 the Chamber of Commerce made an attempt in favor of a civilized system, which had no result; but a memorandum published to-day in the Liverpool *Daily Post*, setting forth the precise nature of the case and urging a new and vigorous effort, may now, perhaps, meet with more success. By London merchants the matter will be watched simply with the curiosity which attends any struggle between modern habits and the clumsy usages of former times.

## NOTICES OF NEW PUBLICATIONS.

I. *Lombard Street: a description of the Money Market. By* WALTER BAGEHOT. *London*, 1873. *Re-printed by* SCRIBNER & Co. *12mo., pp.* 359, *price*, $1.75.

This is an interesting volume by a competent writer, devoted to the following topics:—1. General view of Lombard street. 2. How Lombard street came to exist, and why it assumed its present form. 3. The Chancellor of the Exchequer. 4. The mode in which the value of money is settled. 5. Why Lombard street is often very dull. 6. The BANK OF ENGLAND and the bank reserve. 7. The Government of the Bank. 8. The Joint-Stock Banks. 9. The Private Banks. 10. The Bill Brokers. 11. The Principles of Banking, &c. We annex the writer's general views on Lombard street.

The objects which you see in Lombard street, and in that money world which is grouped about it, are the BANK OF ENGLAND, the private banks, the joint-stock banks, and the bill brokers. But before describing each of these separately we must look at what all have in common, and at the relation of each to the others.

The distinctive function of the banker, says RICARDO, "begins as soon as he uses the money of *others;*" as long as he uses his own money he is only a capitalist. Accordingly all the banks in Lombard street (and bill brokers are for this purpose only a kind of bankers) hold much money belonging to other people, on running account and on deposit. In continental language, Lombard street is an organization of credit, and we are to see if it is a good or bad organization in its kind, or if, as is most likely, it turn out to be mixed, what are its merits and what are its defects?

The main point on which one system of credit differs from another is "soundness." Credit means that a certain confidence is given, and a certain trust reposed. Is that trust justified? and is that confidence wise? These are the cardinal questions. To put it more simply—credit is a set of promises to pay; will those promises be kept? Especially in banking, where the "liabilities," or promises to pay are so large, and the time at which to pay them, if exacted, is so short, an instant capacity to meet engagements is the cardinal excellence.

All which a banker wants to pay his creditors is a sufficient supply of the *legal tender* of the country, no matter what that legal tender may be. Different countries differ in their laws of legal tender, but for the primary purposes of banking these systems are not material. A good system of currency will benefit the country, and a bad system will hurt it. Indirectly, bankers will be benefited or injured with the country in which they live; but practically, and for the purposes of their daily life, they have no need to think, and never do think, on theories of currency. They look at the matter simply. They say—"I am under an obligation to pay such and such sums of legal currency; how much have I in my till, or have I at once under my command, of that currency?" In AMERICA, for example, it is quite enough for a banker to hold "greenbacks," though the value of these changes as the Government chooses to enlarge or contract the issue. But a practical New York banker has no need to think of the goodness or badness of this system at all; he need only keep enough "greenbacks" to pay all probable demands, and then he is fairly safe from the risk of failure.

By the law of ENGLAND the legal tenders are gold and silver coin (the last for small amounts only), and BANK OF ENGLAND notes. But the number of our attainable bank notes is not, like American "greenbacks," dependent on the will of the State; it is limited by the provisions of the act of 1844. That act separates the BANK OF ENGLAND into two halves. The issue department only issues notes, and can only issue £15,000,000 on Government securities: for all the rest it must have bullion deposited.

There are £15,000,000 bank notes issued on securities, and £18,288,640 represented by bullion. The BANK OF ENGLAND has no power by law to increase the currency in any other manner. It holds the stipulated amount of securities, and for all the rest it must have bullion. This is the "cast iron" system—the "hard and fast" line which the opponents of the act say ruins us, and which the partisans of the act say saves us. But I have nothing to do with its expediency here. All which is to my purpose is that our paper "legal tender," our bank notes, can only be obtained in this manner. If, therefore, an English banker retains a sum of BANK OF ENGLAND notes or coin in due proportion to his liabilities, he has a sufficient amount of the legal tender of this country, and he need not think of anything more.

But here a distinction must be made. It is to be observed that properly speaking we should not include in the "reserve" of a bank "legal tenders," or cash, which the bank keeps to transact its daily business. That is as much a part of its daily stock-in-trade as its desks or offices; or, at any rate, whatever words we may choose to use, we must carefully distinguish between this cash in the till which is wanted every day, and the *safety*-fund, as we may call it, the special reserve held by the bank to meet extraordinary and unfrequent demands.

What then, subject to this preliminary explanation, is the amount of legal tender held by our bankers against their liabilities? The answer is remarkable, and is the key to our whole system. It may be broadly said that no bank in London or out of it holds any considerable sum in hard cash or legal tender (above what is wanted for its daily business) except the banking department of the BANK OF ENGLAND. That department had on the 29th day of December, 1869, liabilities as follows:

| | |
|---|---|
| Public deposits | £ 8,585,000 |
| Private deposits | 18,205,000 |
| Seven-day and other bills | 445,000 |
| Total | £ 27,235,000 |

and a cash reserve of £ 11,297,000. And this is all the cash reserve, we must carefully remember, which, under the law, the banking department of the BANK OF ENGLAND—as we cumbrously call it—the BANK OF ENGLAND for banking purposes—possesses. That department can no more multiply or manufacture bank notes than any other bank can multiply them. At that particular day the BANK OF ENGLAND had only £11,297,000 in its till against liabilities of nearly three times the amount. It had "Consols" and other securities which it could offer for sale no doubt, and which, if sold, would augment its supply of bank notes—and the relation of such securities to real cash will be discussed presently; but of real cash, the BANK OF ENGLAND for *this* purpose—the banking bank—had then so much and no more.

And we may well think this a great deal, if we examine the position of other banks. No other bank holds any amount of substantial importance in its own till beyond what is wanted for daily purposes. All London banks keep their principal reserve on deposit at the banking department of the BANK OF ENGLAND. This is by far the easiest and safest place for them to use. The BANK OF ENGLAND thus has the responsibility of taking care of it. The same reasons which make it desirable for a private person to keep a banker make it also desirable for every banker, as respects his reserve, to bank with another banker if he safely can. The custody of very large sums in solid cash entails much care, and some cost; every one wishes to shift these upon others if he can do so without suffering. Accordingly, the other bankers of London, having perfect confidence in the BANK OF ENGLAND, get that bank to keep their reserve for them.

The London bill brokers do much the same. Indeed, they are only a special sort of bankers who allow daily interest on deposits, and who for most of their money give security. But we have no concern now with these differences of detail. The bill brokers lend most of their money, and deposit the remnant either with the BANK OF ENGLAND or some London banker. That London banker lends what he chooses of it, the rest he leaves at the BANK OF ENGLAND. You always come back to the BANK OF ENGLAND at last.

But those who keep immense sums with a banker gain a convenience at the expense of a danger. They are liable to lose them if the bank fail. As all other bankers keep their banking reserve at the BANK OF ENGLAND, they are liable to fall if it fails. They are dependent on the management of the BANK OF ENGLAND in a day of difficulty and at a crisis for the spare money they keep to meet that difficulty and crisis. And in this there is certainly considerable risk. Three times "Peel's Act" has been suspended because the banking department was empty. Before the act was broken

| | | | |
|---|---|---|---|
| In 1847, the banking department was reduced to | | ....... | £ 1,994,000 |
| In 1857, | " | " ....... | 1,462,000 |
| In 1866, | " | " ....... | 3,000,000 |

In fact, in none of those years could the banking department of the BANK OF ENGLAND have survived if the law had not been broken.

Nor must it be fancied that this danger is unreal, artificial, and created by law. There is a risk of our thinking so, because we hear that the danger can be cured by breaking an act; but substantially the same danger existed before the act, In 1825, when only coin was a legal tender, and when there was only one department in the bank, the bank had reduced its reserve to £ 1,027,000, and was within an ace of stopping payment.

But the danger to the depositing banks is not the sole or the principal consequence of this mode of keeping the London reserve. The main effect is to cause the reserve to be much smaller in proportion to the liabilities than it would otherwise be. The reserve of the London bankers being on deposit in the BANK OF ENGLAND, the bank always lends a principal part of it. Suppose, a favorable supposition, that the banking department holds more than two-fifths of its liabilities in cash—that it lends three-fifths of its deposits and retains in reserve only two-fifths. If then the aggregate of the bankers' deposited reserve be £ 5,000,000, £ 3,000,000 of it will be lent by the banking department, and £ 2,000,000 will be kept in the till. In consequence, that £ 2,000,000 is all which is really held in actual cash as against the liabilities of the depositing banks. If Lombard street were on a sudden thrown into liquidation, and made to pay as much as it could on the spot, that £ 2,000,000 would be all which the BANK OF ENGLAND could pay to the depositing banks, and consequently all besides the small cash in the till, which those banks could on a sudden pay to the persons who have deposited with them.

We see then that the banking reserve of the BANK OF ENGLAND—some £ 10,000,000 on an average of years now, and formerly much less—is all which is held against the liabilities of Lombard street; and if that were all, we might well be amazed at the immense development of our credit system—in plain English, at the immense amount of our debts payable on demand, and the smallness of the sum of actual money which we keep to pay them if demanded. But there is more to come. Lombard street is not only a place requiring to keep a reserve, it is itself a place where reserves are kept. All country bankers keep their reserve in London. They only retain in each country town the minimum of cash necessary to the transaction of the current business of that country town. Long experience has told them to a nicety how much this is, and they do not waste capital and lose profit by keeping more idle. They send the money to London, invest a part of it in securities, and keep the rest with the London bankers and the bill brokers. The habit of Scotch and Irish bankers is much the same. All their spare money is in London, and is invested as all other London money now is; and, therefore, the reserve in the banking department of the BANK OF ENGLAND is the banking reserve not only of the BANK OF ENGLAND, but of all London—and not only of all London, but of all ENGLAND, IRELAND, and SCOTLAND too.

Of late there has been a still further increase in our liabilities. Since the Franco-German war, we may be said to keep the European reserve also. Deposit banking is indeed so small on the continent, that no large reserve may be held on account of it. A reserve of the same sort which is needed in ENGLAND and SCOTLAND is not needed abroad. But all great communities have at times to pay large sums in cash, and of that cash a great store must be kept somewhere. Formerly there were two such stores in EUROPE, one was the BANK OF FRANCE, and the other the BANK OF ENGLAND. But since the suspension of specie payments by the BANK OF FRANCE, its use as a reservoir of specie is at an end. No one can draw a check on it and be sure of getting gold or silver for that check. Accordingly the whole liability for such international payments in cash is thrown on the BANK OF ENGLAND. No doubt foreigners cannot take from us *our own* money; they must send here "value" in some shape or other for all they take away. But they need not send "cash"; they may send good bills and discount them in Lombard street, and take away any part of the produce, or all the produce, in bullion. It is only putting the same point in other words to say that all exchange operations are centering more and more in London. Formerly, for many purposes, Paris was a European settling house, but now it has ceased to be so. The note of the BANK OF FRANCE has not indeed been depreciated enough to disorder ordinary transactions. But any depreciation, however small—even the liability to depreciation without its reality—is enough to disorder exchange transactions. They are calculated to such an extremity of fineness that the change of a decimal may be fatal, and may turn a profit into a loss. Accordingly London has become the sole great settling house of exchange transactions in EUROPE, instead of being formerly one of two. And this pre-eminence London will probably maintain, for it is a natural pre-eminence. The number of mercantile bills drawn upon London incalculably surpasses those drawn on any other European city; London is the place which receives more than any other place, and pays more than any other place, and therefore it is the natural "clearing house." The pre-eminence of Paris partly arose from the distribution of political power, which is already disturbed; but that of London depends on the regular course of commerce, which is singularly stable and hard to change.

Now that London is the clearing house to foreign countries, London has a new liability to foreign countries. At whatever place many people have to make payments, at that place those people must keep money. A large deposit of foreign money in London is now necessary for the business of the world. During the immense payments from FRANCE to GERMANY, the sum *in transitu*—the sum in London has been unusually large. But it will ordinarily be very great. The present political circumstances no doubt will soon change. We shall soon hold in Lombard street far less of the money of foreign governments; but we shall hold more and more of the money of private persons; for the deposit at a clearing house necessary to settle the balance of commerce must tend to increase as that commerce itself increases.

And this foreign deposit is evidently of a delicate and peculiar nature. It depends on the good opinion of foreigners, and that opinion may diminish or may change into a bad opinion. After the panic of 1866, especially after the suspension of Peel's Act (which many foreigners confound with a suspension of cash payments), a large amount of foreign money was withdrawn from London. And we may reasonably presume that in proportion as we augment the deposits of cash by foreigners in London, we augment both the chances and the disasters of a "run" upon ENGLAND.

And if that run should happen, the bullion to meet it must be taken from the bank. There is no other large store in the country. The great exchange dealers may have a little for their own purposes, but they have no store worth mentioning in comparison with this. If a foreign creditor is so kind as to wait his time and buy the bullion as it comes into the country, he may be paid without troubling the bank or distressing the money market. The German government has recently been so kind; it was in no respect afraid. But a creditor who takes fright will not wait, and if he wants bullion in a hurry he must come to the BANK OF ENGLAND.

In consequence, all our credit system depends on the BANK OF ENGLAND for its security. On the wisdom of the directors of that one joint-stock company, it depends whether ENGLAND *shall be solvent or insolvent.* This may seem too strong, but it is not. All banks depend on the BANK OF ENGLAND, and all merchants depend on some banker. If a merchant have £10,000 at his banker's, and want to pay it to some one in GERMANY, he will not be able to pay it unless his banker can pay him, and the banker will not be able to pay if the BANK OF ENGLAND should be in difficulties and cannot produce his "reserve."

The directors of the bank are, therefore, in fact, if not in name, trustees for the public, to keep a banking reserve on their behalf; and it would naturally be expected either that they distinctly recognized this duty and engaged to perform it, or that their own self-interest was so strong in the matter that no engagement was needed. But so far from there being a distinct undertaking on the part of the bank directors to perform this duty, many of them would scarcely acknowledge it, and some altogether deny it. Mr. HANKEY, one of the most careful and most experienced of them, says in his book on the BANK OF ENGLAND—the best account of the practice and working of the bank which anywhere exists—"I do not intend here to enter at any length on the subject of the general management of the bank, meaning the banking department, as the principle upon which the business is conducted does not differ, as far as I am aware, from that of any well-conducted bank in London." But, as anyône can see by the published figures, the banking department of the BANK OF ENGLAND keeps as a great reserve in bank notes and coin, between thirty and fifty per cent. of its liabilities, and the other banks only keep in bank notes and coin the bare minimum they need to open shop with. And such a constant difference indicates, I conceive, that the two are *not* managed on the same principle.

The practice of the bank has, as we all know, been much and greatly improved. They do not now manage like the other banks in Lombard street. They keep an altogether different kind and quantity of reserve; but though the practice is mended the theory is not. There has never been a distinct resolution passed by the directors of the BANK OF ENGLAND, and communicated by them to the public, stating, even in the most general manner, how much reserve they mean to keep or how much they do not mean, or by what principle in this important matter they will be guided.

The position of the bank directors is indeed most singular. On the one side a great city opinion—a great national opinion, I may say, for the nation has learned much from many panics—requires the directors to keep a large reserve. The newspapers, on behalf of the nation, are always warning the directors to keep it, and watching that they do keep it; but, on the other hand, another less visible but equally constant pressure pushes the directors in exactly the reverse way, and inclines them to diminish the reserve.

This is the natural desire of all directors to make a good dividend for their shareholders. The more money lying idle the less, *cæteris paribus*, is the dividend; the less money lying idle the greater is the dividend. And at almost every meeting of the proprietors of the BANK OF ENGLAND there is a conversation on this subject. Some proprietor says he does not see why so much money is kept idle, and hints that the dividend ought to be more.

Indeed, it cannot be wondered at that the bank proprietors do not quite like their position. Theirs is the oldest bank in the city, but their profits do not increase, while those of other banks most rapidly increase. In 1844 the dividend on the stock of the BANK OF ENGLAND was seven per cent., and the price of the stock itself 212; the dividend now is nine per cent., and the price of the stock 232. But in the same time the shares of the LONDON AND WESTMINSTER BANK, in spite of an addition of 100 per cent. to the capital, have risen from twenty-seven to sixty-six, and the dividend from six per cent. to twenty per cent. That the bank proprietors should not like to see other companies getting richer than their company is only natural.

Some part of the lowness of the bank dividend, and of the consequent small value of bank stock, is undoubtedly caused by the magnitude of the bank capital; but much of it is also due to the great amount of unproductive cash—of cash which yields no interest—that the banking department of the BANK OF ENGLAND keeps lying idle. If we compare the LONDON AND WESTMINSTER BANK—which is the first of the joint-stock banks in the public estimation and known to be very cautiously and carefully managed—with the BANK OF ENGLAND, we shall see the difference at once. The LONDON AND WESTMINSTER has only thirteen per cent. of its liabilities lying idle. The banking department of the BANK OF ENGLAND has over forty per cent. So great a difference in the management must cause, and does cause, a great difference in the profits. Inevitably the shareholders of the BANK OF ENGLAND will dislike this great difference; more or less, they will always urge their directors to diminish (as far as possible) the unproductive reserve, and to augment as far as possible their own dividend.

In most banks there would be a wholesome dread restraining the desire of the shareholders to reduce the reserve; they would fear to impair the credit of the bank. But fortunately or unfortunately, no one has any fear about the BANK OF ENGLAND. The English world at least believes that it will not, almost that it *cannot* fail. Three times since 1844 the banking department has received assistance, and would have failed without it. In 1825, the entire concern almost suspended payment; in 1797, it actually did so. But still there is a faith in the bank, contrary to experience, and despising evidence. No doubt in every one of these years the condition of the bank, divided or undivided, was in a certain sense most sound; it could *ultimately* have paid all its creditors all it owed, and returned to its shareholders all their own capital. But ultimate payment is not what the creditors of a bank want; they want present, not postponed, payment; they want to be repaid according to agreement; the contract was that they should be paid on demand, and if they are not paid on demand they may be ruined. And that instant payment, in the years I speak of, the BANK OF ENGLAND certainly could not have made. But no one in London ever dreams of questioning the credit of the bank, and the bank never dreams that its own credit is in danger. Somehow everybody feels the bank is sure to come right. In 1797, when it had scarcely any money left, the Government said not only that it need not pay away what remained, but that it *must* not. The "effect of letters of license" to break Peel's Act has confirmed the popular conviction that the Government is close behind the bank, and will help it when wanted. Neither the bank nor the banking department have ever had an idea of being put "into liquidation;" most men would think as soon of "winding up" the English nation.

II. *Notes on Banking in* GREAT BRITAIN, IRELAND, SWEDEN, DENMARK, *and* HAMBURG. *By* R. H. I. PALGRAVE. *London*, 1873. *Octavo, pp.* 122.

The author takes a survey of the operations of the banks in ENGLAND, with copious remarks on the amount of bills in circulation, both inland and foreign, in GREAT BRITAIN and IRELAND, and on the existing banking system of SWEDEN. The bank circulation of SWEDEN is represented to be equal to £ 4,800,000, or about $23,300,000, or nearly $ 5.50 per capita. The bank note circulation of the UNITED KINGDOM is forty-three millions sterling, or about seven dollars per capita.

III. *Essays on Political Economy, theoretical and applied. By* J. E. CAIRNS, M. A., *Emeritus Professor of Political Economy in University College. London,* 1873.

These essays were originally published during the past fourteen years in various English periodicals. His first essay is on the gold question. According to the *British Quarterly Review:*

In this the conclusions and conjectures, with regard to the effect of the enormous supply of gold from AUSTRALIA and CALIFORNIA, are shown to be correct and justified by subsequent events. If not absolutely verified, this has been due to modifying causes which could not be foreseen, and which would have had a still greater effect but for this vast influx of gold. The author holds that this large production of gold, while it has necessitated the absorption and use of more current coin, and has had a vast effect on nations, even those the most remote from the fountain of gold whose current sets towards them, and has modified the relative position not only of debtor and creditor, but also of the different classes of various employments, yet it has had no desirable result on the world at large as distinguished from the communities occupying the localities where it is found. Society has had forced upon it a revolution destitute of any real utility. He maintains that gold has suffered great depreciation; and that notwithstanding the readiness with which it is obtained, it will probably be subject to further depreciation in value.

On the other hand, we cannot but think that the author has failed to keep before him the clear distinction between the temporary and the permanent effects of the discovery and influx of gold—between the effect of the current while it flows, and that of the level of the flood when at its full. This confusion manifests itself more especially when the author speaks of the "local value of gold," Now, without denying that gold has a slightly differential local value in different countries, when, for instance, it is said that gold once fell in Australia to half its value because men would not work at five shillings a day inasmuch as they could dig ten shillings worth of gold in the immediate neighborhood, we think this indicates an error in thought. The author thus measures two elastic standards against one another, and deliberately chooses the most elastic as his criterion. If instead of gold there had been a discovery of any other widely-demanded and easily-transported material, which remunerated those who worked it in like proportion, the effect would have been the same, though the value of gold would have been in no way affected.

IV. *Economic Sophisms, by* FREDERIC BASTIAT. *Octavo, pp.* 236. *Edinburgh,* 1873.

This volume is translated from the fifth edition of the French, by PATRICK JAMES STIRLING, LL.D., F. R. S. E., author of "The Philosophy of Trade." The object of the author is to refute what he terms the fallacies of the Protectionist school, then predominant in France. According to Mr. COBDEN, "the sallies of wit and humor in this work make it as amusing as a novel."

V. *Life and Labors of* Mr. THOMAS BRASSEY, *from* 1805 *to* 1870. *By* Sir ARTHUR HELPS, K. C. B. *Pp.* 386. *London*, 1873.

This is an account of one of the most extraordinary men of the present century. Between the years 1834 and 1870 he was a contractor (in whole or in part) for the construction of one hundred and seventy public works of an extensive character; including railroads in ENGLAND, FRANCE, BELGIUM, ITALY, SPAIN, WALES, SCOTLAND NORWAY, NETHERLANDS, AUSTRIA, BRITISH INDIA, SARDINIA, JUTLAND, QUEENSLAND, RUSSIA, CANADA; together with the great improvements known as the Birkenhead docks; the Hauenstein tunnel; the Bellegarde tunnel; Calcutta works; Thames embankment; Callao docks. Among the prominent railways constructed under his contracts, some of them by personal supervision, were the following: Paris and Rouen Railway, 82 miles; Orleans and Bordeaux Railway, 294 miles; Caledonian Railway, 125 miles; Grand Trunk, of Canada, 539 miles; Maremma & Leghorn Railway, 138 miles; Jutland Railway, 270 miles; Meridionale Railway, 160 miles; Central Argentine, 247 miles; Lemberg-Czernowitz (Moldavia), 165 miles; Delhi Railway, 304 miles; Warsaw and Terespol, 128 miles; Kronprinz-Rudolfsban Railway, 272 miles; Suczawa and Jassy Railway, 135 miles. In this long period and in the completion of these vast works, Mr. BRASSEY laid out seventy-eight millions sterling of other people's money. There were times when he and his partners were giving employment to eighty thousand persons, upon works requiring seventeen millions sterling for their completion.

Is it at all surprising that, with these vast undertakings, his Herculean body and mind should succumb to the modern destroyer known as PARALYSIS? Indeed, is it not wonderful that he could for a long series of years supervise so many of the great railways of four quarters of the globe? MR. BRASSEY neglected the lesson taught us that there is a limit to the workings of the human frame—a lesson sadly neglected by contractors in Wall street and elsewhere. Of the more recent proposition that the Government should assume the control of the railways, Sir ROBERT PEEL said, "he had not at his command sufficient power (official) to institute a control over these undertakings." Of this important question the author says:

The questions concerning railway management will gradually force themselves upon the consideration of the public; and it is noticeable that already many thoughtful persons have come to the conclusion that all railways should belong to the State, and be under one central control. This, however, is a very serious conclusion; for, unless Government is stronger than it appears likely to be in our time, it will hardly have power to make head against the criticism and the odium to which it will be subjected immediately upon its having the management of such a vast and complicated concern as the railway traffic of this country. There is not any subject of social interest which requires more thought than this question of absorbing into the functions of Government the whole of our railway system. Whatever has been done in a similar direction—as, for instance, the transmission of letters by the Post Office, and, in our time, the taking over of the Electric Telegraph systems by Government—are comparatively small matters when put side by side with the question of the Government undertaking to manage all the railway traffic of the country.

VI. *The Science of the Exchanges, by* N. A. NICHOLSON, M. A., *of Trinity College, Oxford. 8vo., pp.* 216. *London,* 1873.

Mr. NICHOLSON divides his work into nine chapters, viz.: Value; Labor; Buying and Selling; Currency; Gold; Foreign Exchanges; Depreciation of the Currency; Land; Taxation. Upon the subject of Taxation the author properly says:

We should tax heavily any commodities which are not absolutely necessary for the health and welfare of the people, but which they are in the habit of consuming, such as tobacco, gin, whiskey, brandy, etc.; but we should tax as lightly as possible such commodities as wine, beer, tea, coffee, sugar, etc., for these commodities are directly conducive to the health and welfare of the people.

VII. *Kulu and the Silver Country of the Vazeers, by* J. CALVERT, F. G. S. *London,* 1873.

According to the Westminster Review:

Mr. CALVERT has long been concerned to demonstrate to the incredulous the mineral wealth of INDIA. While deploring the ill-fate of some explorers who have mistaken iron pyrites for gold, he wishes to incite the adventurous to make expeditions from Simla or Jullundur to Kulu, either for the pleasure of hunting or mere traveling in the splendid scenery of the Lower Himalaya, or for the more remunerative purpose of "prospecting" for the mines of untold wealth, the existence of which he has now so thoroughly demonstrated that a company is being formed to work them. He tells of a slip on the mountain side which made him grasp at a tree, the roots of which gave way and displayed a lode of silver-bearing lead; of veins of antimony and bismuth; of copper mines visible from far by the discoloration of the mountain sides, and which crop up to the surface constantly. Sapphires and other precious gems are abundant for those who know how to seek them. For having made these discoveries, Mr. CALVERT is entitled to the gratitude of the owners of so rich a land; but he is doubly entitled to it because he held his faith, and made his investigations, in spite of the perversest officialism, which protested that there was nothing there, and gave him no encouragement to go and see. Many mines have long ago been planted over to conceal them from the Sikhs, but few have passed out of mind, or at least out of tradition, and many have never been discovered yet.

VIII. *Politics and Mysteries of Life Insurance, by* ELIZUR WRIGHT. 12*mo., pp.* 238. *Boston,* 1873. *Price,* $ 1.50.

Mr. WRIGHT has had the experience of forty years as an actuary. This has enabled him to form theories and to test their value and applicability in the progress of life insurance from an incipient state to one involving the care and future distribution of nearly two hundred millions of dollars. He divides his work into ten chapters, viz.: 1. Magnitude of the business; 2. The non-forfeiture law; 3. Surrender charge; 4. Savings bank life insurance; 5. Reduction of rates; 6. Black and White mail; 7. Insurance agents, suggestions to; 8. Rates of premium; 9. Premium notes, liens, dividends; 10. The Money Question.

Mr. WRIGHT'S volume will be found valuable to all persons engaged in the life insurance business, as well as to many thousands who are interested either as capitalists or agents, and to every one who holds a policy of life insurance.

IX. *Coin Map of the World; a Key to the Prices of the World. Exhibition at Vienna.*

This little map shows at a glance the gold producing and the silver producing regions of the world, with the various countries where the gold dollar, the silver dollar, the pound sterling and the franc severally prevail; with the names of the principal coins used in each country. Vienna, 1873. Price, $ 1.

X. *Tables of Exchange between England, France, Belgium, and Italy. Converting Sterling into Francs, and Francs into Sterling; each by sixty-three different rates of Exchange from Francs* 24.95 *Centimes to Francs* 26.50 *Centimes per Pound Sterling, by* M. COHN. *London:* EFFINGHAM WILSON, *Royal Exchange.* 1872.

XI. *National Finance and Currency. The Bank Acts of* 1797, 1819, *and* 1844. *With the Operation of Gain or Loss of Gold, and Panics in Peace and War, by* EDWARD NORTON. *Third Edition. London:* LONGMANS, GREEN & CO. 1873.

XII. *The Financial Register and Stock Exchange Manual. Statistical and Historical Year-Book, showing the Capital, Dividends, and Prices of the Public Funds, Colonial and Foreign Debts, of Banking, Insurance, Mining, Railway, Telegraph, Water and Gas, and other British and Foreign Joint-Stock Companies, for the Year* 1873. *First Annual Publication. London:* STUBBS & CO., 12 *Gresham street, E. C.* 1873.

XIII. *The Joint-Stock Manual: a Handybook of the Practice of the Joint-Stock Companies' Registration Office, containing full and detailed Instructions for obtaining Incorporation under the Companies' Acts,* 1862 *and* 1867, *with complete Lists of all the Returns required by these Acts to be registered during the existence of a Company; together with numerous Specimen Forms and plain directions as to the way in which they should be filled up.*

# GOVERNMENT EXPENDITURES AND REVENUE, FOR THREE YEARS.

The following is a summary statement, having the sanction of official sources, though not of official signatures, of the receipts and expenditures of the government for the last three years:

## NET RECEIPTS.

| | *One year to June* 30, 1871. | *One year to June* 30, 1872. | *One year to June* 30, 1873. |
|---|---|---|---|
| From customs | $206,270,408 | $216,370,286 | $188,089,522 |
| From internal revenue | 143,098,153 | 130,642,177 | 113,729,314 |
| From sales of public lands | 2,388,646 | 2,575,714 | 2,882,312 |
| From miscellaneous sources | 31,566,736 | 24,518,688 | 29,037,055 |
| Total receipts | $383,323,944 | $374,106,867 | $333,738,204 |

## NET EXPENDITURES.

| | *One year to June* 30, 1871. | *One year to June* 30, 1872. | *One year to June* 30, 1873. |
|---|---|---|---|
| For premium on bonds | —— | $6,958,266 | $5,105,919 |
| For civil & miscellan's purposes | $69,498,710 | 60,984,758 | 73,328,110 |
| For War Department | *35,799,991 | 35,352,157 | 46,323,138 |
| For Navy Department | 19,432,027 | 21,249,809 | 37,311,131 |
| For Indians and pensions | 41,870,892 | 35,595,131 | 23,526,256 |
| For interest on the public debt | 125,576,565 | 117,357,839 | 104,750,688 |
| Total expenditures | $292,177,188 | $277,517,962 | $290,345,245 |

The following is a statement of the principal of the public debt of the UNITED STATES on the first days of July during the past four years:

| | |
|---|---|
| July 1, 1870 | $2,480,672,427 81 |
| July 1, 1871 | 2,353,211,332 11 |
| July 1, 1872 | 2,253,251,328 78 |
| July 1, 1873 | 2,234,482,993 20 |

The last statement is made without regard to the interest due and unpaid, or accrued, or cash in the Treasury at the dates named. By adding interest due and unpaid, and interest accrued, and deducting cash in the Treasury for the past two fiscal years, we have the following result:

| | |
|---|---|
| Balance of obligations, July 1, 1872 | $2,191,486,343 62 |
| Balance of obligations, July 1, 1873 | 2,147,818,713 57 |
| Net reduction during the fiscal year | $43,667,630 05 |

The statement shows a reduction of the public debt for three years—from July 1, 1870, to July 1, 1873—of nearly two hundred and fifty millions of dollars. The net reduction during the last fiscal

* This is the net amount after deducting $8,280,093.13 repaid into the Treasury as proceeds of sales of ordnance, &c. The true expenditures were $44,080,084.95.

year has, however, been only $ 43,667,530, which is rather less than one-fifth of the whole reduction, as shown by the rough figures. But this, we assume, is because the net receipts of the year 1872 exceed those of the year 1873 by forty-one and a half millions, while the total expenditures of 1872 fall short of those of 1873 by thirteen millions. The causes of this falling off in receipts need not be specifically examined at present, further than to say that the tariff has furnished less by almost thirty millions than it did last year, and that the internal revenue department shows a falling off of almost seventeen millions. Five millions more of the income of 1873 than of that of 1872 are, however, credited to miscellaneous sources; but the showing, the whole, is not altogether encouraging, and suggests that it must have been really an inopportune year for the President to accept an increase of salary, to say nothing of Members of Congress. Our income has fallen off visibly and seriously; our expenditures have been as visibly and palpably increased. What the official explanation of the fact will be we all know; the party remedy will be an increase in the tariff; but the people, we trust, are growing less and less disposed to accept any other correction than greater economy in the government, and an honest administration of affairs in every department.

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WRITERS' CRAMP.—Bank clerks will be interested in an article contained in the London *Practitioner* for July, on the affections of the muscles and nerves of the hands, known as "writers' cramp." The theory that the disease is caused by the electrical or magnetic property of the steel pens is denied, and apart from any argument on the subject, cases have been known where the writer used a gold pen with a German silver handle. The "steel pen disease," however, is believed to be caused by the greater effort of the muscles required in writing with a hard, stiff pen than with a quill. In brief, the muscles of the hand are overworked, and the reaction upon the nerves aggravates the disorder. A similar trouble is known among pianists. The composer, SCHUMANN, while endeavoring to strengthen one finger of his right hand, lost the use of it as a performer. Among the symptoms of the disease, the prevalence of contortions and unusual movements of the body is observed, similar to those in cases of persons not accustomed to writing. The condition of the nails is also remarkable, being thin and papery, prone to break and useless for many purposes. In the cases observed there was a distinct impairment of the power of the muscles, but the modes in which the weakness manifested itself were different. In most of these cases there was a feeling of fatigue, varying from a trifling annoyance to a severe pain, cramp-like contractions, sometimes extending to the muscles of the arm and forearm. The general health of persons afflicted with this disease is not good, the muscles being soft and flabby, and it is accompanied by loss of power to sleep soundly. From all of which we judge that the disease afflicts those who are otherwise in poor bodily health, and if the malady did not take the form known as "writers' cramp," it would show itself in sone other disease of the muscular tissues.

## CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. The Performance of Notarial Functions by a Cashier. II. Guaranty of Judgment Notes. III. Irregularity in Form of Endorsement. IV. Checks Payable to Bearer. V. Endorsement to Order. VI. Guaranty of Endorsements. VII. Checks or Notes Payable "in Coin." VIII. Duplicate Certificates of Deposit. IX. Drafts Payable "One Day after Date," as Checks.

### I.—Notarial Functions by a Cashier.

—— Savings Bank, Mo., 1873.

*To the Editor of the Banker's Magazine.*

A. B. & Co. draw their three days' sight draft on C. D. & Co., payable to the order of E. F., Cashier. The draft has to be protested for non-acceptance. Can E. F., being a Notary Public, protest this draft, or must he give it to some other Notary?

—— Cashier.

*Reply.*

A notary public can protest legally a draft payable to himself as cashier. That such functions do not conflict was clearly shown in the case of the Bank of Syracuse *v.* Hollister, before the New York Court of Appeals. A note payable at the Bank of Utica, where the maker had no funds, was delivered, after business hours on the last day of grace, to the teller, who was also a notary, at his dwelling-house, for the purpose of demanding payment. He went to the bank, and being unable to obtain entrance demanded payment *of himself* at the bank door. *Held*, that it was a sufficient presentment to charge an endorser.

### II.—Guaranty of Judgment Note.

—— Pa., 1873.

*To the Editor of the Banker's Magazine.*

Will you be kind enough to give me your decision in the following case: "A gives to B a *Judgment Note*, and for the purpose of negotiation, *B endorses it*; the note is not paid at maturity and goes to protest. Does the *protest* hold B?

—— Cashier.

*Reply.*

B is unquestionably held by the protest, as endorser or guarantor.

### III.—Irregularity of Endorsement.

——— National Bank, Vermont, 1873.

*To the Editor of the Banker's Magazine.*

What kind of paper is a note given by one party to a second who endorses it, and *accepted, not endorsed,* by a third? Is such an acceptance equivalent to an endorsement?

"Inquirer."

*Reply.*

I. The irregularity of form in the indorsement by a third party does not change the character of the note, which was complete without his name.

II. If it was understood and agreed that his signature was to be for the purpose of guaranteeing payment, he could be held as an endorser, upon parol proof of such understanding before a court at law.

### IV.—Checks Payable to Bearer.

——— Bank, ———, Ill.

*To the Editors of the Banker's Magazine.*

Can the character of a check drawn on a bank, payable to *bearer,* be changed by anything written by a third party on the back of the check?

Is the bank bound to recognize an endorsement of a third party directing the check to be paid to the order of a fourth party; or is the bank, having relations only with the drawer, bound to pay as he has ordered on the face of the check—to the bearer presenting it?

——— Cashier.

Boonville, Mo., 1873.

*To the Editors of the Banker's Magazine.*

If a check is payable to John Smith or *bearer,* but is endorsed on the *back* by him payable to John Jones or *order,* and the face not changed—does it become an *order* check by that endorsement? I hold that it is not the cashier's or teller's place to turn over a check to see what is on the back, if it is payable to bearer in the face, but an eminent lawyer differs with me and I appeal to you for your views, or to know if you have seen any laws bearing upon that particular point.

——— Cashier.

*Reply.*

If a check be paid to bearer, according to its tenor, all the requirements of the drawer have been fulfilled. The teller is not obliged to examine its back. But if his attention be called to such an endorsement as either of those mentioned, it is, we think, his duty to observe the instructions noted, as pointing to the party legally entitled to receive the money.

We do not find any legal decision on this particular point.

### V.—Endorsement to Order.

——— National Bank, Iowa, 1873.

*To the Editor of the Banker's Magazine:*

Does a check payable to "John Smith, or order," differ substantially from one payable to "the order of John Smith?"

Would not a bank be justified in requiring an endorsement on either form?

——— Cashier.

### *Reply.*

If a check payable to "John Smith, or order," be presented by him in person, and he refuse to endorse it, it is our opinion that the bank cannot under any law compel him to do so before payment to him. In the event of after dispute the bank must of course be able to prove that payment was made to the proper person, and for this the payee's endorsement is obviously the easiest as it is the usual means. But the law does not authorize a payor to insist upon a written receipt as a condition of payment. The burden of proof falls upon him.

In the case of a check payable "to the order of John Smith" the expressed conditions are not precisely the same, and are only complied with when the instrument is endorsed by payee.

### VI.—The Guarantee of Endorsements.

——— Bank, St. Louis, 1873.

*To the Editor of the Banker's Magazine:*

Suppose a check or draft presented by one bank to another, payable to the order of John Smith, and endorsed "John Smith, per A. B.," or "John Smith, by T. Jones, Atty.," and also endorsed by the collecting bank; has the paying bank a right to demand a special guaranty of such endorsement? My understanding is that a subsequent endorsement, *per se*, guarantees the correctness of such signatures. Is it not so?

——— Cashier.

### *Reply.*

Inasmuch as each endorser guarantees the genuineness of preceding indorsements, it seems reasonable to claim that he is also responsible for their correctness when made by an attorney or agent. But the rule with all prudent bankers is to require a guarantee in every instance where there is a point under doubt, and under that rule the above clearly comes.

Between banks having frequent exchanges a general guarantee can be given to cover all such cases, thus saving the trouble of a special guarantee on every one.

## VII.—Checks or Notes Payable "in coin."

——— Texas, July, 1873.

*To the Editor of the Banker's Magazine.*

To decide a dispute will you please state whether checks or notes calling for *coin* can be paid in *silver*.

To what amount is silver a legal tender?

Does the word coin mean either silver or gold? J.

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*Reply.*

By various acts of Congress the legal-tender values of the small silver coins (from fifty cents downward) were reduced below their face value.

The gold coins of the United States, without exception, are all a legal tender for their nominal or face values.

The silver coins of one dollar, being of full standard value, are legal tender for any and all sums.

The smaller silver coins are legal tender for sums as stated below:

| *Silver.* | | *Legal tender for* | | *Date of Act.* |
|---|---|---|---|---|
| 50 cents | .. | $ 5.00 | .. | By Act of February 21, 1853. |
| 25 " | .. | 5.00 | .. | " " " |
| 10 " | .. | 5.00 | .. | " " " |
| 5 " | .. | 5.00 | .. | " " " |
| 3 " | .. | 30c. | .. | By Act of March 3, 1851. |

| *Nickel.* | | *Legal tender for* | | *Date of Act.* |
|---|---|---|---|---|
| 1 cent | .. | 10 cents | .. | By Act of April 22, 1864. |
| 2 cents | .. | 20 " | .. | " " " |
| 3 " | .. | 60 " | .. | By Act of March 3, 1865. |
| 5 " | .. | 100 " | .. | By Act of May 16, 1866. |

Payment "in coin" means, therefore, in gold coin or in silver dollars.

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## VIII.—Duplicate Certificates of Deposit.

——— Savings Bank, Mo., 1873.

*To the Editors of the Banker's Magazine.*

A party holding a certificate of deposit on this bank loses it—asserts that it was burnt up by mistake. We have heretofore required bond of indemnity before issuing duplicate or paying money in such cases. This party is unable to give good bond; will a receipt against the certificate protect the bank in any contingency?

——— Assistant Cashier.

*Reply.*

A duplicate certificate of deposit cannot be issued with safety unless on a sufficient bond of indemnity. The receipt of payee would be a valid offset if the original certificate were presented *by him.* But if instead of being destroyed, as asserted, the certificate has been transferred to an innocent holder, who took it *bona fide* and without notice, the bank must pay it notwithstanding the receipt. A bond is therefore indispensable.

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## IX.—Drafts payable one day after date in lieu of Checks.

——— National Bank, Kansas, 1873.

*To the Editor of the Banker's Magazine.*

Can a draft drawn "one day after date without grace" be legally protested if presented two or more days after date and refused? If not, how are endorsers to be held on such paper?

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*Reply.*

"Bills or notes, when payable at a time certain, must be presented on the *very day they fall due.*" A draft such as described can only be taken with safety when both drawer and drawee are of unquestionable standing.

Such drafts are sometimes drawn in lieu of ordinary checks, for the purpose of saving the two-cent revenue stamp. No respectable banker should stoop to so pitiful an evasion, and those to whom are offered bills so drawn, should decline to receive them, unless on the special guaranty of a responsible customer.

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Exports of Great Britain.—The annual returns of the exports of Great Britain have been made up in that most attractive of forms which shows the countries to which goods are sent and the amounts. The total value of all exports for 1872 was £255,961,609; of which £60,566,604 represented the value of exports to British possessions, and £195,395,005 that to foreign countries. The total for 1871 was £223,066,193, including £51,250,213 to British possessions, and £171,815,949 to foreign countries. There are twenty-three colonies in the list, and in all but four there was an increase. Great Britain sent goods to fifty-seven foreign countries, and there was an increase in all but fifteen of them, France being the only important one of these exceptions. The increase in prices is, of course, the chief explanation of the very satisfactory exhibit made by these returns. Of the colonial possessions India is England's best customer, taking nearly eighteen and a half millions sterling. Australia is second, with fourteen millions. The North American colonies third, with ten and a quarter millions. The United States stands far ahead of all other countries, however. In 1872 we took nearly forty and three quarter millions' worth of English goods; Germany standing second, with thirty-one millions; and France third, with seventeen and a quarter millions.

# SPECULATION IN ENGLAND.

The cheapness of money, added to the large accumulations of capital, serve to encourage speculation in mining, banking, etc.

The following summary of the registrations which have taken place during the seven completed months of this year, compared with those of the corresponding period last year, exhibits an increase of 87 in the number of companies, and of £13,704,056 in the nominal capital, in favor of this year over last, being an increase of 15 per cent. in the number of companies, and 18 per cent. in the amount of the nominal capital:

| | 1872. | | 1873. | |
|---|---|---|---|---|
| | No. of Cos. | Nom. Cap. | No. of Cos. | Nom. Cap. |
| January | 85 | £ 8,463,600 | 89 | £ 9,808,910 |
| February | 74 | 8,558,100 | 76 | 9,777,280 |
| March | 74 | 6,850,500 | 113 | 23,492,100 |
| April | 73 | 5,948,300 | 116 | 14,318,900 |
| May | 98 | 16,670,225 | 96 | 7,586,790 |
| June | 89 | 21,199,754 | 75 | 10,715,955 |
| July | 82 | 8,958,100 | 97 | 14,652,700 |
| Total | 575 | £ 76,648,579 | 662 | £ 90,352,635 |

The following is an analysis of the July companies, arranged in groups according to their capitals:

| | | | Companies. |
|---|---|---|---|
| Under £ 5,000 | | | 13 |
| Above £ 5,000 | not exceeding | £ 10,000 | 12 |
| " 10,000 | " | 25,000 | 22 |
| " 25,000 | " | 50,000 | 21 |
| " 50,000 | " | 100,000 | 12 |
| " 100,000 | " | 250,000 | 10 |
| " 250,000 | " | 500,000 | 2 |
| " 500,000 | " | 1,000,000 | 1 |
| " 1,000,000 | | | 4 |
| Total, July, 1873 | | | 97 |

With regard to capital, there are, in July, 1873, no less than four companies with a nominal capital exceeding £ 1,000,000, besides another of just that amount. The two largest are telegraph companies, one being the Globe Telegraph and Trust (£ 3,000,000), the great amalgamation scheme for the consolidation of telegraphic property, and the other the Spanish and Cuban Submarine Telegraph (£ 2,500,000). Other large companies are the Governments' Securities Debenture (£ 2,000,000), the Neuchatel Asphalte (£ 1,150,000), and the Licensed Victuallers' Co-operative Finance Association (£ 1,000,000).

# THE PAYMENT OF THE GENEVA AWARD.

On the 9th of September the amount awarded by the Geneva Arbitration was paid over at Washington to the UNITED STATES, as described below:

The banking firms of DREXEL, MORGAN & Co., MORTON, BLISS & Co., and JAY COOKE & Co. made a contract with the British Government to pay this award on or before the 10th of September, in accordance with the terms of the Treaty of Washington, and notified the Secretary of the Treasury to that effect. In view of this intimation, and in accordance with the law of Congress, the Secretary of the Treasury announced that he would pay off $ 20,000,000 of the five-twenty bonds, that he might be prepared to invest the money derived from the award in the new five-per-cent. registered bonds, which could be used when the above named were redeemed. The call was made for $ 20,000,000—$ 4,500,000 more than the amount of the award—in order that at least $ 15,500,000 might be in the hands of the Secretary by the time the award fell due, it being deemed advisable by him to leave this surplus of $ 4,500,000 to render it certain he would have the desired amount.

The contracting bankers from time to time bought exchange, which they deposited in comparatively small amounts, and received coin certificates for such deposits. They also purchased bonds maturing September 6, and having thus obtained the $ 15,500,000, they surrendered, on September 9, all their certificates of deposit, obtaining from the Secretary of the Treasury in lieu thereof a single one covering the entire amount, which is in the following words and figures:

Act of March 3, 1873.—It is hereby certified that $ 15,500,000 have been deposited with the Treasurer of the UNITED STATES, payable in gold at his office to DREXEL, MORGAN & Co.; MORTON, BLISS & Co.; JAY COOKE & Co., or their order. Washington, September 9, 1873. JOHN ALLISON, Register of the Treasury. F. E. SPINNER, Treasurer of the UNITED STATES. WILLIAM A. RICHARDSON, Secretary of the Treasury.

The certificate has the figures $ 15,500,000 in the upper right and left hand corners, and is numbered about the centre on each side with the figure one. This the bankers indorsed payable to the joint order of Her Britannic Majesty's Minister or Chargé d'Affaires and Consul-General at New York, in settlement of their contract with the British Government. Sir EDWARD THORNTON, in company with Consul-General ARCHIBALD, having received it at the Treasury Department on the 9th through the bankers, proceeded to the State Department, and having endorsed it, handed the certificate to Secretary FISH, who gave them the following receipt:

The undersigned, HAMILTON FISH, Secretary of State of the UNITED STATES OF AMERICA, hereby declares that he has this day received from the Right Honorable Sir EDWARD THORNTON, her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary, and from EDWARD MORTIMER ARCHIBALD, Esq., her Britannic Majesty's Consul-General at New York, agents of her Majesty's Government in this behalf, the sum of $ 15,500,000 in gold coin, being the whole amount of the gross sum awarded on the 14th of September, 1872, by the Tribunal of Arbitration then sitting at Geneva, in accordance with the provisions of the seventh article of the Treaty of May 8, 1871, between the said UNITED STATES and her Britannic Majesty.

In witness whereof the aforesaid HAMILTON FISH, Secretary of State of the UNITED STATES OF AMERICA, has subscribed his name to this receipt in duplicate at Washington, this 9th of September, in the year of our Lord 1873.

HAMILTON FISH, Secretary of State.

The Secretary of State, on receiving the certificate, proceeded, in company with Assistant Secretary BANCROFT DAVIS, to the Treasury Department, and called upon Secretary RICHARDSON, with the request that the amount be invested in the new five-per-cent. bonds of the Funded Loan, under the Act of Congress. The Secretary of the Treasury accordingly directed that a bond for $ 15,500,000 be issued, which was done. It is in the words and figures following:

Funded Loan of 1881. Washington, May 1, 1871. The UNITED STATES of AMERICA are indebted to Hon. HAMILTON FISH, Secretary of State, in trust, to be held subject to the future disposition of Congress, as provided in the Act approved March 3, 1873, chapter CCLXI, in the sum of Fifteen Million Five Hundred Thousand Dollars. This bond is issued in accordance with the provisions of an Act of Congress entitled an act to authorize the refunding of the National Debt, approved July 14, 1870, amended by an Act approved June 20, 1871, and is redeemable, at the pleasure of the UNITED STATES, after the 1st day of May, A. D., 1881, in coin of the standard value of the UNITED STATES on said July 14, 1870, with interest in such coin from the day of the date hereof, at the rate of five per centum per annum, payable quarterly, on the first day of February, May, August and November in each year. The principal and interest are exempt from the payment of all taxes or duties of the UNITED STATES, as well as from taxation in any form by or under any State, municipal or local authority. Transferable on the books of this office. (Signed,)

JOHN ALLISON, Register of the Treasury.

In the lower left hand corner appear the words, "Entered, G. L. W. Recorded, J. H. J." Around the margin of the bond the amount in figures appears frequently. On the face is a representation of the coat of arms of the UNITED STATES, and upon either side of this a scroll, the one on the right being encircled by the words "Principal and interest payable in coin at the Treasury of the UNITED STATES," and that on the left encircled by the words "Interest five per cent. per annum." Across the face is written, "Approved, WILLIAM A. RICHARDSON, Secretary of the Treasury." On the back of the bond is the usual blank assignment for the payee, assignee, and verification in the same words as on all the registered bonds. The bond was skillfully printed with a pen, being a fac simile of the printed form, and is the work of Mr. E. B. MAGROTY, a clerk in the loan branch of the Treasury. Upon being duly executed it was photographed and then sent to Secretary FISH, who is its present custodian. The certificate of deposit was, of course, retained by the Secretary of the Treasury when the bond was issued. It will be framed and preserved among the archives of the Government as a memorial of the amicable settlement of the difference between the two countries without resort to arms.

In this settlement the only transaction the Secretary of the Treasury has had with the banks was to receive their certificates of deposit and issue in lieu thereof one for the whole amount. The bankers received nothing from the Treasury as compensation for the negotiation, the expense having been paid by the British Government.

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KENTUCKY.—AN IMPORTANT DECISION.—Hon. BLAND BALLARD, Judge of the District Court, has recently affirmed the opinion of Mr. WARNER UNDERWOOD, register, in the several "special deposit" cases, against the BANK OF BOWLING GREEN, KY., in bankruptcy, growing out of the thefts and other malfeasance in office of the cashier, CALVERT.

The amount involved was about $ 150,000, and the facts of the case presented many new and interesting questions—questions of vast importance to commercial circles.

There were three classes of cases:—

*First*—Special deposits stolen by the cashier and converted to his own use.

*Second*—Contracts made by the cashier with individuals for an exchange of their bonds for other stocks and securities.

*Third*—Special deposits stolen by the cashier and converted to the use and benefit of the bank.

The opinion holds that, for the loss of the first class, the bank is not responsible, the act of theft not being an act done in the course of the agency of the cashier and negligence proven not being proximate to the cause of the loss.

That for the second the bank is not liable, it having no interest in the subject matter of the contracts, and neither received nor has to receive any consideration. But that for the third class the bank was liable—it having received the benefits of the conversion by its agent—the proceeds of the bonds having passed to its credit on the books of its correspondents.

This ruling defeats the claims of a large number of creditors of the bank, but is in favor of Mr. J. J. CLAYPOOL, of Bowling Green, in the sum of about $ 17,000, and of the Society of Shakers at South Union, in the sum of $35,734.21.

The cases were attended to on both sides by some of the ablest counsel in the State, and are regarded by the profession as establishing an important precedent in our jurisprudence.—*Louisville Courier-Journal.*

## BANKING AND FINANCIAL ITEMS.

THE FINANCIAL PANIC IN NEW YORK.—On Saturday, September 13th, Wall Street was startled by the failure of Messrs. KENYON, COX & CO., bankers. This house was regarded as among the strongest, but having made large advances to the Canada Southern Railroad Co., was unable to meet its engagements. A decline in the price of stocks followed and much uneasiness ensued, which was heightened on Wednesday, 17th, by the announcement that the paper of the New York, Oswego and Midland Railroad Co. had gone to protest.

On Thursday morning, 18th, rumors were rife unfavorable to many houses, but when it was reported that the well-known firm of JAY COOKE & CO. had suspended the excitement became intense. At first this was not believed, but at noon a formal notice confirming it was read at the Gold Room. The branches of the house at Philadelphia and Washington were also closed. The cause assigned is their large investments in railroad bonds, particularly those of the Northern Pacific, and a heavy withdrawal of deposits from their Philadelphia house. The suspensions of the FIRST NATIONAL BANK of Washington, and of Messrs. E. W. CLARK & CO., Philadelphia, were also announced, and of one or two minor New York houses. A rapid fall in stocks took place and panic appeared imminent.

On Friday, 19th, matters became still worse. The suspension of FISK & HATCH was the crowning excitement, and in the vicinity of the STOCK EXCHANGE, people seemed to have taken leave of their senses. The other failures of the day were: WHITE, DE FREITAS & RATHBORNE, BEERS & EDWARD, E. J. JACKSON, THOS. READ & CO., W. H. WARREN, GREENLEAF, NORRIS & CO., GEO. B. ALLEY, THEO. BERDELL, A. M. KIDDER, HAY & WARNER, DAY & MORSE, FITCH & CO., E. D. RANDOLPH & CO., JACOB LITTLE & CO., VERNAM & HOY.

On Saturday, 20th, the storm was at its height. The wildest apprehensions were entertained. The suspensions of the day were the NATIONAL BANK OF THE COMMONWEALTH, the UNION TRUST COMPANY, the NATIONAL TRUST COMPANY, EDWARD HAIGHT & CO., and others whose names appear elsewhere. At noon the STOCK EXCHANGE was closed until further notice, and sales of stocks were prohibited under penalty of expulsion. Financial business was at a complete dead-lock. In the afternoon a meeting of the Bank Presidents was held at the BANK OF COMMERCE.

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The Committee appointed at a meeting held on Friday, consisting of Messrs. LEVERICH, TAPPEN, VAIL, JENKINS, and BRYAN, who had been instructed to devise some plan for measures of relief in the present emergency, made the following report:

The Committee respectfully report that they met at the GALLATIN NATIONAL BANK, and after an exhaustive examination and discussion of the important subjects committed to them, have agreed to submit to the Association the following plan:

That in order to enable the banks of the Association to afford additional assistance to the financial community, and also for the purpose of facilitating the settlement of the exchanges between the banks, it is proposed,

That any bank in the Clearing House Association may at its option deposit with a committee of five persons, to be appointed for that purpose, an amount of bills receivable or other securities to be approved by said committee, who shall be authorized to issue thereupon to said depositing bank certificates of deposit bearing interest at seven per cent. per annum, in denominations of $5,000 and $10,000, such as may be desired, to an amount not in excess of seventy-five per cent. of the securities in bills receivable so deposited.

Except that when the securities deposited shall consist of either UNITED STATES stock or gold certificates, the certificates of deposit may be issued upon the par value of such securities.

These certificates may be used in settlement of balances at the Clearing House for a period not to extend beyond the first of November proximo, and they shall be received by creditor banks during that period daily in the same proportion as they bear to the aggregate amount of the debtor balance paid at the Clearing House.

The interest which may accrue upon these certificates shall, on the 1st of November next, or sooner should the certificates be all redeemed, be refunded and apportioned among the banks which shall have held them during that time.

The securities deposited with the Committee, as above named, shall be held by them as a special deposit, pledged for the redemption of the certificates issued thereon.

The Committee shall be authorized to exchange any portion of said securities for an equal amount of others, to be approved by them, at the request of the depositing bank, and shall have power to demand additional security, either by an exchange or an increased amount at their discretion.

The amount of certificates which this Committee may issue, as above, shall not exceed $ 10,000,000.

The banks shall report to the manager of the Clearing House every morning at 10 A. M. the amount of certificates issued by them.

This arrangement shall be binding upon the Clearing House Association, when assented to by three-fourths of its members.

That in order to accomplish the purposes set forth in this agreement, the legal tender belonging to the associated banks shall be considered and treated as a common fund, held for mutual aid and protection, and the committee appointed shall have power to equalize the same by assessment or otherwise, at their discretion.

For this purpose a statement shall be made to the Committee of the condition of such bank on the morning of every day before the commencement of business, which shall be sent with the exchanges to the manager of the Clearing House, specifying the following items:

1. Loans and discounts. 2. Amount of loan certificates. 3. Amount of United States certificates of deposit and legal-tender notes. 4. Amount of deposit, deducting therefrom the amount of special gold deposits.

That the bank to which loan certificates may be issued be charged, in addition to seven per cent. interest, one-quarter of one per cent., to defray the expenses consequent upon carrying out this plan.

F. D. TAPPEN,
President of Clearing House.

The resolutions were unanimously agreed to, and it was determined to issue at once $ 10,000,000 in loan certificates. The Chairman appointed the following gentlemen a committee to devise proper means for carrying out the measures of relief contemplated in the resolutions:

F. D. TAPPEN, GALLATIN NATIONAL BANK; MOSES TAYLOR, CITY NATIONAL; GEORGE S. COE, AMERICAN EXCHANGE NATIONAL; CHARLES P. LEVERICH, BANK OF NEW YORK; CHARLES F. HUNTER, PEOPLE'S BANK.

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This measure of relief, together with the announcement that the Government was ready to purchase ten millions of bonds, and more if necessary for the good of the community, proved effective in allaying unreasonable fears and in restoring confidence. On Monday the worst was apparently over.

The excitement in the speculative shares during this panic was without a parallel in the recollection of the oldest *habitue* of the Exchange. Stocks were sacrificed at times without regard to price, and the fluctuations were correspondingly wild. The most remarkable variations were in Harlem, which opened on Friday at 120, declined to 90, and recovered finally to 100.

The following table, showing the highest and lowest quotations for the 19th, is worthy of record :

| | *Opening.* | *Highest.* | *Lowest.* | *Closing.* |
|---|---|---|---|---|
| N. Y. Central and Hudson | 95 | 96 | 91 | 93¾ |
| Harlem | 120 | 120 | 90 | 106 |
| Erie | 53⅝ | 55 | 52½ | 54¾ |
| Lake Shore | 87 | 88¼ | 83 | 86½ |
| Wabash | 45 | 46½ | 38½ | 45 |
| Northwestern | 48 | 48¾ | 40½ | 46 |
| Northwestern, preferred | 73 | 73 | 70 | 73 |
| Rock Island | 97 | 97½ | 88 | 91½ |
| Fort Wayne | 94 | 94 | 94 | — |
| Milwaukee and St. Paul | 37 | 39 | 30 | 35 |
| do. do. preferred | 58 | 58 | 57¾ | 57¾ |
| Ohio and Mississippi | 32 | 32¼ | 26⅞ | 30¾ |
| N. J. Central | 98 | 98 | 98 | — |
| Union Pacific | 20½ | 22½ | 14 | 20¾ |
| C. C. and Indiana Central | 20 | 23½ | 19½ | 22½ |
| Pittsburg | 82½ | 82½ | 82½ | — |
| Western Union Telegraph | 77 | 79 | 67 | 68½ |
| Pacific Mail | 37½ | 39½ | 32½ | 37½ |

About 11 A. M. on Monday, the manager of the Clearing House announced that all but two of the banks had pulled through, and that those two, having been supplied with loan certificates, had settled their balances. This statement gave great relief to financiers and to depositors. The Loan Committee issued about two and a half millions of dollars in certificates during the morning, and at the close of bank hours had increased the amount to six millions six hundred and fifty thousand, with the expectation of issuing more to-day.

ATTEMPT TO FLOOD WALL STREET WITH BOGUS BONDS.—A bold and very nearly successful attempt at swindling by means of forged bonds was made in Wall Street on August 30th. A. W. HOLBROOK, of the firm of JOHN W. EDDY & CO., bankers, was in his office, when he was accosted by an old gentleman named BROWN, who does business in Cedar Street, and with whom HOLBROOK is well acquainted. BROWN introduced one WILLIAMSON, described as a fine-looking man, who said he wished to borrow $ 25,000 for sixty days, at 7 per cent. and commission. He offered as security thirty $ 1,000 N. Y. Central bonds of 1876. HOLBROOK took one of the bonds and went out to place the loan elsewhere. He succeeded, and soon returned for the other bonds, and to his astonishment WILLIAMSON had gone. He then examined the bonds, which purported to have been signed by ERASTUS CORNING, President, GILBERT L. WILSON, Treasurer, and JACOB STEINBERG, Register of Coupons, and found the signatures were forgeries. HOLBROOK immediately stopped the loan just arranged, and informed detectives. HOLBROOK says he has every belief in BROWN'S integrity, and is convinced he was entirely deceived. BROWN says he became acquainted with WILLIAMSON in March last. On Thursday, while passing through Broad Street, he was hailed by WILLIAMSON, who said he wished to raise some money on New York Central Sevens of 1876, and asked him to negotiate the loan. BROWN replied he would upon a suitable commission, and made an engagement with WILLIAMSON, when the latter was to bring the bonds to the office of EDDY & CO. Small lots, ranging from ten to thirty thousand dollars, are reported to be held in Wall Street, as collaterals. Many exaggerated reports were circulated as to the extent of the forgeries. The original issue of the bonds amounted to $3,000,000 with a convertible clause. Most of them have been converted into stock, and the amount outstanding reduced to $ 195,000, so that the forgeries are likely to be traced and the perpetrators detected. Hardly had the particulars of WILLIAMSON'S attempt become known when word was brought to the detectives that one LEONARD BROWN, of 113 Broadway, was endeavoring to place sixteen of the bonds with OLCOTT & CO., to which firm he had previously disposed of a genuine bond. The firm, on examination, found that one of the sixteen offered bore a number corresponding with that of a genuine bond already in their possession, and a close scrutiny showed the entire sixteen were forgeries. Detectives then ascertained that WARDEN SHERMAN, of No. 9 Nassau Street, was endeavoring to negotiate for BROWN a loan of $ 25,000 on $30,000 worth of New York Central stock, consolidated issue, with THOMAS DENNY & CO., of No. 9 Chauncey Court.

The detective called at SHERMAN'S office and saw BROWN, who appeared impatient, and was walking up and down the office. SHERMAN entered directly after, and handing BROWN a bond, told him he could do no business to-day. BROWN left, and was arrested on the stairs by the detective, who found on him eight forged bonds of the New York Central Railroad, consolidated issue. BROWN was taken to the central office and locked up, and the detectives further succeeded in recovering sixty-two forged bonds, similar to those found on BROWN, from two firms, the names of which are not given. The police say there are $ 1,000,000 of forged bonds ready to flood Wall Street, and that $ 250,000 worth are already placed. The public are cautioned to critically examine the following: New York Central Sixes of 1883, 1887, 1876, and Buffalo, New York and Erie shares.

STERLING EXCHANGE.—On and after the 1st of January next sterling exchange will be quoted on the basis of $ 4.86.65 to the $ 1 sterling as par.

In another section of the same law of Congress, it is declared that "all contracts made after the 1st day of January, 1874, based on an assumed par of exchange with GREAT BRITAIN of fifty-four pence to the $ 1, or four dollars forty-four and four ninths cents to the sovereign or pound sterling, shall be null and void.

The *Journal of Commerce,* which is considered good authority in reference to sterling exchange, considers this action of Congress arbitrary and the fraction established most inconvenient in use. It has grave doubts of the constitutionality of such an enactment. It adds:

"There are two courses open to the bankers after the close of this year. To assume $ 4.86.6½ as the new basis, and sell their bills at a per centage of premium or discount upon that, or to put their price at once into dollars and cents. The former will be very awkward, not only on account of the peculiar fractions, but also because, as it is about the real par, the fluctuations will be continually above and below it, and the quotations often misleading. Thus the one hundred is usually dropped, and one-eighth, one-quarter, one-half of the one per cent. premium would be continually confounded with the same fractions of discount when the turn was a little below par. If the whole quotation were given, as 100⅛, 100¼, etc., when above par, and 99⅞, 99¾, etc., when below par, the confusion of an unaccustomed reckoning would be almost as great. The true solution is to quote just what the proposed exchange shall be in dollars and cents. The buyer of one hundred pounds is asked $ 4.87⅝, he then knows that this calls for his check for $ 487.62, and on this system the youngest arithmetician can give the solution of the problem. The quotation, whatever fraction it may be, fixes the exact price for one pound, and this is easily comprehended."

Should the new law go into general operation, the calculation books at present in use among bankers will become obsolete. It is already arranged to supply the deficiency with two new books, to be published early in autumn. The one gives the figures for converting dollars into pounds, and pounds into dollars from $ 4.40 to $ 6 per £ 1 by half cents (equal to about ⅛ per cent.); and the other facilitates finding a currency rate of exchange at any price of gold from par to 25 per cent. premium (by eighths). An absolutely accurate set of tables may be looked for.

COUNTERFEIT $ 500 LEGAL-TENDER NOTE.—A very dangerous counterfeit Treasury Note was presented and discovered at the Sub-Treasury in this city on August 30th. It is of the issue of 1869.

The following is a description of the differences between the genuine and the counterfeit. The upright that holds the balance of the scales held in the hand of the female figure shows a white line in the counterfeit on the lower part of the palm of the hand to the second figure; in the genuine note the upright is quite black and in shadow. The lower part of the right lappel of the coat in the portrait of ADAMS in the counterfeit, forms an angle; in the genuine it is a distinct curved line; also, the buttons in the counterfeit are irregular in shape, while in the genuine they are decidedly round and dark in color. Particular attention is called to the button on the left side of the coat in the counterfeit. In the word "WASHINGTON," in the counterfeit notes the black shade forming the first stroke of the letter "W" forms an angle at the bottom; in the genuine note it forms a curve. In the ruled shading under the right hand stroke of the letter "W," and over the letters "A" and "S," there are four ruled lines in the counterfeit; there are but three in the genuine note. Under the letters "A" and "S" in the word "WASHINGTON" in the counterfeit there are five ruled lines; in the genuine there are but four. Also, under the letter "H," in the same word, there are four ruled lines in the counterfeit: in the genuine there are but three. At the bottom of the letter "F" in the denomination title there are five ruled lines in the counterfeit—in the genuine there are six lines. The localized fiber on the left of the portrait is blue in the genuine but without color in the counterfeit. The red seal in the genuine is printed in a delicate carmine color, in the counterfeit it is more of a brick color, and has a heavy appearance, more especially the rays which form the outside of the seal. Attention is called to the blurred and scratchy appearance of the lathe work and lettering on the back of the counterfeit, which, upon comparison with the genuine, will be readily perceived.

ARKANSAS.—SUSPENSION OF A BANKING HOUSE.—The banking house of S. H. TUCKER, the oldest in the State, suspended at Little Rock, September 15th. In a card Mr. TUCKER gives the usual cause, viz.: the great stringency in the money market and the impossibility of realizing at the moment money due him. He states that he has abundant property to meet all his liabilities.

COLORADO.—The PEOPLE'S SAVINGS BANK of Denver have commenced operations and will transact a general banking business. President, J. W. BLACKBURN; Cashier, H. C. DONNELL. Their New York correspondents are DONNELL, LAWSON & CO.

ILLINOIS.—The FIRST NATIONAL BANK OF LINCOLN, Logan County, (No. 2,126), was organized in August, with a capital of $ 50,000, limited to $ 100,000. President, JOHN D. GILLETT; Cashier, HARRISON B. SCHULER.

KANSAS.—DEFAULTING CASHIER.—CARL MOLLER, Cashier of the GERMAN SAVINGS BANK of Leavenworth, is reported to be a defaulter in the sum of $ 20,000. MOLLER transferred to the bank, on 15th September, all his real and personal property, estimated as worth $ 10,000. The capital of the bank being ample its business will not be interrupted by the loss.

MASSACHUSETTS.—BOSTON CITY DEBT.—The Boston *Journal* gives the following interesting tables:

VALUATION OF BOSTON FOR TWELVE YEARS.

| | *Total Valuation.* | *Increase.* | *Rate.* |
|---|---|---|---|
| 1862 | $ 286,217,000 | $ 456,900 | $ 10 50 |
| 1863 | 302,507,200 | 26,290,200 | 11 50 |
| 1864 | 332,449,900 | 29,942,700 | 13 30 |
| 1865 | 371,892,775 | 39,442,875 | 15 80 |
| 1866 | 415,362,345 | 43,469,570 | 13 00 |
| 1867 | 444,946,100 | 29,583,755 | 15 50 |
| 1868* | 493,573,700 | 48,627,600 | 12 30 |
| 1869 | 549,511,600 | 55,937,900 | 13 70 |
| 1870† | 584,089,400 | 34,577,800 | 15 30 |
| 1871 | 612,663,550 | 28,574,150 | 13 10 |
| 1872 | 682,724,300 | 70,060,750 | 11 70 |
| 1873 | 693,831,400 | 11,107,100 | 12 80 |

* Roxbury included, with a total valuation when annexed of $ 26,551,700.
† Dorchester included, with a total valuation when annexed of $ 20,315,700.

### Debt Statement.

| | Total Debt. | Means on Hand for Paying. | Net Debt. |
|---|---|---|---|
| 1864–65 | $ 11,497,699 | $ 1,621,255 | $ 9,876,443 |
| 1865–66 | 12,180,250 | 3,039,590 | 9,140,660 |
| 1866–67 | 13,020,463 | 4,440,278 | 8,581,184 |
| 1867–68 | 14,146,900 | 5,199,369 | 8,947,530 |
| 1868–69 | 17,304,435 | 6,868,989 | 10,434,446 |
| 1869–70 | 21,818,411 | 9,215,831 | 12,602,580 |
| 1870–71 | 26,666,436 | 11,632,959 | 15,033,476 |
| 1871–72 | 28,638,535 | 12,809,159 | 15,779,376 |
| 1872–73 | 37,671,672 | 13,926,777 | 23,744,894 |

Suicide of a National Bank President.—William S. Boyce, a resident of Lynn, a member of the firm of William S. Boyce & Sons, shoe manufacturers, and President of the First National Bank of Lynn, committed suicide on the evening of August 27th, at the U. S. Hotel, Boston. Mr. Boyce was about sixty years old, a native of Lynn, and the senior member of the firm of William S. Boyce & Sons, prominent dealers in shoe findings, of Boston. He commenced life as a shoe manufacturer in his native town, but as he gradually acquired wealth he merged his manufacturing into the findings business, and many years ago moved into Boston, where he has since remained. He was a life-long member of the Society of Friends, and was one of its most liberal, yet influential members. Years since he became a director in the First National Bank of Lynn, and was subsequently its president. He was a man of great kindliness of heart and polished manners, and moved at the head of Lynn society. The motive for this sad deed is beyond comprehension, for he had ample means, but few business cares, and had only just completed and occupied a new and costly residence at Lynn. In fact, every element necessary to make his declining years happy appeared to be at his command.

Boston.—Mr. Charles B. F. Adams, the oldest notary public in Boston and Commissioner for nearly every State in the Union, died at his residence, Tremont and Brookline Streets, on Wednesday, September 17, after an illness of several months. He was born in 1812, and graduating with high honor and the Franklin medal from the English high school, in 1828, he soon entered into the furniture business as junior partner in the firm of Hancock, Holden & Adams, well known to the older residents of Boston as located in Cornhill. Here he remained till the election of Governor Briggs, from whom he received a notary's commission. His care and accuracy in his new calling soon brought him a large business, including confident trusts from almost all the banking institutions in the city, and it was not many years before he was the authorized Commissioner in Boston for every State in the Union, and had almost a monopoly of the passport business with travelers abroad. He was an honored member of the Columbian Lodge of Free and Accepted Masons, also of the Boston Encampment of Knights Templars, and the Ancient and Honorable Artillery, and his circle of acquaintance, outside that of his strictly business association, was large and valuable.

Missouri.—The Jasper County Bank has commenced business at Carthage, under a State charter, with a capital of $ 100,000. President, T. Regan; Vice-President, James S. Zane; Cashier, George P. Cunningham. Their New York correspondents are Messrs. Donnell, Lawson & Co.

St. Louis.—The National Loan Bank of St. Louis has changed its title, in compliance with the recent Act of Congress, to the Continental Bank of St. Louis. The First National Bank has likewise dropped that title and taken the new name of the Empire Bank of St. Louis. In both cases the officers are unchanged and the business of each bank continues as before.

New York.—The First National Bank of Adams has been merged into the Hungerford National Bank, and its business is continued by the latter.

Suicide of a Bank Cashier.—Mr. J. H. Rosenquest, Cashier of the First National Bank of Tarrytown, committed suicide at his residence on the morning of the 28th August. He had for several months been troubled with partial insanity. At the advice of his friends he had made a short trip to EUROPE, and had returned seemingly much better. The symptoms returned, however, about ten days ago, and his physician advised sending him away again from his business. This was not done. He continued to perform his duties at the bank until the evening before his death. In the morning he appeared calm and quiet and asked for his razor, saying he must shave. In a short time he was found with his throat cut, and he was quite dead when a physician arrived. The cause of his insanity is not in any manner connected with his pecuniary affairs, his accounts being found correct, but is attributed to over-exertion of the mind from too close application to business. He was thirty-five years of age and a native of New York City.

PHILADELPHIA.—The effect produced by the suspensions of Sept. 18th is thus described by the *Ledger*:

"We have not witnessed so much excitement on Third Street as that which continued all day yesterday since the memorable occasion of the failure of the BANK OF PENNSYLVANIA, sixteen years ago. At half-past ten o'clock in the morning a telegram from NEW YORK announced the failure of the banking house in that city of JAY COOKE & CO. Shortly after a bulletin was posted on the house of the same firm in this city and the doors immediately closed. The news, which created great consternation, spread like wild-fire, and soon the street was blocked by an immense crowd of anxious inquirers, all asking questions and few receiving satisfactory replies. There were many reports afloat to the effect that the house had been engaged in speculations in gold and in sterling exchange. These, we are assured from reliable sources, are wholly unfounded. There have been no such transactions, consequently no losses have been sustained in that way. The failure, as we understand, comes from large advances made on North Pacific Railroad bonds and other securities not immediately marketable. The members of the American house of JAY COOKE & CO. are JAY COOKE, WM. G. MOOREHEAD, H. C. FAHNESTOCK, H. D. COOKE, PITT COOKE, GEORGE C. THOMAS, JAMES A. GARLAND, and JAY COOKE, JR. The members of the LONDON house are HUGH MCCULLOCH, JOHN H. PULESTON, FRANK H. EVANS, and JAY COOKE & CO. It is understood that the London house is in no wise responsible for the liabilities of the American house, while the American house does participate in the profits of foreign house.

"While the excitement in reference to the suspension of JAY COOKE & CO. was at its height, it was announced that the well-known house of E. W. CLARK & CO. had suspended, in consequence, as it was avowed, of the unusual demands made upon them for the return of deposits. What the amount of liabilities of the house is in this respect is not stated, but we are glad to be assured from a reliable source that it is entirely within its means, and that but a very short time will be required to make their assets available to that end. The two failures, above noted, were causes of universal regret, and the parties have the best wishes of the community for their full and early reinstatement in business and with all their former credit."

The panic in PHILADELPHIA has resulted in the suspension of three chartered banks and several private banking firms.

SOUTH CAROLINA.—LEGAL STATUS OF CONFEDERATE CURRENCY.—The Supreme Court of SOUTH CAROLINA has decided in favor of a master in chancery whom it was sought to charge with liability for having received Confederate money for trust funds during the war period. The Court says:

The master (Mr. TUPPER) was the officer of a court in a State which satisfied all its obligations and engagements with Confederate currency, and accepted it in payment of debts due to it without question as to the time when they were contracted. He was required to deposit all money received by him in his official character in the bank of the State (7 St. L. 323, 11 St. L. 113,) and that institution dealt exclusively in the prevailing currency so far as the payment of deposits was concerned. It has been shown in the argument that the Court recognized the currency by ordering sales for cash when no other money medium existed, and directing stocks of a bank in Charleston of good repute and State and city bonds to be sold by the master, and the proceeds invested in bonds or stocks of the Confederate States. At least one instance is known to a member of the Court, long a practitioner in the State, where the Court of Equity instructed the commissioner to invest money received on a bond in which minors were interested, and which was secured by a mortgage of real estate, in the bonds of the Confederate government.

The notes accepted by Mr. TUPPER "were used as money in nearly all the business transactions of many millions of people. They must be regarded, therefore, as a currency imposed on the community by irresistible force by a government, obedience to whose authority in civil and local matters was not only a necessity, but a duty. They were the only measure of value which the people had, and their use was a matter of almost absolute necessity." THORINGTON *v.* SMITH, 8 WALLACE, 11, 12, 13. See also, opinion of Mr. Justice WILLARD in NEELY *v.* MCFADDEN, 2 S. C. Rep. (N. S.) 173, 4.

TENNESSEE.—The JACKSON SAVINGS BANK has commenced business at Jackson under a State charter. President, JAMES W. ANDERSON; Cashier, N. RHODES. They will transact a general banking and exchange business, their New York correspondents being Messrs. DONNELL, LAWSON & CO.

*Memphis.*—The STATE NATIONAL BANK of Memphis (No. 2127) was organized in August, with a capital of $150,000, limited to $300,000. President, RICHARD C. DANIEL; Cashier, JOHN J. FREEMAN. Their New York correspondent is the METROPOLITAN NATIONAL BANK. This bank succeeds to the business of the MERCHANTS' NATIONAL BANK and of the Jackson Insurance Company.

THE BANK OF ENGLAND FORGERIES.—The trial of the BANK OF ENGLAND forgers was brought to an end on August 26th. After GEORGE BIDWELL had concluded his examination of witnesses for the prosecution, he delivered an address to the Court, in which he exonerated AUSTIN BIDWELL and EDWIN NOYES from all complicity in the frauds, and declared that he and GEORGE MACDONNELL were the only guilty ones. MACDONNELL also addressed the Court, bearing out the statements of BIDWELL.

The case was then given to the jury, who, after twenty minutes' deliberation, found all the accused guilty.

Mr. Justice ARCHIBALD immediately sentenced each of the prisoners to penal servitude for life—the highest punishment under the laws for their offence.

STAMPS ON BILLS IN ENGLAND.—That law does not always mean equity is curiously shown by a case which has been tried before Mr. Baron MARTIN at the Croydon Assizes. An action was brought to recover £1,900, the amount of certain foreign bills of exchange endorsed by the defendant to the plaintiff, and of the justice of the plaintiff's claim no reasonable doubt, according to a correspondent of the *Times*, could apparently be entertained. A technical flaw, however, ruined all. The defendant's counsel called attention to the fact that the stamps placed on the bills had been canceled by means of a cross instead of being obliterated, as the act provides, by "the endorser or transferrer or negotiator writing his name or the name of his firm and the date of the day and year on which he shall so write the name." The judge held that the objection was fatal to the case of the plaintiff, who thus lost £1,900 simply in consequence of an informality which may doubtless be seen on the face of many a piece of mercantile paper.

LONDON.—The BANK OF ALEXANDRIA has commenced business in London at No. 5 Great Winchester Street Building, London, and at Alexandria, EGYPT, with a nominal capital of £1,000,000, of which the sum of £800,000 has been subscribed and paid. The chief features of this new bank are the issues of letters of credit on Alexandria, Cairo and Suez, the purchase and sale of Egyptian securities, the collection of Egyptian government bonds and coupons, the negotiation of commercial paper payable in EGYPT, and a general banking business.

*London.*—The CHEQUE BANK has commenced business in Pall Mall East and at No. 124 Cannon street, London, with a guarantee fund of £100,000, duly invested and in the hands of trustees. Of the peculiar features of this new institution (which was mentioned in our last issue) a London paper gives this further account:

Any person depositing, say £ 50 in it, or any bank in connection with it, will receive a book containing ten forms of cheque, which he can fill up for any sum not exceeding £ 5 each, or fifty cheques, upon each of which any sum not exceeding £ 1 can be drawn, these amonnts being so printed upon the cheques that they cannot be altered. The cheque will thus be at the responsibility of the bank and not of the drawer, and will be accepted in payment of accounts, and by other bankers in the same manner as they would accept notes or specie. This system is considered calculated to effect great economy in the use of coin and notes, and to be of much advantage to small traders and others unable to keep large accounts, and who have been discouraged from banking by the unwillingness of ordinary bankers to open petty accounts. The CHEQUE BANK further will confine itself altogether to this business, neither discounting bills nor making advances, but allying itself to, instead of entering into rivalry with, existing banks.

GERMANY.—The DEUTSCHE BANK has been established as a limited company under Prussian law; capital paid, fifteen million thalers, equivalent to £ 2,250,000; head office in Berlin, with agencies at Hamburg, Bremen, Shanghai and Yokohama, and at No. 50 Old Broad street, London. Their New York agents are Messrs. KNOBLAUCH & LICHTENSTEIN, who are authorized to issue credits on Shanghai and Yokohama. The card of this firm may be found on the cover of this work.

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THE SAVINGS BANKS.—Runs commenced on several of the savings banks on Monday, 22d. The first was upon the FRANKLIN, at Eighth Avenue and Forty-second Street; then the UNION DIME, on Canal Street. Others followed fast until fifteen were thus suddenly called on, but no alarm was created, the savings-bank officers having previously agreed to demand thirty days' notice of withdrawal on any sums that seemed likely to lead to embarrassment. The action of individual banks was reported as follows:

The SEAMEN'S BANK FOR SAVINGS decided to pay all demands for sums not over $ 100 immediately; on all sums over that the thirty-days' notice must be given.

The UNION DIME paid all demands under $ 100. It had 90,000 depositors, and $ 1,500,000 currency on hand.

The NEW YORK SAVINGS BANK, at Sixth Avenue and Fourteenth Street, met all demands.

The BOWERY had a heavy run of small depositors, and paid out $ 200,000 up to noon. Some of the depositors came back later in the day and put their money back, begging that their interest might be continued.

The SIXPENNY SAVINGS, at Astor Place, required the full thirty days' notice, except in cases of actual necessity. The THIRD AVENUE enforced the same provision. At the GERMAN UP-TOWN, and at the PEOPLE'S, both in Third Avenue, there was no demand for money. The IRVING, at 96 Warren Street, had a slight run, which subsided before noon.

The BLEECKER STREET BANK FOR SAVINGS had a marked run on Monday and Tuesday, but met all demands. The GREENWICH, at 73 Eighth Avenue, had a slight run and paid promptly. The CLINTON, EXCELSIOR, WEST SIDE, and ATLANTIC SAVINGS had no trouble.

At the BOWERY SAVINGS BANK $ 400,000 was paid out in over 1,000 payments. The managers decided to enforce the thirty-day rule for drafts not exceeding $ 300, and to require sixty days' notice for larger anounts. They refused to take back deposits without forfeiture of interest.

At the CITIZENS' SAVING BANK, up to 7 P. M., 350 depositors were paid, over $ 100,000 being handed in that time over the counter. Towards the close, a large number of the depositors came back and redeposited their money. The bank officers did not avail themselves of the notice of thirty days.

At a meeting of the directors of the BROOKLYN BANK, it was decided to sell $1,000,000 government bonds to meet further calls.

Another meeting of the savings-banks presidents was held on September 22d, and it was declared by all who had adhered to the thirty-day notice rule that the depositors themselves approved it as in their interest. There had been continued runs upon the DIME, CITIZENS', and BOWERY savings banks, but neither was subject to any strain. It seemed probable that they too will adopt the thirty-day notice rule. It is not obligatory on any savings bank, but it has worked so well that all are favorably inclined to it.

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THE DUTY OF BANK DIRECTORS.—The United Society of Shakers having brought suit against certain directors of the BANK OF BOWLING GREEN, to recover for the unlawful conversion by officers of the bank, of special deposits belonging to the plaintiffs, the KENTUCKY Court of Appeals say:

It is certainly the duty of bank directors to use ordinary diligence to acquaint themselves with the business of the corporation, and whatever information might be required by ordinary attention to their duties, they might in controversies with persons doing business with the bank be presumed to have. Public policy demands that they shall not be heard to say that by reason of their gross negligence and willful inattention they were not apprised of that which the ledgers, books, accounts, correspondence, reconcilements and statements of the bank showed to be true. It is not necessary in actions like these to bring home to the directors actual knowledge of the fact that the special deposits held by the bank were being sold and converted to its use by the officers having them in custody. It must suffice to show that the evidences of the practice were such that it must have been brought to their knowledge unless they were grossly or willfully careless in the performance of their duties.

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ENGLISH INVESTMENTS.—According to the *Investors' Guardian* (published in London), there were no less than seventy-five new companies formed in the UNITED KINGDOM (mainly in London), in the month of June last, demanding a capital of over ten millions sterling; and in the first six months of the year a capital of seventy-five millions sterling, or eight millions more than in the corresponding period of 1872.

The following is an analysis of the June companies, arranged with regard to their objects: 20 manufacturing, £ 1,334,750; 15 mining, £ 1,300,000; 12 land and building, £ 598,905; 5 trading, £ 267,000; 4 banking and financial, £ 3,010,000: 4 shipping and steam navigation, £ 1,102,000; 2 insurance, £ 1,500,000; 1 railway, £ 1,000,000; 1 public works, £ 200,000; 1 printing and publishing, £ 50,000; 1 quarrying, £ 5,000; 1 gas, £ 1,500; 8 miscellaneous, £ 346,800. Total (75 companies), £ 10,715,955.

The beginning of June, 1873, found the bank rate standing at 6 per cent. On the 4th of the month it was suddenly raised to 7 per cent., but was again lowered, on the 12th, to 6 per cent., at which figure it remained fixed for the res of the month. During the corresponding period of 1872, the rate, at first 4 per cent., was reduced to 3½ per cent., while for the latter portion of the month it was only 3 per cent., or just one half of what it has been during June and July this year. It is necessary to bear this in mind as we review, according to our custom, the new joint-stock companies registered under the limited liability acts last month; otherwise the decrease in the number of incorporations which were effected in June would appear somewhat startling, having regard to the great and increasing activity among promoters, of which we have lately had so much evidence.

## CHANGES OF PRESIDENT AND CASHIER.

### SEPTEMBER, 1873.

(*Monthly List; continued from August No., page* 152.)

Banks are requested to furnish prompt notice of any changes.

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| Germania B'k, New York City | G. Schreitmiller, *Cash.* | C. Brenneman. |
| Sixth Nat. Bank, " " | Francis Leland, *Pres.* | C. Darling.* |
| Nat. B'k. of Western Arkansas, Fort Smith, ARK. | P. K. Roots, *Cash.* | E. S. Mitchell. |
| B. of California, San Fran., CAL. | Thomas Brown, *Cash.* | W. C. Ralston. |
| Fourth Nat. B'k, Chicago, ILL. | B. V. Page, *Pres* | Henry R. Payson. |
| " " " | Chas. D. Sherman, *Cash.* | George Taylor. |
| Bank of Chicago, " | Samuel J. Walker, *Pres.* | George C. Smith. |
| Hancock Co. N.B., Carthage, " | Will. H. Griffith, *Cash.* | E. Cherrill. |
| Second N. B., Charleston, " | Isaiah H. Johnson, *Pres.* | George W. Parker. |
| Workingmen's B'king Co., East St. Louis, " | F. M. Christy, *Pres.* | J. P. Becker. |
| Workingmen's B'king Co., East St. Louis, " | E. W. Wider, *V. Pres.* | L. M. St. John. |
| First Nat. B'k, Marseilles, " | J. N. Chapple, *Cash.* | W. C. Tillson. |
| Rochelle N. B'k, Rochelle, " | Francis Carey, *Pres.* | L. M. Mallery. |
| " " " " | I. N. Perry, *Cash.* | L. T. Miller. |
| First N. B., Indianola, IOWA | A. S. Moncrief, *Pres.* | D. Hallam. |
| Citizens' B. of N. Topeka, KAN. | Charles J. Lovejoy, *Pres.* | N. Maxwell. |
| " " " " | J. Thomas, *Cash.* | J. R. Swallow. |
| People's Nat. Bank, Ottawa, " | H. H. Ludington, *Pres.* | L. W. Shepherd. |
| First N. B. of Council Grove, " | M. Conn, *Pres* | E. K. Stover. |
| B. of Kentucky, Frankfort, KY. | E. L. Samuel, *Cash.* | Edmund H. Taylor.* |
| La. Sav. Bank & Safe Dep. Co., New Orleans, LA. | E. C. Palmer, *Pres.* | W. Van Norden. |
| Pittsfield N. B., Pittsfield, MASS. | John V. Barker, *Pres.* | Thomas Colt. |
| First Nat. Bank, Lynn, " | John Wooldredge, *Pres.* | Wm. S. Boyce.* |
| Natick, N. B., Natick, " | Geo. S. Trowbridge, *Cash.* | ............ |
| First N. B., Northfield, MINN. | J. A. Scriver, *Pres.* | F. Goodsell. |
| Citizens' N. B., Faribault, " | C. H. Whipple, *Cash.* | Z. S. Wilson. |
| Winona Deposit N. B., " | J. E. Ray, *Cash* | J. J. Cummings. |
| Market St. B'k, St. Louis, MO. | Jos. Schnaider, *Pres.* | Ferd. Meyer. |
| " " " " | G. A. Spannagel, *Cash.* | W. A. Stumpe. |
| Home Sav. Bank, " " | Henry S. Parker, *Pres.* | Joseph Hodgman. |
| St. B. of Neb., Brownville, NEB. | H. S. Gates, *Cash.* | George P. Eaton. |
| People's N.B., Fayetteville, N.C. | C. F. Morse, *Pres* | James Kyle. |
| Manuf. Nat. B'k, Newark, N.J. | Chas. G. Campbell, *Pres.* | Theo. Runyon. |
| N. Ulster Co. B., Kingston, N.Y. | C. D. Bruyn, *Pres.* | Cornelius Bruyn. |
| " " " " | B. L. Brodhead, *Cash.* | C. D. Bruyn. |

| *Name of Bank.* | *Elected.* | *In place of* |
|---|---|---|
| Nat. City Bank, Cleveland, O... | W. P. Southworth, *Pres.*. | Lemuel Wick. |
| Keystone Bank, Phila., PA. | Jacob Sallade, *Pres*...... | L. Montgomery Bond. |
| First Nat. Bank, Columbia, " . | H. M. North, *Pres*....... | E. K. Smith. |
| First N. B., Wrightsville, " . | Geo. K. Schenberger, *Cash.* | Wm. F. Lloyd. |
| Penna. Nat. B'k, Pottsville, " . | R. F. Lee, *Pres*......... | C. H. Dengler. |
| First N. B., Brownsville, " . | E. Crumrine, *Cash*....... | W. Parkhill. |
| St. Petersburg Sav'gs Bank, St. Petersburg,......... " . | John V. Pitts, *Act'g Cash.* | Charles Horton.* |
| Foxburg S. B., Foxburg,.. " . | R. J. Moorhead, *Act'g Cash.* | E. W. Matthews. |
| Buckingham Savings Bank,... Buckingham C. H., VA.. | J. B. Gilliam, *Pres*...... | N. F. Bocock.* |
| Va. B. & Tr. Co., Staunton, " . | Rudolph G. Mayo, *Cash.*. | Wm. H. Tams.* |

* Deceased.

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LIABILITY OF INDORSERS TO BE THROWN INTO BANKRUPTCY.—An important question is now agitating the business community: Can an indorser of notes, whose liability has become fixed by reason of notice to him of protest of notes for non-payment by the maker thereof, be thrown into bankruptcy if he allows fourteen days to elapse without paying the holder of the notes?

Of the causes for throwing a party into bankruptcy, section 39 of the law says:

"Or who, being a banker, broker, merchant, trader, manufacturer or miner, has fraudulently stopped payment, or who has stopped or suspended and not resumed payment of his commercial paper within a period of fourteen days, shall be deemed to have committed an act of bankruptcy, and subject to the conditions hereinafter prescribed, shall be adjudged a bankrupt on the petition of one or more of his creditors, the aggregate of whose debts provable under this act amount to at least $ 250; provided such petition is brought within six months after the act of bankruptcy shall have been committed."

Under this clause Mr. MORRIS LANGSDORF, of this city, by his attorney, AUGUSTUS BINSWANGER, has filed petitions in bankruptcy in the United States District Court for the Eastern District of MISSOURI, against the following persons: HENRY J. HILLSDORFF (a noted contractor), FRANCIS SALER (a book publisher), and JOHN CLEMENS (sail maker), who have indorsed a number of notes for CHRISTIAN STAEHLIN, which said notes were protested for non-payment. As a great deal of said paper has been issued, and there are many holders thereof, the action of the petitioning creditor has caused quite a commotion among the bankers and brokers of this city.

Hitherto it was the general prevailing opinion among attorneys and bankers that an indorser could not be forced into bankruptcy merely for refusing to take up notes indorsed by him which had gone to protest, but that the holder could only assert his rights by prosecuting his claim in a court of law.

When the petitions against said indorsers were presented to Judge TREAT, he immediately caused an order to be issued to each of said parties, returnable on the 25th instant, for them "to show cause why they should not be adjudicated bankrupts."

The issuance of these orders to show cause seems to indicate Judge TREAT'S views on the subject, that the indorsers of notes come within the purview of that section of the bankrupt act. Business men who hitherto have been very free in the lending of their name to commercial paper to give it credit will no doubt be very careful hereafter for whom they indorse, when a failure to pay on the part of the makers of the notes can call into play the powerful machinery of the bankrupt law to crush them, as well as the makers of the notes, out of the financial world.—*St. Louis Democrat.*

# DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from Sept. No., page 234.*]

NEW YORK CITY.

*Suspensions, September 13th to 2 th.*

| | |
|---|---|
| National Bank of the Commonwealth. | Amos M. Kidder. |
| National Trust Company. | Kenyon Cox & Co. |
| Union Trust Company. | Ketchum & Belknap. |
| George B. Alley & Co. | Jacob Little & Co. |
| Beers & Edwards. | W. G. Moorehead & Co. |
| Brown, Wadsworth & Co. | Miller & Walsh. |
| Theodore Berdell. | Peter M. Myers & Co. |
| Henry Clews & Co. | Marvin & Brothers. |
| W. E. Connor. | Thomas Reed & Co. |
| Jay Cooke & Co. | E. D. Randolph & Co. |
| Day & Morse. | S. H. Smith & Seaver. |
| Fisk & Hatch. | Saxton & Rogers. |
| Fitch & Company. | Taussig, Fisher & Co. |
| Fearing & Dellinger. | Vernam & Hoy. |
| Greenleaf, Norris & Co. | W. H. Warren. |
| Hay & Warner. | White, Defreitas & Rathborne. |
| Edward Haight & Co. | Whittemore & Anderson. |
| Howes & Macy. | Charles G. White & Co. |
| Eugene J. Jackson. | Williams & Bostwick. |
| Lawrence Joseph. | |

ARKANSAS.—S. H. Tucker, *Little Rock*, (*suspended*).

D. C.—First National Bank, Jay Cooke & Co., *Washington*, (*suspended*).

ILLINOIS.—Franklin Bank, (*suspended*); Grocers' Bank, *Chicago*, ——

IOWA.—W. H. Hager & Sons, *Marshaltown*, (succeeded by City Bank): Burrowes & Cowles, *Osceola*, (succeeded by George H. Cowles); City Savings Bank, *Burlington*, (*failed*).

KANSAS.—James Streeter & Co, *Junction City*, (consolidated with First National Bank).

KENTUCKY.—Parker & Fosdick, *Louisville*, (discontinued business.)

MARYLAND.—R. W. Cox & Co., *Baltimore*; Brown, Lancaster & Co., *Baltimore*.

MICHIGAN.—Miller & Webster, *Ann Arbor*, (*failed*).

MINNESOTA.—W. F. Dickinson, *Redwood Falls*, (succeeded by Bank of Redwood Falls).

MISSOURI.—Taussig, Gempp & Co., *St. Louis*, (*failed*).

NEW YORK.—First National Bank, *Adams*, (succeeded by Hungerford National Bank); Thomas Squires & Son, *Albany*, (*suspended*); O. C. Wheeler, *Farmers' Village*, (now Wheeler & Peterson); Bryan & Ransom, *Richfield Springs*, (*suspended*).

PHILADELPHIA.—Jay Cooke & Co.; E. W. Clark & Co.; Union Banking Co.; Charles P. Bayard; H. H. Bull; De Haven & Brother; Henry H. Douglass; Henry L. Fell; Gilbough, Bond & Co.; T. C. Knight; John P. Lloyd; George H. North; J. S. & H. E. Yerkes. (*All suspended.*)

PENNSYLVANIA.—Powell & Co., *Williamsport*, (*suspended*); Brown & Gray, *Wilkesbarre*.

**Tennessee.**—Merchants' National Bank, *Memphis;* Jackson Insurance Co., *Memphis*, (both succeeded by State National Bank).

**Texas.**—Norsworthy & Co., *Jefferson*, (*suspended*).

**Virginia.**—The Dollar Savings Bank, *Richmond;* Isaacs, Taylor & Williams, *Richmond;* the Merchants' National Bank; Planters and Mechanics' Bank; People's Savings Bank; and First National Bank—all of *Petersburg*.

**Washington Ter.**—Puget Sound Banking Co., *Seattle;* Phillips, Horton & Co., *Seattle*, (succeeded by Dexter, Horton & Co.).

**Canada.**—H. J. Morse & Co., *Toronto*.

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**Texas.**—The announcement in our last number that the banking house of Erastus Jones, at Jefferson, had discontinued business, was incorrect. Mr. Jones has obtained the charter for a National bank at that point, but does not intend, for the present, to avail himself of its privileges.

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## Changes of Title.

First National Bank of St. Louis to Empire Bank.
Metropolitan Bank " " " Bank of St. Louis.
National Loan Bank " " " Continental Bank of St. Louis.

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**London**, Sept. 24.—The house of Clews, Habicht & Co. decided to suspend. They called in their solicitor, and after a consultation, decided to suspend payment. Their liabilities on account of Henry Clews & Co. are £ 240,000. Their other liabilities are £ 64,000. They have assets sufficient to meet their own liabilities, but not those of Henry Clews & Co. Liquidation of affairs depends upon the condition of the New York house. The London house has not lost a penny.

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**The New Trade Dollar.**—The establishment of the trade dollar by the United States appears to have excited considerable alarm in Mexico, on account of its probable successful competition in the Asiatic markets with the Mexican dollar, and lead the Mexican Congress to immediately pass a decree restoring the dies in use prior to November, 1867. It appears that the die in use since 1867 contains some alteration which rendered the new dollar less popular in China than the one so long in use. Although the Chinese are opposed to innovations, it is not likely that the mere devices on a coin will give it preference over another. The question will be as to which dollar contains the most pure silver. The following comparison will show the standard of pure silver of the several silver dollars known to the commerce of the East, including the lately existing United States dollar:

| *Dollar.* | *Weight, Grs. Troy.* | | *Fineness.* | | *Pure Silver, Grs. Troy.* |
|---|---|---|---|---|---|
| Mexican....... | 417.15-17 | .... | 902.7-9 | .... | 377$\frac{1}{4}$ |
| Japanese Yen.. | 416 | .... | 900 | .... | 375.410 |
| Late American. | 412$\frac{1}{2}$ | .... | 900 | .... | 371$\frac{1}{4}$ |
| U. S. Trade.... | 420 | .... | 900 | .... | 378 |

It will be thus seen that the new trade dollar contains $\frac{3}{4}$ of a grain more of pure silver than the Mexican dollar, which, together with the fact that this coin will be made to conform very closely to standard, both as respects fineness and weight—which cannot be said of the Mexican dollar—it will possess a decided advantage over its competitor.

# NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from September Number, page* 233.)

## NEW YORK CITY.

Day & Heaton, 29 New. J. W. Post, 3 Hanover.
David Groesbeck & Son.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Denver, Col. | People's Savings Bank | Donnell, Lawson & Co. |
| Fairplay, " | C. G. Hathaway | Kountze Bros. |
| Pueblo, " | Goodnight, Cresswell & Co. | Kountze Bros. |
| Chicago, Ill. | German-American Savings Bank. | ........ |
| " " | Home Savings Bank | ........ |
| " " | Market Sav. & Exch. Bank | ........ |
| " " | Security Savings Bank | ........ |
| " " | A. W. Gilmore | First National Bank. |
| " " | Kellogg, Voswinkel & Co | Schulz & Ruckgaber. |
| " " | McMullen Bros | Howes & Macy. |
| " " | Adam Smith & Son | Gilman, Son & Co. |
| Canton, " | People's Bank | Allen, Stephens & Co. |
| Lincoln, " | First National Bank | ....... |
| Marshall, " | Eagle Insurance Co. Bank | Howes & Macy. |
| Newman, " | Z. S. Pratt | Ninth National Bank. |
| Ellittsville, Ind. | F. E. Worley | Winslow, Lanier & Co. |
| Marshaltown, Iowa | City Bank | Gilman, Son & Co. |
| Osceola, " | George H. Cowles | Saunders & Hardenberg. |
| StrawberryPoint, " | Lovell, Corbett & Co. | ....... |
| Traer, " | Brooks & Moore | Allen, Stephens & Co. |
| Waukon, " | L. W. Hersey | Gilman, Son & Co. |
| Beloit, Kansas. | F. H. Hart | Imp. & Traders' Nat. B'k. |
| Cottonwood Falls, " | N. J. Swayze | Northrup & Chick. |
| Oskaloosa, " | Henry Taylor & Co | Northrup & Chick. |
| Caseyville, Ky | Caseyville Deposit Bank | Duncan, Sherman & Co. |
| Baltimore, Md. | Union Banking Co. | Kountze Bros. |
| Redwood Falls, Minn. | Bank of Redwood Falls | Imp. & Traders' Nat. B'k. |
| St. Paul, " | Farmers & Mechanics' Bank | Imp. & Traders' Nat. B'k. |
| " " | German-American Bank | Imp. & Traders' Nat. B'k. |
| " " | Savings Bank of St. Paul | Amer. Exch. Nat. B'k. |
| St. Louis, Mo. | Bank of North America | Hanover National Bank. |
| " " | Guardian Savings Bank | ...... .. |
| " " | Hibernia " " | Nat. B. of the Republic. |
| " " | Northwestern Savings Bank | Chatham National Bank. |
| Unionville, " | J. N. Conger, (Putnam Co. B'k) | Allen, Stephens & Co. |
| Bannack City, Mon. | Isaac Roe & Bro | Kountze Bros. |
| Kearney Junc., Neb. | C. W. Dake | Kountze Bros. |
| Lockport, N. Y. | Lockport Banking Association | Corn Exchange Bank. |

| Place and State. | Name of Bank. | N. Y. Correspondent. |
|---|---|---|
| Pittsburgh, Pa. | Anchor Savings Bank | Allen, Stephens & Co. |
| " " | Germania Savings Bank | ........ |
| Alleghany, " | Nation's Savings Bank | ........ |
| Annville, " | Deposit and Savings Bank | Union Bank'g Co., Phila. |
| Ashley, " | Ashley Savings Bank | Union Bank'g Co., Phila. |
| Dillsburg, " | Dillsburg Bank | Union Bank'g Co., Phila. |
| Newport, " | Br. Farmers' B'k of Millerstown | Union Bank'g Co., Phila. |
| Slippery Rock, " | Centerville Savings Bank | Ninth National Bank. |
| Williamsport, " | E. L. Piper & Sons | Union Bank'g Co., Phila. |
| Wilkesbarre, " | People's Bank | Im. & T. & Hanover N.B. |
| Memphis, Tenn. | State National Bank | Metropolitan Nat. B'k. |
| Jackson, " | Jackson Savings Bank | Donnell, Lawson & Co. |
| Cuero, Texas | H. Seeligson & Co. | Ninth National Bank. |
| Salt Lake City, Utah | Chas. E. Pomeroy | Kountze Bros. |
| Milwaukee, Wis. | James B. Turck | Gilman, Son & Co. |
| London, Canada | Dominion Sav. & Ins. Soc | ........ |

## FINANCIAL CHRONOLOGY.

[Continued from September No., page 232.]

### August.

20 Death of David Hoadley, aged 67 years, formerly Vice-President of the American Exchange Bank.
24 First National Bank building, Post-office, etc., at Eaton, O., destroyed by fire.
25 Defalcation in the Albany National Exchange Bank.
27 Suicide of W. S. Boyce, President First National Bank of Lynn, Mass.
28 Suicide of J. H. Rosenquest, aged 35 years, Cashier of the First National Bank of Tarrytown, N. Y.
28 Loan of $ 500,000 by the Panama R. R. Co. to the Pacific Mail S. S. Co. for one year.
30 Fraudulent bonds of the Hudson River and N. Y. Central R. R. Co. discovered in Wall Street.

### September.

4 Sale of $ 1,500,000 gold by the Treasury, at 115.50 to 115.65.
6 Death of C. A. Lamont, broker, by accident, N. Y.
8 Suspension of N. Y. Warehouse and Security Co.; capital $ 1,000,000.
9 Premium on gold reduced to 11¼.
9 Payment by Great Britain of indemnity to United States, $15,500,000.
11 Sale of $ 1,500,000 gold by the Treasury, at 111.26 to 111.61.
13 Failure of Kenyon, Cox & Co., brokers, Wall Street.
17 Suspension of N. Y. and Oswego Midland R. R. Co.
18 Sale of $ 1,500,000 gold by the Treasury withdrawn; suspension of Jay Cooke & Co., etc.; panic in stocks.
19 Suspension of Fisk & Hatch, and others; stock panic continued.
20 Suspension of Union Trust Co., National Trust Co., National Bank, Commonwealth, etc., and the Union Banking Co., Phila.; purchase of bonds by the Treasury, $ 2,467,000, at 109 to 111.
22 Panic somewhat quieted.
23 Suspension of Henry Clews & Co., New York, and of three banks in Petersburg, Va.; panic renewed.
24 Suspension of Howes & Macy, New York.
25 Sale of $ 1,500,000 gold by the Treasury (withdrawn).

# NOTES ON THE MONEY MARKET.

## New York, September 25, 1873.

*Exchange on London, at sixty days' sight,* 105½ @ 105¾ *for gold.*

The month of September, 1873, will be long remembered by financial men as one of the most disastrous of the present century. We are compelled to record the suspensions of numerous banking firms hitherto considered among the most wealthy and substantial in New York, Philadelphia and other cities. The series of disasters began on the 18th inst. by the suspension of Messrs. Jay Cooke and Co., New York and Philadelphia, followed on the 19th by that of Messrs. Fisk and Hatch, and on the 20th by those of the National Bank of the Commonwealth, the Union Trust Company, the National Trust Company and others.

The suspensions of leading stock brokers are the results of too extended business and of sudden and heavy calls from their creditors, while the ordinary channels for the negotiation of stocks and bonds were temporarily closed. Possessing ample securities to meet their liabilities, it is to be hoped that the suspended firms, or a large portion of them, will be able to resume business shortly.

In the meantime, the losses and inconvenience created to the country correspondents of the suspended firms will be very serious. The return of drafts under protest, and the immediate transfer of collection paper from failed firms to new ones will give serious trouble to a large number of country bankers and their customers.

The present is a lesson to country bankers which they will take advantage of, by dividing hereafter their New York accounts and retaining more at home. The undertaking by city bankers to pay interest on country balances is the most fruitful of disasters. It was one of the leading causes of trouble in the panic of 1857, and if persisted in will always lead to losses, because in a time of stringency the funds are loaned out "on call," and cannot at all times be realized. If these country balances could be more largely kept on hand in the city banks, instead of being loaned out, it would be better for all parties.

The suspension of the trust companies was unlooked for. These institutions were not created to be used as ordinary banks of deposit. The legislature intended that they should be used for trust funds and for deposits on time, and for deposits not subject to immediate call. Every trust company and every savings bank should receive deposits only on one condition, viz.: a notice of ten to thirty days of withdrawal.

These institutions receive deposits IN TRUST, and are supposed to invest on bond and mortgage and on reliable securities, and in such forms that the latter may be readily converted at the end of a month's notice, at least, otherwise the aims and objects of a savings bank are defeated. The latter should be made by written contract with depositors, secure from any sudden demand in consequence of a panic.

Fortunately for the savings institutions of this city, they hold thirty-three millions of government bonds and sixty millions in reliable stocks and bonds.

It would be difficult, under the existing phases of the money market, to give correct quotations of the current rates for money. Confidence (for a short time only, we hope) is lessened, and capitalists are wary in their investments. Hence large holders of bonds and shares find extreme difficulty in placing them at reasonable rates. The losses by those parties who have been compelled to sell out under the Stock Exchange rules have been not only enormous, but ruinous, in order to meet "demand loans."

One of the most lamentable results of the revulsion in the money market, is the stoppage (temporary only, we hope) of numerous manufactories, owing to the want of the ordinary banking aid. This stoppage of a half million of operatives is equivalent to a loss of a million of dollars per day.

The settlements between the banks are again promptly made, and the financial machinery of these institutions appeared to be working smoothly. There is no prevailing rate of interest for call loans; the transactions in this way continued to be made upon terms of mutual agreement between the parties interested. The Loan Committee of the Clearing-house Association have decided to issue an additional $ 10,000,000 of loan certificates; these are available for the immediate use of the banks, connected with the Association. The Clearing-house Committee issued $ 2,500,000 in loan certificates, 24th, making a total thus far of $ 12,500,000. The banks have also agreed to buy up ten millions of government bonds of individual holders at the value say of three or four per cent. above the government price, and turning them into the Treasury at their own cost, draw out the greenbacks for the public use. The Assistant Treasurer purchased $ 2,611,750 United States 5-20 six per cent. bonds to-day at his previously established rates.

The banks of New York city have sustained fully the heavy demands upon them, by a wise policy of assisting those most hardly pressed, resulting in the suspension of one bank only. We reproduce the leading items for the year 1878 and prior years:

| 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 | 219,083,428 | 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 | 16,596,451 | 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 | 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 | 818,260,202 |
| April 7 | 273,534,000 | 15,664,400 | 34,940,500 | 27,715,800 | 187,687,000 | 780,498,463 |
| May 5 | 270,721,100 | 18,677,800 | 40,051,700 | 27,564,400 | 196,471.900 | 696,038,785 |
| June 2 | 277,958,800 | 19,482,000 | 44.332,300 | 27,447,100 | 208,136,500 | 454,272,030 |
| July 7 | 286,905,800 | 33,551,400 | 48,168,000 | 27,276,200 | 232,369,400 | 478,571,386 |
| July 29 | 289,389,100 | 31,249,300 | 49,957,100 | 27,225,100 | 239,118,300 | 547,225,952 |
| Aug. 4 | 289,986,200 | 30,272,200 | 50,030,500 | 27,188,000 | 238,840,900 | 465,712,370 |
| " 11 | 290,758,100 | 29,820,000 | 49,002,300 | 27,223,500 | 237,123,100 | 420,989,756 |
| " 18 | 292,614,000 | 27,644,100 | 47,540,100 | 27,222,700 | 234,857,300 | 431,094,238 |
| " 25 | 289.931,800 | 25,144,200 | 45,532,400 | 27,214,400 | 227,691,300 | 449,504.644 |
| Sept. 1 | 288,883,000 | 23,095,200 | 44,729,300 | 27,281,900 | 220,390,300 | 447,799,948 |
| 8 | 288,374,200 | 21.767,000 | 38,679,900 | 27,355,500 | 212,772,700 | 553,727,902 |
| 15 | 284,536,200 | 20,442,300 | 36,717,200 | 27,383,400 | 207,317,500 | 548,285,978 |
| " 22 | 278,421,700 | 18,844,600 | 34,307,900 | 27,414,200 | 198,040,100 | 654,392,916 |

From this statement, it appears that the loans were at their largest aggregate about the middle of August. The pressure from outside quarters and from City sources compelled the banks to reduce their volume of loans from 292 millions to 278 millions—their legal tenders having been reduced to 34 millions.

Compared with former years, the leading columns were as follows for the third week in September:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| 1872, | $ 280,845 300 | $ 12,399,500 | $ 44,467,000 | $ 27,668,100 | $ 201,127,800 |
| 1871, | 309,164,700 | 9,572,100 | 58,428,300 | 30,201,200 | 237,127,400 |
| 1870, | 267,087,617 | 14,670,724 | 49,417,936 | 32 733,046 | 191,066,292 |
| 1869, | 263,441,828 | 13,968,481 | 50,025,081 | 33,996,081 | 180,230,793 |
| 1868, | 271,273,544 | 12,603,483 | 63,587,516 | 34,050,771 | 202,068,334 |
| 1867, | 251,918,751 | 9,496,163 | 55,991,526 | 34,147,269 | 181,439,410 |
| 1866, | 269,807,383 | 7,643,980 | 87,826,021 | 29,213,350 | 223,336,785 |
| 1865, | 221,818,640 | 13,643,182 | 57,665,674 | 10,645,697 | 183,830,716 |
| 1864, | 185,896,837 | 19,671,131 | —— | 4,187,828 | 145,816,096 |
| 1863, | 206,442,874 | 30,064,614 | —— | 5,375,586 | 182,653,494 |
| 1862, | 165,057,113 | 38,325,567 | —— | 9,900,112 | 157,914,771 |

The banks are paying out no currency except on checks for small sums. All transactions are made by checks certified as "good" through the clearing-house.

Sterling exchange is almost unsaleable. Good mercantile bills have sold as low as 102 during the present week. The most injurious effect upon the interests of the country at large is from the blockade now existing in the negotiation of bills against shipments, both foreign and domestic. It is to be hoped that means to obviate this difficulty may speedily be found.

Gold is selling at 11⅛ *a* 11⅝, but for actual legal tenders in hand a rate lower by about three per cent. may be quoted.

The Philadelphia banks have been under a pressure in the month of September, and have generally stood well against the demands of their creditors. The only suspension reported among the incorporated banks is the UNION BANKING COMPANY, corner of Chestnut and Fourth Streets, capital $ 200,000. We append their statements, with the usual comparison:

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 4, 1868 | $50,002,304 | $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 | 38,880,001 |
| " 2, 1871 | 51,861,827 | 1,071,598 | 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 | 11,389,972 | 41,495,605 |
| April 7, " | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| May 5, " | 59,006,414 | 238,944 | 11,641,739 | 11,438,679 | 45,177,200 |
| June 2, " | 61,135,011 | 116,089 | 15,377,993 | 11 434,591 | 51,833,223 |
| July 7, " | 60,480,403 | 322,626 | 14,513,757 | 11,431,847 | 48,200,545 |
| Aug. 4, " | 59,923,183 | 356,531 | 15,227,709 | 11,444,767 | 48,255,437 |
| " 25, " | 59,714,370 | 210,215 | 13,391,000 | 11,450,378 | 45,395,053 |
| Sept. 1, " | 59,317,093 | 208,580 | 13,348,119 | 11,454,680 | 45,089,898 |
| " 8, " | 58,254,221 | 205,780 | 13,608,968 | 11,440,920 | 44,697,137 |
| " 15, " | 59,007,671 | 271,973 | 13,179,110 | 11,476,794 | 44,363,277 |
| " 22, " | 58,109,410 | 258,965 | 12,432,254 | 11,473,843 | 43,018,525 |

The banks of Boston have stood safely throughout the excitement of the past few days. An active demand for money has prevailed in Boston for some weeks, and a steady reduction of balances is shown by the reports as below:

| | *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 |
| April 7 | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| May 5 | 117,501,100 | 1.401,100 | 9.191,600 | 25,625,700 | 65,809,400 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25.445,100 | 69,422,800 |
| July 7 | 122,947,000 | 1,935,400 | 11,267,600 | 25,487,700 | 73,218,900 |
| Aug. 4 | 123,617,400 | 1,536,000 | 10,955,600 | 25.550,000 | 71,110,300 |
| " 25 | 123,200,800 | 1,042,800 | 10,671,900 | 25,451,400 | 68,745,400 |
| Sept. 1 | 123.417,600 | 1,121,500 | 10,733,200 | 25,490,200 | 68,625,500 |
| " 8 | 124,068,000 | 1,606,300 | 10,071,300 | 25,544,500 | 67,662,400 |
| " 15 | 123,523,800 | 1,238,500 | 9,016,300 | 25,611,500 | 64,837,700 |
| " 22 | 122,108,000 | 1.642,900 | 8,418,600 | 25,682,400 | 61,822,200 |

A special meeting of the Clearing House Association was held September 24th, and it authorized the Loan Committee to issue an additional ten millions of loan certificates to the associated banks. The following resolutions were unanimously adopted:

1. That all checks, when certified by any bank, shall be first stamped or written, "payable through the Clearing House."

2. That, in order to supply the public demand for legal-tender notes, and to renew impaired confidence, the Clearing House Committee be authorized to purchase any part of $ 10,000,000 of United States bonds, and to procure the redemption of the same by the Secretary of the Treasury; the loss or cost of the transaction to be divided among the New York Associated Banks, pro rata of the amount of their deposits respectively, as shown by the returns of last week; and that the Committee be authorized to assess the share of each bank by drafts in the usual manner.

3. That each member of the association consider himself a special committee to ascertain where such bonds can be had, to invite participation in this effort of every institution and individual in the community, and to report to J. D. Vermilye, chairman, to-day.

4. That the President of the United States and the Secretary of the Treasury be solicited, by telegraph, by the chairman of this association, to prepay the outstanding United States bonds which are due on January 1, 1874.

5. That, whereas, the banks composing the Clearing House Association, in order to allay public excitement and to restore impaired confidence, have united together by combining and averaging their aggregate resources, and, for that end, have generously relinquished for the common good whatever superiority in position any of them possessed over their associates; and,

*Whereas*, it would be manifestly unfair that any member declining to participate fully in the arrangements should derive fictitious credit and reputation in the business of the community by our self-sacrifice, therefore, *Resolved,* That any member so conducting itself shall be reported to the manager of the Clearing House, who shall forthwith consider it expelled from this association, and checks upon it shall be drawn by presentation immediately, through a special agent appointed by him for that purpose on behalf of the whole number.

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As we go to press, the telegraphic reports from the principal cities in the United States show that their banks are resorting to the expedient introduced by the banks of New York. Loan certificates are used to facilitate the settlement of daily balances in the bank clearing-houses; and there is generally a refusal to pay out legal-tender notes, except in very moderate amounts. The want of general confidence, so strikingly shown in this city, has put the banks upon the defensive; with what results to the business of the country we are but beginning to see. With an abundant wealth of grain and cotton ready to be poured upon a waiting market, the sudden stoppage of the machinery of commerce now threatens disaster to the mercantile interests. The flow of currency usual at this season, from New York to the West and South, in payment for produce coming forward, is completely stopped, and business in the staples of the country at a stand-still.

To show the more plainly how far are the causes of the existing panic from any want of real prosperity in the country at this time, we add the statements of our imports and exports at this port, an exhibit the most flattering that has been made for years past:

*Foreign Imports at New York for Eight Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $ 143,664,064 | $ 141,994,041 | $ 127,800,842 |
| Entered for warehousing | 102,483,304 | 138,845,932 | 91,817,219 |
| Free goods | 19,875,945 | 30,149,545 | 62,293,994 |
| Specie and bullion | 5,255,087 | 2,914,438 | 3,025,231 |
| Total entered at port | $ 271,278,400 | $ 313,903,956 | $ 284,937,286 |
| Withdrawn from warehouse | 85,735,447 | 112,706,798 | 86,197,069 |

This footing is twenty-nine millions less than the corresponding figures for last year.

*Exports from New York to Foreign Ports for Eight Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $ 146,314,092 | $ 139,152,085 | $ 181,667,191 |
| Foreign free goods | 803,155 | 1,066,046 | 1,462,560 |
| do. dutiable | 5,324,890 | 6,765,093 | 6,323,142 |
| Specie and bullion | 55,489,604 | 56,949,735 | 40,056,476 |
| Total exports | $ 207,931,741 | $ 203,932,949 | $ 229,509,369 |
| do. exclusive of specie | 152,442,137 | 146,983,214 | 189,452,893 |

The statement for eight months shows an increase of forty-two and a-half millions in the exports, and a decrease of twenty-nine millions in the imports at this single port. If this proportion holds true of the other ports, we have had reason to expect the balance of trade soon to be very largely in our favor.

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

VOL. VIII. THIRD SERIES. NOVEMBER, 1873. No. 5.

## THE TRUE PRINCIPLES OF BANKING.

The recent revulsion in the money market and the panic among the banks are largely traceable to two causes: 1, to the policy of allowing interest on deposits; and 2, to an unwise reduction of the reserve funds of the banks. These causes have become more manifest within one or two years past. To these may be added an unprecedented amount of new loans on the market, for account of States, cities, counties, and railroads. In placing these bonds upon the market, the Western and Southern portions of the country became creditors, and drew largely upon the currency reserves of the Eastern cities.

These currency funds would, it is true, soon return to Wall Street in the ordinary current of trade; but a disturbance would exist for the time being, and affect the existing balances of the whole body of banks and bankers.

It was the incessant drain upon Wall Street for currency in August and September, for account and use of country bankers, which lessened the strength of New York City banks and bankers; and operated most powerfully upon those having the largest business and the most extended credits. The New York City banks held in July, 1873, deposits of country banks and bankers ........................................ $ 100,000,000
City bankers held (*it is estimated*) as much more...... 100,000,000

$ 200,000,000

in addition to about one hundred millions of deposits for mercantile houses and others. It then became the manifest duty of our city banks and bankers, for their own protection and safety, to lessen their loans and thereby to increase their reserve.

Assuming these deposits to be, in bulk, three hundred millions of dollars, the banks might rightly assume that they would, in case of a stringency or a panic, be liable to calls for about one hundred millions.

But the banks of the city had most unwisely lessened their legal reserve from eighty-seven millions, in September, 1866, to thirty-four millions in September, 1873. They allowed their legal tender reserve to fall to sixty-five millions in January, 1867; sixty-two millions in January, 1868; to forty-eight millions in January, 1869; forty-five millions in January, 1870; forty millions in January, 1872; and to forty-one millions in January, 1873. This, too, in view of an increase in deposits from 180 millions in January, 1869, to 237 millions in August, 1873. Certainly, if eighty-seven millions were scarcely adequate in September, 1866, a reserve of thirty-four to fifty millions in 1873 was entirely too low, in the face of accumulating liabilities.

This increase of cash liabilities, mainly for account of country bankers, whose surplus or available funds were kept in Wall Street for daily use, has been largely owing to the vicious policy of claiming (and receiving) interest on deposits. The deposits of forty-five hundred country banks and bankers in the banks of Wall Street, were made largely under the plea of realizing an interest on these daily or weekly balances; but the creditors forgot, in many instances, that in order to compensate themselves for this outlay of interest the New York City banks must (IN THEIR OWN DEFENSE) loan out these identical funds to the extent of seventy or eighty per cent.

Thus, a New York house having deposits from the country of $ 1,000,000, on which they would pay four (or five) per cent. interest annually, would feel compelled to loan out about four-fifths (or $ 800,000) at market rates in order to indemnify itself for the payment of interest. If the 4500 country bankers, owing to any unusual or excessive demand at home, draw largely or generally on their New York balances, they find, at their cost, that these funds have to accomplish double purposes, viz.: loans at home and loans in Wall Street. The whole system is a pernicious one, and fraught with danger both to the city banker and to the country banker.

This danger arises from the constant temptations which exist in New York, to loan too largely to new and vast enterprises in the new States. If our readers will refer to page 279 of our last number, they will see, in three lines, one potent cause of a panic. The railroads of the UNITED STATES were last year increased to the extent of 6467 miles; while those of the year 1873 will perhaps approach the same immense length. Assuming these as only (together) 10,000 miles, at an average cost of $ 55,000 per mile (see page 276), we find that a capital of five hundred and fifty millions is demanded in order to construct them.

It is true that about one-half of this vast sum is raised (or paid) in bonds to run some ten, twenty or thirty years; and it is also true that a very large portion is placed (or has been placed) upon the European markets; but yet the fact stares us in the face that the builders and promoters of these 10,000 miles must inevitably draw, first or last, upon Wall Street for the cost of construction.

To show how this drain upon country bank deposits in Wall Street disturbs all the parties,* (debtors and creditors,) it is necessary to mention only one case of recent occurrence. A prominent banking concern in Nassau Street had held throughout the year 1873, (March to July), an average of three millions of such deposits, which would not, in the course of three or four ordinary years, vary twenty per cent. From the middle of September to the middle of October, 1873, their deposits fell to $650,000, a reduction of OVER SEVENTY PER CENT. in thirty or forty days.

THE HOUSE STILL STANDS. We mention it as one of a long series of cases, in and near Wall Street, wherein numerous parties fell a sacrifice to TOO MUCH BUSINESS. It was such sudden calls of magnitude that compelled such old and wealthy firms as HOWES & MACY, HENRY CLEWS & CO., JAY COOKE & CO., FISK & HATCH, GILMAN, SON & CO., KENYON COX & CO. and others to suspend, with surplus profits on their books to the extent of millions, nominally.

Let the following extract from the New York *Tribune* of the 16th of October, be a remark applicable to numerous cases in New York, Philadelphia and other cities, in the months of September and October, 1873:

*The most important of the failures yesterday was* GILMAN, SON & CO., *of No. 47 Exchange Place. They were an old and conservative house, and had been highly esteemed in the street. They had large balances due to many correspondents throughout the country, and having used their money in proper channels of trade and finance* IN ORDER TO EARN THE INTEREST THEY PAID TO THEIR CUSTOMERS, *they were unable to obtain their money when it was needed.*

Another accompaniment of this financial weakness in Wall Street, is the force of example. The South and West (we may say the whole country), take their tone from New York City. Thus the national banks of the country, in their aggregate condition, in 1866 and 1873, reported as follows:

| | *Deposits.* | | *Legal Reserve.* | | *Specie.* |
|---|---|---|---|---|---|
| January, 1866...... | $668,000,000 | .. | $187,000,000 | .. | $16,909,000 |
| April, 1873......... | 780,000,000 | .. | 99,000,000 | .. | 16,800,000 |

* Four parties at least, viz.: 1st, the depositors in the country bank; 2d, the country bank itself, whose funds in New York are reloaned ON CALL to many who cannot respond; 3d, the Wall Street banker, who is driven to the wall, because his country correspondents and creditors are themselves sorely pressed and demand their money; 4th, the city customers of the Wall Street banker, who have borrowed 75 per cent. on stocks, and which stocks are sold out at 50 or 60 cents.

With 120 millions of additional deposits, they held less than 100 millions of legal reserve. During this long interval they held at various times, from thirty to forty-eight millions of specie, besides 100 or 150 millions in gold received from the public treasury and sold, every dollar of which should have been husbanded for an early resumption of specie payments.

Now, if the banks of New York desire to keep themselves and their customers in a safe condition hereafter, and to give a healthy tone to the banking interests and to the commercial phases of the country, they will AT ONCE set themselves to a resumption of their position, as in the years 1866, 1868, and 1870, by restoring their legal reserve to eighty or ninety millions of dollars, or an average of thirty-three cents to each dollar of liabilities. To be sure this will curtail their profits temporarily, but it will secure steadiness in the market in future years. If this had been done early in 1873, the banks could have stood any combined pressure on the part of their whole body of creditors, from Bangor on the east to San Francisco on the west.

There are two other causes of the late crisis, of a minor character, which should not be overlooked in legislation hereafter. The experience of the past should serve as a caution for the future. We allude to the business undertaken by our local trust companies, whereby they have all placed themselves in jeopardy and some have gone into bankruptcy. Such companies were not intended by the legislature to assume the reception of heavy deposits repayable AT CALL and thus to compete with the chartered banks, whose objects and operations are of an entirely different nature from those of a trust company. The business of a trust company is clearly indicated by its title, and should be confined to the reception of deposits on time, and no deposit to be withdrawn under less than thirty or sixty days' notice. The very fact of paying interest on deposits shows that such monies are to be invested in bonds and mortgages and other securities, which ordinarily require time for their conversion (without depreciation or loss) into cash when the funds are demanded.

The second minor cause of disturbance is produced by the usury laws. These are still in force in the State of New York, notwithstanding the experience of the last fifty years has clearly demonstrated that such laws are an obstacle to the free use of capital. They interfere at all times with the interests of both borrowers and lenders; but they are peculiarly oppressive in a time of panic or stringency, when many capitalists will not loan at legal rates, and will not violate the law by lending at larger rates, or rates commensurate with the extra hazards existing during a revulsion. If our banks were allowed, (as in the case of the BANK OF ENGLAND,) to advance their rates of discount to eight, nine, ten or twelve per cent. in periods of emergency, needy borrowers could be supplied to meet temporary wants from their creditors.

Lombard street is not afflicted with the panics, the revulsions and the dangers which Wall Street has exhibited almost every month of the past two years. Paris (whether under suspension, as at present, or paying specie as in 1870) exhibits no such financial distress. The following are, in brief, the chief items of Paris and London:

| | *Deposits.* | | *Circulation.* | | *Specie.* |
|---|---|---|---|---|---|
| BANK OF ENGLAND.... | $ 120,000,000 | .. | $ 80,000,000 | .. | $ 125,000,000 |
| BANK OF FRANCE..... | 60,000,000 | .. | *560,000,000 | .. | 140,000,000 |
| NEW YORK........... | 200,000,000 | .. | † 27,000,000 | .. | ‡ 34,000,000 |

To the 120 millions of deposits in the BANK OF ENGLAND should be added eighty millions sterling, or 400 millions, for the Joint Stock banks of London.

Thus, New York, with a slender reserve of thirty-four millions, has to bear the brunt of demands of creditors in this city, and those of the whole UNITED STATES. Those who wish to examine these comparative tables more fully will find them in full in the *Banker's Almanac* for 1873, pp. 218 to 224 and 250, 251. In order to illustrate more fully this admirable policy of the BANK OF ENGLAND, with reference to its agency in the finances and the commerce of that country, we give to our readers another chapter of Mr. BAGEHOT'S work on *Lombard Street—a description of the Money Market*, recently republished in this city.

### COIN AND CURRENCY IN EUROPE.

The following table represents the circulation and the coin reserve of several of the leading banking institutions of the continent.

| | *Circulation.* | | *Loans.* | | *Coin.* |
|---|---|---|---|---|---|
| Prussian Bank........ | £ 40,000,000 | .... | £ 29,000,000 | .... | £ 36,000,000 |
| Austrian National B'k. | 33,700,000 | .... | 21,500,000 | .... | 14,500,000 |
| Nat. Bank of Belgium. | 13,300,000 | .... | 10,300,000 | .... | 5,700,000 |
| Netherlands Bank..... | 13,300,000 | .... | 9,000,000 | .... | 8,500,000 |

A London cotemporary remarks upon the recent crisis in New York:

"Two considerations present themselves as the inevitable conclusion from the present crisis; the first is, that the £3,000,000 Alabama indemnity, over which so much turmoil and trouble were expended, is a small item when compared with the commercial prosperity of a great country; it has been absorbed in a day in the present pressure. The second is, that railway and other enterprises ought to be confined within the bounds of the actual capital subscribed for the particular line, or within the capital ability of the financing firm. It is because both these elements of safety have been disregarded that the present reaction is both sudden and severe."

While we are on this subject we may with advantage to our readers submit the following remarks by the New York *Evening Post*, under date October 9th:

"Our own explanation of the facts is, that we have gone on making money much faster than we have made value, and that prices have gone up because we had more money than we could use rightly, and we are a little surprised when a leading banker tells us that in reality

* Total for all FRANCE. † 700 millions for the UNITED STATES.
‡ Legal tender paper money and add eighteen millions specie.

we have less money than we can use, and want a new issue of inconvertible paper. Unless our whole reading of political economy, and our entire observation of the experiences of nations at home and abroad are faulty, this doctrine is unsound. Being unsound, it is dangerous. It is likely to lead to a continuation of the very policy which has brought about the late derangements, and which will keep us in an unsettled and feverish condition if it be not arrested. It is particularly dangerous at this time, when a glorious and not-to-be-neglected opportunity is presented to the country for recovering from an evil habit and getting back to a sound and healthful state. Now is the time—or else not for twenty years to come—to infuse into the mediums of circulation that specific of which Senator SHERMAN, forgetting his party politics for a time, was compelled to say:

"*In all ages and in all countries it has got to be an axiom in financial matters that gold alone is the standard of value, and the planetary laws which govern the universe are not more fixed and absolute in their sway than that law which demands that everything must be measured by the gold standard.*

"We do not mean to urge that the payment of specie is to be resumed at once, now that the banks do not always pay paper, BUT WE DO MEAN TO SAY THAT THE RESOLUTION TO RESUME SHOULD BE RESUMED AT ONCE; THAT OUR EYES SHOULD BE TURNED TO THE GOAL OF RESUMPTION, AND ONLY TOWARDS THAT GOAL; AND THAT ALL ARGUMENTS AND ALL PLANS AND ALL SUGGESTIONS WHICH LOOK TO THE INFLATION OF THE PAPER MEDIUM, AND NOT TO THE GRADUAL RESTORATION OF THE ACKNOWLEDGED STANDARD OF THE WORLD, ARE TO BE DEPRECATED."

## LONDON JOINT STOCK BANKS.

*Reports for Half-year, 30th June, 1873, compared with the three preceding Half Years.*

The following table shows the deposits and the paid-up capital and reserve of the several Joint Stock banks of London, June 30, 1873:

(0,000's omitted—thus 28,38 — £ 28,380,000, and 10 — £ 100,000.)

| Banks, and when Founded. | | *Deposits, Cash.* | | | | *Capital paid up and Reserve.* | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 1873. | 1872. | 1872. | 1871. | 1873. | 1872. | 1872. | 1871. |
| | | 30 *June.* | 31 *Dec.* | 30 *June.* | 31 *Dec.* | 30 *June.* | 31 *Dec.* | 30 *June.* | 31 *Dec.* |
| Lon. & Westmster. | '34 | £ 28,38 | £ 28,66 | £ 25,83 | £ 26,22 | £ 3,00 | £ 3,00 | £ 3,00 | £ 3,00 |
| London Joint Stock | '36 | 17,40 | 18,54 | 20,93 | 17,79 | 1,67 | 1,66 | 1,65 | 1,64 |
| Union | '39 | 13,37 | 15,18 | 14,04 | 13,80 | 1,78 | 1,62 | 1,50 | 1,50 |
| City | '55 | 3,05 | 3,18 | 3,11 | 2,78 | 75 | 62 | 61 | 60 |
| Imperial | '62 | 2,24 | 2.16 | 2,33 | 2,25 | 74 | 63 | 51 | 50 |
| Alliance, Limited | '62 | 1,82 | 1,78 | 2,16 | 1,46 | 94 | 91 | 89 | 87 |
| Consolidated | '63 | 2,99 | 2,91 | 2,89 | 2,48 | 88 | 87 | 86 | 85 |
| Central, Limited | '63 | 67 | 65 | 59 | 55 | 11 | 10 | 10 | 10 |
| Metropolitan, Lim. | '66 | 22 | 23 | 42 | 68 | 18 | 18 | 18 | 21 |
| Lon. & S. Western. | '62 | 73 | 72 | 66 | 61 | 17 | 17 | 17 | 18 |
| London & County. | '36 | 17,82 | 16,97 | 16,87 | 16,11 | 1,80 | 1,63 | 1,50 | 1,50 |
| | | £ 88,69 | £ 90,98 | £ 89,83 | £ 84,73 | £11,82 | £11,33 | £10,97 | £10,95 |

There are numerous and influential journals in this country which take a clear and sober view of the causes of the recent panic; and having now a broad view of these causes, we may hereafter avoid them. For instance, the Philadelphia *North American* justly remarks:

"In financial crises under the old order of things a conjunction of two elements always occurred. Each of these elements by itself tended directly to heighten the excitement, but in conjunction they wrought speedy ruin to the entire business fabric. One of these elements consisted in the fear that seized upon the class known as depositors, and was therefore local and limited in scope. The other consisted in the frenzy of the note holders—a class including nearly everybody—and was therefore universal. During the late panic this latter feature was wholly absent. The great army of note holders experienced no frenzy whatever. Every man knew that a dollar was worth as much in the height of the panic as it was ten days before. No man refused the tender of notes for the satisfaction of debt. On the contrary, there was a frantic struggle to get hold of National currency, which struggle continues almost unabated to this day." . . . . . . . .

"The access of panic failed to mobilize and distract the note holder for the sufficient reason that every note was backed by the credit of the nation. At the same time the banking basis is not imminently, but constructively, gold. Every particle of bank paper afloat rests upon the solid basis of national credit. Every man of intelligence knows that there is not, by many millions, gold enough to redeem the currency. But as the ability and willingness of the nation to lift its indebtedness as fast as the evidences mature is not doubted, confidence in the medium of exchange is unimpaired. Hence the control of the currency by the government has proved an insuperable barrier to the worst effects of financial revulsion."

In other words, the paper currency being under National control backed by National bonds and credit, had no part in producing the revulsion, but that the currency now known as "deposits," which play such an important part in the commercial and financial world, was in fact the primary and the leading cause.

This immense volume of deposits, which is moved and movable every day and every hour of every day, amounted in April last to more than 1000 millions of dollars, payable on demand, viz.:

| | | |
|---|---|---|
| National Banks | | $800,000,000 |
| State Banks | about | 200,000,000 |
| Private Banks | " | 500,000,000 |

There being some 4500 banks in operation at the commencement of the recent panic, or when the first heavy failures occurred, each bank and banker throughout the country sought in self-defence or self-protection to fortify itself with currency to meet fresh demands from their depositors. This combined movement soon exhausted the cash resources of the New York banks, which were not prepared to meet such sudden and heavy calls, and the banks of this city and other cities were soon crippled in their action. Had the savings banks been liable also to such sudden calls on their deposits, amounting to 700 millions, they also would have been compelled to suspend; but they have generally the option of asking a notice of 30 or 60 days for such withdrawal. These facts, which cannot be disputed, demonstrate clearly to the city banks and to the country banks that a broader basis or reserve should be maintained by the former hereafter. We think this should be insisted upon by both parties, for the sake of safety to both, and with a view to a more uniform condition of the money market. The city banks should never allow their reserve of notes to fall below twenty-five per cent. of their cash liabilities; and, although circumstances may arise whereby such reserve may for the moment fall below such average, it should be the duty of the Clearing House to enforce such rule, and that each bank (and every bank) shall cease new loans until they are stronger and recover their proper average.

Until this rule is adopted and in force (in the face of outcries for fresh loans to speculative parties) the business of the country, foreign and domestic, (as well as the credit of the country abroad) will be liable to revulsions and permanent injury. All experience in this country as well as in ENGLAND and elsewhere, demonstrates that there is one sound principle of banking that should always be maintained, whether the liabilities be small or large, viz.: a strong cash reserve or percentage of cash to liabilities. This point is well put in a recent volume by Mr. PALGRAVE, ample extracts from which are contained in the present number of the BANKER'S MAGAZINE. He says (page 77):

*An average of twenty-five to thirty per cent. of the liabilities,* HELD IN READY MONEY, *cannot be considered other than a very fair proportion.*

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A NEW PERIL TO AMERICAN RAILWAY INVESTORS.—We have given above a brief statistical account of the American railway system; but it will be understood, of course, that the principal difficulties attending investments in AMERICA are not those caused by the lack of profitable opportunities, but by social and polical mischiefs which permit the occurrence of such a scandal as that of the Erie railway. We fear we must now add the danger of direct legislative attacks on property. The ILLINOIS Legislature has just passed an act against discriminating rates, which, undoubtedly, constitutes such an attack. According to the short official summary of the act, section 1 is to the effect that more than a "fair and reasonable" rate is declared extortionate; by section 2, "unjust discrimination" in rates is declared a violation of the act; and, by section 3, it is provided that discriminating rates, charges, collections, or receipts, directly or by rebate, drawback, or other shift or evasion are to be *prima facie* evidence of unjust discrimation. The whole effect of the act is to compel a proportionate charge according to distance, to this extent, that no greater charge can be made for a particular distance than happens to be made for a longer distance which includes it; and the intention of the act is made apparent by the explicit refusal to allow as an excuse for charging less in some cases for a long than for a short distance the fact that there is competition between the more distant points.—*Economist.*

## DIVIDENDS OF THE BOSTON BANKS.

1. Capital of each bank. 2. Dividends and market values of shares in April and October, 1873. 3. Surplus fund of each in June, 1873.

| Name of Bank. | Capital. | Dividends, 1873. Apl. | Oct. | Shares, 1873. Apl. | Oct. | Surplus Profits. June, 1873. |
|---|---|---|---|---|---|---|
| Merchants' National | $3,000,000 | 5 | 5 | 135 | 138 | $1,116,793 |
| Nat. B. of Commerce | 2,000,000 | 5 | 5 | 129 | 129 | 620,000 |
| Tremont National | 2,000,000 | 5 | 4 | 127½ | 129 | 177,128 |
| State National | 2,000,000 | 4 | 3 | 109 | 110 | 94,807 |
| National Revere | 2,000,000 | 4½ | 4 | 121 | 122¼ | 400,000 |
| Second National | 1,600,000 | 6 | 6 | 150 | 150 | 600,000 |
| Nat. Bank of Republic | 1,500,000 | 5 | 4 | 130 | 129 | 300,000 |
| Nat. Hide & Leather | 1,500,000 | 4 | 4 | 115½ | 115 | 108,000 |
| Suffolk National | 1,500,000 | 5 | 5 | 130 | 130 | 200,000 |
| Atlas National | 1,500,000 | 4 | 3 | 117⅜ | 119 | 250,000 |
| National Webster | 1,500,000 | 4 | 3 | 108 | 105½ | 115,500 |
| Blackstone National | 1,500,000 | 6 | 5 | 150 | 149 | 400,000 |
| First National | 1,000,000 | 6 | 6 | 198 | 200 | 1,000,000 |
| Nat. B. of Redemption | 1,000,000 | 5 | 5 | 142 | 147 | 200,000 |
| North National | 1,000,000 | 4 | 4 | 123 | 129 | 200,000 |
| National Exchange | 1,000,000 | 6 | 6 | 176 | 178 | 731,156 |
| Eliot National | 1,000,000 | 5 | 4 | 122 | 125 | 200,000 |
| New England Nat'l | 1,000,000 | 5 | 5 | 140 | 142 | 400,000 |
| National City | 1,000,000 | 4 | 3½ | 114 | 114 | 85,911 |
| Shoe & Leather Nat'l. | 1,000,000 | 6 | 4½ | 140 | 143 | 230,701 |
| Nat. B. of N. America | 1,000,000 | 4 | 3 | 113 | 112 | 88,922 |
| Faneuil Hall National | 1,000,000 | 5 | 5 | 141½ | 145 | 250,000 |
| Globe National | 1,000,000 | 5 | 5 | 130 | 128½ | 250,000 |
| National Union | 1,000,000 | 6 | 6 | 150 | 153 | 500,000 |
| National Eagle | 1,000,000 | 4 | 4 | 114 | 119 | 200,000 |
| Columbian National | 1,000,000 | 5 | 5 | 133 | 131 | 350,000 |
| Boston National | 1,000,000 | 5 | 4 | 125 | 126 | 160,000 |
| Shawmut National | 1,000,000 | 5 | 4 | 126 | 126 | 200,000 |
| Continental National | 1,000,000 | 4 | 3 | 113 | 110 | 185,000 |
| Howard National | 1,000,000 | 4½ | 4 | 114½ | 117 | 100,000 |
| Old Boston National | 900,000 | 6 | 5 | 75½ | 77 | 180,000 |
| Market National | 800,000 | 4 | 4 | 112½ | 112 | 75,823 |
| Massachusetts Nat'l | 800,000 | 5 | 4 | 125 | 130 | 200,000 |
| Washington National | 750,000 | 6 | 5 | 143 | 145 | 263,001 |
| Atlantic National | 750,000 | 6 | 6 | 137 | 137 | 232,000 |
| Hamilton National | 750,000 | 5 | 4 | 126 | 126 | 150,000 |
| Traders' National | 600,000 | 4 | 3½ | 115 | 114 | 105,981 |
| Freeman's National | 800,000 | 5 | 4 | 131 | 133 | 201,000 |
| Boylston National | 600,000 | 7 | 5 | 150 | 150 | 125,000 |
| N. B. Commonwealth | 500,000 | 4 | 3 | 124 | 124 | 70,000 |
| Maverick National | 400,000 | 5 | 4½ | 126 | 126 | 80,000 |
| Third National | 300,000 | 4 | 4 | 145½ | 124 | 145,510 |
| People's National | 300,000 | 7 | 7 | 155 | 155 | — |
| National Rockland | 300,000 | 7 | 7 | 162 | 162 | — |
| Mechanics' National | 250,000 | 6 | 5 | 130 | 130 | 56,500 |
| Broadway National | 200,000 | 0 | 4 | 125 | 125 | 18,331 |
| Everett National | 200,000 | 5 | 5 | 136 | 137 | 60,000 |
| Mount Vernon Nat'l | 200,000 | 5 | 4 | 130 | 129 | 40,000 |
| National Security | 200,000 | 4 | 4 | 130 | 135 | 65,000 |
| Blue Hill National | 200,000 | 5 | 4 | 125 | 119 | — |
| Eleventh Ward Nat'l. | 300,000 | 4 | - | 106 | 103 | 5,245 |
| Central National | 500,000 | - | - | — | — | — |
| *Totals* | $50,200,000 | | | | | $11,787,309 |

## Banks and Taxation.

Under the new law of Massachusetts the National banks of Boston, with two exceptions,* will pay their entire municipal tax direct to the city, at the rate of $ 12.80 per $ 1000 of taxable value, May 1. The tax on shares not owned in Boston is then passed over to the State Tax Commissioner, who will apportion it among the several towns and cities where shareholders reside. The balance of the tax, against non-residents and parties whose location cannot be determined, will accrue to the State Treasury. The aggregate tax amounts to $ 768,883.20, or an average of 1.55 per cent. on $ 49,800,000 taxable bank capital, at its par value.

| *Banks.* | *Tax,* | *Per cent.* | *Banks.* | *Tax.* | *Per cent.* |
|---|---|---|---|---|---|
| Atlantic | $ 11,904 | 1.59 | Maverick | $ 6,246 | 1.56 |
| Atlas | 21,696 | 1.45 | Mechanics' | 3,808 | 1.52 |
| Blackstone | 25,536 | 1.70 | Merchants' | 40,704 | 1.36 |
| Blue Hill | 2,918 | 1.46 | Mount Vernon | 3,277 | 1.64 |
| Boston (old) | 14,285 | 1.59 | New England | 14,336 | 1.43 |
| Boston National | 15,360 | 1.54 | North | 15,616 | 1.56 |
| Boylston | 11,443 | 1.91 | North America | 13,952 | 1.40 |
| Broadway | 3,072 | 1.54 | People's | 5,760 | 1.92 |
| City | 12,928 | 1.29 | Redemption | 17,792 | 1.78 |
| Columbian | 16,896 | 1.69 | Republic | 22,656 | 1.51 |
| Commerce | 31,232 | 1.56 | Revere | 29,952 | 1.50 |
| Commonwealth | 7,808 | 1.56 | Rockland | 5,952 | 1.98 |
| Continental | 13,824 | 1.38 | Second National | 29,286 | 1.83 |
| Eagle | 14,336 | 1.43 | Security | 3,456 | 1.73 |
| Eleventh Ward | 3,917 | 1.30 | Shawmut | 16,000 | 1.60 |
| Eliot | 14,976 | 1.50 | Shoe and Leather | 16,000 | 1.60 |
| Everett | 3,302 | 1.65 | State | 27,392 | 1.37 |
| Exchange | 22,414 | 2.24 | Suffolk | 19,776 | 1.32 |
| Faneuil Hall | 16,640 | 1.66 | Third National | 5,491 | 1.83 |
| First National | 20,992 | 2.10 | Traders | 8,448 | 1.41 |
| Freeman's | 13,210 | 1.65 | Tremont | 28,416 | 1.42 |
| Globe | 16,000 | 1.60 | Union | 18,304 | 1.83 |
| Hamilton | 11,616 | 1.55 | Washington | 13,440 | 1.79 |
| Hide and Leather | 21,120 | 1.41 | Webster | 18,240 | 1.22 |
| Howard | 14,080 | 1.41 | | | |
| Market | 11,059 | 1.38 | Total tax | $ 768,883 | |
| Massachusetts | 12,288 | 1.54 | | | |

Three new banks have been established the past six months. The Central National, capital $ 500,000, commenced business May 6; the Manufacturers' National, $ 500,000, July 1, and the First Ward National (East Boston), June 1, with $ 200,000 capital; but neither of them went into operation in season to be taxed this year. The Blue Hill increased its capital, May 20th, from $ 200,000 to $ 300,000, and pays now on the latter sum.

Of the fifty-four banks in Boston, two pay 7 per cent., five 6 per cent., fourteen 5 per cent., two 4½ per cent., nineteen 4 per cent., two 3½ per cent., six 3 per cent., and one not declared. The average percentage is 4.41 per cent. (and including tax, 5.96 per cent.), against 4 95 the previous six months. There are three new banks not yet on the dividend list.

* Commerce and Rockland.

# THE PRINCIPLES WHICH SHOULD REGULATE THE AMOUNT OF THE BANKING RESERVE TO BE KEPT BY THE BANK OF ENGLAND.

*Lombard Street; a Description of the Money Market.* *By* WALTER BAGEHOT. *London:* H. S. KING & Co.

We extract the following from a book on Lombard Street, just published, by Mr. WALTER BAGEHOT, as it contains in a connected form what, less systematically, has often been laid before our readers:

There is a very common notion that the amount of the reserve which the BANK OF ENGLAND ought to keep can be determined at once from the face of their weekly balance sheet. It is imagined that you have only to take the liabilities of the banking department, and that a third or some other fixed proportion will in all cases be the amount of reserve which the bank should keep against those liabilities. But to this there are several objections, some arising from the general nature of the banking trade, and others from the special position of the BANK OF ENGLAND.

That the amount of the liabilities of a bank is a principal element in determining the proper amount of its reserve is plainly true; but that it is the only element by which that amount is determined is plainly false. The intrinsic nature of these liabilities must be considered, as well as their numerical quantity. For example, no one would say that the same amount of reserve ought to be kept against acceptances which cannot be paid except at a certain day, and against deposits at call, which may be demanded at any moment. If a bank groups these liabilities together in the balance-sheet, you cannot tell the amount of reserve it ought to keep. The necessary information is not given you.

Nor can you certainly determine the amount of reserve necessary to be kept against deposits unless you know something as to the nature of these deposits. If out of £3,000,000 of money, one depositor has £1,000,000 to his credit, and may draw it out when he pleases, a much larger reserve will be necessary against that liability of £1,000,000 than against the remaining £2,000,000. The *intensity* of the liability, so to say, is much greater; and therefore the provision in store must be much greater also. On the other hand, supposing that this single depositor is one of calculable habits—suppose that it is a public body, the time of whose demands is known, and the time of whose receipts is known also—this single liability requires a less reserve than that of an equal amount of ordinary liabilities. The danger that it will be called for is much less;

and therefore the security taken against it may be much less too. Unless the quality of the liabilities is considered as well as their quantity, the due provision for their payment cannot be determined.

These are general truths as to all banks, and they have a very particular application to the BANK OF ENGLAND. The first application is favorable to the bank; for it shows the danger of one of the principal liabilities to be much smaller than it seems. The largest account at the BANK OF ENGLAND is that of the English Government; and probably there has never been any account of which it was so easy in time of peace to calculate the course. All the material facts relative to the English revenue, and the English expenditure, are exceedingly well known; and the amount of the coming payments to and from this account are always, except in war times, to be calculated with wonderful accuracy. In war, no doubt, this is all reversed; the account of a government at war is probably the most uncertain of all accounts, especially of a government of a scattered empire like the English, whose places of outlay in time of war are so many and so distant, and the amount of whose payments is therefore so incalculable. Ordinarily, however, there is no account of which the course can be so easily predicted; and therefore no account which needs in ordinary times so little reserve. The principal payments, when they are made, are also of the most satisfactory kind to a banker; they are, to a great extent, made to another account at his bank. These largest ordinary payments of the Government are the dividends on the debt, and these are mostly made to bankers who act as agents for the creditors of the nation. The payment of the dividends for the Government is, therefore, in great part a transfer from the account of the Government to the accounts of the various bankers. A certain amount no doubt goes almost at once to the non-banking classes; to those who keep coin and notes in house, and have no account at any bank. But even this amount is calculable, for it is always nearly the same. And the entire operation is, to those who can watch it, singularly invariable time after time.

But it is important to observe, that the published accounts of the bank give no such information to the public as will enable them to make their own calculations. The account of which we have been speaking is the yearly account of the English Government—what we may call the Budget account, that of revenue and expenditure. And the laws of this are, as we have shown, already known. But under the head "Public Deposits," in the accounts of the bank, are contained also other accounts, and particularly that of the Secretary for INDIA in Council, the laws of which must be different and are quite unknown. The Secretary for INDIA is a large lender on its account. If any one proposed to give such power to the Chancellor of the Exchequer, there would be great fear and outcry. But so much depends on habit and tradition, that the India Office on one side of Downing Street can do without remark, and with universal assent, what it would be thought "unsound" and extravagant to propose that the other side should do. The present India Office inherits this independence from the old Board of the Company, which, being mercantile and business-like, used to lend its own money on the Stock Exchange as it pleased; the Council of INDIA, its successor, retains the power. Nothing can be better than that it should be allowed to do as it likes; but the mixing up the account of a body which has such a power, and which draws money from INDIA, with that of the home government clearly prevents the general public from being able to draw inferences as to the course of the combined account from its knowledge of home finance only. The account of "public deposits" in the bank return includes other accounts too, as the savings' bank balance, the Chancery Funds account, and others; and in consequence, till lately the public had but little knowledge of the real changes of the account of our government, properly so called. But Mr. LOWE has lately given us a weekly account, and from this, and not from the bank account, we are able to form a judgment. This account and the return of the BANK OF ENGLAND, it is true, unhappily appear on different days; but except for that accident our knowledge would be perfect; and as it is, for almost all purposes what we know is reasonably sufficient. We can now calculate the course of the government account nearly as well as it is possible to calculate it.

So far, as we have said, an analysis of the return of the BANK OF ENGLAND is very favorable to the bank. So great a reserve need not usually be kept against the government account as if it were a common account. We know the laws of its changes peculiarly well: we can tell when its principal changes will happen with great accuracy; and we know that at such changes most of what is paid away by the government is only paid to other depositors at the bank, and that it will really stay at the bank, though under another name. If we look to the private deposits of the BANK OF ENGLAND, at first sight we may think that the result is the same. By far the most important of these are the "Bankers' deposits;" and, for the most part, these deposits as a whole are likely to vary very little. Each banker, we will suppose, keeps as little as he can, but in all domestic transactions payment from one is really payment to the other. All the most important transactions in the country are settled by cheques; these cheques are paid in to the "clearing house," and the balances resulting from them are settled by transfers from the account of one banker to another at the BANK OF ENGLAND. Payments out of the bankers' balances, therefore, correspond with payments in. As a whole, the deposit of the bankers' balances at the BANK OF ENGLAND would at first sight seem to be a deposit singularly stable.

Indeed, they would seem, so to say, to be better than stable. They augment when everything else tends to diminish. At a panic, when all other deposits are likely to be taken away, the bankers' deposits augment; in fact they did so in 1866, though we do not know the particulars; and it is natural that they should so increase. At such moments all bankers are extremely anxious, and they try to strengthen themselves by every means in their power; they try to have as much money as it is possible at command; they augment their reserve as much as they can, and they place that reserve at the BANK OF ENGLAND. A deposit which is not likely to vary in ordinary times, and which is likely to augment in times of danger, seems, in some sort, the model of a deposit. It might seem not only that a large proportion of it might be lent, but that the whole of it might be so. But a further analysis will, as I believe, show that this conclusion is entirely false; that the bankers' deposits are a singularly treacherous form of liability; that the utmost caution ought to be used in dealing with them; that, as a rule a less proportion of them ought to be lent than of ordinary deposits.

The easiest mode of explaining anything is, usually, to exemplify it by a single actual case. And in this subject, fortunately, there is a most conspicuous case near at hand. The German Government has lately taken large sums in bullion from this country, in part from the BANK OF ENGLAND, and in part not, according as it chose. It was in the main well advised, and considerate in its action; and did not take nearly as much from the bank as it might, or as would have been dangerous. Still it took large sums from the bank; and it might easily have taken more. How then did the German Government obtain this vast power over the bank? The answer is that it obtained it by means of the bankers' balances, and that it did so in two ways.

First, the German Government had a large balance of its own lying at a particular Joint Stock bank. That bank lent this balance at its own discretion, to bill-brokers or others, and it formed a single item in the general funds of the London market. There was nothing special about it, except that it belonged to a foreign government, and that its owner was always likely to call it in, and sometimes did so. As long as it stayed unlent in the LONDON JOINT STOCK BANK, it increased the balances of that bank at the BANK OF ENGLAND; but so soon as it was lent, say, to a bill-broker, it increased the bill-broker's balance; and as soon as it was employed by the bill-broker in the discount of bills, the owners of those bills paid it to their credit at their separate banks, and it augmented the balances of those bankers at the BANK OF ENGLAND. Of course if it were employed in the discount of bills belonging to foreigners, the money might be taken abroad, and by similar operations it might also be transferred to the English provinces or to Scotland. But, as a rule, such money when deposited in London, for a considerable time remains in London; and so long as it does so, it swells the aggregate balances of the body of bankers at the BANK OF ENGLAND. It is now in the balance of one bank, now of another, but it is always dispersed about those balances somewhere. The evident consequence is that this part of the bankers' balances is at the mercy of the German Government when it chooses to apply for it. Supposing, then, the sum to be three or four millions—and I believe that on more than one occasion in the last year or two it has been quite as much, if not more—that sum might at once be withdrawn from the BANK OF ENGLAND. In this case the BANK OF ENGLAND is in the position of a banker who is liable for a large amount to a single customer, but with this addition, that it is liable for an *unknown* amount. The German Government, as is well known, keeps its account (and a very valuable one it must be) at the LONDON JOINT STOCK BANK; but the BANK OF ENGLAND has no access to the account of the German Government at that bank; they cannot tell how much German money is lying to its credit there. Nor can the BANK OF ENGLAND infer much from the balance of the LONDON JOINT STOCK BANK in their bank, for the German money was probably paid in various sums to that bank, and lent out again in other various sums. It might to some extent augment that bank's balance at the BANK OF ENGLAND, or it might not, but it certainly would not be so much added to that balance; an inspection of that bank's balance would not enable the BANK OF ENGLAND to determine even in the vaguest manner what the entire sum was for which it might be asked at any moment. Nor would the inspection of the bankers' balances as a whole lead to any certain and sure conclusions. Something might be inferred from them, but not anything certain. Those balances are no doubt in a state of constant fluctuation; and very possibly during the time that the German money was coming in some other might be going out. Any sudden increase in the bankers' balances would be a probable indication of new foreign money, but new foreign money might come in without causing an increase, since some other and contemporaneous cause might effect a counteracting decrease.

"This is the first, and the plainest way in which the German Government could take, and did take, money from this country; and in which it might have broken the BANK OF ENGLAND if it had liked. The German Government had money here and took it away, which is very easy to understand. But the Government also possessed a far greater power, of a somewhat more complex kind. It was the owner of many debts from ENGLAND. A large part of the 'indemnity' was paid by FRANCE to GERMANY in bills on ENGLAND, and the German Government, as those bills became due, acquired an unprecedented command over the market. As each bill arrived at maturity, the German Government could, if it chose, take the proceeds abroad; and it could do so in bullion, as for coinage purposes it wanted bullion. This would at first naturally cause a reduction in the bankers' balances; at least that would be its tendency. Supposing the German Government to hold bill A, a good bill, the banker at whose bank bill A was payable would have to pay it; and that would reduce *his* balance; and as the sum so paid would go to GERMANY, it would not appear to the credit of any other banker; the aggregate of the bankers' balances would thus be reduced. But this reduction would not be permanent. A banker who has to pay £100,000 cannot afford to reduce his balance at the BANK OF ENGLAND £100,000; suppose that his liabilities are £2,000,000, and that as a rule he finds it necessary to keep at the bank one-tenth of these liabilities, or £200,000, the payment of £100,000 would reduce his reserve to £100,000; but his liabilities would be still £1,900,000, and therefore to keep up his tenth he would have £90,000 to find. His process for finding it is this, he calls in, say, a loan to the bill-brokers; and if no equal additional money is contemporaneously carried to these brokers (which in the case of a large withdrawal of foreign money is not probable), they must reduce their business and discount less. But the effect of this is to throw additional business on the BANK OF ENGLAND. They hold the ultimate reserve of the country, and they must discount out of it if no one else will: if they declined to do so there would be panic and collapse. As soon, therefore, as the withdrawal of the German money reduces the bankers' balances there is a new demand on the bank for fresh discounts to make up those balances. The drain on the bank is two-fold; first, the banking reserve is reduced by exportation of the German money, which reduces the means of the BANK OF ENGLAND; and then out of those reduced means the BANK OF ENGLAND has to make greater advances.

The same result may be arrived at more easily. Supposing any foreign government or person to have any sort of securities which he can pledge in the market, that operation gives it, or him, a credit on some banker, and enables it, or him, to take money from the banking reserve at the BANK OF ENGLAND and from the bankers' balances; and to replace the bankers' balances at their inevitable minimum the BANK OF ENGLAND must lend. Every sudden demand on the country causes, in proportion to its magnitude, this peculiar effect. And this is the reason why the BANK OF ENGLAND ought, I think, to deal most cautiously and delicately with their banking deposits. They are the symbol of an indefinite liability; by means of them, as we see, an amount of money so great that it is impossible to assign a limit to it, might be abstracted from the BANK OF ENGLAND. As the BANK OF ENGLAND lends money to keep up the bankers' balances at their usual amount, and as by means of that usual amount whatever sum foreigners can get credit for may be taken from us, it is not possible to assign a superior limit (to use the scientific word) to the demands which by means of the bankers' balances may be made upon the BANK OF ENGLAND.

The result comes round to the simple point on which this book is a commentary; the BANK OF ENGLAND, by the effect of a long history, holds the ultimate cash reserve of the country; whatever cash the country has to pay comes out of that reserve, and therefore the BANK OF ENGLAND has to pay it. And it is as the BANKER'S BANK that the BANK OF ENGLAND has to pay it, for it is by being so that it becomes the keeper of the final cash reserve.

Some persons have been so much impressed with such considerations as these, that they have contended that the BANK OF ENGLAND ought never to lend the "bankers' balances" at all, that they ought to keep them intact, and as an unused deposit. I am not sure, indeed, that I have seen that extreme form of the opinion in print, but I have often heard it in Lombard Street from persons very influential and very qualified to judge; even in print I have seen close approximations to it. But I am satisfied that the laying down such a "hard and fast" rule would be very dangerous; in very important and very changeable business rigid rules are apt to be often dangerous. In a panic, as has been said, the bankers' balances greatly augment. It is true the BANK OF ENGLAND has to lend the money by which they are filled. The banker calls in his money from the bill-broker, ceases to rediscount for that broker, or borrows on securities or sells securities; and in one or other of these ways he causes a new demand for money which can only at such times be met from the BANK OF ENGLAND. Every one else is in want too. But without inquiring into the origin of the increase at panics, the amount of the bankers' deposits in fact increases very rapidly; an immense amount of unused money is at such moments often poured by them into the BANK OF ENGLAND. And nothing can more surely aggravate the panic than to forbid the BANK OF ENGLAND to lend that money. Just when money is most scarce you happen to have an unusually large fund of this particular species of money, and you should lend it as fast as you can at such moments, for it is ready lending which cures panics, and non-lending or niggardly lending which aggravates them.

At other times, particularly at the quarterly payment of the dividends, an absolute rule which laid down that the bankers' balances were never to be lent, would be productive of great inconvenience. A large sum is just then paid from the Government balance to the bankers' balances, and if you permitted the bank to lend it while it was still in the hands of the Government, but forbade them to lend it when it came into the hands of the bankers, a great tilt upwards in the value of money would be the consequence, for a most important amount of it would suddenly have become ineffective.

But the idea that the bankers' balances ought never to be lent is only a natural aggravation of the truth that these balances ought to be used with extreme caution; that as they entail a liability peculiarly great and singularly difficult to foresee, they ought never to be used like a common deposit.

It follows from what has been said that there are always possible and very heavy demands on the BANK OF ENGLAND which are not shown in the account of the banking department at all; these demands may be greatest when the liabilities shown by that account are smallest, and lowest when those liabilities are largest. If, for example, the German Government brings bills or other good securities to this market, obtains money with them, and removes that money from the market in bullion, that money may, if the German Government choose, be taken wholly from the BANK OF ENGLAND. If the wants of the German Government be urgent, and if the amount of gold "arrivals," that is, the gold coming here from the mining countries, be but small, that gold will be taken from the BANK OF ENGLAND, for there is no other large store in the country. The German Government is only a conspicuous example of a foreign power which happens lately to have had an unusual command of good securities, and an unusually continuous wish to use them in ENGLAND. Any foreign State hereafter which wants cash will be likely to come here for it; so long as the BANK OF FRANCE should continue not to pay in specie, a foreign State which wants it must of necessity come to London for it. And no indication of the likelihood or unlikelihood of that want can be found in the books of the BANK OF ENGLAND.

What is almost a revolution in the policy of the BANK OF ENGLAND necessarily follows; no certain or fixed proportion of its liabilities can in the present times be laid down as that which the bank ought to keep in reserve. The old notion that one-third, or any other such fraction, is in all cases enough, must be abandoned. The probable demands upon the bank are so various in amount, and so little disclosed by the figures of the account, that no simple and easy calculation is a sufficient guide. A definite proportion of the liabilities might often be too small for the reserve, and sometimes too great. The forces of the enemy being variable, those of the defence cannot always be the same.

I admit that this conclusion is very inconvenient. In past times it has been a great aid to the bank and to the public to be able to decide on the proper policy of the bank from a mere inspection of its account. In that way the bank knew easily what to do, and the public knew easily what to foresee. But, unhappily, the rule which is most simple is not always the rule which is most to be relied upon. The practical difficulties of life often cannot be met by very simple rules; those dangers being complex and many, the rules for encountering them cannot well be single or simple. A uniform remedy for many diseases often ends by killing the patient.

Another simple rule often laid down for the management of the BANK OF ENGLAND must now be abandoned also. It has been said that the BANK OF ENGLAND should look to the market rate, and make its own rate conform to that. This rule was, indeed, always erroneous. The first duty of the BANK OF ENGLAND was to protect the ultimate cash of the country, and to raise the rate of interest so as to protect it. But this rule was never so erroneous as now, because the number of sudden demands upon that reserve was never formerly so great. The market rate of Lombard street is not influenced by those demands. That rate is determined by the amount of deposits in the hands of bill-brokers and bankers, and the amount of good bills and acceptable securities offered at the moment. The probable efflux of bullion from the bank scarcely affects it at all; even the real efflux affects it but little; if the open market did not believe that the bank rate would be altered in consequence of such effluxes the market rate would not rise. If the bank choose to let its bullion go unheeded, and is seen to be going so to choose, the value of money in Lombard street will remain unaltered. The more numerous the demands on the bank for bullion, and the more variable their magnitude, the more dangerous is the rule that the bank rate of discount should conform to the market rate. In former quiet times the influence, or the partial influence of that rule, has often produced grave disasters. In the present difficult times, an adherence to it is a recipe for making a large number of panics.

A more distinct view of abstract principle must be taken before we can fix on the amount of the reserve which the BANK OF ENGLAND ought to keep. Why should a bank keep any reserve? Because it may be called on to pay certain liabilities at once and in a moment. Why does any bank publish an account? In order to satisfy the public that it possesses cash—or available securities—enough to meet its liabilities. The object of publishing the account of the banking department of the BANK OF ENGLAND is to let the nation see how the national reserve of cash stands, to assure the public that there is enough and more than enough to meet not only all probable calls, but all calls of which there can be a chance of reasonable apprehension. And there is no doubt that the publication of the bank account gives more stability to the money market than any other kind of precaution would give. Some persons, indeed, feared that the opposite result would happen; they feared that the constant publication of the incessant changes in the reserve would terrify and harass the public mind. An old banker once told me: "Sir, I was on Lord ALTHORP's committee which decided on the publication of the bank account, and I voted against it. I thought it would frighten people. But I am bound to own that the committee was right and I was wrong, for that publication has given the money market a greater sense of security than anything else which has happened in my time." The diffusion of confidence through Lombard Street and the world is the object of the publication of the bank accounts and of the bank reserve.

But that object is not attained if the amount of the reserve when so published is not enough to tranquilize people. A panic is sure to be caused if that reserve is, from whatever cause, exceedingly low. At every moment there is a certain minimum which I will call the "apprehension minimum," below which the reserve cannot fall without great risk of diffused fear; and by this I do not mean absolute panic, but only a vague fright and timorousness which spreads itself instantly, and as if by magic, over the public mind. Such seasons of incipient alarm are exceedingly dangerous, because they beget the calamities they dread. What is most feared at such moments of susceptibility is the destruction of credit; and if any grave failure or bad event happens at such moments, the public fancy seizes on it, there is a general run, and credit is suspended. The bank reserve, then, never ought to be diminished below the "apprehension point." And this is as much as to say, that it never ought very closely to approach that point; since, if it gets very near, some accident may easily bring it down to that point and cause the evil that is feared.

There is no "royal road" to the amount of the "apprehension minimum;" no abstract argument and no mathematical computation will teach it to us. And we cannot expect that they should. Credit is an opinion generated by circumstances and varying with those circumstances. The state of credit at any particular time is a matter of fact only to be ascertained like other matters of fact; it can only be known by trial and inquiry. And in the same way nothing but experience can tell us what amount of "reserve" will create a diffused confidence; on such a subject there is no way of arriving at a just conclusion except by incessantly watching the public mind, and seeing at each juncture how it is affected.

Of course, in such a matter, the cardinal rule to be observed is, that errors of excess are innocuous, but errors of defect are destructive. Too much reserve only means a small loss of profit, but too small a reserve may mean "ruin." Credit may be at once shaken, and if some terrifying accident happen to supervene, there may be a run on the banking department that may be too much for it, as in 1857 and 1866, and may make it unable to pay its way without assistance—as it was in those years.

And the observance of this maxim is the more necessary because the "apprehension minimum" is not always the same. On the contrary, in times when the public has recently seen the BANK OF ENGLAND exposed to remarkable demands, it is likely to expect that such demands may come again. Conspicuous and recent events educate it, so to speak; it expects that much will be demanded, when much has of late often been demanded, and that little will be so, when in general but little has been so. A bank like the BANK OF ENGLAND must always, therefore, be on the watch for a rise, if I may so express it, in the apprehension minimum; it must provide an adequate fund not only to allay the misgivings of to-day, but also to allay what may be the still greater misgivings of to-morrow. And the only practical mode of obtaining this object is to keep the actual reserve always in advance of the *minimum* "apprehension" reserve.

And this involves something much more. As the actual reserve is never to be less, and is always, if possible, to exceed by a reasonable amount the "minimum" apprehension reserve, it must when the bank is quiet and taking no precautions very considerably exceed that minimum. All the precautions of the bank take time to operate. The principle precaution is a rise in the rate of discount, and such a rise certainly does attract money from the Continent and from all the world much faster than could have been anticipated. But it does not act instantaneously; even the right rate, the ultimately attractive rate, requires an interval for its action, and before the money can come here. And the right rate is often not discovered for some time. It requires several "moves," as the phrase goes, several augmentations of the rate of discount by the bank, before the really effectual rate is reached, and in the meantime bullion is ebbing away and the "reserve" is diminishing. Unless, therefore, in times without precaution the actual reserve exceed the "apprehension minimum" by at least the amount which may be taken away in the inevitable interval, and before the available precautions begin to operate, the rule prescribed will be infringed, and the actual reserve will be less than the "apprehension" *minimum*. In time the precautions taken may attract gold and raise the reserve to the needful amount, but in the interim the evils may happen against which the rule was devised, diffused apprehension may arise, and then any unlucky accident may cause many calamities.

I may be asked, "What does all this reasoning in practice come to? At the present moment how much reserve do you say the BANK OF ENGLAND should keep? state your recommendation clearly (I know it will be said) if you wish to have it attended to." And I will answer the question plainly, though in so doing there is a great risk that the principles I advocate may be in some degree injured through some mistake I may make in applying them.

I should say that at the present time the mind of the monetary world would become feverish and fearful if the reserve in the banking department of the BANK OF ENGLAND went below £10,000,000. Estimated by the idea of old times, by the idea even of ten years ago, that sum, I know, sounds extremely large. My own nerves were educated to smaller figures, because I was trained in times when the demands on us were less, when neither was so much reserve wanted nor did the public expect so much. But I judge from such observations as I can make of the present state of men's minds, that in fact, and whether justifiably or not, the important and intelligent part of the public which watches the bank reserve becomes anxious and dissatisfied if that reserve falls below £10,000,000. That sum, therefore, I call the "apprehension minimum" for the present times. Circumstances may change and may make it less or more, but according to the most careful estimate I can make, that is what I should call it now.

It will be said that this estimate is arbitrary and these figures are conjectures. I reply that I only submit them for the judgment of others. The main question is one of fact. Does not the public mind begin to be anxious and timorous just where I have placed the apprehension point? and the deductions from that are comparatively simple questions of mixed fact and reasoning. The final appeal in such cases necessarily is to those who are conversant with and who closely watch the facts.

I shall, perhaps, be told also that a body like the Court of the Directors of the BANK OF ENGLAND cannot act on estimates like these; that such a body must have a plain rule and keep to it. I say in reply, that if the correct framing of such estimates is necessary for the good guidance of the bank, we must make a governing body which can correctly frame such estimates. We must not suffer from a dangerous policy because we have inherited an imperfect form of administration. I have before explained in what manner the government of the BANK OF ENGLAND should, I consider, be strengthened, and that government so strengthened would, I believe, be altogether competent to a wise policy.

Then I should say, putting the foregoing reasoning into figures, that the bank ought never to keep less than £11,000,000 or £11,500,000, since experience shows that a million or a million and a half may be taken from us at any time. I should regard this as the practical minimum at which, roughly, of course, the bank should aim, and which it should try never to be below. And, in order not to be below £11,500,000, the bank must begin to take precautions when the reserve is between £14,000,000 and £15,000,000; for experience shows that between £2,000,000 and £3,000,000 may, probably enough, be withdrawn from the bank store before the right rate of interest is found which will attract money from abroad, and before that rate has had time to attract it. When the reserve is between £14,000,000 and £15,000,000, and when it begins to be diminished by foreign demand, the BANK OF ENGLAND should, I think, begin to act, and to raise the rate of interest.

## THE DEMONETISATION OF SILVER.

The *Bremer Handelsblatt,* in a long article on the demonetisation of silver in GERMANY, gives the following estimate of the amount of circulating medium in GERMANY at the end of June, 1873:

| | |
|---|---|
| Silver currency ....about | £ 67,500,000 |
| Imperial gold money (exclusive of £ 6,000,000 in military chest)....about | 30,750,000 |
| Bank notes and State paper not covered by bullion....about | 30,000,000 |
| Total .... | 128,250,000 |

The new token silver currency is only to be £20,000,000, so that £47,500,000 of silver has still to be withdrawn. This large amount at least—more than two years' annual supply—is likely to be thrown upon an overstocked market within the next year or two, and the effect on the price of silver may be imagined. Hitherto the price has been in part kept up by the purchases of the French Government, which has paid a part of the indemnity in silver coin, but it seems doubtful now that FRANCE will continue to be a purchaser. An equal and large amount of gold will also require to be supplied to GERMANY in the same time, the wants of a population increasing in numbers and wealth requiring to be provided for, and the intention being to substitute gold for a portion of the State notes as well as for the silver. The Germans are certainly coining at a rate which implies their readiness to absorb all that amount of gold at a very early date.

# FINANCIAL POSSIBILITIES.

*Communicated to the Banker's Magazine.*

Great progress has been made during the last century, in the invention of mechanical appliances, to relieve men from toil or powerful labor. Time has been greatly economised in transportation by land and water. Facilities for the communication and for the dissemination of ideas have been greatly increased. The forces of nature have been utilized for many purposes. The capital which nature furnishes in the productive qualities of the soil, the products of the forest and of the mine, have been made available in improving the material well-being, the wealth of society. These processes will doubtless continue, until all shall be well housed, well fed and well clothed. The Emperor AUGUSTUS had neither a shirt to his back nor glass for his windows. At this day, and especially in this country, the poorest people have both. Until all are well housed, well fed and well clothed, there cannot be an excessive supply of houses, food and clothing, provided the supply is properly distributed. Glut of a commodity arises from a want of facilility in interchange and transportation—that is, in properly distributing one kind of product among those who want it and have something to exchange for it. Money is the instrument of exchange. ADAM SMITH calls it the "wheels of commerce." Attention is now being turned to these *wheels* of commerce, and they will doubtless be improved. Facts regarding the financial systems that have obtained and that now exist, have been observed and recorded. No progress can be made without observing the evils incident to old systems and eliminating them from the new; experience is the mother of invention; systems grow, they are evolved from the experiences of generations. It seems that the growth of the financial systems of the world is in the direction of a circulating medium, accredited directly or indirectly by government, either wholly paper, or paper and coin mixed. Only two nations of EUROPE are now upon what is called a specie basis, all the others, like the UNITED STATES, are using an irredeemable, inconvertible paper currency.

There have been times in every country when the paper currency was practically convertible into coin at par, but this state of finance has been exceptional, and has, in every case, been followed by a suspension of specie payments.

It has been demonstrated by experience, that a period of specie payments is followed by suspensions of specie payment. It seems that it is beyond the wisdom of any man or board, even when managing the finances of a country through a great corporation like the BANK OF ENGLAND, or through the Treasury Department of a government, to adjust the amount of money in circulation, at all times, so that it shall be sufficient in volume and not in excess of the requirements of legitimate business at any season; failure to do this has been indicated by irregularity in values, resulting in increasing the risks of doing business and reducing legitimate profits, stoppages of production and traffic, more or less serious, and finally, in suspension of specie payment. . . .

Many are prepared to admit that new modes must be found for regulating the volume of currency in circulation, and adjusting it to the varying requirements of business. They are looking for a system in which the "circulation" shall be of uniform, intrinsic value, which involves a limit to its ultimate volume, and the quality of shrinking when the needs of commerce are small, and of expanding, within its limit as to volume, when business is active. That this shrinkage and expansion shall be automatic; that is to say, when any person, artificial or real, finds he has more currency than he needs, he can profitably retire, and when he finds the circulation insufficient, he may increase it.

It has been urged that the legal-tender circulating notes and interest-bearing evidences of the indebtedness of the UNITED STATES, if made *inter*-convertible, may afford the basis of a better currency than any that has yet been used in the world; a currency which would soon become of equal, if not of greater value than gold. That not exceeding $ 400,000,000 of United States notes, if made convertible at pleasure into certificates to be issued by Government, bearing not exceeding three per cent. GOLD interest, would, with the existing National bank circulation, afford such a currency without any serious disturbance of values, of business, or of existing institutions.

The legal-tender notes are evidences of debt owed by the UNITED STATES to the holders thereof. If the Government would at all times fund these notes, at the option of the holder, in sums say of $ 10,000, into certificates bearing a moderate rate of interest payable in gold, the notes being retired from circulation when exchanged for certificates, and reissued to the holder of certificates on the return thereof, it is believed that they would soon become as valuable as United States gold coin, and more desirable than coin as a circulating medium—that we should soon be upon a specie *basis* without forcing specie redemption and without the future necessity of doing so. These propositions do not involve hostility to the National banks; on the contrary, the use of certificates or greenbacks at pleasure would facilitate their business, and increase their strength and usefulness.

It would be obviously unjust for the Government to discriminate against National banks in giving to all the right to convert United States notes into certificates, and certificates into notes, at pleasure, and these certificates being perfectly available should be recognized as equivalent to lawful money when held by National banks in their reserves. The National banks would naturally prove most effective instruments in equalizing the circulating currency, and in distributing it when and where needed.

Rendering United States notes convertible at pleasure into a gold-bearing certificate would immediately enhance their value. National bank notes would at times be returned for redemption, and United States notes be demanded from the banks issuing the same. This would assimilate the National bank circulation and United States notes as to value, and tend to make them sympathize as to volume. A slight modification of section 31 of the National bank act would enable the National banks to adjust themselves to these circumstances without loss or inconvenience. By allowing National banks in the redeeming cities to count in their reserve balances with redeeming agents in any of those cities, to the amount of half their reserve, as is now permitted as to balances in New York City alone, would facilitate a system of mutual redemptions, which would be affected mostly by correspondence and book accounts, and by only occasional shipments of lawful money by express. It should be remembered by Western men that unless Western National banks can redeem their notes in neighboring cities and prevent their going to New York for redemption, the circulation would become a serious burden, and all interior banks would be compelled to retire their notes.

The slight modification of section 31, National bank act, suggested, would facilitate a system of mutual redemption, which would also give the people a currency of equal value in all parts of the country. The magnitude of the country must be recognized in future legislation.

These views were presented in the following five propositions in November last:

Proposition I is intended to relieve extraordinary pressure, such as has been experienced during the past winter, while it proposes to afford opportunity for limited and temporary expansion of the volume of authorized currency in circulation. It provides means whereby the amount so issued may return to the treasury.

Proposition II is designed to secure the retirement of currency during seasons of the year when trade is comparatively inactive, but it contemplates a moderate and limited expansion of the volume of currency in circulation when needed for moving the crops.

Proposition III contemplates an increased value to the legal-tender notes when rendered convertible into a gold-bearing obligation and a consequent call upon National banks by the holders of their notes for redemption. Without disturbing the law as regards the existing provision for central redemption, it is designed to enable National banks in the interior, by keeping a portion of reserve with each other, to mutually redeem or protect each the others' circulating notes, and prevent their going to New York City for redemption so frequently as to render the circulation of notes by banks remote from New York unprofitable.

Proposition IV proposes to leave undisturbed the National bank circulation as now apportioned and distributed.

Proposition V is designed to enable any National bank to retire its circulating notes without otherwise disturbing its business, in case from its location or other circumstances the management shall deem it advisable.

The propositions are arranged with a view to perfecting our existing system, without injuring any interest or disturbing any existing institutions. The object is to build up, not to tear down; to recognize various interests and endeavor to reconcile them in the perfection of a system.

## THE APPROACHING SPANISH REPUDIATION.

It seems now to be generally understood that the next coupon on the Spanish three per cents. will not be paid. The Government at Madrid is in the greatest financial straits, and the information that the budget is to be brought into equilibrium by "taxing" the foreign creditor is perfectly unambiguous. Of course, as has been pointed out, the Spanish Government could, perhaps, obtain a surplus by the same process, and it certainly is rather a matter for surprise that any of the changing parties at Madrid, anxious for money to carry on with, should ever think of the foreign creditors at all. The lesson to the numerous English investors in "Spanish" is a very severe one, though we may despair of their ever thoroughly understanding the importance of character in the national debtors whom they trust. There is no doubt that a firmer treatment of SPAIN by her creditors would have been beneficial not only to themselves but to their debtor. A less degree of facility among lenders would have compelled the Spanish rulers to get on as best they could without foreign money; the burden of debt would have been less than it now is; and the temptation not to pay the interest of what was actually incurred would not have been so strong. It was really a friendly act towards SPAIN, therefore, to point out, as we did six months ago, the folly of the partial repudiation which was then ratified by Spanish creditors. But for that repudiation and earlier acts of the same kind, much of the present financial embarrassment of the Spanish Government need not have arisen. The plain conclusion is, that ordinary investors should have nothing to do with governments which have no stable character, and are insensible to the reproach of dishonesty towards their creditors—characteristics from which several intending borrowers now talked of are notoriously not free. If SPAIN has collapsed financially, there is every certainty that countries like TURKEY and EGYPT must reach the same end, as soon as the process of paying old interest by new loans comes to an end, or the inevitable political convulsion to which these countries are exposed occurs. After the experience of foreign loans during the last two years, investors who lend to such countries must make up their minds to an almost certain loss of their money.—*Economist.*

# UNPAID COLLECTION PAPER.

Few of our large city bankers have any idea of the trouble imposed upon the banks in country towns in the way of small collection notes, given by parties who are not business men. They may profit, however, by a lesson in patient pains-taking through the communication below, while our Western and interior readers will find the practical suggestions given to be of value to their clerks, in the saving of time and worry.—*Ed. B. M.*

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*To the Editor of the* BANKER'S MAGAZINE:

SIR: Most country bankers find constantly on their hands a large line of collections which they cannot well dispose of in the summary manner desired and practiced by their city correspondents, namely: to "return promptly if not paid, stating reasons for non-payment." They have numerous patrons who do not want their paper returned promptly, if not paid at maturity, but wish it held with a view to coaxing or worrying the maker into paying. Collection files consequently become bulky with notes sent by merchants, manufacturers of agricultural implements, sewing machines or organs; by life and fire insurance companies, etc., against parties outside of regular business circles, and which cannot be treated in the same manner as ordinary commercial paper. These are usually accompanied by instructions, more or less minute, as to their treatment.

A portion of them will be paid at maturity, and with these, of course, there is no trouble, but the majority of them will not. Instead of payment there will be requests for extension two or three times renewed, often with all sorts of explanation and apology, or the repeated notifications will be altogether ignored, and if, after holding them until it seems useless to do so longer, they are returned to the owners, they may be re-sent after a short interval, with a letter saying, "these parties have been written to and we think they will pay now—please notify." The result of all this is an accumulation of maturing and past-due paper that cannot be kept satisfactorily on any ordinary form of tickler. To enter them on a tickler chronologically, and file them correspondingly, seems the least convenient method. Two or three times a year an agent from each of the firms from whom you may have a number of notes, will want to know what you have on hand belonging to his principals? A question that it is considerable trouble to answer unless you have kept a careful collection account with each of them. If to avoid this difficulty, separate files are kept of the notes belonging to each large firm, you are in nowise better able to answer the questions of some foreign fellow-citizen, who is seeking information for himself or his neighbor. He knows there is a note; he can give the maker's name; but as to its date, its amount, its maturity, to whom or for what it was given, he is either totally ignorant or pretends to be. To stop in the hurry of business to look through a score of files for this note, is a most vexatious task. Nor is the trouble always ended when the note has been finally disposed of in one of the various ways—by payment and remittance, return by mail, delivery to agent or attorney, or perhaps to maker upon order of owner. The business habits of each of the parties concerned are not always models of method and not infrequently the bank is called on to account for collections two or three years after they have been properly disposed of. Usually, they are satisfactorily traced, but there is often much annoyance and loss of valuable time involved in the search. It is not worth while, however, to dwell upon the trouble attending the care of this sort of paper. Those who have had the experience will not be likely to underrate it. It has caused the writer so much annoyance, that, having adopted a plan which works better than any other known method, he desires to give his fellow-workers, through the medium of your MAGAZINE, the benefit of the improvement, if it be one. The plan is simply to make a card catalogue or index for these collections, such as is used for cataloguing libraries, natural history cabinets, etc. Suppose, for example, that the Smith Reaper Company sends you fifty notes against farmers in your vicinity, part of them due November 1, '72, part November 1, '73. You could not well enter these on your tickler, and instead, with less trouble, if anything, you make a card for each of them like the following:

Maker.............................*Johann Johannsen.*

P. O.......................................*Bloomer.*

Owner...............*Smith Reaper Co., Chicago.*

$75....................*and* 10 *per cent. interest.*

No. 4,752....................*Due November* 1, '73.

Notified.....*November* 10, '73, *January* 10, '74.

Paid............*and remitted, February* 1, 1874.

Remarks:

[On this space instructions can be noted.

The notes are then put into an envelope or file, containing all the notes belonging to this company. The cards, together with those made for all similar collections which you have, to be arranged alphabetically as to mâker's name.

The first notification sent before maturity can be indicated by a check mark; subsequent ones should show date. If makers want an extension and make renewed promise of payment, this can be noted in pencil, and an attempt made to keep them to it.

The cards will naturally fall into two groups, one composed of those representing collections on hand; the other, a larger and constantly increasing one, of those which have been disposed of. Whenever a note is paid or returned put the date thereof—or if delivered to agent or attorney take his receipt—on the card, and transfer it from the former to the latter group. Let each be arranged alphabetically in a suitable box that can be transferred from the vault to the counter. When thus disposed, if inquiry be made about a note and the maker's name be known, you can tell if it be in your possession or has been formerly, with its history, as easily as you could find a word in the dictionary.

Thus far this method has only been adopted with the class of collections referred to above, including in it all that for any reason are held after maturity, marking them off the tickler at once. But I am inclined to think that it might with advantage be made to include all collections handled.

It would seem, too, to be a convenient one for the owners of the notes also—referring, of course, to those who have large numbers of them—one of its chief advantages being the ease with which they can be assorted into groups for various purposes. Arranging them numerically for checking, or chronologically, or by States, or as to selling or collecting agencies. For example, if a batch of notes be sent to a bank for collection, sort out the cards which represent them and put a band around them with an appropriate label card. Whenever one is returned or remitted for withdraw its card from this pack, and there is at all times a correct list of the paper and its whereabouts, with much less labor and liability to error than any method of recording in books can give. For convenience the cards should not be made too large; the size indicated has been found after considerable experience quite large enough.

If it be urged that these cards are liable to be lost the reply would be, "Of course they are; so are the notes themselves; so are bank notes; but if the same care be taken with the former as with the latter it will insure their safety."

There is, of course, nothing new in this use of cards, except, possibly, its adaptation to collection paper, and even that may not be. Still there are doubtless many to whom these suggestions will be acceptable.

A box of the following description will be found convenient:

Length, fifteen (15) inches; width, thirteen (13) inches; depth, four (4) inches (clear), with three partitions running lengthwise, making four divisions two and three fourths ($2\frac{3}{4}$) inches wide. The sides of the box and the divisions to have cuts with a saw about one eighth ($\frac{1}{8}$) in. deep, at intervals of half ($\frac{1}{2}$) an inch, for the reception of tin slides, cut to fit, so that an adjustable partition can be made for each letter, as the size of the groups will be constantly varying. The tins should be half an inch shorter than the cards. A sliding cover to keep out dust.

Eau Claire, Wis., *September* 1, 1873.

## THE GERMAN GOLD COINAGE.

So much interest now attaches to the rate at which the Germans are coining gold that we need make no apology for repeatedly returning to the subject. We have now a statement to a three weeks later date than when we last referred to it, and it is plain that in these three weeks there has been no relaxation in the rate of coinage in the earlier part of the year.

| | *Marks.* | | |
|---|---|---|---|
| The amount coined on 24th May (date of the last statement) was........................ | 663,258.450 | .. | £33,163,000 |
| Ditto, coined on 3d May, was............... | 623,406,730 | .. | 31,170,000 |
| Increase in three weeks....... | 39,851,720 | .. | 1,993,000 |

This is at the rate of £664,000 weekly, which is in excess of the average rate of coinage in the earlier part of the year. If this rate continues the requirements of the German Government are likely to be large. The coinage in the quarter would amount to £8,632,000, or £2,877,000 monthly. This last fact is of especial importance with reference to the new arrangement of the French Government with the Bank of France, by which £2,000,000 monthly is to be paid for four months, in gold, to the German Government. The German requirement for coinage being £2,877,000 monthly, is nearly £1,000,000 per month more than what the receipt in gold from France will be. It is, therefore, not surprising that the German Government should continue to be a buyer of gold in the London market. Its requirements for the present are much less than if the French payment was not being made; but that payment is not enough to make them cease altogether, and if the Germans should only continue the present rate of coinage for a few months longer, the intensity of the demand, which has now been mitigated, will revive. The absence of any explanation of the German programme in the matter adds the evil of uncertainty to the other difficulties of the market created by the demand itself.—*London Economist.*

# LIENS ON BANK STOCK.

## THE RIGHT OF A NATIONAL BANK TO RETAIN A LIEN ON ITS STOCK.

*Before the Louisville Chancery Court.*

The readers of the BANKER'S MAGAZINE, are referred to the December No. of this work, 1871, (page 428,) for the important case against the OLD NATIONAL BANK of Providence, RHODE ISLAND, also to the March No. 1872, (page 667,) for the case of the METROPOLITAN NATIONAL BANK OF NEW YORK *v.* THE EVANSVILLE NATIONAL BANK. Both cases are in reference to the claim of a bank to hold shares of stockholders who are debtors to the bank. *Ed. B. M.*

NATIONAL STATE BANK of Newark, NEW JERSEY, *v.* THE SECOND NATIONAL BANK of Louisville, KENTUCKY.

Opinion delivered September 26, 1873. HARLAN, Vice-Chancellor.

This suit is about the ownership of one hundred and seventy shares of the SECOND NATIONAL BANK of Louisville.

The charter of the SECOND NATIONAL BANK is to be found in the act of Congress, approved June 3, 1864, and in such provisions of the article of association, "not inconsistent with the provisions of that act, which the association may see fit to adopt for the regulation of the business of the association and the conduct of its affairs."

The first act for the organization of National banks was passed in 1863. By the thirty-sixth section of that act, which in this as well as many other material respects, was similar to many of the provisions of the general banking laws of many of the States, it was provided that no shareholder should have power to sell or assign his shares so long as he should be indebted to the bank as principal debtor, as surety, or otherwise.

The act of 1863 was expressly repealed by the act of 1864, under which the defendant organized. The twelfth section of the act of 1864 gives to the banks the right, either by by-laws or articles of association, to prescribe the manner in which stock shall be transferable on their books. The thirty-fifth section of the act of 1864 provides that:

No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale, in default of which a receiver may be appointed to close up the business of the association, according to the provision of this act.

The thirty-seventh section of the act of 1863 contained a provision similar to this thirty-fifth section of the act of 1864, though its prohibition against the holding, by a bank, of its own stock, was less stringent.

On the 5th day of January, 1865, an association was formed under the act of 1864, under the name of the "SECOND NATIONAL BANK of Louisville," and among other provisions in the articles, is the following:

SEC. 6. Said Board of Directors shall have power generally to do and perform all the acts that it may be legal for a "Board of Directors" to do under the act aforesaid; and that they shall also have the power to make all by-laws, that it may be proper and convenient for them to make under said act, for the general regulation of the business of the association and the management and administration of its affairs; which by-laws may prohibit, if the directors shall so determine, the transfers of any stock owned by any stockholder who may be liable to this association, either as principal debtor or otherwise, without the consent of the board.

The by-laws contemplated by the articles were adopted March 1, 1865, and among others had this provision:

SEC. 15. The stock of this bank shall be assignable only on the books of this bank, subject to the restrictions and provisions of this act, and a transfer book shall be kept on which all assignments and transfers of stock shall be made. No transfer of stock of this association shall be made, without the consent of the Board of Directors, by any stockholder who shall be liable to the association, either as principal debtor or otherwise, *and certificates of stock shall contain upon them notice of this provision.*

On the eleventh day of September, 1865, a certificate of stock was issued to SPENCER SCOTT in these words:

This certifies that SPENCER SCOTT is entitled to one hundred and seventy shares in the capital stock of the SECOND NATIONAL BANK of Louisville, transferable only on the books of the bank in person or by attorney on the surrender of this certificate. Louisville, September 11, 1865.

On the back of the certificate was printed the following form of transfer:

For value received —— hereby sell, assign and transfer to —— —— shares of the within mentioned stock, and do hereby constitute and appoint —— attorney to transfer the same on the books of the bank. Witness my hand and seal, this —— day of ——, 18—.

SCOTT, as is claimed by the plaintiff, being, prior to the 3d day of

October, 1866, indebted to the NATIONAL STATE BANK of Newark, NEW JERSEY, in the sum of $ 17,000, on the — day of March, 1868, said certificate, with the blanks in the assignment filled so as to read as follows:

For value received, I hereby sell, assign and transfer to the NATIONAL STATE BANK of Newark, NEW JERSEY, all the shares of the within mentioned stock, and do hereby constitute and appoint V. ROSE, attorney, to transfer the same on the books of the bank. Witness my hand and seal, this 3d day of October, 1866.

SPENCER SCOTT.

RICH'D SCHELL.

was presented by said ROSE to the defendant, and a transfer of the stock on the books was demanded, and refused by the bank, on the ground that SCOTT was indebted to the bank in a sum exceeding the value of the stock.

On the 17th day of August, 1868, SCOTT, with his partner (DAVISON), filed a petition in bankruptcy, and on the 6th day of October, 1869, both received their discharge. To the proceedings in bankruptcy the plaintiff, the assignee of the certificate of stock, was not in any respect a party. During the pendency of those proceedings, the defendant asserted therein a large debt against SCOTT, DAVISON & CO. and SCOTT, and claimed a lien on said stock, "by virtue of the act of Congress and by-laws adopted in pursuance thereof and by the agreement of said bankrupts." By an arrangement between the assignee in bankruptcy and the SECOND NATIONAL BANK of Louisville, the agreed value of said stock was credited on that bank's claim, and the stock transferred by the assignees in bankruptcy to the bank, in payment *pro tanto* of their claim against the bankrupts. This settlement and arrangement was approved by the Bankruptcy Court.

Concerning the indebtedness of SCOTT to the NEWARK BANK, and of SCOTT, DAVISON & CO. to the SECOND NATIONAL BANK of Louisville, very little need be said beyond the general remark that both seemed to be pretty well established. It may be also remarked that the proof tends to show SCOTT'S indebtedness to the plaintiff to have originated prior to the date of the transfer of the certificate to the NEWARK BANK, to wit: Prior to the 3d day of October, 1866, at which prior date, it is also claimed, the transfer was made in blank and not filled up until the 3d day of October, 1866: and that the liability of SCOTT to the LOUISVILLE BANK accrued in November, 1866. These latter propositions may not be put beyond question but they seemed to be as near correct, from all the evidence, as the circumstances will allow.

Upon this state of case the question arises as to who has the best claim to the stock. This brings us to the main point in this controversy, and that is, whether the SECOND NATIONAL BANK of Louisville, by virtue of the sixth article of its articles of association, and section fifteen of the by-laws, or otherwise, has a lien on the stock to secure them against SCOTT's liability, and also how far its title is affected or aided by the arrangement in the bankruptcy proceedings.

The acts of Congress providing for a National bank system were evidently drawn by men who were familiar with the banking laws of the several States; and almost every provision, about the meaning or operation of which a difference of opinion could arise, has been passed upon in some analogous case in State and Federal courts. The authorities are numerous, and as able as they are numerous; but in the mass of seeming, if not real, conflict of opinion, we should be controlled by the action of the Supreme Court of the nation in the interpretation of National legislation, especially where these interpretations come so soon after the passage of the laws.

The act of 1863 was found to be defective, and it was repealed by the act of 1864. One of the most conspicuous provisions of the act of 1863 was the 36th section—especially conspicuous because of its presence or absence in many of the State laws. This section was repealed. "Congress evidently intended," says the Supreme Court, in BANK *v.* LANIER (1, WALLACE, 376), "by leaving out of the law of 1864 the 36th section of the act of 1863, to relieve the holders of bank shares from the restrictions imposed by that section. *The policy on the subject was changed*, and the directors of banking associations were in effect notified that they must deal with their shareholders as they dealt with other people." The Court further says: "The power to transfer their stock is one of the most valuable franchises conferred by Congress on banking associations. Without this power, it can be readily seen, the value of the stock would be greatly lessened; and, obviously, whatever contributes to make the shares of the stock a safe mode of investment and easily convertible, tends to enhance their value. It is no less the interest of the stockholder than the public that the certificates representing his stock should be in a form to secure public confidence, for without this he could not negotiate it to any advantage. It is in obedience to this requirement that stock certificates of all kinds have been constructed in a way to invite the confidence of business men, so that they have become the basis of commercial transactions in all the large cities of the country, and are sold in open market the same as other securities. Although neither in form or character negotiable paper, they approximate it as nearly as possible. If we assume that the certificates in question are not different from those in general use by corporations, and the assumption is a safe one, it is easy to see why investments of this character are sought after and relied upon. No better form could be adopted to assure the purchaser that he can buy with safety. He is told under the seal of the corporation that the shareholder is entitled to so much stock, which can be transferred on the books of the corporation, in person or by attorney, when the certificates are surrendered, but not otherwise. This is a notification to all persons interested to know that whoever in good faith buys the stock and produces to the corporation the certificates, regularly assigned, with power to transfer, is entitled to have the stock transferred to him."

These views are sustained by recent and elaborate decisions in the

Court of Appeals of NEW YORK (BRIDGEPORT BANK *v.* SCHUYLER, 34 N. Y., 30), and the Supreme Court of CONNECTICUT, (same *v.* New York and New Haven Railroad Company, 30 CONN., 270;) both of which are referred to in BANK *v.* LANIER, *supra*, as sustaining the conclusions of the Court in that case. As early as 1825 the Court of Appeals of KENTUCKY held to the same views. In FITZHUGH *v.* THE BANK OF SHEPHERDSVILLE, 3 MON., 126, the Court says: "Bank stock is an article of commerce, and the certificate of shares is not only the evidence of title, but the evidence of the negotiability of the stock, and must be taken as conclusive evidence against the bank that the stock is salable and free from incumbrance. If the bank wishes to avail itself of such a pledge, it must take from the holders this evidence of title and transferable quality, and show an express pledge. Otherwise the holders of such evidence might delude and impose upon purchasers, and the bank stand as a tacit accomplice in that delusion, and then be permitted to take from an innocent purchaser the title thus acquired."

It must be borne in mind that the certificate of stock held by SCOTT for the shares in controversy gave no notification of any restriction upon the right to transfer, but was in the usual form, reciting that the stock was "transferable only on the books of the bank, in person or by attorney, on the surrender of this certificate," with a blank form put there by the bank to facilitate the transfer. There was no notification thereon of the existence of the by-law, nor of the claim of the bank to a standing lien.

The general power given to the association in the fifth section of the act of Congress to "make other provisions, not inconsistent with the provisions of this act, which the association may see fit to adopt for the regulation of the business of the association and the conduct of its affairs," and by the twelfth section, to prescribe the manner in which stock shall be transferred, does not, it seems to the court, confer upon the bank the right to assume an important corporate power, especially in view of the clear intention of Congress to withhold that power. As said by the Supreme Court, in BANK *v.* LANIER, *supra*, "Congress evidently intended, by leaving out of the law of 1864 the thirty-fifth section of the act of 1863, to relieve the holders of bank shares from the restrictions imposed by that section. The policy on the subject was changed." In that case this principle was applied to a bank organized under the act of 1863; for a stronger reason, it would operate upon a bank organized, as the defendant was, under the act which thus inaugurated this change of policy.

In the argument of counsel for the defendant, and in some of the cases, the articles of association are spoken of as the "charter," of which the world could and must take notice. This is not altogether correct, for the charter of a National bank is to be found in the general act of Congress, and such articles of association as are in accordance or not inconsistent therewith. Articles of association and by-laws are intended to put into active and harmonious operation such corporate rights, powers and privileges as may be conferred by the act of Congress; and it would be a strange rule which would allow National banks to assume by their own action a power which Congress, after one year's experience, so pointedly refused to confer —the exercise of which by some, and its non-exercise by others, would mar to some extent that uniformity in the value and character of stock which is so desirable and appropriate in a National system.

In all cases where a provision similar to section thirty-six of the act of 1863 was embodied in a State law, or in a charter, the right of the bank to impose the restriction has been upheld; and in the case of banks organized under that act the restriction was binding as long as the law was in force, and it did not need the aid of a by-law; but when that section was repealed the restriction was removed, and all by-laws imposing such restrictions fell with the repeal. The repeal meant something. The section of the law was not accidentally omitted, for, says the Supreme Court, "*the policy on the subject was changed.*"

The opinion in Bank *v.* Lanier appears in the reports as the opinion of the whole court, although it is now well known that one of the Judges, Justice Clifford, holds to different views. Notwithstanding the eminent ability of that distinguished jurist, and while recognizing the full measure of the strength of his arguments, or even conceding, if necessary, their correctness, the question before us has been passed upon by the Supreme Court, and its language is so explicit that it must be taken as concluding this court. In the interpretation of an act of Congress the decision of that court is final until overruled by its own action.

But conceding for the moment that the directors had the power to pass by-laws, "which by-laws may prohibit, if the directors shall so determine, the transfer of any stock owned by any stockholder who may be liable to this association, either as principal debtor or otherwise, without the consent of the board," there is a serious obstacle in the way of the defendant in its claim of lien, for it has not complied with its own by-law upon the subject.

The by-law upon that subject, section fifteen, provides that "no transfer of the stock of this association shall be made without the consent of the Board of Directors by any stockholder who shall be liable to the association either as principal debtor or otherwise; *and certificates of stock shall contain upon them notice of this provision.*"

The certificate held by Scott contained no notification whatever, nor any words or signs from which the most cautious dealer could infer that such a by-law existed. The power, if it existed, to make this by-law was discretionary, as will be seen by reference to the language of the articles of association, and in view of the by-law the absence of any notification on the certificate may well be held to be a waiver. It would be a novel and curious feature of National bank stock if every one who proposed to deal in such securities or make them the basis of important and oftentimes emergent commercial transactions, was driven to the trouble and inconvenience of investigating, real or supposed, existing or contingent liens.

The bank having failed to comply with its own by-law, with what show can it claim the benefit of it?

The National banking system was an experiment. It went into operation so soon and so generally, and was subjected to such practical tests and criticisms, that its merits or defects were soon developed. And hence we account for the many modifications introduced by the substitution of the act of 1864 for that of 1863. That feature, embodied in section thirty-six, imposing restrictions upon the transfer of stock and therefore impairing its value, because lessening the safety of investments and their easy convertibility—both of which are essential elements of value—was stricken out. "The policy on the subject was changed." There were doubtless other evils seriously affecting the success and popularity of the system, which were intended to be remedied by the repeal, and Congress never intended that this power, which it withholds from exercise itself, should rest with the bank. "If a bank," says the Supreme Court, "may, through the agency of its articles of association and by-laws, retain a particular section that has been repealed, it is difficult to see why it may not by the same means retain all the remaining sections of the repealed statute that are applicable to its business, and thus antagonize itself to the whole policy of Congress on the subject."

The only safe rule to avoid confusion is, that where Congress has seen proper to make a law to inaugurate a National and uniform banking system, and by its enactment covers all the ground, that law is the source of all the rights, privileges, powers and franchises of such associations as may comply with the prescribed conditions. And where the whole ground is so fully occupied and the intentions so clearly indicated, it would be an unsafe rule to hold that a permission to make such other provisions as are "not inconsistent with the act" of Congress, carried with it authority to do whatever was not expressly forbidden by the act. That construction would be too broad, and place it in the power of banks to destroy that uniformity and harmony so essential to a National system.

The interests of the shareholders of the corporation and the public demand that certificates of stock should be in a form so as to secure public confidence. The necessities of commerce demand it, for such stock is oftentimes made the basis for varied and important transactions. And it is not unreasonable to suppose that Congress carried out a clearly-defined purpose by the modifications made by the act of 1864, and especially by the repeal of section thirty-six, and in making more stringent the prohibition against the holding by a bank of its own stock; and what more probable than to make the shares of stock a safe mode of investment and to give them ready convertibility, according to the interest of the parties or the necessities of commerce, and also to keep the capital of the bank available for active use.

The right of a bank to assert its lien is an incumbrance and must affect the value of stock; and the existence of this right not only withdraws a part of the capital from active use, but is a temptation to banks to deal with their stockholders upon a less prudent basis than that adopted toward other parties. An illustration of this is found in this very case, where the anxiety of the bank officials at having so large a debt against the parties was quieted by the idea that they could fall back upon the stock to make the debt safe.

In this connection let us refer to that feature in section 35 of the act of 1864, which prohibits "any loan or discount on the security of the shares of the capital stock;" also the purchasing or holding of such shares, unless necessary to prevent loss on a debt *previously contracted* in good faith.

The court has intimated the opinion in general terms that the liability of SCOTT to the SECOND NATIONAL BANK did not accrue until some time in November, 1866, when he, by arrangement, agreed to go on the paper which DAVISON had executed in the firm name without authority. Was the liability permitted or taken on the security of the stock? If so, it was an illegal transaction so far as it may be claimed to give any property in the stock. And, further, whether strictly a "loan or discount on the security of the capital stock" if this liability was in any material degree accepted upon the faith of SCOTT's owning the stock which the bank could rely upon, and this idea operated upon the bank, it seems to the court that the debt cannot now be said to have been "previously contracted in good faith" in the sense of the statute. For in this connection the phrase means a debt contracted upon the merits and strength of the commercial paper, without reference to any ultimate security in the shape of a lien on the capital stock.

What is the evidence on this point? It appears from the depositions of BRIDGEFORD, president; ALLISON, cashier; BARTLETT, vice president, and DAVISON, director, that during all this time the Board of Directors relied upon the contingent security of the stock for the indebtedness. ALLISON proves that the bank relied upon the security of said stock. BRIDGEFORD speaks to the same effect and says: "But for that security the bank would not have discounted the paper to the extent which it did." BARTLETT says: "It was upon the security of the stock that their line of discount was kept up to the amount it was." And DAVISON seems to have given frequent assurances on the subject in private as well as at board meetings. In view of this testimony it is hard to escape the conclusion that the bank discounted the paper upon which SCOTT was liable, whether before or at the renewals in November, 1866, to the extent to which it did, upon the security of the stock, and it must follow that the debt was not in the statutory sense "previously contracted in good faith."

What is the difference between loaning or discounting on the security of the stock and doing the same thing on weak personal or other security with a lien on the stock? What becomes of the prohibition in section 35, if banks in any material degree can at-the time of the loan or discount, or inception of the liability, rely upon a lien. Congress intended by the repeal of section 36 of the act of 1863, and by the substitution of the more stringent restriction of section 35 in the act of 1864, for section 37 of the old act, that the loan and discount business of a National bank should be upon the merits and strength of the commercial paper, and not directly or indirectly on the security of its own stock. The national banking system was established in aid of the finances of the country, and for the public as well as for stockholders. "These institutions," says Justice DAVIS, "were created to subserve public purposes, and not the mere private purposes of its stockholders."

The next point is as to the effect of the bankruptcy proceedings. SCOTT transferred the certificate of stock to the plaintiff on the 3d day of October, 1866, and the plaintiff took the entire title, legal and equitable, as between itself and SCOTT, with all the rights the latter possessed. When SCOTT went into bankruptcy in August, 1868, this property did not pass to the assignee in bankruptcy by operation of the law, for long prior the entire title had passed from the bankrupt. Nor was this property in the custody of the court or of the assignee, nor were any proceedings had by which either the assignee or the court got control of it. The plaintiff was not, in any form known to the general practice, a party to the cause or to any branch of it. It is claimed, however, that the plaintiff is concluded by the action and judgment of the bankruptcy court in its approval of the private arrangement between its assignee and the SECOND NATIONAL BANK, by which the assignee transferred the stock to the bank. This might be so, if the action of the court was a proceeding *in rem*. It was not such a proceeding, for the thing was never in the custody of the court or of its assignee. No other kind of proceedings can bind the plaintiff, unless it was made a party and was actually so constructively summoned.

Hence we conclude that as the action as to this property was not in any sense a proceeding *in rem*, and as the plaintiff was not a party to any proceeding, its rights are not affected by the action of the bankruptcy court.

It is not necessary to say anything on the effect of the discharge in bankruptcy, for it is not pleaded by the bankrupt, nor has any step in the premises been taken by the assignee.

It is suggested that the controller of the currency recognizes the validity of that provision in the articles of association and by-laws, regulating and restricting the powers of transfer, and also that all the National banks in this city and elsewhere have similar provisions in their articles and by-laws. But all this does not make it legal, and these assumptions must yield to the opinion of the Supreme Court, which, in the case of BANK *v.* LANIER, *supra*, its last authoritative deliverance, unmistakably means, if it does not decide, that a National bank cannot, by agreements or provision in its articles of association or by-laws, retain a lien on its own stock. This opinion was followed by the United States Circuit Court, in the Indiana circuit, in the case of the EVANSVILLE NATIONAL BANK *v.* THE METROPOLITAN NATIONAL BANK of New York, and upon appeal the case was affirmed by a divided court, without opinion. A majority of the court could not be had to overrule BANK *v.* LANIER. Whether the Supreme Court will overrule this case we cannot tell, but since that tribunal has given clear utterance to its interpretation of the act of Congress and of the intention of the law-makers, it would not be proper for a State court to treat the question as still open.

It resulting that, the defendant having no lien under the act of Congress or any valid provision of their articles of association and by-laws, or otherwise, and having acquired no title under the arrangement with, and transfer from, the assignee in bankruptcy, the claim of the plaintiff must prevail, a decree may be prepared directing a transfer and an account of dividends, with interest on the dividends due at the time of the demand made by ROSE from that date, and on other dividends from the time they successively accrued.

GAZLAY, YEAMAN & REINECKE, attorneys for the plaintiff; LEE & RODMAN, MUIR & BIJUR and GEORGE M. DAVIE, attorneys for defendant.

The case is to be taken up on appeal to the Court of Appeals of KENTUCKY, and from thence will most probably be taken on a writ of error to the Supreme Court of the UNITED STATES, where it will be finally decided, and become the precedent for similar cases.

JAPAN.—A letter from Yokohama, in the *Allgemeine Zeitung*, says that the Japanese officials of the Ministry of Finance have resigned, finding it impossible to restore the revenues of JAPAN to a satisfactory condition. The state debt now amounts to $ 104,000,000 and is increasing every year, as the Government is unable to raise more taxes, and has entered upon a number of undertakings which considerably augment its expenditure. Hitherto the real state of affairs has been kept secret, but the letter by which the ministers notified their resignation has found its way into the press, and it is feared that the ministers will consequently be ordered to perform the hari-kari. The letter in question recommends that all the public works now in progress should at once be stopped, that the issue of paper money should cease, and that all the expenses of the Government should be reduced to a minimum. It also observes that the alleged progress of the country is a mere sham, which must ultimately lead to universal ruin. The correspondent adds, however, that the directors of the Finance Department seem to have been of a very different opinion a few weeks previously, as they then estimated the revenue at $ 70,000,000 and the expenditure at $ 60,000,000, and held out the prospect of a surplus of $ 2,000,000 even if the projected reforms were carried out. As yet only eighteen (German?) miles of railway have been built; the reforms in the army and in national education have, of course, cost considerable sums, but the Government will not introduce other European institutions until education becomes more general. The Mikado's palace, which was burnt down the other day, is to be rebuilt with the money arising from private subscriptions collected all over the country.

# AMERICAN GOLD STANDARD AND NEW VALUATION OF THE SOVEREIGN.

*From the London Economist.*

The observations you were good enough to insert under this head in your impression of May 3, have met with a courteous enough reception in the UNITED STATES. Some objection has, however, been taken to the assumption that the American gold coinage charge would practically amount to one-half per cent., calculating upon an average delay of eighteen or nineteen days between delivery of bullion at the Mint and return of the equivalent coined money of standard weight. And, in contradiction to this, it is stated, upon official interpretation of the new American Coinage Act, that it provides for keeping a part of the public funds (*i. e.*, in coined money) on deposit at the mints for the payment of deposits of bullion as soon as the assay is made. And it is also implied that reliance may be placed upon payment generally taking place the next day, and rarely later than the second day.

Now, there can be little doubt as to the ability of the United States Treasury to maintain that prompt delivery at times like the present, when the gold coinage at the United States mints is restricted to very narrow proportions. But it does not at all follow that the same result will be maintained when a renewed activity in the fresh coinage of gold shall take place. Prompt delivery was accorded in FRANCE by the Paris Mint when the coinage was small, but it ceased to be so as soon as a strain was put upon the manufacturing capabilities of that establishment. There is every reason to look forward to a probability of the same experience in the UNITED STATES. Our only guide can be the law that regulates the issue of coin. In ENGLAND, that law is imperative on the bank's liability for prompt delivery. In FRANCE, it is not so; it depends on certain limiting conditions of amount and speed of coinage, and upon changes of ministerial by-laws. It will presently be seen that the new United States law is open to the same class of objection.

The new English gold coins struck at the Royal Mint in the last year (1872) amounted to no less a sum than £ 15,111,021, whilst immediate delivery of coin by the BANK OF ENGLAND, in exchange for the bullion representing this vast amount of coinage in one year, has been punctually maintained. But, in considering whether the UNITED STATES are likely or not to keep up an immediate exchange of coin for bullion under the pressure of a similar continuous demand, we must well examine whether there be the same binding obligation in their law as exists in ours.

The English law is as follows (see section 4 of Bank Act of 1844):

And be it enacted, that from and after the 31st day of August, 1844, all persons shall be entitled to demand from the Issue Department of the BANK OF ENGLAND, Bank of England notes in exchange for gold bullion, at the rate of £3 17s. 9d. per oz. of standard gold; provided, always, that the said governor and company shall in all cases be entitled to require such gold bullion to be melted and assayed by persons approved by the said governor and company at the expense of the parties tendering such gold bullion.

The American law is as follows (see Section 47 of Coinage Act of 1873:'

That for the purpose of enabling the mints and the assay office in New York to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mints and assay office, *when the state of the Treasury shall admit thereof*, such an amount of public money, or bullion prepared for the purpose, as he shall judge convenient and necessary, out of which those who bring bullion to the said mints and assay office may be paid the value thereof, in coin or bars, as soon as practicable after the value has been ascertained; and on payment thereof being made, the bullion so deposited shall become the property of the UNITED STATES; but the Secretary of the Treasury *may at any time withdraw the fund or any portion thereof.*

Whilst our English law is thus rigorously exact and equitable in its operation, and is thoroughly well understood as entitling the bearer to immediate delivery from the Issue Department of the BANK OF ENGLAND of notes which are immediately convertible into coined money in exchange for bullion, the American law is not entitled to the same commendation. On the contrary, it is distinguished for an elastic or discretionary vagueness. This leaves it open to any one to put his own interpretation upon the words which make it the duty of the Secretary of the Treasury to provide a fund for immediate exchange of coin for bullion, only "when the state of the Treasury shall admit;" and upon those words which gives permission to the same functionary that he "may at any time withdraw the fund or any portion thereof." The fact is that all permissive legislation is bad, but permissive legislation in matters that concern the standard of value defeats its own object, and is radically unsound and deceptive.

In continuation of the remarks made upon a former occasion, it may now further be remarked that Senator AMES' bill to establish the Custom-house value of the sovereign, or pound sterling, of GREAT BRITAIN at $ 4.86,65 has now become law. The new valuation which at once supersedes the Custom-house valuation of $ 4.84 in force since 1842, is to be applied in appraising merchandise imported, where the value, by the invoice, is in sovereigns or pounds sterling. This is tantamount to an increase of nearly 0.5475 per cent., *i. e.*, to an addition of more than one-half per cent. to all import duties and *ad valorem* charges on British manufactures, or imports from GREAT BRITAIN into the UNITED STATES, when the value of the invoice is in pounds sterling. It seems to be a growing fashion for international arrangements to be made by one nation without the consent of other nations concerned. Query, What are our diplomatic or consular representatives about, whilst such transactions as Senator AMES' bill become law without protest or objection on their part?

I am, Sir, your obedient servant,

5th June, 1873. FREDERICK HENDRIKS.

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## THE CAUSES AND EFFECTS OF THE RECENT FALL IN FOREIGN LOANS.

*From the London Economist.*

The continued discredit of large classes of foreign government securities has lately been the subject of a good deal of observation, and we have more than once adverted to it. Within the last few weeks, however, another important step has been taken in the long continued decline, the class of new South American securities having been subjected to another heavy fall, especially Bolivian and Paraguay stocks, so that there is now only one or two on the whole list which are quoted at more than half the original issue price. There is also a pervading dullness in the general field of foreign securities, although French stocks are back to the highest point ever touched since the war, and United States Government stocks have been in quite exceptional favor. A careful inquiry into the causes and possible effects of this long-maintained discredit may therefore be of some use. The experience of the last few months has, in our opinion, been full of instruction, and the lesson should be studied while the facts are freshly remembered.

The magnitude of the phenomenon is among the most important points. From a table which we subjoin, it appears that the decline in the new South American issues from the issue price, and in older foreign stocks from the level of value maintained at a very recent date, represents an aggregate difference in market value of about £50,000,000, and a reduction of nearly 30 per cent. from the higher to the lower aggregate. A large mass of property, amounting to about £180,000,000, has been subject to this enormous depreciation, and the depreciation in many cases amounts to nearly the total disappearance of the market value of the property affected. Of course market value is not the same thing as real value. The whole property could not have been sold at once at the high price, and will not be sold now at the low price, but so great a change must affect many interests and individuals most seriously.

## TABLE SHOWING THE DEPRECIATION OF CERTAIN CLASSES OF FOREIGN SECURITIES.

| | *Price of Issue.* | | *Present Price.* | | *Loss per Nominal £100.* | | *Actual Loss per Cent.* | | *Capital Affected.* | | *Total Depreciation.* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | £ | | £ | | £ | | £ | | £ | | £ |
| Bolivian, 6 p. c. 1872..... | 68 | .. | 40 | .. | 28 | .. | 41 | .. | 1,156,000 | .. | 474,000 |
| Costa Rica, 1871 (1st iss.) | 72 | .. | 52 | .. | 20 | .. | 28 | .. | 360,000 | .. | 101,000 |
| " (2nd iss.) | 74 | .. | 52 | .. | 22 | .. | 30 | .. | 370,000 | .. | 111,000 |
| " 7 p. c., 1872.. | 82 | .. | 56 | .. | 26 | .. | 32 | .. | 1,968,000 | .. | 630,000 |
| Honduras, 10 p. c., 1870.. | 80 | .. | 17½ | .. | 62½ | .. | 78 | .. | 2,000,000 | .. | 1,560,000 |
| Paraguay, 8 p. c., 1871.. | 80 | .. | 36 | .. | 44 | .. | 55 | .. | 800,000 | .. | 440,000 |
| " 1872.. | 85 | .. | 32½ | .. | 52½ | .. | 62 | .. | 1,700,000 | .. | 1,054,000 |
| San Domingo, 6 p.c. 1869.. | 70 | .. | 22 | .. | 48 | .. | 68 | .. | 530,000 | .. | 360,000 |
| Peruvian, 6 p. c., 1870.. | 81¼ | .. | 71½ | .. | 9¾ | .. | 12 | .. | 9,685,000 | .. | 1,162,000 |
| " 5 p. c., 1872.. | 77½ | .. | 59¼ | .. | 18¼ | .. | 24 | .. | 11,625,000 | .. | 2,790,000 |
| | | | | | | | | | 29,594,000 | | 8,582,000 |
| | Price, 1872. | | | | | | | | | | |
| Spanish, 3 per cent...... | 34 | .. | 18 | .. | 16 | .. | 47 | .. | *78,200,000 | .. | 36,800,000 |
| Egyptian, 1868 ......... | 92½ | .. | 87 | .. | 5½ | .. | 6 | .. | *27,750,000 | .. | 1,650,000 |
| Turkish, 5 per cent...... | 54½ | .. | 52 | .. | 2½ | .. | 5 | .. | *43,600,000 | .. | 2,180,000 |
| | | | | | | | | | 179,144,000 | | 49,212,000 |

* These are estimates of the aggregate market value of the various stocks of SPAIN, TURKEY and EGYPT, which have been subjected to depreciation.

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FAILURES IN ROME.—A correspondent writing from the Italian capital to the *Journal des Debats* says: "This city is at present afflicted with a large number of commercial failures, a state of things which had long been expected. As soon as Rome was proclaimed the capital it was invaded by a fever of speculation. A multitude of promoters precipitated themselves on it as a prey, foreign adventurers started all sorts of enterprises, more or less hazardous; banks, especially, were multiplied *ad infinitum*, emitting at pleasure and without any serious control, quantities of paper money which the Government was weak enough to tolerate and the public foolish in accepting; able forgers put into circulation imitations which ruined the credit of the issuing establishments, some of the chiefs of which disappeared; others were arrested on the charge of fraud. The panic became general, and while the Government was preparing a bill to put an end to the abuse, the Romans had recourse to a radical remedy—namely, the refusal of all notes whatever; at present they only accept those of the National and the old Roman banks. Besides, the merchants of Florence, Turin, Milan, &c., transferred their establishments here or founded branches. They installed, at great cost, sumptuous offices, decorated with elegant furniture, paintings, mirrors, marbles, bronzes, gilding, &c. Their competitors here strove to imitate the new comers; a contest of prodigality arose, but the number of clients having rather diminished than increased, owing to the ill-will of the princely families and the clergy, the sales did not respond to the hopes of the dealers, who are far from having realized their cost of installation, and now find themselves unable to meet their engagements. The Tribunal of Commerce is severe towards those who make insolvency a speculation to enrich themselves. The Court, at the same time that it commands the seals to be placed, orders the arrest of the bankrupt."

# THE BANKING SYSTEM OF ENGLAND.

From *Notes on Banking in Great Britain and Ireland, Sweden, Denmark, and Hamburg.* By ROBERT H. I. PALGRAVE. London: 1873. Octavo.

**I.—Bank of England. II.—Banks of Scotland. III.—Circulating Medium.**

As the subject of banking has been frequently brought before the Statistical Society of late, it has occurred to me that it might be desirable to endeavor to lay before you a statement of the actual position of the banks of the country at the present time, as far as it can be ascertained. Though it may be impossible to draw such statements up with complete accuracy, yet they may not be without value. They enable a comparative view to be taken of the position of affairs in the country at various periods. More than that, they afford, in the case of a subject like banking, the only correct basis on which a real knowledge of the requirements of the time can be founded. The subject is one which appears to me to require not so much discussion as analysis, and such an analysis it will be my endeavor to lay before you. This society has, in the journals of former years, several statements similar in nature to this one; and in arranging the method on which this inquiry was to be conducted, I have derived great assistance from the very admirable paper on the same subject written by Mr. NEWMARCH in 1851. I have also consulted the papers written by Mr. GILBART and Mr. BABBAGE. Something like twenty years have passed since the date of the latest of these papers, and those twenty years have witnessed a vast extension of banking operations. My desire is to continue an inquiry commenced by writers of so much authority. I can scarcely hope that my knowledge equals theirs, but, to make up this deficiency, I have sought and obtained assistance from many friends, and have thus been able, as I believe, to prepare an estimate as exact as is possible of the present position of this subject. I have added an outline of the banking systems in SWEDEN, DENMARK and Hamburg. In the case of SWEDEN I have gone into greater detail, and given a translation of the statute by which the business of banking is at present regulated in that country. This enactment, as well as the banking system which has been founded on it, seems to me remarkably well considered and carefully arranged. SWEDEN, like SCOTLAND, owes very much of her present prosperity to a good system of banking. There are several provisions in the banking law of SWEDEN which may be studied with advantage here, great as are the differences between that country and this. I had originally intended to have included other countries of NORTHERN EUROPE in the present inquiry. The difficulty of obtaining reliable and recent information has prevented this from being done. I trust, however, to be able to complete the survey on some future occasion.

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## I.—STATEMENT OF BANKING IN ENGLAND.

There are now a great many sources whence information as to the amount of banking capital and deposits in England can be obtained. To commence with the metropolis, the accounts of the BANK OF ENGLAND are published weekly. We may take the average position to be as follows :—

| | | |
|---|---|---|
| Circulation .................... | 24 | millions, of which about sixteen are metropolitan, and eight provincial. |
| Deposits—Public and Private, say | 25½ | millions |
| Capital and rest.................. | 17½ | " |
| | 67 | " |

The amounts held by the private bankers in London must be only a matter of conjecture. In 1851 there were thirty-five city bankers and sixteen west-end bankers, and Mr. NEWMARCH estimated their holdings at an average of £1,250,000 each. There were also fifty-one in 1872, and I believe that I am below the mark in estimating their present holdings at £1,500,000 each. This would give 76½ millions as their holdings. Mr. NEWMARCH allows me to state that he concurs in this as a probable estimate.

The accounts of the joint stock banks in London are published twice a year. In the Commercial History and Review of 1871, published by the *Economist*, the deposits and the capital of the eleven principal London joint-stock banks are given, at 31st December, 1871, as—

| | |
|---|---|
| Paid-up capital and reserve .................... | £ 10,950,000 |
| Deposits (including acceptances in the case of the London Joint-Stock)........................ | 84,730,000 |
| | £ 95,680,000 |

The particulars are as follows :

TABLE I.—London Joint-Stock Banks, Two Half-Years 1871, Deposits and Capital.

[0,000's omitted, thus £ 26,22=£ 226,22,000.]

| *Banks.* | *When Founded.* | *Deposits and Cash.* | | *Capital Paid up and Reserve.* | |
|---|---|---|---|---|---|
| | | *31st December.* | *30th June.* | *31st December.* | *30th June.* |
| | | £ | £ | £ | £ |
| 1. London and Westminster | 1834 | 26,22 | 22,77 | 3,00 | 3,00 |
| 2. " Joint Stock* | 1836 | 17,79 | 14,61 | 1,64 | 1,64 |
| 3. Union | 1839 | 13,80 | 12,71 | 1,50 | 1,50 |
| 4. City | 1855 | 2,78 | 2,36 | 60 | 60 |
| | | 60,59 | 52,45 | 6,74 | 6,74 |
| 5. Imperial, Limited | 1862 | 2,25 | 2,23 | 50 | 50 |
| 6. Alliance, " | 1862 | 1,46 | 1,60 | 87 | 84 |
| | | 64,30 | 55,68 | 8,11 | 8,08 |
| 7. Consolidated, Limited | 1863 | 2,48 | 2,45 | 85 | 85 |
| 8. Central, " | 1863 | 55 | 57 | 10 | 10 |
| 9. Metropolitan, " | 1863 | 68 | 59 | 21 | 21 |
| 10. London and South-Western, Limited | 1862 | 61 | 57 | 18 | 18 |
| | | 68,62 | 59,86 | 9,45 | 9,42 |
| 11. London and County | 1836 | 16,11 | 14,50 | 1,50 | 1,50 |
| | | 84,73 | 74,36 | 10,95 | 10,92 |

The deposits for December, 1872, were about five millions more, but I have given the details for the year 1871, as the remainder of my statements could not be brought later than that date.

There are not the same means of giving an exact account of the capitals and holdings of the joint-stock banks in the country as in London. The balance sheets of many of the provincial joint-stock banks are printed in a supplement to the *Economist* newspaper, and *Banker's Magazine*. From these sources I have been enabled to acquire a great deal of information. Having availed myself of this, I then obtained from those banks whose accounts were not published in the *Economist* or the *Banker's Magazine*, the latest statements issued. Many, however, of the provincial joint-stock banks do not publish any accounts at all. In some cases the balance sheets are read over to the shareholders. Others prepare written statements which are exhibited to the shareholders only. Even less information than this is sometimes given. But in almost every instance, the exceptions being so few as to be quite immaterial, I was able to ascer-

* The London Joint-Stock Bank does not, like all the other banks, separate acceptances from deposits. Hence the £ 17,790,000 above must be largely reduced to arrive at the cash deposits. In December, 1867, the acceptances were given at £ 2,734,000, but may now be much more.

Taken from the *Economist* (supplement), 16th March, 1872, Commercial History and Review, 1871, p. 62.

tain the amount of capital employed, the reserve funds, and the rate of dividend paid. With this assistance, and taking the published statements of deposits held by other banks, either in the same neighborhood or in districts similarly circumstanced, as a guide, I was able to estimate, with I believe considerable exactness, the position of the remainder.

In the twenty-two years since Mr. NEWMARCH wrote, the numbers, and also the holdings, of the provincial banks have greatly extended. In 1851 there were about 900, at the present time there are about 1620 bank offices in ENGLAND and WALES, exclusive of London. This includes the head offices, whether private or joint stock, and their branches. Guided by the information previously mentioned, I am of opinion that the amount of deposits and capital held by each banking office may be averaged at not less than £130,000 each. In this estimate I include the amount of country bank notes in circulation, averaging about five millions. I also include drafts at short dates and at sight, which, taking the returns made by the several banks for composition on stamp duty as a guide, and making an estimate of the probable amount of drafts issued on penny stamps, I cannot believe to be less than from a million and a-half to two millions at one time. I do not include the bank post bills issued by the BANK OF ENGLAND in this sum.

Taking this estimate as a basis, the recapitulation will be, 1620 provincial bank offices in ENGLAND and WALES at £130,000 each, 210 millions in all. I have formed this estimate after very considerable inquiry and reflection; in it are included the capital of the banks themselves, which are often large; and also the amounts as mentioned above of the notes and short drafts in circulation issued by these banks.

The summary of these results will be:

| | | *Capital and Deposits of Bankers in England.* | |
|---|---|---|---|
| BANK OF ENGLAND, total resources | (say) | 67 | millions. |
| London bankers, private and joint stock | " | 174 | " |
| Provincial bankers, private and joint stock | " | 210 | " |
| Total | | 451* | " |

To these sums must be added the proportion of these holdings of the discount houses in London which do not belong to the bankers. These houses are estimated in the Commercial History and Review of the *Economist*, as holding about seventy-eight millions at the close of 1871. A considerable portion of this money was doubtless deposited with these houses by bankers in London, the provinces, and elsewhere. This we must exclude, as it has been already reckoned among the deposits held by the bankers. The particulars are as follows:

* About forty millions of this amount is with "limited companies," some of which, in the provinces, have retained their note circulation. In respect of such issue they continue subject to unlimited liability under "the Companies Act, 1862," 25 and 26 VICT., cap. 89, sec. 182.

TABLE 2.—*London Discount Companies,* 1870 *and* 1871. *Progress of Total Means held as Capital, Reserves, and Deposits of the following Three Companies—National Discount Company,* 1856; *General Credit Company,* 1866; *and United Discount Company,* 1865.*

| *Description.* | 31st *Dec.,* 1871. | 31st *Dec.,* 1870. |
|---|---|---|
| I. | £ | £ |
| Capital paid-up | 2,437,000 | 2,437,000 |
| Reserves | 571,000 | 541,000 |
| | 3,008,000 | 2,978,000 |
| Deposits | 20,587,000 | 15,935,000 |
| Total means | 23,595,000 | 18,913,000 |
| II. | | |
| Average of three Companies | 7,865,000 | 6,152,000 |
| III. | | |
| Estimate of (say) seven more discount concerns (in all ten) at same average | 78,650,000 | 61,520,000 |
| IV. | | |
| Equal (at an average unexpired date of fifty days of the bills discounted) to a total discount per annum of (say) | 574,000,000 | 430,000,000 |
| V. | | |
| Leaving to fall due at each of the 300 working days (say) | 1,600,000 | 1,400,000 |

After careful inquiry, I believe that an estimate that three-fifths of this money is deposited by bankers, and two-fifths by other persons, will be as close an approximation as can be arrived at. I do not separately enumerate the deposits of assurance companies referred to by Mr. NEWMARCH, the amount of which for 105 assurance companies, I am informed, was for the year 1871—

| | |
|---|---|
| Cash balances, chiefly at bankers | £ 2,450,430 |
| Short loans, chiefly deposit accounts, at joint-stock banks, discount houses, &c. | 1,003,443 |
| | £ 3,453,873 |

as these sums are already included in the estimate of money in the hands of bankers, or with the discount houses, as not deposited by bankers.

We must now include a new and very important element in London banking, which has sprung up almost entirely since Mr. NEWMARCH wrote. I mean the Foreign and British Colonial joint-stock banks having offices in London. In 1851 there were, as I find by a reference to the banking directories and magazines of that date, only ten of these banks, with paid-up capitals and reserves of about 5½ millions, and deposits probably not much exceeding 20 millions. There were, in 1872, more than forty-five of such banks, with

* Taken from supplement to *Economist*, 1871, Commercial History and Review of 1871, 16th March, 1872, p. 66.

capitals and reserves of about 30 millions, and deposits and circulations of about 120 millions. Some reference to these banks must be made in any statement of English banking; it is extremely difficult to estimate the amount of influence which they exert on the English money market, but I shall endeavor to deal with this question further when speaking of deposits held in ENGLAND. Nor must we, in taking a broad view of the question, lose sight of the large sums held both by the trustee and the post office savings banks. These are stated in the last published number of the "Statistical Abstract" to be as follows:—

*Computed Capital of the Savings Banks under Trustees*, 1871.

| | |
|---|---|
| England | £ 31,496,000 |
| Wales | 1,066,000 |
| Scotland | 4,119,000 |
| Ireland | 2,224,000 |
| | £ 38,905,000 |

*Computed Capital of Post Office Savings Banks*, 1871.

| | |
|---|---|
| England and Wales | £ 15,939,000 |
| Scotland | 341,000 |
| Ireland | 745,000 |
| | £ 17,025,000* |

being together about 56 millions. In 1851 the post office savings bank did not exist. The amounts held by the trustee savings banks in that year were £30,277,684.†

These amounts include almost everything in the shape of what may be called banking money in ENGLAND which can be traced. There are, however, doubtless very large sums in the hands of commercial houses and foreign bankers, whose names do not appear in the list of bankers. Of these no estimate which can be of any use can be formed, nor is it needful for the purpose of this inquiry. I have included in my estimate all the houses recognized as bankers in the list in the *Banker's Almanac*. It is the invariable custom, I believe, for the commercial houses and foreign bankers mentioned, to have an account with a recognized banker, and hence their deposits, so far as they affect the banking operations of this country, are brought into consideration in the statement given above.

The banks in ENGLAND, both private and joint stock, remain very similar in constitution now as when described by MR. GILBART. In no country that I am acquainted with do they vary so much in size. There are great companies, with capitals and liabilities ranging from twenty to thirty millions. There are small companies, with capitals ranging from twenty-five to fifty thousands, whose deposits are probably considerably smaller in amount than the sums which the larger concerns annually pay to their shareholders as dividends. Among

* *Statistical Abstract for the* UNITED KINGDOM, No. 19, 1872, pp. 102 and 103.
† *Statistical Abstract for the* UNITED KINGDOM, No. 11, 1864, p. 77.

the private banks, the differences, though less in extent, are probably very considerable.

There are in ENGLAND and WALES at this date, of private firms carrying on the business of banking:

| | | |
|---|---|---|
| In London (say) | 51 | |
| " the provinces (say) | 206 | |
| " with about " | 290 | branches. |
| | 547 | |
| Joint-stock banks in London and the provinces | 116 | |
| With about | 1,007 | branches. |
| | 1,670 | |

not including the BANK OF ENGLAND with its eleven branches.

* * * * * * *

Compared with the total population of England and Wales there were—

| | | | | |
|---|---|---|---|---|
| In 1851 | 1 | bank office to about | 20,000 | inhabitants. |
| " 1854 | 1 | " | 16,500 | " |
| " 1872 | 1 | " | 13,000 | " |

## II.—STATEMENT OF BANKING IN SCOTLAND.

The great assistance rendered by the banking system of SCOTLAND in developing the prosperity of that country is well known. The stability of that system has been greatly promoted by the following provisions of the law:

1. There is no limitation to the *number* of partners.

2. The *private fortune* of every partner is answerable for the debts of the bank.

3. *Land*, as well as other property, *may be attached* for debt.

4. In SCOTLAND, *all land is registered;* so that it is easy for any individual, by referring to the records, to ascertain what landed property is possessed by the partners of the bank, and also whether or not it be mortgaged. The following is the language of the report of the committee of the House of Commons, appointed in 1826 to consider the expediency of abolishing all notes under £5:

There is no limitation upon the number of partners of which a banking company may consist; and, excepting in the case of the BANK OF SCOTLAND, and the two chartered banks, which have very considerable capitals, the partners of all banking companies are bound jointly and severally, so that each partner is liable to the whole extent of his fortune for the whole debts of the company.

A creditor in SCOTLAND is empowered to attach the real and portable, as well as the personal estate of his debtor, for payment of personal debts, among which may be classed debts due by bills and promissory notes; and recourse may be had for the procuring payment to each description of property at the same time. Execution is not confined to the real property of a debtor merely during his life, but proceeds with equal effect upon that property after his decease.

The law relating to the establishment of records gives ready means of procuring information with respect to the real and heritable estate of which any person in SCOTLAND may be possessed. No purchase of an estate in that country is secure until the seisine (that is, the instrument certifying that actual delivery has been given) is put on record; nor is any mortgage effectual until the deed is in like manner recorded.

In the case of conflicting pecuniary claims upon real property, the preference is not regulated by the date of the transaction, but by the date of its record. These records are accessible to all persons; and thus the public can with ease ascertain the effective means which a banking company possesses of discharging its obligations, and the partners in that company are enabled to determine with tolerable accuracy the degree of risk and responsibility to which the private property of each is exposed.

There are other provisions of the law of SCOTLAND which it is not necessary minutely to detail, the general tendency of which is the same with those above mentioned.*

I have referred to these points, because in some of them there is a difference between the practice in ENGLAND and in SCOTLAND.

The Scotch banks are few in number, but with numerous branches, ramifying down to very small places. Great facilities are thus afforded to the public, even in the most remote districts.

There were stated to be, in the *Banker's Almanac* for 1873:

| | | | |
|---|---|---|---|
| 1 | bank with .................... | 18 | branches. |
| 1 | " .................... | 33 | " |
| 1 | " .................... | 39 | " |
| 1 | " .................... | 61 | " |
| 1 | " .................... | 75 | " |
| 1 | " .................... | 75 | " |
| 1 | " .................... | 83 | " |
| 1 | " .................... | 93 | " |
| 1 | " .................... | 94 | " |
| 1 | " .................... | 112 | " |
| 1 | " .................... | 118 | " |
| 11 | " .................... | 801 | " |

The corresponding number was given in 1872 as:

11 banks with....................779 branches.

*Gilbart's Practical Treatise on Banking, pages 503 and 504.

So considerable was the extension of banking in SCOTLAND in that one year.

From the small number of head offices, and the fact that most of these are situated in Edinburgh, it has been easy for the banks to form arrangements among themselves for the regulation of their business. A bank of doubtful solvency would find it difficult to carry on its operations among them.

Hence a check can be given to undue speculation if it arises, and the abuses connected with rediscount by means of fictitious bills effectually prevented. And a uniformity of practice in the conduct of the business has been obtained throughout the whole of SCOTLAND. Hence also the existing banks have always at their command a number of well-trained and long-tried officers, accustomed to a sound and carefully arranged method of business, who may be depended on to carry out the instructions of the principal managers of the bank at the most distant stations. Those who have any practical experience, and who therefore understand how much the good success of a banking business depends on the conduct of its officers, will know how to appreciate the value of the advantage but imperfectly described in these few words.

The banks are, without exception, banks of issue. The advantage thus obtained enables them to conduct their business more economically, to the benefit both of their customers and of their shareholders.

The banks have, almost without exception, large capitals. On these they scarcely pay high dividends, according to the English standard. The dividends on the stock in banks of SCOTLAND range from 8 to 14½ per cent. The eleven banks in 1872 distributed to their proprietors as dividends £1,099,000. To ascertain how far this came from profits of banking, it is necessary to deduct the interest on paid-up capital, and other funds belonging to the banks. These, as shown by their published balance sheet, amounted to £12,497,000, and if the interest be taken at 5 per cent., as is usual in commercial business, the amount thus to be deducted is £624,000, leaving £475,000 to represent the net profits derived by the banks from being the custodiers of £82,500,000 belonging to the public, *or at the rate of eleven shillings and sixpence per cent. per annum on that amount.* It may be added that this is the largest aggregate amount of dividend ever distributed by the Scotch banks.* Altogether a sobriety in the conduct of the business has been encouraged, to the great and abiding advantage of the country. The business carried on by any weak bank has been quickly absorbed, and transferred to more powerful institutions. A system affording a very high degree of security to the public, and capable of adapting itself to the changing circumstances of the country, has thus been gradually established.

* * * * * * *

*From a Pamphlet on *The Rate of Discount and the Bank Acts.* Glasgow, 1872.

The system of making advances on cash credits, that is, on the personal security of two bondsmen, as practiced in SCOTLAND, tends to encourage the natural thriftiness of the people.

The young man starting in life with but small capital, knows that he can only obtain the needful assistance to carry his business on through the help of a banker. This assistance will not be granted except through the mediation of his sureties, and unless his character stands well for industry and dependability, he is not likely to find friends willing to risk their property in backing him. Besides this, the sureties are entitled to inspect the state of the account which they guarantee, and to ascertain for themselves whether it is conducted in a satisfactory manner. Bankers are bound by the first principles of their business not to disclose the state of a customer's account to an unauthorized person. The sureties are, however, entitled, for their own security and protection, to this information, as regards the accounts which they guarantee. It is easy to see how advantageous to the prosperity of a country it must be, that the young traders should be thus taught that without a reputation for honesty they will be seriously hampered in their first starting in life. Meanwhile the banks, from being few in number, with their head offices principally in one place, possess great facilities for ascertaining whether the guarantors have given their names as sureties for larger sums, or to more persons than their means would justify, and in other respects stand to a very great advantage for ascertaining whether the business of the country generally, is in a healthy condition or not.

The large number of branches must, however, be a cause of great expense, and in several other respects it is obvious that a business carried on in such thinly-peopled districts as are found in many parts of SCOTLAND, must be conducted to a disadvantage in comparison with those banks which deal with more active centres of commerce. Although the profit derived from their large issues of notes may be considerable, yet, when we consider the many expenses incurred in conducting a large note circulation, the cost of printing, stamp duty, and the charges on importing gold from London when the circulation exceeds the limit fixed by the act of 1845, no small deductions must be made from the apparent profit to be derived from this head.

On the other hand, the great number of branches possessed by the Scotch banks tends beyond doubt to their stability and prosperity. It is hardly likely that the whole of a large country, with an energetic population, carrying on different industries in different districts, will suffer from want of prosperity over its entire extent at the same time. If one portion is depressed it is likely that another will be prosperous. Hence a deficiency of deposits in one district will probably be compensated by an increase in another. Hence also in ordinary times the deposits which cannot be profitably employed in one portion of the country, occupied by the branches of a large bank, will be eagerly sought for by the customers in another town served by the same system. Some districts too poor to support banks of their own, may yet form very desirable fields for the employment of the capital which cannot find occupation in another county. The network of banks on the surface of SCOTLAND is as important to the development of the prosperity of the country as the network of the railways. It has caused a great economy of capital, as the universal practice of people, even of the most moderate means, is to lodge their money with the banks.

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## III.—CIRCULATING MEDIUM.

It is only from a historical point of view that we can, at the present time, understand the great importance ascribed by Sir ROBERT PEEL to regulating the amount of bank-note money in circulation, whether those notes were issued by the BANK OF ENGLAND, private, or joint stock banks.

*  *  *  *  *  *  *

A comparison of the facts as existing in 1819, 1844, and 1872, will enable us to understand how completely the circumstances have altered during the last fifty years.

In 1819, the amount of notes in circulation was—

| | |
|---|---|
| Of Bank of England notes ................ | £ 25,657,610 |
| " English country " ................ | 15,701,338 |
| A total of more than............ | £ 41,000,000 |

*  *  *  *  *  *  *

In 1844 the gold circulation was estimated by Mr. NEWMARCH at 36 millions.* The note circulation of the whole kingdom was 37 millions. The notes were, therefore, slightly in excess of the gold at that time.

In 1872 the metallic circulation altogether may be estimated at about 105 millions.† The note circulation of the whole kingdom was 43 millions; instead, therefore, of the notes being more than the metallic circulation, they are much less than one-half of it, and are probably but little more than one-third of the specie circulation and the bullion in the BANK OF ENGLAND taken altogether.

* *Tooke and Newmarch's History of Prices*, vol. vi., p. 701.

† Estimate based on Professor JEVON'S statement, *Statistical Society's Journal*, 1868, pp. 446, and the account of the "Coinage of Gold for Twenty-four Years," *Economist*, 29th June, 1872.

*Bank Note Circulation of the* UNITED KINGDOM, 1844–1872.

| | Bank of England. | | | Private and Joint-Stock Banks. | | |
|---|---|---|---|---|---|---|
| *Year.* | *London.* | *Branches.* | *Total.* | *Private.* | *Joint-Stock.* | *Total.* |
| 1844 | £13,740,000 | £6,510,000 | £20,250,000 | £4,780,000 | £3,390,000 | £8,170,000 |
| 1845 | 13,600,000 | 7,130,000 | 20,730,000 | 4,510,000 | 3,190,000 | 7,700,000 |
| 1846 | 13,680,000 | 6,770,000 | 20,450,000 | 4,550,000 | 3,170,000 | 7,720,000 |
| 1847 | 12,710,000 | 6,530,000 | 19,240,000 | 4,540,000 | 3,090,000 | 7,630,000 |
| 1848 | 12,290,000 | 5,830,000 | 18,120,000 | 3,660,000 | 2,600,000 | 6,260,000 |
| 1849 | 12,590,000 | 5,900,000 | 18,490,000 | 3,560,000 | 2,630,000 | 6,190,000 |
| 1850 | 13,260,000 | 6,260,000 | 19,520,000 | 3,580,000 | 2,740,000 | 6,320,000 |
| 1851 | 13,110,000 | 6,420,000 | 19,530,000 | 3,460,000 | 2,740,000 | 6,200,000 |
| 1852 | 14,970,000 | 6,940,000 | 21,910,000 | 3,550,000 | 2,860,000 | 6,410,000 |
| 1853 | 14,870,000 | 7,810,000 | 22,680,000 | 3,800,000 | 3,050,000 | 6,850,000 |
| 1854 | 13,450,000 | 7,380,000 | 20,830,000 | 3,770,000 | 3,030,000 | 6,800,000 |
| 1855 | 12,760,000 | 7,040,000 | 19,800,000 | 3,830,000 | 3,050,000 | 6,850,000 |
| 1856 | 12,660,000 | 6,970,000 | 19,630,000 | 3,750,000 | 3,050,000 | 6,800,000 |
| 1857 | 12,470,000 | 7,000,000 | 19,470,000 | 3,620,000 | 3,010,000 | 6,630,000 |
| 1858 | 13,340,000 | 6,880,000 | 20,220,000 | 3,240,000 | 2,760,000 | 6,000,000 |
| 1859 | 13,660,000 | 7,660,000 | 21,320,000 | 3,440,000 | 2,990,000 | 6,430,000 |
| 1860 | 13,340,000 | 7,910,000 | 21,250,000 | 3,440,000 | 3,000,000 | 6,440,000 |
| 1861 | 12,620,000 | 7,390,000 | 20,010,000 | 3,220,000 | 2,890,000 | 6,110,000 |
| 1862 | 13,350,000 | 7,480,000 | 20,830,000 | 3,220,000 | 2,890,000 | 6,110,000 |
| 1863 | 13,240,000 | 7,440,000 | 20,680,000 | 3,140,000 | 2,880,000 | 6,020,000 |
| 1864 | 13,000,000 | 7,570,000 | 20,570,000 | 3,110,000 | 2,850,000 | 5,960,000 |
| 1865 | 13,370,000 | 7,720,000 | 21,090,000 | 2,950,000 | 2,850,000 | 5,800,000 |
| 1866 | 14,710,000 | 8,480,000 | 23,190,000 | 2,760,000 | 2,280,000 | 5,040,000 |
| 1867 | 14,850,000 | 8,610,000 | 23,460,000 | 2,730,000 | 2,300,000 | 5,030,000 |
| 1868 | 14,940,000 | 8,990,000 | 23,930,000 | 2,740,000 | 2,300,000 | 5,040,000 |
| 1869 | 14,590,000 | 8,860,000 | 23,450,000 | 2,730,000 | 2,330,000 | 5,060,000 |
| 1870 | 14,470,000 | 8,830,000 | 23,300,000 | 2,590,000 | 2,300,000 | 4,890,000 |
| 1871 | — | — | 24,410,000 | 2,680,000 | 2,310,000 | 4,990,000 |
| 1872 | — | — | 25,540,000 | 2,700,000 | 2,390,000 | 5,090,000 |

We can trace by the aid of this table the general course of the note circulation in the UNITED KINGDOM from the year 1844 to the close of 1872. It will be observed that the note circulation has extended but little in total amount during that time, when compared with the great expansion in other departments of banking business, as shown in Paragraphs II, III, V and XII, the amount of the note circulation (col. 11) being 37 millions in 1844, and 43 millions in 1872. The circulation in *gold* has increased probably as fast as the increase in retail trade and the total of wages. But the circulation in *notes* has increased very slowly indeed. The extension in the use of checks for sums of £5 and above has supplanted the use of notes. But the number of checks under £5 is so small as not materially to supplant the use of coin, which is chiefly used for retail trade and wages. And in the case of the country note circulation, as will be mentioned further on, the power of issue is to a great extent in the agricultural districts, where notes are now but little wanted, and comparatively less in the manufacturing and industrial districts, where such a note issue might be of service.

In Mr. GROTE'S opinion, therefore, no security from fluctuations is to be expected from causing a currency partly composed of bank notes and partly of coin, to be always of the same amount as a purely metallic currency would be. This was likewise the opinion of Mr.

TOOKE and of Mr. JAMES WILSON. It is, indeed, obvious that it is not the currency itself which is the prime mover in these fluctuations. The cause is to be found in another direction. It will be seen indicated in the amount of the banking reserves. Meanwhile an increase rather than a diminution of the sensibility of the discount market is to be looked for. In the Scotch and Irish portions of the note circulation an increase, if they remain on their present footing, may be expected. That portion of their issues which is in £1 notes takes the place of sovereigns, and as the demand for coin increases with the increasing requirements of the country, the demand for £1 notes also increases. An increase in the country circulation of the BANK OF ENGLAND is likewise probable. The Irish and Scotch circulations, when above the limit fixed in 1845, and the English country circulation, so far as that consists of BANK OF ENGLAND notes, press on the reserve of the BANK OF ENGLAND exactly as if the notes were so many sovereigns. These notes are the symbols of as many sovereigns removed from the Banking Reserve to the Issue Department. Hence a purely provincial and home demand operates in exactly a similar way as a demand for export induced by the state of the foreign exchanges. But it was to bring the note circulation into accordance with the demand indicated by the state of foreign exchanges that the act of 1844 was framed. The state of the foreign exchanges has, however, less influence on the provincial demand for an increased circulating medium than the state of the weather throughout the year. The influence of the weather on the harvest has a decided effect on the provincial note circulation, while the state of the foreign exchanges is absolutely unknown. The demand for BANK OF ENGLAND notes which accompanies the demand for gold referred to in Par. IX, as caused by the autumn requirements, is also now very large, and cannot be overlooked in any statement of this nature. All these demands for foreign and for domestic requirements, though totally dissimilar in character, have now precisely the same effect on the BANK OF ENGLAND reserve. The close connection between the extent of the Scotch and Irish circulations and changes in the rate of discount at the BANK OF ENGLAND has frequently been noticed.

I cannot quit this part of the subject without expressing my complete concurrence in the opinion of the late Mr. JAMES WILSON, expressed during the debate on the commercial crisis, 30th November, 1847, that "he believed the great error into which we had fallen was the confining our attention too much to the subject of circulation, and not directing it sufficiently to the subject of capital, capital being represented by the amount of the deposits in the hands of the bankers.'

# FLUCTUATIONS OF THE N. Y. STOCK EXCHANGE,

## FOR THREE MONTHS.

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

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(*Continued from page 274, October No.*)

| STOCKS. | JULY, 1873. | | AUG., 1873. | | SEPT., 1873. | |
|---|---|---|---|---|---|---|
| | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* | *Lowest.* | *Highest.* |
| U.S. Six per cts. of 1881, Coupon Bds. | 119¼ | 120⅛ | 119⅛ | 120½ | 115¼ | 119⅜ |
| " Five-Twenty of 1862, " | 116½ | 117¼ | 117 | 117½ | 113⅜ | 113⅝ |
| " " 1864, " | 116½ | 117¾ | 117 | 117⅝ | 114¼ | 117¼ |
| " " 1865, " | 118 | 119½ | 118¾ | 119⅝ | 110 | 118⅜ |
| " " 1865, New, " | 116 | 118⅞ | 117 | 117¾ | 111¼ | 116⅛ |
| " " 1867, " | 117¼ | 119⅛ | 118⅝ | 119⅝ | 113¾ | 119¼ |
| " " 1868, " | 117½ | 118¾ | 118 | 119 | 113 | 118⅝ |
| " Ten-Forty Coupon Bonds..... | 114¼ | 115⅛ | 115½ | 116⅛ | 116 | 114⅜ |
| " Five per cent. of 1881......... | 114⅝ | 115⅞ | 113¾ | 114⅞ | 111½ | 114⅛ |
| " Six per cent. Currency......... | 114¼ | 115½ | 113½ | 114⅝ | 107¾ | 113⅜ |
| Tenn. Six per cent. Bonds, Old..... | 80¼ | 81⅝ | 81¾ | 82½ | 72 | 82⅜ |
| " " " New..... | 79¾ | 81½ | 81⅝ | 82¼ | 72½ | 82 |
| Virginia Six per cent. Bonds, Old.. | .. | .. | .. | .. | .. | .. |
| " " " New.... | 50 | 50 | .. | .. | .. | .. |
| " " " Consol.. | 52¾ | 54⅛ | 51¾ | 53¼ | 51 | 52 |
| N. Carolina Six per ct. Bonds...... | 28 | 28 | .. | .. | 27 | 27½ |
| " " New....... | 16 | 16 | 16 | 16 | .. | .. |
| " " Special Tax | 13 | 14 | .. | .. | .. | .. |
| S. C. Six per ct. Bds. Jan. & July.. | 14½ | 15¼ | 15 | 15 | 14 | 14 |
| " " April & Oct.. | 20¼ | 20¼ | .. | .. | 14 | 30 |
| Missouri Six per cent. Bonds........ | 92 | 94 | 92 | 93¼ | 84 | 92¼ |
| Canton Company of Maryland..... | 99½ | 103 | 98 | 102 | 70 | 98½ |
| Delaware and Hudson Canal Co.... | 114½ | 120 | 112½ | 114½ | 111 | 114 |
| Consolidated Coal Co. of Maryland. | 54 | 55¾ | 54 | 55 | 40 | 54¼ |
| Quicksilver Mining Company...... | 37 | 39½ | 38 | 39⅞ | 19 | 35½ |
| " " Preferred | 48 | 48 | .. | .. | 30 | 45 |
| Mariposa Mining Company......... | .. | .. | .. | .. | .. | .. |
| " " Preferred | .. | .. | ½ | 1 | .. | .. |
| Western Union Telegraph Co...... | 84¼ | 93½ | 87⅞ | 93⅛ | 54¼ | 92½ |
| Pacific Mail Steamship Company.. | 34½ | 40 | 36¾ | 45½ | 31 | 44⅝ |
| Adams Express Company.......... | 94¼ | 95 | 92¼ | 95 | 84½ | 92¼ |
| Wells, Fargo & Co. Express Co.... | 72 | 78 | 72½ | 74½ | 56 | 75 |
| American Merchants' Union Express | 61½ | 65 | 61½ | 64 | 57½ | 62⅜ |
| United States Express............ | 65⅝ | 73 | 67 | 68¼ | 51 | 68⅜ |
| N. Y. Cent. and Hudson River R. R. | 101¾ | 105¾ | 103⅞ | 105⅜ | 89 | 105⅛ |
| Erie Railroad, Common........... | 58 | 65½ | 58⅝ | 61⅞ | 50⅜ | 59⅜ |
| " Preferred........... | 71½ | 73½ | 72 | 73½ | 66 | 73½ |
| Harlem Railroad, Common Shares. | 125 | 134 | 130¼ | 133⅞ | 90 | 130¼ |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | July, 1873. Lowest. | July, 1873. Highest. | Aug., 1873. Lowest. | Aug., 1873. Highest. | Sept., 1873. Lowest. | Sept., 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 134 | 138 | 136 | 138 | 135½ | 136½ |
| Michigan Central Railroad Co...... | 90 | 95½ | 91 | 95½ | 80 | 90¾ |
| Lake Shore & Mich. Southern R.R.. | 91⅝ | 96½ | 92¼ | 95⅝ | 73 | 93¼ |
| Panama Railroad Company Shares.. | 110 | 117¾ | 113 | 116½ | 84 | 117½ |
| Union Pacific Railroad " .. | 24½ | 29¼ | 25¾ | 29 | 17½ | 27½ |
| Illinois Central Railroad " .. | 106 | 110½ | 106¼ | 109 | 103½ | 105½ |
| Cleveland & Pittsburgh R.R. " Gtd. | 86 | 89¼ | 87⅞ | 89½ | 79½ | 87¼ |
| " Col., Cinn. & Ind. R.R... | 85 | 89 | 84 | 86 | 78 | 85 |
| Chicago, Rock Island & Pacific R.R. | 108⅞ | 111¾ | 108⅝ | 110¾ | 86 | 108⅞ |
| " Burlington & Quincy " | 98¼ | 105 | 98¾ | 106 | 90 | 98½ |
| " & Alton Railroad Shares.. | 108½ | 109½ | 104¼ | 110 | 100 | 104 |
| " " " Pref. | .. | .. | 111½ | 111½ | .. | .. |
| " & Northwestern R.R. Shares | 68⅛ | 71¾ | 64 | 69¼ | 40 | 65 |
| " " " Pref. | 80½ | 84 | 81¼ | 83¾ | 64 | 82 |
| Del., Lackawanna & West. R.R. Co. | 97¼ | 102⅛ | 100 | 102 | 86 | 100½ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93¼ | 93¾ | 93½ | 94 | 93⅝ | 94⅛ |
| Toledo & Wabash R.R. Co. Shares. | 68⅛ | 73⅛ | 67¼ | 73 | 39½ | 70½ |
| " " " Pref. | 85 | 85 | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | .. | .. | 39 | 39 |
| Ohio & Mississippi R.R. Co. Shares | 38½ | 41¼ | 38 | 40⅝ | 26½ | 39¼ |
| Hannibal & St. Joseph R.R. " | 36¾ | 42 | 36 | 39½ | 19 | 37¾ |
| " " " Pref. | 54¼ | 60 | 52 | 54¼ | 33 | 50 |
| Milwaukee & St. Paul R.R. Shares | 50¾ | 53⅞ | 50⅝ | 53¾ | 30 | 51 |
| " " " Pref. | 72½ | 74¾ | 70 | 74 | 56 | 70⅞ |
| Boston, Hartford & Erie R.R. Shares | 2¾ | 3 | 2½ | 2¾ | 1⅞ | 2¾ |
| Col., Chic. & Ind. Cen. R.R. Shares | 27¾ | 33¾ | 30 | 32⅝ | 19 | 31½ |
| Dubuque & Sioux City Railroad... | 54 | 58 | 60 | 62 | .. | .. |
| New Jersey Central Railroad Shares | 101½ | 105¾ | 102¼ | 103½ | 91¼ | 102½ |
| Morris & Essex Railroad Shares... | 91 | 92½ | 91¼ | 92⅝ | 91 | 91½ |
| N. Y. Central Six p. ct. Bds. of 1883 | 93 | 94 | 91¾ | 93 | 92 | 92¼ |
| Erie First Mortgage Bonds of 1868.. | 102½ | 104 | 104 | 104¼ | 104⅝ | 104⅝ |
| Long Dock Bonds................ | 96 | 96 | 95¾ | 96 | 94¾ | 95 |
| Mich. Southern Sinking Fund Bonds | 103 | 105 | 104 | 104 | 104¾ | 105 |
| " Seven p. ct. 2d Mtge. | 98¾ | 99½ | 99⅞ | 99⅞ | 99 | 99¾ |
| Central Pacific 1st Mortgage Bonds | 99⅞ | 101¼ | 99⅝ | 100⅝ | 80 | 100¼ |
| Union " " " | 81 | 86 | 80 | 82½ | 72½ | 80¾ |
| " " Land Grant Bonds.. | 69½ | 72 | 71 | 73½ | 70⅞ | 73 |
| " " Income Bonds....... | 59¼ | 61 | 61⅝ | 65 | 50 | 59¼ |
| Alton & Terre Haute 1st Mtge. Bds. | 98 | 98¼ | 99 | 100 | .. | .. |
| " " 2d " Pref. | 90 | 90¾ | 87½ | 88 | 87 | 87 |
| " " " Income Bds. | 78 | 78 | .. | .. | 76½ | 76½ |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | .. | .. | 96⅞ | 96⅞ |
| Chic. & N. W. Consol'n S. F. Bonds | 92 | 93¼ | 90½ | 92¾ | 89½ | 90 |
| " " 1st Mortgage Bonds.. | 101 | 102 | 97 | 100 | 99 | 99 |
| Cleveland & Tol. Sinking Fund Bds. | .. | .. | 101 | 101½ | 101¾ | 101¾ |
| " & Pittsb'gh Consol'n Bds. | 95 | 95 | .. | .. | .. | .. |
| " " Second Mtge. | 102⅛ | 102⅛ | .. | .. | .. | .. |
| " " Third " | 98¼ | 98½ | 98 | 99 | .. | .. |
| " " Fourth " | 85 | 85¼ | 85½ | 87½ | 87½ | 87½ |
| Chic., Rock Isl'd & Pac. 7 p. ct. Bds. | 102¾ | 103 | 102 | 102¾ | 101½ | 102½ |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds. | 100 | 102 | 96 | 97 | 96½ | 96½ |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 88½ | 89 | 89¼ | 90¼ | 88¾ | 89½ |
| " " " " 2d " | 71½ | 72½ | 69½ | 70 | 68 | 69 |
| Toledo, Peoria & Warsaw 1st, E D. | 91 | 91 | 92 | 93 | .. | .. |
| " " " 1st, W D. | 90 | 90½ | .. | .. | 87 | 87½ |
| " " " 2d, W D. | 75 | 76 | 77 | 77 | .. | .. |
| Cedar Falls & Minn. 1st Mtge. B'ds. | 78½ | 80 | 79¾ | 79¾ | 75½ | 78½ |
| Boston, Hart. & Erie 1st Mtge. Bds. | 32 | 34½ | 31⅝ | 34½ | 22¾ | 31½ |

# THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 273, October No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of September, 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:

| | SEPT. | 1873. | | 1872. | | 1871. | | 1870. | | 1869. | | 1868. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Monday... | 15½ | 16 | Sun. | | **12¾** | 12⅞ | 16⅜ | **16¾** | 33⅛ | 33⅜ | 44⅜ | 45 |
| 2 | Tuesday .. | 15¾ | **16⅛** | 13⅛ | 13¾ | 12⅞ | 13 | 16 | 16⅜ | 33⅛ | 34¼ | 44¾ | **45⅛** |
| 3 | Wednesday | 15⅞ | 16⅛ | 13 | 13¼ | Sun. | | 14 | 15⅜ | 35¼ | 36 | 43⅞ | 44⅜ |
| 4 | Thursday.. | 15⅜ | 15⅞ | 13 | 13¼ | 13 | 13⅜ | Sun. | | 35½ | 37⅜ | 43¾ | 44¼ |
| 5 | Friday .... | 14½ | 15½ | 13 | 13¼ | 13 | 13¼ | 13¼ | 14⅜ | Sun. | | 44¼ | 44⅜ |
| 6 | Saturday .. | 12⅞ | 14½ | 12¾ | 13⅛ | 13⅛ | 13⅜ | 14⅛ | 15 | 36¼ | 37¾ | Sun. | |
| 7 | **Sunday**. | Sun. | | **12¾** | 13 | 13¼ | 13¾ | 14⅛ | 15⅜ | 36⅛ | 37 | 44⅜ | 45 |
| 8 | Monday... | 12 | 12⅞ | Sun. | | 13⅜ | 13⅝ | 13⅜ | 14⅛ | 34½ | 36⅛ | 44⅛ | 44½ |
| 9 | Tuesday... | 11⅝ | 12¼ | 13 | 13⅜ | 13½ | 13⅞ | 13⅜ | 14¼ | 34¾ | 35⅞ | 44⅛ | 44½ |
| 10 | Wednesday | **10⅞** | 11½ | 12⅞ | 13⅝ | Sun. | | 13¾ | 14⅛ | 35 | 35¼ | 44⅜ | 44⅝ |
| 11 | Thursday.. | 11 | 11¾ | 12⅞ | 13⅛ | 13⅞ | 14¼ | Sun. | | 35¼ | 35⅞ | 43⅞ | 44⅜ |
| 12 | Friday .... | 11¼ | 11⅞ | 12⅞ | 13¼ | 13⅞ | 14⅛ | 13⅝ | 13⅞ | Sun. | | 44 | 44⅜ |
| 13 | Saturday .. | 11⅝ | 12 | 12⅞ | 13⅛ | 13⅞ | 14⅛ | 13⅝ | 14 | 35½ | 35⅞ | Sun. | |
| 14 | **Sunday**. | Sun. | | 13 | 13½ | 13⅜ | 14⅛ | 14 | 14⅜ | 35½ | 35¾ | 43⅜ | 44¼ |
| 15 | Monday... | 11 | 11⅝ | Sun. | | 14 | 14¼ | 13⅞ | 14⅜ | 35⅞ | 36½ | 43¾ | 44⅛ |
| 16 | Tuesday .. | 11 | 11⅝ | 13⅜ | 13¾ | 13⅞ | 14¼ | 14 | 14⅛ | 36¼ | 36½ | 43¾ | 44⅜ |
| 17 | Wednesday | 11⅛ | 11⅜ | 13⅝ | 14⅝ | Sun. | | 13⅞ | 14⅛ | 36¼ | 36¾ | 44⅛ | 44⅞ |
| 18 | Thursday . | 11¼ | 12⅞ | 13⅞ | 14⅝ | 14⅛ | 14½ | Sun. | | 36½ | 36¾ | 44⅜ | 44⅜ |
| 19 | Friday .... | 11½ | 13⅛ | 13¾ | **15⅛** | 14⅝ | 15 | 13⅝ | 14 | Sun. | | 44⅛ | 44⅝ |
| 20 | Saturday .. | 11⅛ | 12⅝ | 14 | 15⅛ | 14¼ | 14⅝ | 13½ | 13⅞ | 36¾ | 37⅜ | Sun. | |
| 21 | **Sunday**. | Sun. | | 13⅝ | 14⅛ | 13⅞ | 14¾ | 13⅝ | 13⅞ | 37½ | 37¾ | 43¾ | 43⅜ |
| 22 | Monday ... | *112 | | Sun. | | 13⅞ | 14¼ | 13¾ | 13⅞ | 37⅜ | 40⅝ | 42⅝ | 43¼ |
| 23 | Tuesday .. | 11⅝ | 12¼ | 13¾ | 14⅛ | 14¾ | **15⅜** | 13 | 13¾ | 41 | 44 | 42⅝ | 43⅛ |
| 24 | Wednesday | 11⅝ | 12½ | 13⅝ | 14 | Sun. | | **12¾** | 13⅛ | 33 | **62½** | 41⅛ | 42⅜ |
| 25 | Thursday.. | 11⅛ | 11⅝ | 13½ | 14 | 14¾ | 15 | Sun. | | 33 | 35 | 41½ | 42¼ |
| 26 | Friday .... | 11½ | 14½ | 13⅞ | 14 | 14 | 14½ | 13⅛ | 13½ | Sun. | | 42 | 42½ |
| 27 | Saturday .. | 13¼ | 15½ | 13⅝ | 14 | 14⅝ | 14¾ | 13¼ | 13¾ | 34½ | 35 | Sun. | |
| 28 | **Sunday**. | Sun. | | 13½ | 13⅞ | 14½ | 15 | 13⅜ | 14 | 31½ | 33 | 41½ | 42¼ |
| 29 | Monday... | 11¾ | 13¼ | Sun. | | 14⅝ | 14⅞ | 13⅝ | 14 | 31 | 32 | 41⅛ | 41⅜ |
| 30 | Tuesday... | 11⅝ | 12½ | 13⅝ | 14⅛ | 14⅝ | 14⅞ | No Board. | | **30¼** | 32 | **41⅛** | 41⅜ |

* On 22d, the Gold Exchange was closed, for purchases and sales, on account of the financial difficulties. The rate fixed for settlement of the day between members was 112.

## MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

| DATE. | 1868. | | 1869. | | 1870. | | 1871. | | 1872. | | 1873. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January .. | 33¼ | 42¼ | 34⅜ | 36⅞ | 19⅜ | 23¼ | 10½ | 11¼ | 8½ | 10⅛ | 11⅝ | 14¼ |
| February . | 39⅝ | 44 | 30⅞ | 36⅛ | 15 | 21¼ | 10¾ | 12¼ | 9¼ | 11 | 12⅞ | 15⅛ |
| March .... | 37⅞ | 41⅜ | 30¼ | 32½ | 10¼ | 16 | 10⅛ | 11⅝ | 9¾ | 10½ | 14⅜ | 18½ |
| April ..... | 37¾ | 40⅜ | 31⅜ | 34¾ | 11½ | 15⅜ | 10⅛ | 11¾ | 9⅞ | 13½ | 16¾ | 19⅛ |
| May....... | 39⅛ | 40½ | 34⅜ | 44¾ | 13¾ | 15½ | 11 | 12¼ | 12⅛ | 14⅜ | 16⅝ | 18⅜ |
| June ..... | 39⅜ | 41¼ | 37 | 39⅜ | 10⅞ | 14¾ | 11¾ | 13⅛ | 13 | 14¾ | 15 | 18¼ |
| July ..... | 40⅛ | 45¼ | 34 | 37⅞ | 11⅛ | 22¾ | 11¾ | 13⅝ | 13½ | 15¼ | 15 | 16⅜ |
| August ... | 43½ | 50 | 31¼ | 36⅝ | 14¾ | 22 | 11⅝ | 13¼ | 12⅛ | 15⅝ | 14⅜ | 16¼ |
| September. | 41⅛ | 45¼ | 33⅛ | 62½ | 12¾ | 16¾ | 12¾ | 15⅜ | 12¾ | 15⅛ | 10⅞ | 16⅛ |
| October... | 33¾ | 40⅜ | 28⅛ | 31¾ | 11⅛ | 14¼ | 11½ | 15 | 12¼ | 15⅛ | — | — |
| November. | 32⅛ | 37 | 21⅛ | 28⅜ | 10 | 13¼ | 10⅜ | 12⅜ | 13⅜ | 14¼ | — | — |
| December. | 34½ | 36¾ | 19 | 24 | 10½ | 11⅜ | 8⅜ | 10⅜ | 11½ | 13¼ | — | — |

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

# PUBLIC DEBT OF THE UNITED STATES.

***Abstract of the Official Statements, January, 1869, to October 1, 1873.***

| | *January* 1, 1869. | *January* 1, 1871. | *January* 2, 1872. | *January* 1, 1873. | *September* 1, 1873. | *October* 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 | 250,000,000 | 274,000,000 |
| 6-per-cent. of 1881 | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 987,117,300 | 952,263,850 |
| | $2,107,835,350 | $ 1,935,342,700 | $ 1,853,856,700 | $1,756,651,450 | $ 1,734,420,950 | $ 1,723,567,500 |
| 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 | 22,025,000 | 2,780,000 | ............ | ............ |
| 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 | $ 79,301,512 | $ 79,301,512 |
| ON WHICH INTEREST CEASED: | | | | | | |
| Various Bonds and Notes | $ 7,463,503 | $ 7,315,822 | $1,739,938 | $ 4,084,220 | $ 12,902,730 | $ 15,956,130 |
| BEARING NO INTEREST: | | | | | | |
| United States Notes | $ 356,021,073 | $ 356,101,086 | $ 357,592,801 | $ 358,642,295 | $ 356,079 937 | $ 356,079,742 |
| Fractional Currency | 34,215,715 | 39,995,089 | 40,767,877 | 45,722,063 | 44,889,592 | 46,229,392 |
| Gold Certificates of Deposit | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 44,493,000 | 33,935,400 |
| Currency, do. do. | ............ | ............ | ............ | 25,370,000 | 32,240,000 | 11,250,000 |
| | $ 417,272,808 | $ 422,245,175 | $ 434,419,378 | $ 452,997,356 | $ 477,702,529 | $ 447,494,534 |
| Aggregate Debt | $2,652,533,662 | $2,487,750,892 | $2,391,328,848 | $2,295,814,538 | $ 2,304,327,721 | $2,266,119,676 |
| Coin and Currency in Treasury | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 131,494,537 | 94,785,790 |
| Debt, less coin and currency | $2,540,707,201 | $ 2,349,664,320 | $2,264,034,528 | $2,186,208,689 | $ 2,172,833,184 | $ 2,171,333,886 |

Coin in the Treasury, October 1, 1873, $ 80,246,758; Currency, $ 14,539,032; total, $ 94,785,790.

## THE NEW YORK CLEARING HOUSE.

This institution has been organized twenty years, during which time its aggregate transactions have amounted to $ 387,581,764,227.49.

The transactions of the Clearing House for the year ending September 30, 1873, were as follows:

| | |
|---|---|
| Currency Exchanges | $ 33,972,773,942 97 |
| Currency Balances | 1,152,372,108 25 |
| Gold Exchanges | 1,482,279,081 73 |
| Gold Balances | 322,095,916 70 |
| Total transactions, 1872–3 | $ 36,929,521,049 65 |

This has been accomplished without error or loss.

Annual meeting postponed this year until first Wednesday in January next. Consequently no change in officers until that time.

The following banks are the only ones in the city that are not members of the "Clearing-House Association":

1. Eleventh Ward Bank. 2. Bull's Head Bank. 3. Fifth National Bank. 4. Sixth National Bank. 5. National Currency Bank. 6. The Germania Bank. 7. Ninth Ward Bank. 8. The West Side Bank. 9. N. Y. Gold Exchange Bank. 10. Security Bank. 11. Harlem Bank. 12. Manufacturers and Builders'. 13. Murray Hill Bank. 14. Bank of the Metropolis 15. The Produce Bank. 16. The Loaner's Bank. 17. German Exchange Bank.

*Operations for Twenty Years—October*, 1853, *to October*, 1873.

| *Oct. to Oct.* | *Exchanges.* | *Cash Balances Paid.* | *Average Daily Exchanges.* | *Ave. Daily Balances.* |
|---|---|---|---|---|
| 1853—1854 | $ 5,750,455,987 | $ 297,411,493 | $ 19,104,504 | $ 988,078 |
| 1854—1855 | 5,362,912,098 | 289,694,137 | 17,412,052 | 940,565 |
| 1855—1856 | 6,906,213,328 | 334,714,489 | 22,278,107 | 1,079,724 |
| 1856—1857 | 8,333,226,718 | 365,313,901 | 26,968,371 | 1,1[illegible]2,245 |
| 1857—1858 | 4,756,664,386 | 314,238,910 | 15,393,735 | 1,016,954 |
| 1858—1859 | 6,448,005,956 | 363,984,682 | 20,867,333 | 1,177,943 |
| 1859—1860 | 7,231,143,056 | 380,693,438 | 23,401,757 | 1,232,017 |
| 1860—1861 | 5,915,742,758 | 353,383,944 | 19,269,520 | 1,151,087 |
| 1861—1862 | 6,871,443,591 | 415,530,331 | 22,237,681 | 1,344,758 |
| 1862—1863 | 14,867,597,848 | 677,626,482 | 48,428,657 | 2,207,252 |
| 1863—1864 | 24,097,196,655 | 885,719,204 | 77,984,455 | 2,866,405 |
| 1864—1865 | 26,032,384,341 | 1,035,765,107 | 84,796,040 | 3,373,[illegible] |
| 1865—1866 | 28,717,146,914 | 1,066,135,106 | 93,541,195 | 3,472,752 |
| 1866—1867 | 28,675,159,472 | 1,144,963,451 | 93,101,167 | 3,717,413 |
| 1867—1868 | 28,484,288,636 | 1,125,455,236 | 92,182,163 | 3,642,249 |
| 1868—1869 | 37,407,028,986 | 1,120,318,307 | 121,451,392 | 3,637,397 |
| 1869—1870 | 27,804,539,405 | 1,036,484,821 | 90,274,478 | 3,365,210 |
| 1870—1871 | 29,300,986,682 | 1,209,721,029 | 95,133,073 | 3,927,665 |
| 1871—1872 | 33,844,369,568 | 1,428,582,707 | 105,964,277 | 3,939,265 |
| 1872—1873 | 33,972,773,942 | 1,152,372,108 | 111,022,137 | 3,765,921 |

| | |
|---|---|
| $ 369,571,908,170 94 | Total Exchanges for twenty years. |
| 14,782,820,013 27 | Total Balances for twenty years. |
| $ 384,354,728,184 21 | |
| 2,689,651,246 29 | Total Gold Exchanges for one and a-half year. |
| 537,384,796 99 | Total Gold Balances for one and a-half year. |
| $ 387,581,764,227 49 | Total Gold and Currency Exchanges for twenty years. |

# BANKING AND FINANCIAL ITEMS.

NATIONAL BANKS.—The Comptroller of the Currency has issued circulars calling upon all the National banks for a report of their condition at the close of business on Friday, the 12th of September, 1873. The Bank Superintendent of the State of NEW YORK has already called for a report of the condition of all the State banks of that State for the same day, so that complete statistics of all the banks, State and National, in the City and State of NEW YORK can be compiled from these returns when received. The Comptroller has also selected this day in order that he may be able to furnish complete statistics of the condition of the National banks of the whole country just previous to the beginning of the panic. As the call for the report has been delayed for ten days beyond the usual time, it is urgently requested that the bank officers will respond as promptly as possible to the circular of the Comptroller.

THE BANKER'S ALMANAC FOR 1874.—The twenty-second volume of this series will be issued early in January next, for which are in preparation the following subjects: I. A list of National banks and State banks in the UNITED STATES, with names of President and Cashier of each, and names of New York correspondent of each. Also, alphabetical lists of cashiers and assistant cashiers. II. A list of private bankers in the UNITED STATES, with name of New York correspondent of each. III. A list of new savings banks in the UNITED STATES. IV. A list of banks and bankers in the leading cities of EUROPE, ASIA, AFRICA, AUSTRALIA, SOUTH AMERICA, WEST INDIES, &c. V. Engraved views of new bank buildings in New York and other cities. VI. Engraved views of the mints in operation in London, Paris and Philadelphia. VII. Engraved views of the bourse or stock exchange buildings of Paris, London, Lyons, Marseilles, Hamburg, Bremen, Antwerp and other leading cities of EUROPE (*including that of Ancient Pompeii*). VIII. Engraved fac similes of the new trade dollar of the UNITED STATES and of twenty new coins issued by foreign mints (*to be continued annually*). IX. Statistics of the coinage of the UNITED STATES and of various countries of late years. All in one volume octavo; price, three dollars. Information and suggestions for the new volume, and orders for copies, may be addressed to the BANKER'S MAGAZINE, No. 251 Broadway, New York. The cards of bankers will be inserted to order in the Almanac for 1874, at $25 each, and will thus reach all parts of the UNITED STATES, and leading cities of EUROPE, ASIA, SOUTH AMERICA, &c. (*Five thousand copies will be issued.*) Engravings of new banking houses will be inserted to order in the new volume, on moderate terms. Such engravings can be afterward used by the bank for letter circulars, envelopes, drafts, &c. Those firms who have changed their New York correspondents are requested to give immediate notice to this office.

GERMANY.—A correspondent of the Chicago *Times*, says:

An abundance of specie here, and a scarcity of bank notes, are growing evils. Some time ago the government made a move against the Austrian guldens, forbidding the acceptance of them at the post and telegraph offices. Business houses generally refuse them except at a discount of 10 per cent., which one would think would be enough to drive them entirely out of the country; but they seem to be as plenty as ever. A curious inconsistency, however, the quarter gulden passes at full value. The Austrian government, however, is having its revenge, and the Prussian thaler passes only for twenty-eight silver groschens.

There is a regular glut of Prussian silver thalers. If one tenders a bank note in payment of a small debt, he is sure to get all silver in return. Twenty-five silver thalers weigh about a pound, so that if the debt be small and the note large, one has the pleasure of carrying a couple of pounds of silver around in his pockets, and makes one feel the burden of riches. But there is no remedy. One goes home and puts his treasure in a strong box, and keeps enough thalers for the ordinary expenses of the day, but finds that his next purchase perhaps amounts to a little more than the quantity reserved. So you draw out another bank note, with a bad grace, and have to change it for a few pounds more of silver.—*Letter from Coblentz.*

SAVINGS BANK.—The Mobile *Register* says:

An interesting question will be shortly submitted to our courts, involving the legality of one of the by-laws of the FREEDMEN'S SAVINGS AND TRUST COMPANIES in general. This institution was created by an Act of the Congress of the UNITED STATES, approved in 1865, and has branches in almost every city of the Union. By one of the regulations which the charter authorizes the trustees to adopt, it is provided that said trustees may, when in their opinion required, exact a notice of sixty days from any depositor previous to the withdrawal of his funds. This rule, which is universal in most if not all the savings banks of the country, was ordered to be put in force by the Mobile branch, and from the time of said notice no deposits, beyond a limited amount, were paid on demand, but the notice duly registered. Yesterday, however, two Conti Street lawyers, who had a pretty large deposit, presented their check for the full amount, and were answered that the bank, to protect itself, had to enforce the rule. Thereupon the two gentlemen applied to the Circuit Court for a writ of attachment against the property of the bank, and an officer was, toward evening, placed in charge of it.

NEW RAILWAY.—Among the important railway improvements in progress is one, the object of which is to insure completion of the intercolonial railroad from Porto Caballos, on the Atlantic, to the Bay of Fonzea, on the Pacific. The length of the entire line is 220 miles, seventy of which have been completed and are now in operation by this route. It is said that the distance to San Francisco, will be shortened by nearly 1200 miles, and four days' time saved, as compared with the Panama route.

MEXICAN COINAGE.—A test of the Mexican silver dollar was recently made at the New York Assay Office, under the direction of Dr. LINDERMAN. The dollars were of recent coinage (restored eagle dollar die). The weight of single pieces showed very wide variations—from 407 to 430 grains, the legal standard being 417. These bore the mark of the mint at Chihuahua, and had evidently been issued without any regard to a proper adjustment. They averaged 904 fine, slightly above the Mexican standard. The variation in weight is such as to render their sale as dollars very uncertain.

CURRENCY.—Treasury officers say that the last dollar of the fifty-four millions additional National bank circulation, authorized by the act of 1870, will not have been issued to the banks in the Western and Southern States, until about the time that Congress meets, December 1. Therefore, it is not likely that the twenty-five million redistribution clause of the same act will be executed. The Secretary of the Treasury, on suggestion of the Comptroller of the Currency, will recommend a repeal or modification of that clause.

The Comptroller of the Currency, on the 13th instant, issued a circular calling upon all the National banks to report their condition at the close of business on Friday, September 12. This is all very well, but it would have been more satisfactory in the way of furnishing information as to the condition of the banks had the report been called for a date a week or fortnight later. We then should have learned something of the effect of the failures and the run of the 18th of September upon them.

*New York*—THE ATLANTIC NATIONAL BANK.—Mr. CHARLES E. STRONG, the receiver of the ATLANTIC NATIONAL BANK, has announced that he will pay a dividend of fifteen per cent. on October 1. This is the second dividend, one of forty per cent. having been declared last July.

*New York.*—The NATIONAL BANK OF THE COMMONWEALTH has filed a petition in the United States Circuit Court to enjoin the Comptroller of the Currency and ISAAC H. BAILEY, claiming to act as receiver of the bank, from all further proceedings under such receivership. The petition sets forth that the pretended ground for the appointment of a receiver—that the bank had refused to pay one of its circulating $ 5 notes, was not a fact. The petition recites that no notice of the appointment of any special agent, as provided by law, was given prior to the appointment of a receiver.

STOCK EXCHANGE.—Messrs. ROBINSON & SUYDAM, SMITH & SEAVER, J. P. WHITFIELD, J. G. RIEKE, and C. G. WHITE, have been reinstated at the Stock Exchange.

*Cooperstown.*—The banking business of the late firm of C. W. SMITH & CO., at Cooperstown, Otsego County, N. Y., has been merged in that of the FIRST NATIONAL BANK of Cooperstown. The old firm retires with credit to itself.

CALIFORNIA.—The numerous banks in CALIFORNIA, being organized under a gold basis, do not feel any inconvenience from the want of legal tenders. The FIRST NATIONAL BANK of Stockton, in that State, commenced business in March, 1873, declared a dividend of one per cent. for month of September. The gold notes now in circulation are generally preferred to gold by farmers and others.

CONNECTICUT.—It appears that A. J. HINE, cashier of the NATIONAL BANK OF ANSONIA, ten miles from New Haven, has been using the funds of the bank for speculation. The surplus of $ 40,000 is all gone. HINE also loses his private fortune. The full extent of the losses is not as yet ascertained. The bank is supposed to be solvent.

DISTRICT OF COLUMBIA.—The report of the examiner of the NATIONAL METROPOLITAN BANK of Washington, shows that the capital stock is unimpaired, that there is a considerable surplus, and that the assets are sufficient to pay the creditors.

FLORIDA.—It is stated in Jacksonville that the stock of a National bank, to be established in that place, has been taken by Northern men, and that two New Yorkers have the undertaking in charge.

GEORGIA.—A run was made on the Savings Department of the SAVANNAH BANK AND TRUST COMPANY, and on the SOUTHERN BANK OF GEORGIA. The run on the SAVANNAH BANK AND TRUST COMPANY ceased about 12.30 P. M. That on the BANK OF GEORGIA continued up to the hour of closing. Both were fully able to meet all demands. The other banks were proceeding as usual, and the excitement diminishing.

*Savannah.*—The Chamber of Commerce, September 26, held an adjourned meeting at ten o'clock at night, to receive the report of its Committee, who presented the following:

*Resolved*, That the banks and banking houses of Savannah will only meet demands of depositors by certification of checks, to be used as the necessities of the holders may require, until the temporary difficulties are removed, and until exchange can be negotiated or currency be received to move the crops.

The banks are acting according to this resolution.

*Atlanta.*—JOHN H. JAMES, banker, who suspended, resumed in a few days thereafter. Leading business men and bankers guaranteed his solvency to the amount of $ 290,000.

*Railroad.*—The *bona fide* mortgage bondholders of the Brunswick and Albany (GEORGIA) Road, 172 miles in length, have successfully foreclosed, under the orders of the proper Georgia Courts, their first mortgage, at a sale of the road a few days since at Brunswick, for $ 530,000, subject to $ 150,000 liens for mechanics' labor, etc. The American and German-American bondholders were represented by Mr. I. DE NEUFVILLE, of Exchange Place, who bought the road for their account.

ILLINOIS.—Mr. D. W. VITTUM, hitherto Vice-President of the FIRST NATIONAL BANK OF CANTON, ILLINOIS, was, in October, elected President, in place of Mr. JAMES H. MCCALL, deceased. Mr. CHRISTOPHER WILSON succeeds Mr. VITTUM as Vice-President.

*Chicago.*—The banking firm of LUNT, PRESTON & KEAN, at Chicago, has been dissolved, and is succeeded by the new house of PRESTON, KEAN & Co., consisting of STEPHEN P. LUNT, DAVID PRESTON, SAMUEL A. KEAN, FREDERICK W. CROSBY, and JAMES PAYNE. Their New York correspondent is the NATIONAL SHOE AND LEATHER BANK.

*Currency*—The amount of currency in the city now is uncomfortably large. One bank yesterday asked a customer as a favor to draw out $ 25,000 instead of giving a check for that amount payable through tho clearing house—a singular contrast to the condition of things two weeks ago.—*Chicago Tribune*, Oct. 13.

*Chicago.*—The UNION NATIONAL BANK reopened its doors and resumed business October 13, the Comptroller of the Currency having notified the Directors that they were free to resume, as the vote of liquidation adopted by the bank was illegal, some of the stock having been voted by proxy, whereas the law requires in such cases the votes shall be by the stockholders in person.

IOWA.—The stockholders of the suspended MERCHANTS' NATIONAL BANK, October 2d, elected C. H. BOOTH as Cashier, vice R. A. BABBAGE, and GEORGE W. MITCHELL President, vice F. W. SHEFFIELD, to settle up the bank's affairs. Mr. BABBAGE'S defalcation is $ 267,000, and Mr. SHEFFIELD'S $ 62,000.

*Defalcation.*—An investigation into the affairs of the suspended MERCHANTS' NATIONAL BANK of Dubuque, by the directors, shows that a system of frauds has been perpetrated upon the stockholders and patrons by the officers of the bank which has never been exceeded in any concern of its size. The amount abstracted from the bank reaches the sum of $ 329,478. Of this amount F. W. SHEFFIELD, the President, has obtained $ 62,188, and BABBAGE, the Cashier, $ 267,289. These sums have been abstracted by means of notes and bills, by overdrafts, and by direct steals covered by false entries, which latter have been made upon the books to the amount of $ 14,000, which is all charged up to BABBAGE'S account. They represent balances which did not exist, and in other cases were purely fictitious. The directors publish a card in which they promise to make public a statement of the affairs of the bank. They say that every effort will be made to secure all the property possible to cover the amount of the immense frauds and startling defalcation, and that prompt steps are being taken to realize speedily the greatest amount that can be made out of the property. By an unanimous vote of a meeting, at which two-thirds of the stockholders were represented, the bank has been put in liquidation, and its affairs will be wound up.

*Railroads.*—AN IOWA RAILROAD SOLD—A UNION PACIFIC MANDAMUS SUIT.—DES MOINES, Oct. 17.—The Des Moines Valley Railroad was sold at Des Moines, IOWA, October 17, under a foreclosure of mortgage. The southern half, from this city to Keokuk, was sold to J. AUGUSTUS JOHNSON, New York, for $ 1,175,000, including a portion of the rolling stock. The northern half of the road, from this city to Fort Dodge, was sold to C. H. PERRY, of Keokuk, for $ 475,000, including a portion of the rolling stock. It is rumored that the purchase is in the interest of the Chicago, Burlington and Quincy Railroad Company.

KENTUCKY.—The WESTERN BANK, at Louisville, remains in active business. A. F. COLDEWEY, President; HENRY HURTER, Cashier. Their New York correspondent is the CENTRAL NATIONAL BANK.

LOUISIANA.—The NEW ORLEANS BANKING ASSOCIATION, C. CAVAROC, President, in accordance with a resolution of the Board of Directors, October 4th, goes into liquidation, and will be placed in the hands of a receiver. Owing to the assistance extended the bank by its President, the house of C. CAVAROC & SON has also failed.

*New Orleans.*—The GERMAN SECURITY BANK was not among those that suspended here, as published in the despatches to some distant papers. It has promptly paid every demand made on it.

*New Orleans.*—At a meeting of all the bank presidents in New Orleans, September 25, it was resolved to pay no check for more than $ 100. All larger checks are to be certified, and the arrangement to continue thirty days. This action is considered precautionary to prevent a drain. The merchants generally approve of the course the banks have taken.

The following address was issued by the banks of this city:

The undersigned, incorporated banks and bankers of the City of New Orleans, desire to inform the community of the motives which actuate them in partially suspending payment of currency upon their demand obligations, owing to a partial suspension of currency payments by the associated banks of New York and other Northern cities, and the consequent refusal of the Western and other banks to receive checks on New York, as is the regular course in the settlement of collections made here for their account. It is ascertained that a very large remittance of currency hence has been made upon peremptory orders within the past five days. To such an extent indeed has this prevailed that at the same rate only a few days must elapse before our vaults and the community would be entirely depleted of the means essential to the ordinary movements of trade. At the present moment foreign exchange is unsalable in New York, and as we derive from this source our main supply of currency, we are now thus deprived of our only means of restoring the amounts lost by shipments to the West and the interior. We have therefore taken this step as a means of self protection, and for the benefit of the agricultural as well as the commercial interests, and as the only means through which the incoming crops can be moved without ruinous sacrifice in prices. The duration of this protective policy is limited to a period of thirty days, during which time we are confident that the daily receipts of cotton and sugar will afford us a prompt and ready relief, and compel currency to seek this market.

| | |
|---|---|
| Citizens' Bank. | State National Bank. |
| Union National Bank. | New Orleans National Bank. |
| Germania National Bank. | Bank of America. |
| Teutonia National Bank. | New Orleans Nat. Banking Association. |
| Louisiana National Bank. | Canal Bank. |
| Hibernian National Bank. | Mutual National Bank of America. |
| Bank of Lafayette. | People's Bank. |

Pike Bros. & Co., bankers.

MAINE.—They are having a financial excitement in Aroostook County, MAINE, although it can hardly be said yet to have culminated in a panic. At the present time that county has hardly any other currency than the "American" issue of the ST. STEPHEN'S, New Brunswick, BANK. As these bills are not current outside of that county and the St. Croix Valley, much inconvenience is caused to business men. These bills, which resemble United States Treasury notes to some extent, are "orders on Z. Chipman," a St. Stephen's merchant and an officer of the bank. It has lately occurred to the Aroostook people that these "orders" might be multiplied to any extent, and a feeling of alarm has been excited in business circles. The merchants of Houlton have voted, at a public meeting, to take no more of these "orders" after the 1st of November.

MARYLAND.—Officers of the Associated Banks of Baltimore met September 25, and resolved, in view of the present financial situation, not to pay out money on checks except what may be required for legitimate business purposes, the banks to certify all good checks which can be used in business transactions. It is confidently believed here that the banks in the city were never in a sounder condition than at present, and their action this afternoon is recognized as a prudent precaution against any panic. The President of the GERMAN SAVINGS BANK states that deposits are in excess of the amounts drawn from the bank. Mercantile and commercial interests of the city, while experiencing to some degree the general pressure and tightness in money, are regarded as being on a safe and sound basis, no failures being at present anticipated. As elsewhere, trade is very limited, no heavy transactions taking place. The feeling to-day, sympathizing with the favorable dispatches from New York, is much better than for several days previous, and it is confidently expected that business will soon revive.

MASSACHUSETTS.—Considerable excitement in financial circles at Lowell was caused by the report of a large defalcation of the cashier of the MERCHANT'S NATIONAL BANK, JOHN N. PIERCE, Jr., who is also treasurer of the CENTRAL SAVINGS BANK. But little information could be obtained, but as near as can be learned the amount of the defalcation is between $ 40,000 and $ 50,000.

It is stated by one of the directors that PIERCE had money of the bank amounting to about $ 175,000 at one time, of which he has returned about $ 80,000. The capital of bank is $ 400,000. The surplus of about 5 per cent. is absorbed. PIERCE has not had the key for days. Rumors are circulated that he has left.

The trustees of the CENTRAL SAVINGS BANK, assisted by experts, have examined the accounts of the treasurer, J. N. PIERCE, Jr., who was present, and find them minutely correct and the funds safe.

President HOSFORD reports that they have arrived at the condition of affairs sufficiently to relieve, in a great measure, their anxiety. If the statement of PIERCE'S account is correct since the first of October, as he thinks it is, the defalcation will fall short of $ 70,000, while the surplus of the bank is $ 77,000. PIERCE'S bond is missing; the lock of the president's department having evidently been tampered with. The bank authorities deny having made any agreement with PIERCE to settle the irregularities, but they evidently made some arrangement by which he has paid back money and bonds and transferred his real estate. General BUTLER is his counsel. More than $ 60,000 of the deficit was arrived at in the examination.

*Hingham.*—The stockholders of the HINGHAM NATIONAL BANK at a meeting voted to reduce the capital of the bank from $ 200,000 to $ 140,000, and continue the business. LOVETT, the defaulting cashier of the HINGHAM BANK, was before United States Commissioner HALLETT, and, not being ready for examination, he was held in the sum of $ 50,000 for his future appearance. The bail was given.

MICHIGAN.—An employee in a Detroit banking house was accidently locked in the inner vault the other day, and, after being sought in other directions, was finally discovered there inanimate through suffocation. He was ultimately restored to consciousness.

MISSOURI.—St. Louis, September 25.—A slight run having been made on the banks of St. Louis on the 25th September, it was decided at a meeting of bankers, to suspend the payment of checks or drafts, either in currency or exchange, until the excitement in the East subsides and the former condition of the markets is restored. Shipments of flour to the East having been virtually suspended by the recent advance in railroad freights, the Board of Directors of the MERCHANTS' EXCHANGE have petitioned railroad companies to restore the old rate during the present financial troubles.

*Pike County.*—Mr. ALBERT M. WEIR was, in October, elected Cashier of the BANK OF PIKE COUNTY, at Louisiana, MISSOURI, in place of Mr. E. C. MURRAY, at the same time Mr. W. H. BIGGS was elected President in place of Mr. HUGH ALLEN. Their New York correspondent is the NATIONAL PARK BANK.

NEW JERSEY.—The condition of the NEW BRUNSWICK STATE BANK is conceded by the stockholders to be better than at first supposed, although the long promised public statement is still delayed. The bank's capital was originally $ 250,000, and the surplus $ 212,000. The total amount of the bank's indebtedness on account of the irregularities is estimated at about $ 762,000, or about $ 300,000 more than both capital and surplus. The bank holds $ 350,000 collateral securities given by the Carpet Company for claims against it which the bank in its assets values at $ 200,000. The entire loss cannot exceed $ 600,000. A meeting of the Board of Directors, President JOHN R. FORD and CHRISTOPHER MEYER offered to advance $ 100,000 each towards settling the bank's indebtedness, provided the directors and stockholders make up the remaining $ 100,000. This $ 300,000 is to be used, together with the bank's total assets, capital and surplus, towards settling all claims against the institution.

*Elizabeth.*—For some weeks past (it is understood) the NATIONAL STATE BANK at Elizabeth, N. J., had been much embarrassed, from the fact that A. S. WOODRUFF, the cashier, had made a number of bad loans. The stockholders, having examined into the affairs of the institution, requested the cashier and the directors to resign. These gentlemen have tendered their resignations, and a new directory is to be selected. Colonel KEAN is to be the new president, and has agreed to advance $ 100,000 to the bank. The other new directors are also expected to advance an equal amount.

OHIO.—The Cincinnati Clearing-House Association has adopted the following resolution:

*Resolved,* That for the protection of our commercial interests, and for the purpose of preventing a drain of currency from the banks and bankers of this city, we do hereby agree to adopt substantially the plan adopted in New York, viz.: They will not pay out currency on checks except for small sums, to be optional with the banks upon whom they are drawn, but they will certify checks drawn on balances in their hands, payable through the Clearing House only.

Each member of the Clearing-House Association is required to deposit such sum, in approved securities, as will at all times cover the amount of his clearings. Government bonds are received at their par value. Railroad and other stock and bonds and bills receivable are received at seventy-five per cent. of the value fixed on them by the committee. Loan certificates are issued by the committee, which can only be used in the settlement of balances between the banks, and are not negotiable. The banks have since resumed currency payments as usual.

*Zanesville.*—The MUSKINGUM VALLEY BANK, A. H. BROWN, President, A. V. SMITH, Cashier, closed its doors October 2d, after standing a heavy run for several days. C. W. POTWIN has been appointed as assignee, and states that in a short time the bank will pay dollar for dollar. The FIRST NATIONAL sustained a heavy run all day, and announce they are fully prepared to meet every demand. The UNION BANK also stood up under the heavy run, and invite all having claims to present them. A great deal of excitement prevails. The MUSKINGUM VALLEY, which suspended, will probably resume soon, with CHARLES W. POTWIN and HEZEKIAH STURGES at its head.

PENNSYLVANIA.—The operative department of the Philadelphia Mint has been set to work, by directions from Washington, at a specific rate of coinage of ten millions of double eagles per month till otherwise ordered. The California Mint is running at its full capacity on gold coinage and the trade dollars. Bullion to the amount of $3,000,000 has been added to the fund of the Assay Office at New York to pay promptly all deposits of sovereigns.

*Philadelphia,* September 30.—A meeting of the creditors of E. W. CLARK & Co. was held September 30. A statement was made showing as follows: Liabilities secured, $1,042,526; do. unsecured, $1,041,498; total, $2,084,024. Assets, including stocks, bonds, loans, bills receivable and other securities, and real estate, $2,464,355. Leaving a surplus of $380,331. At an adjourned meeting of the creditors of E. W. CLARK & CO., October 2d, a committee which was appointed to examine the assets and liabilities reported that the statements by the firm were correct, and recommended that an extension be given. The report was unanimously agreed to. A form of agreement was approved and signed by numerous creditors, including nearly all the largest in amount. It was explained that the firm had $900,000 of Western assets in the form of railroad bonds and real estate, which were not valued in the statement, the firm wishing to show their ability to pay from their own assets. The firm propose to pay in full, with interest, in less than twelve months.

*Philadelphia.*—THE PHILADELPHIA UNION BANKING COMPANY.—The UNION BANKING COMPANY here have submitted to their creditors the following proposition, which they say will enable them to resume business at an early day. The creditors shall take fifty per cent. of their claims in the stock of the bank, and the bank shall then resume business, placing the other fifty per cent. in cash to their credit.

JAY COOKE & CO.'S PROPOSITION—JAY COOKE & Co. have completed their detailed statement of assets and liabilities, and proposed, October 4th, a plan of settlement te their creditors as follows: The members of the firm surrender all their partnership and individual property. E. A. ROLLINS, late Commissioner of Internal Revenue, has been chosen, with the approval of the leading creditors, to manage the winding up of the estate. *Pro rata* dividends will be made as fast as sufficient cash is realized from the conversion of assets, beginning very soon after the basis is approved by the creditors. Settlements may be made with individual creditors under restrictions which guard the rights of all. The trustee is to act under the advice and control of a committee of three prominent Philadelphia business men. Messrs. S. M. WELTON, late President of the Philadelphia, Wilmington and Baltimore Railroad Company; WILLIAM C. HOUSTON, of the GIRARD BANK; and DELL NOBLITT, Jr., President of the CORN EXCHANGE BANK. After all the debts are paid in full, the remaining estate will be reassigned. It is understood that the firm do not propose to call a general meeting of the creditors, as the creditors are so scattered as to render such meeting impracticable. They will, however, address notes to such of their creditors in the three cities as can be conveniently seen from day to day at each point, and submit papers with oral explanations.

*Reading.*—BUSHONG & BRO., bankers, of Reading, suspended October 9th. It is stated that they will keep their bank open for the adjustment of accounts, and convert their assets into cash for the meeting of all their liabilities.

*Pittsburg.*—There was a meeting of the creditors, October 9th, of the late banking firm of JAMES T. BRADY & CO. A statement of the firm was made, from which it appears that the total liabilities of the firm are $432,000, and the assets $271,000. A settlement was effected by giving notes at from nine to thirty months, with interest, with TENNESSEE lands and bonds of the Cincinnati and Great Republic as security. The amount due individual depositors is about $190,000. The LAWRENCE SAVINGS BANK and the NATIONAL TRUST COMPANY, which were forced to suspend recently, in consequence of a heavy run made upon them, resumed business in a few days.

*Athens.*—The FIRST NATIONAL BANK of Athens, PENN., was robbed, October 13th, by five men, who seized and bound the cashier. Twenty thousand dollars were taken.

RHODE ISLAND.—An adjourned meeting of the Providence banks, September 30th, received and adopted the report of a committee recommending a liberal policy on the part of banks toward each other and customers; that each bank should request its depositors to draw checks payable through the clearing house, and should certify checks payable through the clearing house; that deposits made in banks in currency be paid out to such depositors in currency, and that deposits made in certified checks be paid in kind. The Providence banks are in a generally sound and strong condition.

SOUTH CAROLINA.—There is an improved feeling in money circles at Charleston. The National banks and the UNION BANK pay currency as usual, and the deposits continue larger than the disbursements. Three-fourths of the cotton sales to-day were for greenbacks instead of exclusively for exchange, as had been the case since the crisis commenced.

TENNESSEE.—The FIRST NATIONAL BANK of Memphis suspended business for a few days, owing to the prevailing fever. The bank resumed active business October 2d. F. S. DAVIS, President; JOHN T. FARGASON, Vice-President; W. W. THACHER, Cashier; C. W. SCHULTE, Assistant Cashier. This bank is a depository and financial agent of the UNITED STATES. Their New York correspondent is the NATIONAL PARK BANK. Some idea may be formed of the disorganization of the community at Memphis, from the fact that the deaths from yellow fever were thirty to forty per day in October.

*Knoxville.*—The banks at Knoxville are transacting business as usual, and have sustained no losses at New York.

*Nashville.*—The National banks of Nashville, four in number, in view of the present state of financial affairs, have agreed to suspend currency payments on all balances exceeding $200. The Board of Trade, at a large and full meeting, unanimously approved of the course of the banks, and adopted a resolution that merchants and business men would continue to deposit with and aid the banks by every means in their power. A general good feeling prevails among business men, and there are no symptoms of a panic.

VIRGINIA.—The BANK OF COMMERCE has been established at Richmond, VA., under a special charter, as successors to the late firm of ISAACS, TAYLOR & WILLIAMS. President, WILLIAM B. ISAACS; Vice-President, WILLIAM G. TAYLOR; Cashier, JOHN C. WILLIAMS. The present capital is $100,000. Their New York correspondent is the CHEMICAL NATIONAL BANK. Their card will be found on the cover of this work.

**RESUMPTION.**—We are pleased to announce that Messrs. A. M. KIDDER & CO., No. 4 Wall Street, have resumed active business. Also, the banking firm of BROWN, WADSWORTH & CO., No. 22 Nassau Street. Messrs. HOWES & MACY, 30 Wall Street, are receiving deposits and transacting business as before.

**The NEW YORK CLEARING HOUSE.**—The Clearing-House banks resolved, Thursday, October 23, to do away with the "pooling" and equalization, or "scaling," of greenbacks, from and after November 1. The resolution, as at first moved by the BANK OF COMMERCE, was to stop the unequal process at once, but an amendment was carried to substitute November 1, and, as amended, the resolution was adopted without a division. No motion was made to extend the amount of the seven-per-cent. Relief Certificates used in settlement of Clearing-House balances. A letter from the President of the UNITED STATES to Mr. WILLIAMS, of the METROPOLITAN BANK, which was simply read, and the President thanked for his kind suggestions.

At the CLEARING-HOUSE ASSOCIATION the following resolutions were adopted:

*Resolved,* That the message of the President of the UNITED STATES to the banks of NEW YORK be respectfully and gratefully acknowledged, and we cordially reciprocate his kind wishes, and will act in the spirit which he recommends.

*Resolved,* That from and after the first of November next, the equalization of legal tenders by the banks of this association be discontinued.

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**FOREIGN EXCHANGE.**—Messrs. JOHN MUNROE & CO., No. 8 Wall Street, are drawers of bills, in sums to suit, on the CONSOLIDATED BANK, London, and on MUNROE & CO., Paris. (*See their card in the advertising sheet of the* BANKER'S MAGAZINE.)

**SAVINGS BANKS.**—The annual return from the trustee savings banks of the UNITED KINGDOM shows that at the end of their year, on the 20th of November, 1872, the amount due to depositors was £39,680,652—namely, in ENGLAND and WALES, £32,546,401; in SCOTLAND, £4,452.492; in IRELAND, £2,221,852; and in the Channel Islands, £459,907. To this is to be added £19,318,339 due at the end of 1872 to depositors in post-office savings banks; making the total deposits, in round numbers, £59,000,000 sterling. The deposits increased in 1872 by upwards of £3,000,000; in the post-office savings banks by more than £2,250,000; and in the trustee savings banks by £860,000. The number of accounts open was nearly equal in the two classes of savings banks; in the trustee savings banks 1,425,147, and in the post-office banks 1,442,448. The number of accounts will soon reach 3,000,000, for the number in the trustee savings banks increased by 21,069 in the past year, and in the post-office banks by 138,956. There were 484 trustee savings banks in the UNITED KINGDOM at the end of the year, but the post-office banks had risen to 4,607 in number.

## NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from October Number, page 322.*)

**Additions to this list are solicited from the subscribers to this work.**

### NEW YORK CITY.

**Laidlaw & Co.** **Simons & Chew.**

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Carlyle, ILL | Ramsay & Seiter | Merchants' Exchange N. B. |
| Carbondale, " | City Bank | Henry Clews & Co. |
| Lebanon, " | Seiter & Ramsay | Merchants' Exchange N. B. |
| Shelbyville, " | First National Bank | ........ |
| Eldora, IOWA | Bowdle & Newcomer | Austin Corbin. |
| Mason City, " | T. G. Emsley | Austin Corbin. |
| Sac City, " | D. Carr Early | Austin Corbin. |
| Florence, KAN | Miners' Bank and Sav. Inst. | Henry Clews & Co. |
| Washington, " | George W. Shriner | Austin Corbin. |
| Allegan, MICH | Allegan City Bank | American Exchange N. B. |
| Benton Harbor, " | Hopkins & Jackson | Kountze Brothers. |
| North Lansing, " | E. Angell | Henry Clews & Co. |
| St. Cloud, " | St. Cloud Bank | Henry Clews & Co. |
| Greenville, MISS | W. H. Archer & Co | Henry Clews & Co. |
| Chardon, OHIO | Geauga Sav. & Loan Asso | Henry Clews & Co. |
| Pottsville, PA | Merchant's Exchange Bank | Henry Clews & Co. |
| Westchester, " | Westchester Bank | Henry Clews & Co. |
| Austin, TEXAS | M. D. Miller | Swenson, Perkins & Co. |
| Winneconne, WIS | Sackett & Co | Ninth National Bank. |

*International Postal Money Orders.*—The establishment of the international postal money order system between the UNITED STATES and GREAT BRITAIN and GERMANY has proved even more successful than was anticipated. The balances have, as a matter of course, been largely against this country; or, in other words, more money has been sent to ENGLAND and GERMANY through the Post Office, from this country, than has been sent here from them. The post office department remits weekly about £ 3500 to ENGLAND, and a still larger amount at the end of each month in settlement of the monthly accounts; so that the monthly balance against the UNITED STATES is about $ 75,000, or at the rate of nearly $ 1,000,000 per annum, which is the amount remitted to GREAT BRITAIN annually through the money-order offices, more than is remitted to this country from ENGLAND in the same way. This difference is very largely accounted for by the remittances of English and Irish emigrants sent to their relatives to assist them in coming to the UNITED STATES, or for their use at home.

## CHANGES OF PRESIDENT AND CASHIER.

### OCTOBER, 1873.

(*Monthly List; continued from October No., page* 318.)

**Banks are requested to furnish prompt notice of any future changes.**

| *Name of Bank.* | | *Elected.* | *In place of* |
|---|---|---|---|
| Ansonia N. B., Ansonia, | CONN. | Charles H. Pine, *Cash*... | A. J. Hine. |
| First Nat. Bank, Canton, | ILL. | D. W. Vittum, *Pres*...... | *James H. McCall. |
| " " " | " | Christopher Wilson, *V. P.* | D. W. Vittum. |
| Union Sav. Bk, Waterloo, | IOWA. | Edmund Miller, *Pres*..... | A. T. Lane. |
| Neodesha S. B., Neodesha, | KAN. | Wm. Hill, *Cash*......... | H. H. Henderson. |
| Conway N. Bk., Conway, | MASS. | E. D. Hamilton, *Pres*.... | John D. Todd. |
| Quinsigamond Nat. Bk., Worcester, ........ | " | Alden A. Howe, *Cash* ... | *Joseph S. Farnum. |
| First Nat. Bk, Lake City, | MINN. | G. F. Benson, *Pres* ..... | L. H. Garrard. |
| Lucas Market Sav. Bk., St. Louis, .......... | MO. | M. W. Seely, *Pres* ...... | H. L. Patterson. |
| Home Sav. Bk, St. Louis, | " | H. S. Parker, *Pres*....... | Jos. Hodgman. |
| Capital Bank, " | " | Wm. Throckmorton, *Cash*. | J. G. Hermann. |
| F. & D. Sav. Bk, Kansas City, | " | G. W. Sedgwick, *Pres*... | A. A. Bainbridge. |
| Bank of Pike County, Louisiana ........ | " | W. H. Biggs, *Pres*....... | Hugh Allen. |
| | | A. M. Weir, *Cash*........ | E. C. Murray. |
| Farmers and Merchants Bank, Middletown Pt.... | N. J. | C. H. Wardell, *Cash*..... | H. W. Johnson. |
| First N. Bk., Tarrytown, | N. Y. | J. Odell, *Cash*........... | *J. H. Rosenquest. |
| Farmers N. B., Mansfield, | O. | Geo. A. Clugston, *Cash* .. | Jacob Hade. |
| Clinton Co. N. B., Wilmington, | " | F. M. Moore, *Pres*........ | R. E. Doan. |
| First Nat. Bank, Gettysburg, | PA. | H. S. Benner, *Cash*...... | George Arnold. |
| Merchants' N. B, Memphis, | TENN. | T. H. Rice, *Cash*......... | John J. Freeman. |
| People's Sav. B., Lynchburg, | VA. | J. W. Ivey, *Cash*....... | James O. Williams. |
| People's Sav. B., Petersburg, | " | R. G. Greene, *Vice-Pres*.. | E. Armstrong. |
| " " " | " | S. C. Donnan, *Cash*...... | J. M. Donnan. |

* Deceased.

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BANK HOLIDAYS.—There will be two legal holidays in the State of NEW YORK in the month of November, viz:

TUESDAY, November 4th, a general election day throughout the State, (being the first Tuesday after the first Monday in November,) according to the statute.

II. THURSDAY, November 27th.—This day has been named by the President of the UNITED STATES, in his proclamation as a DAY OF THANKSGIVING.

# DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from October No., page 320.*]

NEW YORK CITY.

[*Of the suspensions noted below, many are probably but temporary. Besides these a number of banks and bankers have been mentioned in the daily press which have already resumed currency payments, or are on the eve of doing so.*]

| | |
|---|---|
| Albert Cole. | William Hoge & Co. |
| Delos E. Culver & Co. | Northrup & Chick. |
| Gibson, Casanova & Co. | C. H. Pierce. |
| Gilman, Son & Co. | Whittemore & Co. |
| George Bird Grinnell & Co. | Wise & Cross. |

Lees & Waller (succeeded by Laidlaw & Co.)

CONNECTICUT.—A. F. Abbott, *Waterbury*, (*suspended.*)

DELAWARE.—John McLear & Son, *Wilmington*, (*suspended.*)

GEORGIA.—Dollar Savings Bank, *Atlanta*, (*suspended.*)

ILLINOIS.—John Kinsey, *Chicago*, (*suspended.*)

INDIANA.—Farmers' Bank, *Greencastle*, (*suspended.*)

IOWA.—Orchard City Savings Bank, *Burlington;* Merchants' National Bank, *Dubuque*, (*failed*); Head Brothers, *Jefferson*, (*suspended.*)

KANSAS.—First National Bank, *Leavenworth*, (*suspended*).

LOUISIANA.—New Orleans Banking Association, (*failed.*)

MARYLAND.—William Fisher & Sons, *Baltimore*, (*suspended.*)

MICHIGAN.—W. W. Carpenter, *Benton Harbor*, (succeeded by Hopkins & Jackson); T. P. Sheldon & Co., *East Saginaw*, (*suspended*); B. C. Hoyt & Son, *St. Joseph*, (*failed.*)

MISSOURI.—Union National Bank, *St. Louis*, (*gone into liquidation*); A. H. Shindler & Co., *Waverly*, (*dissolved.*)

MINNESOTA.—R. J. Mendenhall, *Minneapolis*, (*suspended.*)

NEBRASKA.—Farr & Trew, *Gibbon*, (*dissolved*,) (succeeded by F. S. Trew.)

NEW JERSEY.—State Bank, *New Brunswick*, (*suspended.*)

NEW YORK.—Ford & Fuller, *Albany*, (*suspended*); H. W. Burt & Co., *Buffalo*, (*suspended*); C. W. Smith & Co., *Cooperstown*, (*united with First National Bank.*)

NORTH CAROLINA.—Burbank & Gallagher, *Washington*, (*suspended.*)

OHIO.—First National Bank, *Mansfield*, (*failed*); Harshman & Gorman, *Dayton*, (*suspended*); Kraus & Smith, *Toledo*, (*failed*); Muskingum Valley Bank, *Zanesville*, (*suspended.*)

PENNSYLVANIA.—James T. Brady & Co, *Pittsburgh*, (*suspended*); Bushong & Brother, *Reading*, (*suspended.*)

TENNESSEE.—De Soto Bank, *Memphis*, (*suspended*); Mechanics' Bank; Traders' Bank, *Nashville.*

TEXAS.—H. Seeligson & Co., *Cuero*, (*continue at Indianola*); W. Jockusch & Co., *Galveston*, (*suspended.*)

WISCONSIN.—W. S. Candee, *Milwaukee*, (*suspended.*)

# FINANCIAL CHRONOLOGY.

[*Continued from October No., page* 323.]

## SEPTEMBER.

29 BANK OF ENGLAND rate raised to 5 per cent.
29 FIRST NATIONAL BANK, Hingham, MASSACHUSETTS, closed, on account of defalcation of $ 40,000 by LOVETT, Cashier.
30 Reopening of the New York Stock Exchange.

## OCTOBER.

1 Suspension of NORTHRUP & CHICK, Bankers, New York.
1 Suspension of PATON & CO., 341 Broadway, New York.
2 Failure of GEORGE B. GRINNELL & CO., Stock Brokers, New York.
4 Resumption of business by A. M. KIDDER & CO.
4 Suspension of N. O. NATIONAL BANKING ASSOCIATION.
7 Defalcation of Cashier of MERCHANTS' NATIONAL BANK of Lowell, MASS.
9 Suspension of GIBSON, CASANOVA & CO., Bankers, New York.
13 Resumption of currency payments by banks of Cincinnati.
13 Report of New York Clearing House recommends liquidation of NATIONAL BANK COMMONWEALTH.
14 Suspension of WILLIAM HOGE & CO., Bankers, New York.
15 Suspension of GILMAN, SON & CO., Bankers, New York.
15 Defalcation of $ 300,000 by Cashier of State Treasury of NEW YORK.
15 BANK OF ENGLAND rate raised from 5 to 6 per cent.
15 Resumption of business by BROWN, WADSWORTH & CO., Bankers, New York.
18 BANK OF ENGLAND rate of discount raised to 7 per cent.
25 Bids for $ 1,974,600, loan deficiency in Sinking Fund, State of NEW YORK.

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NEW YORK GOLD EXCHANGE.—The following is a list of the officers of the New York Gold Exchange for the ensuing year, and who were elected October 21, 1873:

*President*, James B. Colgate. *First Vice-President*, E. T. Bragaw. *Second Vice-President*, T. F. B. Parker. *Treasurer*, R. L. Adams. *Secretary*, Wm. P. Wescott.

*Members of the Executive Committee.*—Charles H. Ward, Wm. B. Bend, B. K. Stevens, James Curphey, W. J. Hutchinson, Simon Schafer, J. F. Underhill, Aug. Limbert, John Wallace.

*Finance Committee.*—E. S. Ballin, Charles Unger, L. C. Meyer, J. Seligman, W. T. Hatch.

*Arbitration Committee.*—Townsend Cox, M. C. Klingenfeld, Jos. H. Tucker, C. H. Leland, C. O. Baker.

*Committee on Admissions.*—C. F. Davenport, C. Garlichs, E. W. Gould, H. C. Fuller, A. V. Richards, H. A. Hurlbut, Jr., R. B. Whittemore, W. B. Sanctor, Howard Bird.

# NOTES ON THE MONEY MARKET.

## New York, October 23, 1873.

***Exchange on London, at sixty days' sight,* 107 @ 108 *for gold.***

The money market has been in a continued state of excitement throughout the month of October. The failures of numerous bankers in September and October have lessened confidence as to the position of firms hitherto in first-class credit. The drain upon currency in Wall Street continued for several weeks, for account of Western and Southern bankers, who have had to sustain a severe pressure for the past six weeks from their own depositors.

The chief features of the month of October are noted in a rapid decline in the rates of exchange, at New York, on England, and on the Continent, and in heavy shipments of coin and bullion from Liverpool to the United States. Bankers' bills on London, at sixty days' sight, have been sold this month as low as 105 to 106, equivalent to 3 to 4 per cent. discount, the real par being about 109⅝.

There is a temporary cessation of foreign export of gold from New York to Europe, the shipments to the third week of October, since 1st January last, having been $42,926,000. The comparative exports for the same period (9½ months) having been as follows:

| | | | | | |
|---|---|---|---|---|---|
| Year 1856. | $29.090,000 | Year 1862. | $45,811,000 | Year 1868. | $66 430,000 |
| " 1857. | 33,216,000 | " 1863. | 36.007,000 | " 1869. | 27,383,000 |
| " 1858. | 22,513.000 | " 1864. | 35,806,000 | " 1870. | 50,686.000 |
| " 1859. | 60,019,000 | " 1865. | 23,803,000 | " 1871. | 56.717,000 |
| " 1860. | 40,060,000 | " 1866. | 54,113,000 | " 1872. | 60.233,000 |
| " 1861. | 3.283,000 | " 1867. | 42,922 000 | " 1873. | 42,926,000 |

On October 7, the steamship *Java* arrived at this port with the first shipment of bullion made from Europe after the reception there of the news of the financial crisis in America. The following is a list of the bullion arrived from England at this port since the movement commenced:

| | |
|---|---|
| Java, arrived October 7 | £372,000 |
| Donau, do. do. 10 | 136.000 |
| Italy, do. do. 11 | 250,000 |
| Baltic, do. do. 10 } City of Paris, do. 11 } | 525,000 |
| Making a total of | £1,283,000 |

of which amount £1,087,000 passed into the Assay Office in this city. The sum of £1,936,000 is on the way to this port, making the aggregate about fifteen millions of dollars; a large portion of which will go to the mint, and a still larger portion will be returned to EUROPE within three or four months.

There is a marked decline in the foreign importations at this port; equivalent to ten per cent. for nine months of 1873, compared with 1872. The general results for three years (to date) are as follows:

*Foreign Imports at New York for Nine Months from January 1.*

| | 1871. | | 1872. | | 1873. |
|---|---|---|---|---|---|
| Entered for consumption....... | $165,096,546 | ........ | $ 159,292,057 | ........ | $ 143,353,313 |
| Entered for warehousing....... | 111,353,165 | ........ | 147,989,463 | ........ | 100.371,260 |
| Free goods.................... | 22,584,178 | ........ | 37,998,958 | ........ | 67,960,217 |
| Specie and bullion....... .... | 5,586,766 | ........ | 5,002,483 | ........ | 3,901.492 |
| Total entered at port.......... | $ 304,620,655 | ........ | $ 350,282,961 | ........ | $ 315,586,282 |
| Withdrawn from warehouse... | 98,625,022 | ........ | 127,863,482 | ........ | 96,840,250 |

Of the $ 350,282,961 imported for the first nine months of the year 1872, only $ 118,452,918 consisted of dry goods; of the $ 315,586,282 landed here for the nine months ending with September, 1873, only $ 98,893,708 were in dry goods; the remainder consisted of sugar, tea, coffee, spices, drugs, metals, liquors, wines, hides, leather, wool, and the like.

The following will show the comparative customs at this port for the last month and since the beginning of the year:

*Revenue from Customs at New York.*

| | 1871. | | 1872. | | 1873. |
|---|---|---|---|---|---|
| In September.................... | $ 15,733,891 | ........ | $ 13,274,126 | ........ | $ 10,959,722 |
| Previous Eight Months........... | 102,559,904 | ........ | 100,409,026 | ........ | 85.013,531 |
| Nine Months ..................... | $ 118,293,796 | ........ | $ 113,683,153 | ........ | $ 95,973,254 |

All of the above figures represent coin.

With a decrease in imports amounting to over six millions and more than six millions gain in the exports, the trade presents a different aspect from the report of last year. We now bring forward the relative exports from the beginning of the year:

*Exports from New York to Foreign Ports for Nine Months from January 1.*

| | 1871. | | 1872. | | 1873. |
|---|---|---|---|---|---|
| Domestic produce................ | $ 166,414,661 | ........ | $ 158,102,659 | ........ | $ 206,756,640 |
| Foreign free goods................ | 996,862 | ........ | 1,147,343 | ........ | 1,618,167 |
| do. dutiable.................. | 5,893,916 | ........ | 7,418,010 | ........ | 6,877,128 |
| Specie and bullion................ | 57,619,924 | ........ | 58,382,370 | ........ | 41,559,101 |
| Total exports..................... | $ 230,925,363 | ........ | $ 225,050,382 | ........ | $ 256,811,036 |
| do. exclusive of specie....... | 173,305,439 | ........ | 166,668,012 | ........ | 215,251,935 |

The Stock Exchange, at New York, was reopened September 30, without any renewal of the panic; before the session closed the official announcement was made that no one had failed on that day, and that there was not a single delinquent member on earlier transactions. This virtually marked the close of the panic; public confidence has been restored in great measure, and trade and commerce are flowing back into their natural channels. The National Bank of the Commonwealth is the only suspension among the banks.

The banks of the City of New York have issued no weekly statement through the Clearing-House since the 22d September, owing to the financial condition:

| 1867. | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* | *Weekly Clearings.* |
|---|---|---|---|---|---|---|
| Jan. 5 .... | $257,852,460 | $12,791,892 | $65,026,121 | $32,762,779 | $202,533,564 | $466 957 787 |
| Jan. 4, '68.. | 249.741,297 | 12.721,614 | 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 | 585.304.729 |
| 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 | 188,238.995 | 467,692,982 |
| July 3..... | 296,237,959 | 16.526.451 | 71,348,828 | 30,494,457 | 243,308,693 | 561,365,458 |
| Jan. 1, '72.. | 270,534,000 | 25.049,500 | 40,282,800 | 28,542,800 | 200,409.800 | 591.802.964 |
| 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 | 40,721,000 | 27.601,300 | 202,066,100 | 818,260,202 |
| April 7..... | 273,534,000 | 15,664,400 | 31,940,500 | 27,715,800 | 187,687,000 | 780,498.463 |
| May 5..... | 270,721,100 | 18,677,800 | 40,051,700 | 27,564.400 | 196,471.900 | 698.038,785 |
| June 2..... | 277.958,800 | 19,482,000 | 44,332.300 | 27,447,100 | 208.136.500 | 454,272,030 |
| July 7..... | 286,905,800 | 33,551,400 | 48,168,000 | 27.276,200 | 232,369,400 | 478.571,386 |
| July 29..... | 289,389,100 | 31,249,300 | 49,957,100 | 27,225.100 | 239,118,300 | 547,225.952 |
| Aug. 4..... | 289,986,200 | 30,272,200 | 50,030,500 | 27,188.000 | 238,840,900 | 465,712.370 |
| Sept. 1..... | 288,883,000 | 23.095,200 | 44,729,300 | 27,281.900 | 220,390,300 | 447,799,948 |
| " 8..... | 288.374,200 | 21.767,000 | 38,679,900 | 27,355,500 | 212,772,700 | 553,727 902 |
| " 15..... | 281,536,200 | 20,442,300 | 36,717,200 | 27,383,400 | 207,317,500 | 548,295.973 |
| " 22..... | 278,421,700 | 18,844,600 | 34,307,900 | 27,414,200 | 198,040,100 | 654,392,916 |

It is believed that the banks will be in a condition in a few days to resume the payment of currency on all checks and drafts, and to transact business in the usual mode. The suspension of currency payments has created serious inconvenience to the community, and was authorized only by the extreme exigencies of the day.

The foreign exchanges were so disorganized at our last monthly report that no specific tabular statement could well be made. Commercial bills on London were sold recently at as low a figure as 102, (equivalent to 7 or 7½ per cent. discount;) and bankers' sixty-day bills sold in moderate amounts at 105½ to 106 at the height of the panic. These low prices led to large shipments of gold from ENGLAND to New York, for investment in prime bills at low figures.

Foreign Exchange this week has been nominally steady on the basis of 106¼ *a* 106¾ for Bankers' 60 days Sterling bills, and 107⅝ *a* 108 for do. at short sight. We quote: Bills at 60 days on London, 105 *a* 106 for commercial; 106¼ *a* 106¾ for bankers'; do. at short sight, 107⅝ *a* 108; Paris, at 60 days, 5.42½ *a* 5.32; do. at short sight, 5.30 *a* 5.27½; Antwerp, 5.42½ *a* 5.33¾; Swiss, 5.40 *a* 5.32½; Hamburg, 4 Reichsmark, 92¼ *a* 93½; Amsterdam, 38⅝ *a* 39⅜; Frankfort, 39½ *a* 40¼; Bremen, 4 Reichsmark, 92¼ *a* 93½; Prussian thalers, 69¼ *a* 70⅜.

The prices at this date, compared with June, July and August, are as follows:

| *Sixty days' Bills.* | *June* 21. | *July* 21. | *Aug.* 21. | *Oct.* 22. |
|---|---|---|---|---|
| On London, bankers'... | 109 @ 109¼ | 109⅛ @ 109⅜ | 107¾ @ 108 | 107 @ 108 |
| " commercial | 108⅜ @ 108⅞ | 108½ @ 109 | 107¼ @ 107⅝ | 105 @ 106 |
| Paris, francs, ℔ dollar.. | 5.28¾ @ 5.24⅜ | 5.27½ @ 5.23¼ | 5.35 @ 5.30 | 5.42½ @ 5.32½ |
| Amsterdam, ℔ guilder. | 39⅞ @ 40⅜ | 40 @ 40½ | 39⅝ @ 40 | 38⅝ @ 39⅜ |
| Frankfort, ℔ florin .... | 40⅞ @ 41⅜ | 41 @ 41⅜ | 40½ @ 40⅞ | 39½ @ 40¼ |
| Hamburg, ℔ 4 R'mark.. | 95⅝ @ 96¼ | 95¾ @ 96⅜ | 94½ @ 95 | 92¼ @ 93½ |
| Prussian thalers ........ | 71¾ @ 72¼ | 71¾ @ 72⅜ | 70⅝ @ 71¼ | 69¼ @ 70⅜ |

The above rates for this week's steamers are obviously below par, and cannot remain so for any length of time. Bills on EUROPE must soon return to their real par or approaching it, as the balance of indebtedness is largely against New York.

The banks of Boston have made their weekly exhibits regularly, and in view of the disorganization existing throughout the country, the present condition of the banks is favorable.

| | *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 |
| April 7 | 120,001,600 | 922,600 | 8,939,300 | 25,519,400 | 64,623,200 |
| May 5 | 117,501,100 | 1,401,100 | 9,191,600 | 25,625,700 | 65,809,400 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25,445,100 | 69,422,800 |
| July 7 | 122,947,000 | 1,935,400 | 11,267,600 | 25,487,700 | 73,218,900 |
| Aug. 4 | 123,617,400 | 1,536,000 | 10,955,600 | 25,550,000 | 71,110,300 |
| " 25 | 123,200,800 | 1,042,800 | 10,671,900 | 25,451,400 | 68,745,400 |
| Sept. 1 | 123,417,600 | 1,121,500 | 10,733,200 | 25,490,200 | 68,625,500 |
| " 8 | 121,068,000 | 1,006,300 | 10,071,300 | 25,544,500 | 67,662,400 |
| " 15 | 123,523,800 | 1,238,500 | 9,016,300 | 25,611,500 | 64,837,700 |
| " 22 | 122,108,000 | 1,642,900 | 8,418,600 | 25,682,400 | 61,822,200 |
| " 29 | 119,832,700 | 1,309,200 | 8,182,700 | 25,677,700 | 56,638,700 |
| Oct. 6 | 119,463,000 | 1,363,400 | 8,308,100 | 25,948,400 | 55,913,400 |
| " 14 | 120,327,300 | 1,608,000 | 9,003,200 | 26,061,500 | 56,950,600 |

The Philadelphia banks have ceased their weekly exhibits for the present. We reproduce the returns from our last number, to which no additions have been made for the public eye.

| | *Loans.* | *Specie.* | *Legal Tenders.* | *Circulation.* | *Deposits.* |
|---|---|---|---|---|---|
| Jan. 4, 1868 | $59,002,304 | $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 | 11,389,972 | 41,495,605 |
| April 7, " | 57,075,617 | 130,936 | 9,663,471 | 11,475,119 | 40,124,310 |
| May 5, " | 59,006,414 | 238,914 | 11,641,739 | 11,438,679 | 45,177,200 |
| June 2, " | 61,135,011 | 116,089 | 15,377,993 | 11,434,591 | 51,833,223 |
| July 7, " | 60,480,403 | 322,626 | 14,513,757 | 11,431,847 | 48,200,545 |
| Aug. 4, " | 59,923,183 | 356,531 | 15,227,709 | 11,414,767 | 48,255,437 |
| " 25, " | 59,714,370 | 210,215 | 13,391,000 | 11,450,378 | 45,395,053 |
| Sept. 1, " | 59,317,093 | 208,580 | 13,348,119 | 11,454,680 | 45,089,892 |
| " 8, " | 58,254,221 | 205,780 | 13,608,988 | 11,440,920 | 44,697,137 |
| " 15, " | 59,007,671 | 271,973 | 13,179,110 | 11,476,794 | 44,363,277 |
| " 22, " | 58,109,410 | 258,965 | 12,432,254 | 11,473,843 | 43,018,525 |

The New York Clearing-House Association postponed their annual meeting for this year, from October till January next, when the election for the usual officers will take place. We give in another portion of this number a summary of the operations of the Association for the past year and the previous nineteen years.

Some idea of the extraordinary fluctuations in stocks in this market may be formed from the following comparative table, which shows the closing prices for stocks on September 17 (the day before the suspension of Jay Cooke & Co., the beginning of the panic), on September 20, when the Stock Exchange was suddenly closed, and on September 30, at three o'clock:

| | *Sept. 17.* | *Sept. 20.* | *Sept. 30.* | |
|---|---|---|---|---|
| | *Closing.* | *Closing.* | *Bid.* | *Asked.* |
| N. Y. Central and Hudson | 99¾ | 91¼ | 91⅛ | 91⅜ |
| Harlem | 127⅛ | 103 | 111½ | 114 |
| Erie | 55⅛ | 53⅛ | 51⅛ | 51¼ |
| Lake Shore | 90⅜ | 83 | 74¾ | 75 |
| Wabash | 55⅝ | 44 | 44½ | 45 |
| North-Western | 52⅞ | 40 | 43 | 44 |
| North-Western Pref. | 75¾ | 70 | 65 | 66 |
| Rock Island | 101⅝ | 88 | 90½ | 91 |
| Milwaukee and St. Paul | 43¼ | 32¾ | 33¾ | 34½ |
| Ohio and Miss | 68 | 27¼ | 29⅜ | 29⅝ |
| Union Pacific | 36⅛ | 18 | 19¼ | 19⅜ |
| C., C. and Ind. Central | 23¾ | 19 | 23¼ | 24 |
| Hannibal and St. Joseph | 26⅜ | 22⅛ | 23½ | 25 |
| Pittsburgh | 30 | 80 | — | — |
| Panama | 113⅛ | 90 | 94½ | 99 |
| Del., Lack.. and Western | 88⅛ | 89 | 87¾ | 88 |
| West. Union Tel | 42⅛ | 55⅛ | 66⅛ | 66¼ |
| Pacific Mail | — | 32 | 33⅛ | 34 |

Such has been the severity of the revulsion in money affairs, recently, that the money markets of Europe are thereby disturbed. The values of American and local securities in those markets have undergone violent fluctuations; and the rates for money have gone up rapidly, accompanied by an advance in the Bank of England rates, from 4 to 5, and from 5 to 6; and at the close of last week, from 6 to 7 per cent.

Throughout the country at large financial prospects seem everywhere brightening. No additional failures of consequence are reported, and comparatively few operatives have yet been discharged from large manufacturing establishments in consequence of any monetary stringency. One feature of the month is a letter from Secretary Richardson giving his reasons for declining the proposition of the New York Produce Exchange, that he should issue currency to the banks on special gold deposits in the Bank of England, and prepay the United States bonds due January 1, 1874. It is also considered probable that the Treasury will have to draw on the forty-four million reserve to meet future demands.

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## *DEATHS.*

At Watertown, Jefferson County, N. Y., on Thursday, September 18th, aged twenty-nine years, Frederick L. Woolley, Assistant Cashier of the Merchant's Bank of Watertown.

At Mountain City, Nevada, on Saturday, August 30th, aged sixty-three years, James H. McCall, President of the First National Bank of Canton, Illinois, from its organization in May, 1864, till his death.

THE

# BANKER'S MAGAZINE,

AND

# Statistical Register.

VOL. VIII. THIRD SERIES. DECEMBER, 1873. No. 6.

## THE BANK CHECK *versus* THE BANK NOTE.

BY HENRY CAREY BAIRD, OF PHILADELPHIA.

In nothing may we more certainly or more surely detect the false teacher, than in his inconsistencies—his failure to carry out his doctrines to their logical conclusions, and to stand by them, especially in the practical affairs of life. Let us, for a moment, subject to this test the contractionist—the man who has a holy and a perennial horror of what he is pleased to call "an inflated, irredeemable paper currency." He carries on a perpetual, a never-ceasing war of words against the circulating note, *the little monetary instrument*, which is daily and hourly needed in all the small transactions of life, and which enables the people of the present day to make their exchanges freely, promptly and satisfactorily; unobstructed by those difficulties which, in primitive times, resulted in barter, long credits, open accounts, and societary stagnation.

This contractionist has, however, never been known to interpose any objection whatsoever, on the score of either law or expediency, to the BANK CHECK—*the great monetary instrument of civilization.* This instrument, it is, which to-day is the powerful lever that moves the business of the world, *and the volume of which, created in any period of forty-eight hours of business activity, in almost any great trading community or country, is equal to the entire amount of notes and specie in circulation in such community or country.* For instance, the amount of such checks passing through the London Clearing House, to which the BANK OF ENGLAND does not belong, for the year ending April 30, 1873, was $30,000,000,000, or nearly $100,000,000 per day; while that of those going through the New York Clearing House for the year ending October, 1872, was $33,844,369,568, or $105,964,277 per day. Further, this contractionist has never been known to express the least enmity to the Clearing House, the institution which, above all other inventions, leads to the greatest economy in the use of bank notes. For instance, the average daily balances paid through the New York Clearing House, in settlement of the clearings above named, were but $3,939,265, *or less than three and three-quarters per cent.;* so that, by the intervention of this institution, $3.75 are made to do the work which would require $100 without it,* and which, in fact, does require $100 in the country, where men are isolated.

Surely, here is a field extended enough for the exercise of the contractionist's great genius, as a philosophical financier and a reformer! Suppose, for a season, he was to allow a respite to the little monetary instrument, and try his hand at a tilt against the great monetary instrument, the bank check, and what may be called *the labor-saving machinery of finance*—the Clearing House. The advantage to society, in having him thus to change his point of attack, would be that his adversaries, intrenched in the intelligence, and interwoven with all the grand affairs of the people, would be too great and powerful for him. Within twenty-four hours after he had advanced sufficiently far to threaten society with his complete success, that society would, as one man, rise up and drive him into oblivion, and never again, throughout all time, would he be regarded as the teacher of a true and beneficent doctrine.

Let us see what might be expected to be the effect of a successful attack upon the bank check and the Clearing-house system.

On April 23, 1873, the capital of the National banks of the United States was $487,891,251, and their circulation $338,163,864. They held the following notes in their possession :

| | |
|---|---|
| Bills of National banks | $19,276,210 |
| Bills of State banks | 38,992 |
| Fractional currency | 2,198,973 |
| Legal-tender notes | 99,935,287 |
| U. S. certificates of deposit of legal tenders (equivalent to the notes) | 17,215,000 |
| | $138,664,462 |

Suppose all these resources placed at the command of the banks of New York, and that then it be made unlawful for the bank check to be used for any purpose whatsoever, other than to draw the money directly from its proper bank, without passing through any hands but those of the drawer, or through any other bank. This would, at one blow, annihilate the great monetary instrument, and the Clearing-House system—an end perfectly consistent with, and logically flowing from, the doctrine of the contractionist; for if the State should not itself make, or allow others to make, circulating notes beyond a

* The clearings of the London Clearing House are effected without the use of circulating notes at all, being made by checks drawn upon the Bank of England.

certain arbitrary limit, why should every man who keeps a bank account be permitted to make circulating checks at pleasure, and the banks to keep up a Clearing House, where these checks are cleared with but $3.75 of circulating notes for every $100 of their amount.

The average daily clearings of checks in the New York Clearing House being, as we have seen, $105,964,277, and the total amount of currency held by all the National banks in the UNITED STATES being $138,664,462, without that Clearing House, the actual payment of all of these checks over the counter would at the end of the first day leave but $32,700,185, without any provision for checks not now passing through the Clearing House. These latter checks under this *new*, *improved*, and *enlightened* system of forcing the world to use circulating notes for fear of an "inflation of prices," might possibly be taken care of by the deposits of the day, although were it possible to hold out but a few days, even this resource would fail; as a very large proportion of the circulation of the country would soon be required for remittances, but would be totally inadequate, and would ever be traveling by express or by mail throughout the length and breadth of the land, until societary death ensued, and remittances were made no more. But one day's experiment of the contractionist plan would quite satisfy the banks and the people that the contractionist was an enemy of the State, of the people, and of business in all its branches, and that he deserved to be treated as such, and that he should never again be allowed to meddle with such vital questions; for this crisis of his production would be *the* financial crisis in the world's history.

But we shall probably be told that the American system of monetary affairs, checks, and bank credits, is all wrong, and is itself a system of inflation arising out of our "inflated, irredeemable paper currency." Let us then look at the British system, and compare it with our own. R. H. I. PALGRAVE, Esq., a recent able writer and careful and laborious investigator of banking statistics, in a paper read before the Statistical Society of London, of which he is a member, declares, upon data admitted to be sound, that the deposits of the British banks amount to £584,000,000, or about $2,900,000,000, against which they hold a cash reserve of but *four* (4) *per cent.*, or say $116,000,000.* On the other hand, the deposits of the National banks of the UNITED STATES, April 25, 1873, were but $664,190,598, against which they held a reserve of specie and legal-tender notes alone of $134,019,095, or over *twenty* (20) *per cent.!* Which system, let us now ask, shows the greater degree of "inflation," that of GREAT BRITAIN, with her so-called specie payments, or our own, with our "irredeemable paper money."?

The fact is, that no other country in the world has, for a century or more, in its financial affairs, been so completely under the control

* There is no country at present, and there never has been any country before in which the ratio of the cash reserve to the bank deposits was so small as it is now in England. So far from our being able to rely on the proportional magnitude of our cash in hand, the amount of that cash is so exceedingly small that a bystander almost trembles when he compares its minuteness with the immensity of the credit which rests upon it.—*Lombard Street: A Description of the Money Market.* By Walter Bagehot, Editor of *The Economist.* London, 1873, p. 18.

of men of whom our contractionist is the type, as GREAT BRITAIN. In ENGLAND the privilege of issuing circulating notes is a monopoly almost wholly in the hands of the BANK OF ENGLAND, and the system with this institution is of the most cast-iron character imaginable, and no notes are allowed under five pounds. The Government has even failed to respond to the urgent and oft-repeated demand of the people for the coinage of a larger supply of silver for small change, which is actually greatly needed. Having given the country an inadequate supply of the little monetary instrument—the circulating note—what more natural result could be looked for than that a people so active and enterprising, and so given to manufacturing, trading, and speculation, should supply themselves with an immense reservoir of bank credit, against which they could freely draw bank checks, thus largely availing themselves of the use of the great monetary instrument? What result more certain than that, with a more liberal supply of circulating notes, there should be more transactions for cash, and at the same time *a wider and a firmer base for a smaller system of bank and individual credits*,* and consequently greater security against the recurrence of those commercial crises which have taken place so often and proven so disastrous in GREAT BRITAIN? So far, then, from following the advice and the lead of the American contractionist, who is wholly and fatally on a false scent, and of *decreasing* the supply of the little monetary instrument—the circulating note—we should *increase* it, and thus make broader, more firm, and more enduring the foundation, while decreasing the superstructure of credit and of the great monetary instrument.

The most beautiful, the most perfect, and the most certain plan ever devised or suggested by man for the accomplishment of this grand object—financial stability—is to be found in that which is daily enlisting new advocates, and which proposes simply *a full supply of National paper money having the feature of interchangeability, at the option of the holder, for Government bonds, bearing a fixed rate of interest.* In such interchangeability there is "a subtile principle that will regulate the movements of finance and commerce as accurately as the motion of the steam-engine is regulated by its governor." This principle is the one which will *always cause to be maintained in practice, the true and sound relation between the volumes of the little monetary instrument—the circulating note, the great monetary instrument—the bank check, and bank credits.* Without the maintenance of such relation, financial stability is an utter impossibility.

HENRY CAREY BAIRD.

Philadelphia, October 13, 1873.

* This principle is well illustrated and enforced, by the condition of things which existed in this country at the end of the War of the Rebellion in 1865, before Mr. McCulloch had commenced his experiment of contraction and when the people were more free from debt in proportion to the volume of business, than at any previous period in our history. The reverse of the picture is to be seen at the present moment,

## Remarks.

We give place to the communication of a Philadelphia cotemporary, in order to show, first, that we agree with him in his leading point, as to the potency of the BANK CHECK, and, secondly, to show that his notion of an enlarged volume of bank paper is a dangerous one.

We have all along maintained that "the bank check—the great monetary instrument of civilization" is a dangerous one at any time, and especially to bankers in a time of panic; so dangerous, indeed, that the commercial community should have a "counter check" provided against its abuse. The bank deposits of the present day have assumed a magnitude which demands a counter balance, in order to secure depositors against the ill effects of a panic or revulsion—against the lamentable results of overtrading.

The enlarged volume of deposits at the present day is one of the immediate results of an enlarged volume of bank paper. It is the unreasonable and sudden creation of seven hundred millions of paper issues, that has suddenly increased the *apparent* wealth of the country. This is seen in the enlarged volume of the deposits on account of country bankers and others, as shown in the annual reports of the National banks and the State banks, viz.:

| | | *Deposits.* | *Bank Circulation.* | *Legal Tender.* | *Total Circulation.* |
|---|---|---|---|---|---|
| Banks, U. S., total, | 1859 | $259,000,000 | $193,000,000 | $104,000,000* | $297,000,000 |
| " " " | 1861 | 257,000,000 | 202,000,000 | 87,000,000* | 289,000,000 |
| Nat. banks only," | 1865 | 723,000,000 | 171,000,000 | 440,000,000 | 611,000,000 |
| " October," | 1866 | 733,000,000 | 280,000,000 | 453,000,000 | 733,000,000 |
| " " " | 1867 | 678,000,000 | 293,000,000 | 408,000,000 | 701,000,000 |
| " " " | 1868 | 724,000,000 | 295,000,000 | 390,000,000 | 685,000,000 |
| " " " | 1869 | 648,000,000 | 293,000,000 | 390,000,000 | 683,000,000 |
| " " " | 1870 | 653,000,000 | 296,000,000 | 395,000,000 | 691,000,000 |
| " " " | 1871 | 798,000,000 | 315,000,000 | 396,000,000 | 711,000,000 |
| " " " | 1872 | 769,000,000 | 333,000,000 | 398,000,000 | 731,000,000 |
| " " " | 1873 | 775,000,000 | 333,000,000 | 402,000,000 | 735,000,000 |

* Specie.

Now, if we add to 775 millions of National bank deposits, existing in 1873, those of the State banks (about 50 millions) we have an aggregate of over 800 millions in the whole country.

The "bank check" to which our correspondent alludes, or the drain upon deposits, amounts in our city to 150 millions per day; a sum 200 per cent. beyond all the paper circulation in the city; a sum which can be liquidated only by the economical administration or workings of the Clearing House.

Formerly (say thirty or forty years ago) the checks upon City deposits were mainly paid in bank paper; now, these important exchanges are accomplished by means of the bank check, through the Clearing House, avoiding the laborious and risky payments over the bank counter. There has not been paper money enough in this city, at any one day this year, to cover one day's payments in our commercial and financial channels.

Hence the bank check and its liquidating channel (the Clearing

House) have become actually necessary in order to make the ordinary exchanges of the day. It is not the bank check, to which our correspondent alludes, that has become alone the dangerous element in our financial movements from year to year.

It is the neglect of our law makers and of our financial managers to provide a counter check or safety valve against such heavy accumulations of cash liabilities. This counter check existed in the year 1866, at the opening of these heavy liabilities. The legal tenders held by the National banks then amounted to 205 millions or 25 per cent. of their deposits, but these reserves were reduced gradually to 118 millions at the close of the year 1872; a sum entirely inadequate to sustain such a superstructure as has been created in later years.

In order to show the sliding scale which unfortunately was adopted between the years 1865 and 1873, we present, for the consideration of our correspondent and of our readers, a tabular statement of the legal-tender reserves of the National banks of the whole country in each year.

*Legal Tender Reserve of the National Banks.*

1865–1873.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Jan., | 1865, | $72,000,000 | Jan., | 1868, | $164,000,000 | March, | 1871, | $130,000,000 |
| April, | " | 113,000,000 | April, | " | 149,000,000 | June, | " | 154,000,000 |
| July, | " | 168,000,000 | July, | " | 166,000,000 | Oct., | " | 136,000,000 |
| Oct., | " | 193,000,000 | Oct., | " | 158,000,000 | Dec., | " | 117,000,000 |
| Jan., | 1866, | $187,000,000 | Jan., | 1869, | $142,000,000 | Feb., | 1872, | $119,000,000 |
| April, | " | 193,000,000 | April, | " | 134,000,000 | April, | " | 123,000,000 |
| July, | " | 201,000,000 | July. | " | 132,000,000 | June, | " | 137,000,000 |
| Oct., | " | 205,000,000 | Oct., | " | 131,000,000 | Oct., | " | 118,000,000 |
| Jan., | 1867, | $186,000,000 | Jan., | 1870, | $134,000,000 | Feb., | 1873, | $ 96,000,000 |
| April, | " | 176,000,000 | June, | " | 140,000,000 | April, | " | 100,000,000 |
| July, | " | 177,000,000 | Oct., | " | 124,000,000 | June, | " | 106,000,000 |
| Oct., | " | 157,000,000 | Dec., | " | 124,000,000 | | | |

Had there been no serious failures in September or October, 1873, no panic would probably, have occurred: and the reduced volume of legal tenders would have been sufficient to meet the ordinary demands of the public. But the extraordinary and unexpected failures in these months induced the mass of country bankers to draw, for their own protection, upon Wall Street, for their deposits; and the combined movement was too much for the latter to respond.

Our correspondent must therefore concede, as every practical merchant and banker will, that the bank check is an efficient economiser of labor; and is, UNDER PROPER RESTRICTIONS, an efficient agent in commerce; in fact, that the great commerce of this country could not be carried on without such medium of exchange and of payment. The bank deposits are now, in fact, made a part of the active circulation of the country.

*Second.*

Our correspondent quotes Mr. PALGRAVE'S remarks to show the less reserve held by the BANK OF ENGLAND to meet its cash liabilities. The circumstances of the two countries (the UNITED STATES and ENGLAND) are utterly different. ENGLAND is a creditor nation of the whole world, and is the weekly recipient of millions of gold and silver, which have been rapidly accumulating there for a series of years. The export of gold from that country rarely exceeds the imports; and the moment that an unfavorable balance of foreign trade is created, *the screws are put down* by the bank, and borrowers are charged 8 to 12 per cent.; and hence, the number of borrowers promptly declines, soon leaving the market to the pressing demands of needy customers. Speculation thus receives a prompt check.

It is very different with us. We are a debtor nation, and our commercial policy of paper money now leads (and will continue to lead) to extravagance and bankruptcy. We are not only sending 60 or 80 millions of gold annually to EUROPE, but we have borrowed there over one thousand millions, which sum has been largely invested in perishable commodities, and for which we have obtained AN EXTENSION of fifteen or twenty years in the shape of government and corporate bonds. We continue a debtor nation, and as long as our money is debased and inferior to that of our creditors, we buy for gold and sell in paper at a loss.

### *Third.*

Our correspondent alludes to the "cast-iron character" of the BANK OF ENGLAND. It is precisely this cast-iron character which gives stability and uniformity to the financial position and movements of GREAT BRITAIN, and which compels the people to transact their business under a fixed rule and to *adapt themselves to the policy.* ENGLAND has had no increase for thirty years to her bank paper; (forty millions sterling being the standard) and that country thrives under this "cast-iron system." Their money circulates all over the world. The profits arising under this cast-iron rule are loaned by millions to foreign governments and to foreign corporations. The UNITED STATES, among other nations, pay annual tribute to the amount of fifty millions or more to ENGLAND for the capital borrowed.

A single remark from the *Westminster Review* for October, 1873, confirms this:

"We have, or are supposed to have, thirty millions of gold coins in circulation beyond the seas. English money is almost the only currency in EGYPT and BRAZIL. It is to be found in all the American and Chinese ports, as well as in our own colonies. It passes current all over the continent. It is to be found where you can find no other coin. It is to be found where, as in the ports of the Yellow River, in JAPAN, in Sumatra, in Borneo, you find the French and American dollar, the Spanish and the Mexican dollar, intermingled with Sycee silver and every other description of currency." *(See Westminster Review, October,* 1873, *page* 135.)

Our best thinkers considered the paper money of our country, in 1861, to be sufficient in bulk for the ordinary exchanges of commerce. Now we have quadrupled our paper circulation and quadrupled the cash liabilities of our banks, and the gold basis (after 750 millions of accumulation from CALIFORNIA and export abroad, in ten years) IS LESS NOW THAN TEN YEARS AGO.

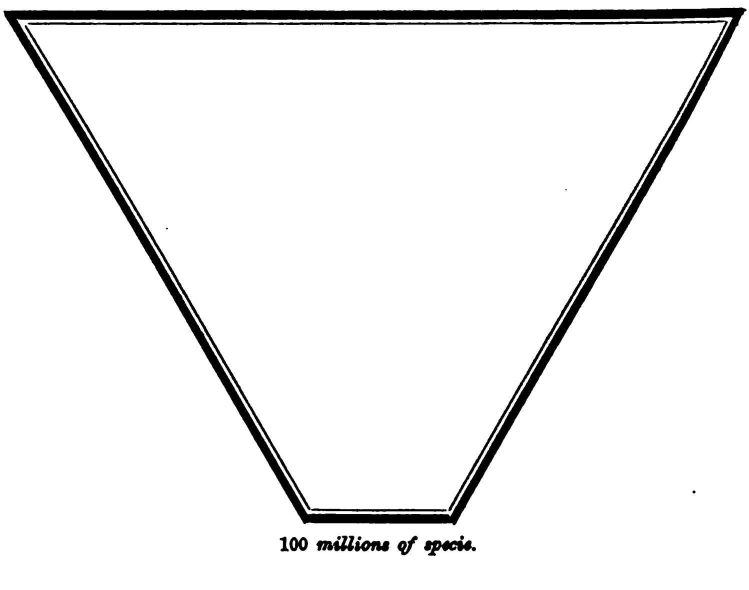
## CONCLUSION.

There is but one policy to adopt in order to place our finances and commerce upon a firm footing. This policy is to restore the currency to its former specie basis and thus place the country upon a level with ENGLAND and other specie-paying countries.

The first move in this direction will be for Congress to fulfil the promises made in 1862–1863, when the legal-tender money was created. Congress solemnly pledged its faith at that time, after full consideration, that the 400 millions of legal-tender money, being created SOLELY AS A WAR MEASURE, should be extinguished soon after the termination of the rebellion. Our readers will find this feature in history fully demonstrated in the July number of this work, pages 3 to 6. Nearly every member who took part in the debate, and every member who voted (many very reluctantly) for the paper currency, insisted, at the time, on this being done; in fact, their votes were given under a protest against the vicious system then adopted under compulsion and now in operation after a peace of eight years.

Diagram to illustrate the present relation of deposits and "war-measure" paper to our specie basis.

800 *millions of paper.*
1000 *millions of deposits.*



100 *millions of specie.*

Either restore the paper currency to its acknowledged former condition of ten dollars per head of the whole population, equivalent at this day to four hundred millions of dollars; or (what is the same thing), compel the issuers to keep on hand a metallic basis of twenty-five or thirty-three per cent. of the existing sum—say two hundred millions of gold against eight hundred millions of paper. If this metallic reserve be *pooled*, or placed at one common centre, there would be no necessity for the 5,000 banks, now existing, to keep in their separate vaults any large reserve.

Such a pool, in the Sub-Treasury for instance, would counteract any panic or series of panics in any one year; and a marked decline in such combined reserve would be a warning to bankers of an unfavorable foreign trade; thereby giving a caution to the whole community to curtail their business.

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NEW INVENTIONS.—Among the new and important inventions of which the last forty years have witnessed the creation, none has attained greater importance than the railway. Nothing, at any period in the history of the world, has given such an impetus to commerce and manufacture. We have expended nearly five hundred and sixty millions sterling in the creation of fifteen thousand miles of iron road. It is true that from the moment when the first English railway was baptized in the blood of an illustrious victim, the speculative element—the idea of investing for profit—has never been disconnected from the issue and transference of railway stock. But there has been an active creative vitality in this industry altogether apart from the question of transfer of property. We have applied to the surface of our island an amount of labor which has produced a system of internal communication unknown to our fathers. We have done this, to some extent, by the devotion to this branch of industry of a certain amount of labor diverted from some other occupation. But no one who is practically familiar with the development of the English railway system from its origin can doubt that the labor thus transferred has formed but a part, and that by no means the most important part of the labor that has created railways. Much of that labor has been called into action by the occasion. Not only have men who would otherwise have been idle, been fully and profitably employed, but the actual productive capacity of a great number of men has been enormously developed. Skill has been formed by experience; industry has been encouraged by remunerative employment; and not only so, but to a considerable extent, the *physique* of the laborer has been improved. The man has been better fed, as well as better directed. His capacity for work has been at once developed and utilized. Thus we have had a new and most advantageous application of labor. We have raised and formed a new and improved class of laborers. Our railways have enriched the country, not only by the facilities which they afford to communication, but still more by the elevation of the working class. They are not only benefits to the nation as a product of labor, but they can claim the yet higher title of being in themselves creators of laborers of a higher order than was to be found existent before their commencement, unless in so far as they were anticipated in this respect by our canals.
—*Edinburgh Review.*

## RESUMPTION OF SPECIE PAYMENT.

The recent crisis in financial affairs has led to serious consideration on the part of merchants, bankers and legislators, with a view to the adoption of such laws and such measures as will secure the community against a recurrence of the distressing condition which prevailed in September and October last. Public sentiment points to two leading measures to secure such results, viz:

I. A return to specie payments at the earliest period at which it can be SAFELY accomplished beyond a relapse.

II. The adoption of such laws as will compel the banks to maintain a stronger position in their available (or cash) resources.

There are various propositions before the community, prepared with a view to meet existing evils and to prevent their recurrence.

I. Mr. SHERMAN'S bill, submitted to Congress in January last, and laid over for future action. In the February No. of this magazine, 1873, we published the material parts of Senator SHERMAN'S bill, together with that of Mr. HOOPER, of MASSACHUSETTS (pp. 651, 652). Mr. SHERMAN'S proposition is as follows:

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 14, 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.

II. Mr. HOOPER, representative from Boston, proposes that the Treasury be authorized to issue certificates bearing 3.65 per cent. interest (or one cent per day per hundred dollars), in exchange for legal-tender notes of the UNITED STATES.

This proposition would accomplish some good if the notes were forthwith and gradually cancelled to a proper point; but the bill proposes to give to the secretary discretionary power to re-issue the bills so deposited. This would, however, be simply adding FUEL TO THE FLAME. If Congress would fulfil the promise made in 1862–1863, to liquidate, gradually, this currency, which was created solely as a WAR MEASURE, the country would gradually accommodate itself to its new paper volume; and the Treasury would be better able to respond in future years to the demands for specie. Secretary

McCulloch inaugurated this policy of gradual contraction *in strict conformity with the understanding in Congress in* 1863; but his policy, which would have resulted in specie payments by this time, was violently opposed and vetoed by Congress in the year 1866.

Mr. McCulloch's views* were sound and practical, and coincided with those of Congress in 1862–1863.

"The paper circulation of the country should be flexible, increasing and decreasing according to the requirements of legitimate business, while, if furnished by the Government, it would be quite likely to be governed by the necessities of the Treasury or the interests of parties, rather than the demands of commerce and trade. Besides, a permanent Government currency would be greatly in the way of public economy, and would give to the party in possession of the Government a power which there might be strong temptations to use for other purposes than the public good—keeping the question of currency constantly before the people as a political question, than which, few things would be more injurious to business.

"But the great and insuperable objection, as already stated, to the direct issue of notes by the Government, as a policy, is the fact, that the Government of the United States is one of limited and defined powers, and that the authority to issue notes as money is neither expressly given to Congress by the constitution, nor fairly to be inferred, except as a measure of necessity in a great National exigency. No consideration of a mere pecuniary character should induce an exercise by Congress of powers not clearly contemplated by the instrument upon which our political fabric was established.

"The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted; but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, these considerations will not, it is respectfully submitted, justify a departure from that strict construction of the Constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the Government has been proved by the manner in which it has carried on the greatest war of modern times; it only remains, for the vindication of its excellence and the perfection of its triumphs, that all powers exercised for its preservation, but not expressly granted by the Constitution, be relinquished with the return of peace."

Of the lamentable effects of an inconvertible paper currency, Mr. McCulloch truly says:

"What a healthy and reliable business requires is a stable basis. This it cannot have as long as the country is afflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be in no small degree controlled by speculative combinations."

* See Banker's Magazine for January, 1866, pages 513-520.

He adds:

"He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the Government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. . . .

"It is further urged that a reduction of the Government notes would embarrass the National banks, if it did not force many of them into liquidation.

"To which it may be said, that it is better that the banks should be embarrassed now, than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer, it is not difficult to predict."

Had these views been adopted and acted upon by Congress in 1866, there would have been no revulsion in 1873; and a healthy state of affairs, devoid of excessive speculation and extravagance, would have followed in 1870–1873. The unhealthy and unwise expansion of railroads and of foreign imports would have been avoided.

III. The Treasury policy of 1871–1873, inaugurated by Secretary BOUTWELL, should now cease. His idea was to cancel the public bonded debt as rapidly as possible, and to allow the legal-tender notes to remain in full force. This is in direct opposition to the judgments of the past and to the experience of sound merchants. The latter will, in case of temporary embarrassment (as is the condition of our public treasury), liquidate their cash liabilities first,* and defer their time bills to future years. The Treasury should allow the twenty-year bonds to rest until maturity, or until the finances allow their liquidation without inconvenience. The Secretary has ignored *the express terms upon which the legal-tender notes were created* in 1862–1863; terms which the Treasury and the country were IN HONOR BOUND TO MAINTAIN.

We consider the Treasury responsible, in a large measure, for the revulsion and distress of the year 1873. It will be found, sooner or later, that "*Honesty is the best policy.*" Congress should bear in mind the wise injunctions urged by 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

* Had this been the Treasury policy in the past six years, the reduced volume of legal tenders would have appreciated in value, and their purchasing power would have been far greater. In other words, the Treasury would have saved fully twenty per cent. in its contracts, or *at least fifty millions per annum.* It would have obviated entirely the immense loss arising from the revulsion of 1873.

constituents against oppression, bankruptcy, and its inevitable consequence, revolution."

If, in pursuance of such views, Congress had, as was urged upon them in 1866, laid a tax *for paying the principal* of these notes within a given term, no crisis would probably have occurred at this day.

Congress should also bear in mind that the repudiation in 1866, of the promises of 1862–1863, was sure to produce evils:

"In proportion precisely as an individual is beyond the reach of compulsory process, should he be inclined to disregard the technicalities of mere law, and base himself upon the broader principles of natural justice. This is still more necessary when an independent sovereignty is concerned; because it is more difficult to procure redress for wrongs committed by a State. The relation between debtor and creditor, in all cases involving the repose of confidence, is pre-eminently a fiduciary relation when the debtor is a sovereign commonwealth. It should be distinguished by that *uberrima fides* which scorns the strict letter of the contract and regards its spirit and intention."—PELEG W. CHANDLER.

IV. Violent and hasty measures should never be adopted by legislators or by business men. Gradual means only should be pursued in all matters pertaining to commerce and finance. Nature itself points to this, in its ordinary course of the seasons .History points to the same in the events of 1837, 1857, and 1873. The speculation encouraged by Congress, in the paper money schemes of 1836, led to the revulsion of 1837. The bank movement of the summer of 1857, accompanied by a new tariff, led to the crisis of September of that year. The repudiation of 1866–1870, by Congress, has led to the bankruptcy of 1873.

Let these lessons teach us, *even at a late hour*, that in the matter of resumption of specie payments, no undue haste should prevail. Give the banks, the Treasury, and the people ample time to recover from the severe blow lately given to commerce. The country may be compared to a man who is suddenly stricken down by a blow. The country, like the man, must have time, appliances, and gentle treatment, to insure recovery from physicial and financial reverses.

A little oil to the wounds may be administered in the shape of twenty millions of legal-tenders in addition to the present volume. This will give blood to commercial circles for the moment. This prescription to be accompanied, as recommended by Doctor JEFFERSON, with a tax "IN THE SAME INSTANT FOR PAYING THE PRINCIPAL WITHIN A GIVEN TIME."

In other words, a peremptory order that the volume of the paper currency, the acknowledged source of our commercial evils, be gradually reduced until it assumes such proportions that the Treasury can sustain the load in all time to come. Take two or three years to accomplish this. In the meantime compel the National banks to hold in their vaults, or deposit in the Treasury, all the specie hereafter paid to them by the government in the shape of interest on their bonds.

Finally, Congress and the banks may take a lesson from the recent *pooling* by the New York city banks. The Treasury may be made the specie reservoir of the country—all the specie (or nearly all) of the whole country might be held at one point, in order to respond to the calls for redemption of the currency on demand.

By making all the paper issues redeemable at New York (as in GREAT BRITAIN, at one point), economy of labor and of capital may be used. As long as the legal-tender issues are provided for in their redemption by the Treasury, the banks will no longer need any reserve but legal-tender notes to respond to demands against deposits and bank notes.

If the banks will keep on hand a legal-tender reserve of twenty per cent. against their cash liabilities they need fear no panic in the future. The legal tenders, by a reduction to two hundred millions, should be sustained by two hundred millions of specie—DOLLAR FOR DOLLAR. Hence the banks would fear no run; the Treasury would have a basis to meet all future demands and to meet any unfavorable balance of foreign trade. The banks would, for the future, be beyond any combined or sudden demand from their creditors; the Treasury would be the centre, the controller, and (as in the steam engine) the GOVERNOR. In order to secure this elasticity of the circulation and give the Treasury a firm position at first, one hundred miilions in specie could be borrowed abroad for a period of four, five or six years. The foreign export of gold might hereafter be the indicator of speculation at home. A reduction of the specie reserve below two hundred millions should not only suggest (but COMPEL) an advance of the rate of discount to nine or ten per cent., until the reservoir of specie be restored to its established basis.

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LABOR.—The statesman regards labor as the perennial spring of national wealth, the source of national greatness, and the safeguard against national decadence. One of the first objects of the wise statesman must be to encourage the most free and uninterrupted development of the national industrial power. It is therefore of primary importance to understand the natural relation that exists between work and wages. The latter, indeed, the statesman can only regard as that one, out of various possible means of eliciting the energy of the workman, which is, all things considered, most suitable in the actual phase of civilization. The method which might, at the first glance, seem simple and more direct, and which may yet play a great part in the development of the industry of the future—namely, the opening of a direct credit for the workman, based on the time given by him to labor—has been found to offer such facilities for fraud and extortion on the part of the employer as to be now justly prohibited under the designation of the Truck System.

It will become evident to the statesman that employer and workman are in truth concurrent elements in the great social machinery. Their interests, in the long run, can never bo opposed to each other. There must, therefore, exist a true relation between labor and wages; an equilibrium of remuneration, any departure from which, whether upwards or downwards, tends to diminish the produce of industry, and is thus hostile to the national well being. No object can more worthily engage the patient study of the statesman than the attempt to ascertain the law that determines the stable equilibrium of work and wages.
—*Edinburgh Review.*

# PUBLIC DEBT OF THE UNITED STATES.

*Abstract of the Official Statements, January, 1869, to November 1, 1873.*

| | January 1, 1869. | January 1, 1871. | January 2, 1872. | January 1, 1873. | October 1, 1873. | November 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 | 274,000,000 | 274,705,000 |
| 6-per-cent. of 1881 | 283,677,400 | 283,678,100 | 283,681,200 | 283,681,350 | 282,736,350 | 282,736,350 |
| 6-per-cent. 5-20s | 1,602,568,650 | 1,437,099,300 | 1,258,610,550 | 1,058,402,800 | 952,263,850 | 951,361,700 |
| | $2,107,835,350 | $ 1,935,342,700 | $ 1,853,856,700 | $1,756,651,450 | $ 1,723,567,500 | $ 1,723,370,350 |
| **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 | 22,025,000 | 2,780,000 | ............ | ............ |
| 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 | $ 79,301,512 | $ 79,301,512 |
| **ON WHICH INTEREST CEASED:** | | | | | | |
| Various Bonds and Notes | $ 7,463,503 | $ 7,315,822 | $1,739,938 | $ 4,084,220 | $ 15,956,130 | $ 14,226,290 |
| **BEARING NO INTEREST:** | | | | | | |
| United States Notes | $ 356,021,073 | $ 356,101,086 | $ 357,592,801 | $ 358,642,295 | $ 356,079,742 | $ 361,031,948 |
| Fractional Currency | 34,215,715 | 39.995,089 | 40,767,877 | 45,722,063 | 46,229,392 | 47,876,150 |
| Gold Certificates of Deposit | 27,036,020 | 26,149,000 | 36,049,700 | 23,263,000 | 33,935,400 | 27,569,880 |
| Currency, do. do. | ............ | ............ | ............ | 25,370,000 | 11,250,000 | 8,875,000 |
| | $ 417.272,808 | $ 422,245,175 | $ 434,419,378 | $ 452,997,356 | $ 447,494,534 | $ 445,352,978 |
| Aggregate Debt | $ 2,652,533,662 | $ 2,487,750,892 | $ 2,391,328,848 | $ 2,295,814,538 | $ 2,266,119,676 | $ 2,262,251,130 |
| Coin and Currency in Treasury | 111,826,461 | 138,086,572 | 127,294,320 | 109,605,849 | 94,785,790 | 95,500,737 |
| Debt, less coin and currency | $ 2,540,707,201 | $ 2,349,664,320 | $2,264,034,528 | $2,186,208,689 | $ 2,171,333,886 | $ 2,166,750,393 |

Coin in the Treasury, November 1, 1873, $ 82,313,581; Currency, $ 13,187,156; total, $ 95,500,737.

# THE NEW YORK CLEARING HOUSE REPORT,

## NOVEMBER 11, 1873.

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The committee appointed by the New York Clearing House Association, "TO CAREFULLY CONSIDER AND REPORT WHAT REFORMS ARE REQUIRED IN THE PRACTICAL OPERATIONS OF BANKS WITH EACH OTHER AND WITH THE PUBLIC, TO INCREASE THE SECURITY OF THEIR BUSINESS," respectfully reports:

That, in order to reach the object sought by the resolution, it is necessary briefly to review the condition and practical working of the banking system in this city before the commencement of the late panic.

Banks are the natural depositories of the current capital of the nation, passing into and out of active industry and commerce. The balances held by them are for the time specially reserved by their owners from permanent investment, and kept subject to immediate command. They constitute a main portion of the wealth of the community which is not yet ready to be consolidated into fixed capital or immovable forms. The custodians of such funds are consequently bound by the very nature of their trust, to preserve them in their integrity, and to apply them only in such ways as will prevent them from falling into inactivity, and, also, to hold such proportion in ready cash in hand, as long experience has proved to be necessary, to meet immediate demands in every possible emergency. And it may be confidently affirmed that a bank, or banker, who faithfully meets all these obligations, renders a full equivalent for any benefits which can be honorably derived from the custody of such a trust.

No institution can, in the long run, *purchase* deposits of money payable on demand of the owners, and at the same time secure to itself a just and proper compensation for the business, without violating some of the conditions indispensable to the public safety. It must either use them in ways that are illegitimate and perilous, or use them in excess. This has been abundantly proved by innumerable instances in years past, and the practice of paying interest for such deposits was unanimously condemned by the bank officers in 1857, as one of the principal causes of the panic at that period, for the reasons given in a printed report, of which a copy is annexed hereto, and to which, with the consequent resolutions of the associated banks then adopted, your committee most respectfully invite attention.

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The creation of many new institutions, since the late civil war began, which have considered it expedient to purchase public favor, and thus divert to themselves business from established channels, has revived the custom of paying interest upon deposits, and has also led some of the older banks, in self defense, to yield, more or less, to the pressure in the same direction, while it has induced others to adopt newer methods of obtaining patronage equally pernicious.

And thus a sharp and degrading competition has not only prevailed among banks in this city, but has been excited, as a necessary consequence, in other places, where the far-reaching enterprise of some of our associates has led them in pursuit of business, not only from institutions, but from all classes of society. Banks throughout the country have been aroused to enlist in the same destructive practices toward each other, and in defense of their various localities. A premium has been unnecessarily given for business, which, left to itself, would fall without cost into its natural channels, and adjust itself to such localities as the convenience of the people and the best interests of the country require.

Without such rivalry the resources of the nation would be so diffused among the banks as to give increased financial strength and stability to every part, and not only remove a great cause of irritation, but add to the comfort, efficiency and profit of all.

The evil results of paying interest upon current deposits, avowed when the internal commerce of the nation was conducted upon a specie basis, are greatly aggravated when it is carried on by an *irredeemable* currency, which has a fixed and invariable volume, and which flows to and from the commercial centre with the changes of the seasons. Such a currency is superabundant in summer, and instead of being then naturally absorbed and diminished by redemption, it accumulates in banks, which cannot keep it idle without loss of the interest paid to its owners. Legitimate commerce does not then demand it. It is still subject to instant call. There is consequently no resource but to loan it in Wall Street upon stocks and bonds, in doing which, so much of the nation's movable capital passes for the time, into fixed and immovable forms of investment, and its essential character is instantly changed. Loans are made with facility upon securities which have no strictly commercial quality, new and unnecessary enterprises are encouraged, wild speculations are stimulated, and the thoughtless and unwary are betrayed into ruinous operations. The autumnal demand finds the resources of the nation unnaturally diverted from their legitimate channels, and they can only be turned back with difficulty and public embarrassment. Such has been our well-known experience year after year. Interest upon money has, as a consequence, fluctuated widely from three and four per cent. per annum in summer, to fifteen and twenty per cent. in the fall and winter upon commercial paper, and upon stocks at times to one-half and even one per cent. a day. Vicissitudes like these are utterly destructive to all legitimate commerce, and institutions whose operations tend to such results are enemies to the public welfare.

Deposits which are derived from strictly commercial operations cannot fluctuate so widely, from time to time, as to produce disturbance in the community; and banks which confine their business to them, as they naturally arise, are always reliable and regular in their treatment of their dealers, and can be conducted with ease and comfort to their managers and safety to the public. On the contrary, deposits which are purchased by payment of interest, or otherwise, and which must, therefore, of necessity be largely loaned "on demand," are the cause of continual agitation and solicitude to those who hold them in charge. They are certain to be withdrawn at the season of the year and at the moment most inconvenient to the banks and to their dealers. This fact is best illustrated by the following figures:

| | | |
|---|---|---|
| The average deposits of the *sixty* Clearing-House banks for ten weeks from 5th July to 6th September were | | $232,228,000 |
| The lowest amount reached since the panic was | | 143,170,000 |
| Showing a total reduction of | | $89,058,000 |
| Of the above amount during the ten weeks, *twelve* interest-paying banks held | $111,585,000 | |
| The lowest total reached by them since the panic | 52,669,000 | |
| Showing a loss in twelve banks of | | $58,916,000 |
| and in the other 48 banks | | $30,142,000 |

and were it not for the fact that several of the forty-eight banks are more or less involved in the same practice, this disparity would be still more apparent.

When the late panic commenced, the sixty banks composing the New York Clearing House were indebted for about two hundred millions of deposits. Of this amount *three* institutions (paying interest to their country depositors) owed about fifty millions, and including these, twelve banks of similar character owed about one hundred millions; that is to say, twelve institutions held one half of the aggregate deposits, and the other forty-eight, their associates, the other half. The proportionate reserve of legal-tender notes in the associated banks was also greatly in favor of the latter number, for the obvious reason, that banks which pay interest upon money can least bear to have any amount of it idle. The active demand first came, as it usually comes, for that portion of deposits due to country banks, who, in addition to their annual necessities, had been disturbed by failures of several city bankers, holding large balances of money due to the interior. These deposits were to a great extent loaned upon stocks and bonds in Wall Street, payable "on call," with the confident belief that they were there earning more than the interest paid for securing them, and were available as promised. But, from the very nature of the case, the rapid withdrawal of deposits from the banks made the "call" from every direction simultaneous, and closed every resource from which the "street" derived its power to respond. Borrowers upon stocks were deprived both of their facilities of borrowing, and of all power to sell their securities. The necessary result occurred. Banks which found themselves in this dilemma had no alternative but to ask the assistance of their associates, and the conflagration was so rapid and violent that every consideration of fraternal sympathy, self-preservation and public safety, compelled a general and earnest co-operation; and the majority, who had for long years conducted their business upon sound principles, and who had patiently submitted to the loss of valuable accounts, drawn from them by their associates, by practices against which they had continually protested, instantly responded to the call by placing their resources at command of those who had done so much towards producing the calamity. Making common cause, the weak with the strong, to avert a universal catastrophe.

An expedient was found by which the stronger banks placed themselves under the unequal burthen, and equalized the pressure, by gathering in their resources and placing them at the disposal of the weaker, who were thus furnished with means to meet the demands of their depositors, and to save themselves from public exposure, and their dealers in city and country from disaster and ruin. Meanwhile the public confidence in institutions had become so greatly impaired that the "legal-tender reserve" was reduced from thirty-four millions, on the 20th September, to five millions eight hundred thousand on the 14th October—an amount of ready money never before paid out in the same time. Interior banks, whose ready means in hand had always been merely nominal, but whose resources consisted chiefly of credits upon the books of interest-paying banks in the principal cities, were under the necessity of calling back their deposits in a medium never before required, and to these the associated banks were asked to respond, as well as to the demands of timid dealers at home.

Your committee take this occasion to congratulate the associated banks upon the liberal and excellent spirit in which this crisis has been met, and upon the happy escape from a most imminent danger which threatened them, and with them the country at large. It is not too much to say that, had it been less boldly, promptly or unanimously encountered, the results must have been more disastrous and widespread than any that have occurred during the present generation.

While the banks have intelligently recognized the errors of their associates, by which the late financial complications were aggravated and the community imperiled, there has been no disposition whatever to deal in harsh reproaches. On the contrary, the magnitude of the trust is deeply felt, and the utmost good feeling prevails; an earnest desire and a unanimous determination are expressed on every side to reform existing abuses, and to reorganize the Clearing House upon a basis of mutual support and uniformity of business.

Late experience has again demonstrated the fact, that the banks in the association are necessarily dependent one upon the other in times of peril, as well as in the trusts which the large operations of the Clearing House daily impose, and that the entire body inevitably suffers from the errors and indiscretions of a single member. No institution, therefore, has a moral right to conduct its affairs with the public in defiance of the general conviction of its associates, or to introduce private terms of dealing with its customers which are in conflict with the best interests of all. Bank officers have no right to be sharp personal competitors for public patronage, nor merely laborers for dividends on behalf of a limited constituency. They are in a most important sense trustees for the whole community, and public administrators of great interests, which forbid the least departure from principles which long experience has sanctified.

With these general considerations, your committee proceed to the more practical question submitted to them, viz.: "*What reforms are required in the operations of banks with each other and the public to increase the security of their business;*" and, first, and most prominent, they recommend **THAT THE BANKS ENTIRELY DISCONTINUE THE PAYMENT OF INTEREST UPON DEPOSITS, WHETHER DIRECTLY OR INDIRECTLY.**

### THE RESERVE.

The requirement of a "legal reserve" is now engaging special public attention, and much impatience is expressed at the law which compels banks to hold a definite ratio of legal-tender notes to liabilities. The practical difficulty consists in attaching a rigid and inflexible rule of law to a mobile fund, which is held for the purpose of meeting sudden contingencies, and which is, therefore, in its very nature, a variable quantity. It is impossible clearly to prescribe by statute the circumstances or the exact periods during which the reserve should be increased or diminished. There seems an intrinsic absurdity in a law requiring that a "reserve" must be always kept, which was created on purpose to be used, or that a bank officer who draws upon his reserve, under circumstances for which it was intended, is false to the oath which he takes to obey the law. But the fact that a military commander cannot be definitely instructed when he may employ his reserve force, is not regarded as a reason why that important portion of an army organization should be abandoned, or be reduced in number or efficiency. So long as bank debts are subject to cash payments, so long must the obligation be either imposed or assumed, of keeping sufficient cash in hand to pay whatever portion can possibly be presented. It must always be remembered that, in the absence of any important central institution, such as exists in other commercial nations, the associated banks are the last resort in this country, in times of financial extremity, and upon their stability and sound conduct the national prosperity greatly depends. In claiming for them that, in taking faithful care of the active capital of the nation with which they are entrusted, they render a full and equitable compensation for its proper use, your committee point to the consequent and paramount duty of the banks to hold such proportion of that fund in actual possession in cash, as the extremest needs may demand.

It has been suggested that the federal principle which our association has applied to banking, through the use of "loan certificates" in two important crises, might be used effectively in regular business, by keeping two separate accounts, viz: "*Cash*" and "*Bank Credit*," each payable in kind, to avoid a "run" upon banks in times of panic; and much speculative study throughout the world is given to the question how the idea of "clearing" as used through banks, may be indefinitely extended to effect the smaller exchanges of the community, so as to dispense in a great measure with large reserves of ready money. But in the present condition of economic science, and especially in this important exigency, your committee recommend that we accept the teachings of practical experience, and pursue the well-beaten track which trade and commerce universally recognize.

Experience of older commercial nations has shown that the volume of "reserve" should be in the proportion of one-fourth to one third the direct liabilities of a bank, and whenever it is there found receding from this amount, restrictive measures are taken to replenish it. Our own association in 1857 established a minimum ratio of twenty per cent. in coin, which was for the time carefully observed, and again in 1860 increased this minimum to twenty-five per cent. The present abnormal condition of the currency increases the difficulty inherent in this subject. The law permits the reserve to consist of coin and legal-tender notes, and at the same time compels banks to receive as money the notes of national banks, which in legal payments are not money; so that for practical uses as "reserve," we are troubled by a species of money which is above, and by another which is below, the standard quality. And it affords a striking commentary upon our present anomalous condition, that the money of the world, which is now freely coming into the country from legitimate commerce, cannot be absorbed into our banking system, but is necessarily repelled as a cause of serious embarrassment. The opinion that has largely prevailed, that because the business of this country is now conducted upon a basis of irredeemable paper, that therefore there can be no suspension of payments, has been most effectually dispelled, and the contrary is established, that a currency, from its nature, limited in volume, is subject to sudden and special dangers, and therefore requires special protection. Recent experience has shown how rapidly thirty-four millions may be withdrawn from our associated institutions, and for practical uses, how inadequate is the reserve held by country banks. That reserve, as fixed by law, is fifteen per cent. of liabilities, and three-fifths of it may consist of deposits in banks in the larger cities, who may subdivide it by placing one-half their own reserves in banks in the City of New York, where again it is subject to a further reduction, from the fact that these last are only required to hold twenty-five per cent. of their own liabilities, of which these deposits form part. The aggregate held by all the National banks of the UNITED STATES does not finally much exceed ten per cent. of their direct liabilities, without reference to the large amount of debt which is otherwise dependent upon the same reserves. When we consider that a portion of this final reserve may consist of coin, which, under present circumstances, has no practical power in an extremity, and a further fact that the interest-paying banks, which have always held the larger part of those reserves, have been forced by their position continually to disregard the law, it is manifest that the requirement, in its real operation, has not worked against the public welfare, or against the true interests of the banks themselves.

The abandonment of the practice of paying interest upon deposits will remove a great inducement to divide these reserves between cash in hand, and deposits in cities, and make the banks throughout the country what they should always be, financial outposts, to strengthen the general situation. The Associated Banks of New York, the ultimate resource in financial emergencies, are deprived by usury laws, of the power, which is so effectively used by the principal banks in EUROPE, of protecting or augmenting their resources by adjusting the rate of interest to the necessities of the occasion—a power which, if practicable, Congress might safely confer upon the Clearing-House Committee, in consultation with the Secretary of the Treasury, with great advantage to the country; as also the power of deciding when the time or the emergency has arisen in which the public interest requires a relaxation of a rigid legal requirement in respect to the reserve to be held by banks in New York City.

If the legal or financial necessity exists to maintain a certain reserve, it is manifestly the duty of every institution to carry its just proportion, and no bank, whether incorporated under National or State law, can honorably evade its full share of this burthen.

Your Committee therefore récommend THAT ALL THE ASSOCIATED BANKS, WHILE THEY STRICTLY FOLLOW THE REQUIREMENTS OF THE NATIONAL CURRENCY ACT, BY KEEPING ON HAND, EITHER IN COIN OR LEGAL-TENDER NOTES, AN AMOUNT NOT LESS THAN TWENTY-FIVE PER CENT. OF THEIR TOTAL LIABILITIES TO THE PUBLIC, BE REQUIRED ALWAYS TO HOLD AT LEAST FIFTEEN PER CENT. IN LEGAL-TENDER NOTES, subject only to such modifications as the Clearing-House Committee may, from time to time, unanimously determine.

A suggestion has been made, which your Committee consider worthy of notice, because it has heretofore proved an important restriction to excessive expansion, and because it may assist in preventing many of the evils referred to—that NO INSTITUTION BE ALLOWED TO LOAN MORE THAN TWO AND A HALF TIMES ITS CAPITAL AND SURPLUS.

## CERTIFICATION OF CHECKS.

The practice of certifying checks upon banks as "good," has proved a great public convenience, and has for that reason grown into extensive use. Your committee approach its consideration with some embarrassment. The custom originated in the natural inquiry of bank tellers respecting the standing and credit of their dealers, and for many years it had little significance, otherwise than as giving clerical information. Checks so marked were not regarded as binding upon institutions in the nature of an official acceptance, and were, therefore, not entered upon their books. It was only since about the year 1850, that a new and influential institution deemed it expedient to define the character of an act then vague and uncertain, by charging such checks to the accounts of their drawers; since when they have been legally regarded as formal obligations, and have become the medium of the most important transactions. If such writing certified to a real fact, that the bank actually had in possession, and due from it to the drawer of the check the stated sum, which it thus agreed to transfer to another party, no possible injury, but great good would ensue. But when a bank binds itself to transfer what it has not, but only expects to have, it assumes for its dealers, without reason, all the contingencies incident to human transactions, and places its shareholders under perils which they never intended to assume.

The power of certifying checks is necessarily entrusted to clerks or subordinate officers, who are employed to perform the ordinary and more mechanical duties of the bank, and who are supposed to be strictly limited in giving to every dealer, only what has before been received from him. And the power of bestowing credit is reserved for abler and more experienced men, themselves personally identified with the interests they administer, who gravely deliberate upon every transaction, and decide with the light of their united wisdom. But the practice of certifying uncovered checks, as pursued in some institutions, entirely reverses this established order, and while the responsible council is carefully deliberating over smaller credits, a non-commissioned officer is freely bestowing them in larger volumes, without security, upon comparatively irresponsible men. So extensively has this practice been pursued by several institutions that the amount of such checks, which have passed daily through the clearing house, has reached in some instances to twice and three times, and in one or two, to four and five times their capital stock, and this through long periods of time.

Every bank in the association is directly involved in the risks attending this practice. It multiplies excessively the sums which such institutions pass through the clearing house, and the consequent balances of the exchanges with their associates, which the capital of such banks can never adequately guarantee.

The most striking commentary upon the danger of this practice, was afforded during the late panic, by the dealer of a bank who had largely received such favors, and who, seeing by its application to others, that his own checks were in peril, declined, under advice of counsel, to cover them by a deposit, until otherwise assured that the bank could respond to these very obligations.

No sufficient reason, in the opinion of your committee, can be given why a corporation should place itself, without compensation and special security, between two parties dealing with each other, and become the guarantor of either, in transactions entirely personal to themselves, simply because one or the other is a depositor in the institution. We have already stated that the safe custody of money payable "on demand" is full compensation for its legitimate use, and the risks attending such a business are all that properly appertain to the profession of a banker. And if the rule be INVARIABLY observed of certifying checks only when the drawer has the full amount at his credit in the bank, no one can be injured or offended when he is treated in all respects like every other of his fellow dealers. The restriction suggested will work favorably to every interest—to the banks, their shareholders, and their associates, by diminishing the risks now so widely incurred, and it also conforms to and confirms the law which Congress has estabished upon this subject in respect to National banks.

Your committee therefore recommend THAT IN NO CASE SHALL A CHECK OR OTHER OBLIGATION BE CERTIFIED BY A BANK, UNLESS THE AMOUNT OF IT IS FIRST FOUND REGULARLY ENTERED TO THE CREDIT OF THE DEALER UPON THE BOOKS OF THE INSTITUTION.

### INDIRECT EXCHANGES.

A custom has grown up among the associated banks, and has greatly increased within the last few years, of engrafting upon themselves, and thus admitting to the benefits of the Clearing House, other institutions and individuals, who, while not eligible to regular membership, participate in all its advantages without sharing its expenses, incurring its responsibilities, or submitting to its regulations. Over all these the association has no possible control. They consist of banks, and corporations of various character and objects, in this city and vicinity, many of whom attract to themselves deposits of active capital from the commercial community by extraordinary rewards, and use it for purposes and enterprises which are illegitimate in regular banking. The associated banks thus find themselves surrounded by diligent competitors in their proper business, which increase their risks, while they lean upon them for support. By keeping a satisfactory balance in bank, for which interest is frequently paid, these institutions avoid the necessity of any money reserve whatever, and not only invest all the resources at their command in profitable or unprofitable enterprises, but have a claim upon their patron bank for assistance in time of need. The banks are thus deprived of a large portion of commercial deposits that would naturally come to them, and incur increased and indefinite risks, and the public are unconsciously placing their ready means where they are subject to unusual hazards.

Any bank in the city, worthy of public confidence, may become a regular member of the Clearing-House Association, and the banks which compose it are bound, in duty to themselves and to the public, to withhold the special support of this body from any who cannot submit to, or safely pass through the necessary examination which entitles them to credit. And your committee can see no valid reason why banks outside this city should receive the benefit of the New York Clearing House, when they share none of its burthens, and submit to none of its regulations.

They, therefore, recommend THAT NO BANK SHALL RECEIVE UPON DEPOSIT, FROM ITS CITY DEALERS, CHECKS OR DRAFTS OTHER THAN UPON BANKS MEMBERS OF THIS ASSOCIATION.

### RECEIVING OUT-OF-TOWN CHECKS AS CASH DEPOSITS.

Among the various devices introduced to attract mercantile accounts, and to secure deposits of country banks, is that of receiving and crediting immediately as cash, checks and drafts upon places out this city—a practice which was commenced as a special inducement by one institution, but which, as the natural consequence of unfair competition, has been followed and extended by others, until it embraces points far and near throughout the whole country. It has been carried on with such utter disregard of the laws of exchange, and of the time necessary to effect returns, that the former and regular methods of making payments in, and remittances to this city, is greatly changed. Interior merchants, finding that checks upon their own localities are readily accepted as cash in New York, prefer that mode of payment, and they are naturally encouraged to do so by their banks at home, who receive the benefit; so that our own institutions are not only deprived of deposits which by the laws of trade naturally belong to them, but they are daily encumbered by a miscellaneous mass of checks, which occasion serious embarrassment, loss of time, great risk, clerical labor and expense in collecting, entirely caused by this unnecessary diversion of business from its natural courses. Some of the interest-paying institutions, which have by this expedient enlarged their correspondence with interior banks, have, with them, adopted peculiar methods of facilitating such collections, which they regard as advantageous to themselves, but by which they are continually extending this evil. City merchants, whose business is chiefly with the country, now accept such checks freely from their customers, because their banks will accept them from them, and many of the accounts which, from their amount, dealers regard as very valuable to their banks, the latter find by experience to result in actual loss. Instead of being the natural depositories of country banks for the business of legitimate commercial exchanges in the city, such banks are thus made ours. The subject is the cause of continual irritation and discord between banks and their customers, and between the banks themselves.

Your Committee, in considering this evil, can perceive no remedy but by its total abolition, and they therefore recommend THAT THE CLEARING-HOUSE COMMITTEE BE REQUIRED TO ESTABLISH MONTHLY, A SCHEDULE OF MINIMUM RATES AT WHICH THE ASSOCIATED BANKS SHALL RECEIVE ON DEPOSIT, CHECKS AND DRAFTS

UPON PLACES OUT OF THIS CITY, AND TO WHICH EVERY BANK SHALL BE BOUND STRICTLY TO ADHERE.

Having now considered the prominent evils which exist, the removal of which your committee consider as indispensable to the harmonious intercourse between banks bound together by common interests, and having recommended for their removal—

1st. That payment of interest upon deposits, either directly or indirectly, be entirely prohibited.

2d. That each bank, while it observes the requirements of the law of Congress respecting a reserve fund, be required to carry at all times an amount of legal-tender notes, equal to at least fifteen per cent. of its liabilities to the public.

3d. That no bank shall certify a check as good until the full amount of it shall appear upon its books from a deposit, regularly entered to the credit of the drawer.

4th. That no check or draft shall be received by a bank upon deposit at par as cash, drawn otherwise than upon one of the banks composing the Clearing-House Association.

5th. That all checks and drafts upon places out of the City of New York shall only be taken at rates of discount established monthly by the Clearing-House Committee.

They now proceed to state how the observance of these rules may be effectively secured. It is well known that in some of these, the sentiment of the Association has been repeatedly expressed, and resolutions of reform have been adopted, but which have gradually fallen into neglect.

Your Committee believe that late occurrences have produced a deeper conviction, both in the Association and in the public mind, of the inter-dependence of the banks upon each other, and of the wrong which any one member imposes upon the entire body, by unsound or irregular practices. They, however, recommend as an effectual security for the future:

That the constitution of the Clearing House be changed into articles of association, which shall be signed by the officers of every bank, or member, and ratified by its Board of Directors. And your committee respectfully submit for consideration the accompanying instrument, which has been compiled from the present constitution of the Clearing-House Association, with such changes and amendments as present circumstances have suggested.

Your committee also recommend that the Clearing-House Committee shall procure a tablet, containing in large and very legible impressions, the rules which are to be observed by each member in dealing with the public, as follows:

# RULES

OF THE

# ASSOCIATED BANKS

OF THE CITY OF NEW YORK

## WITH THEIR DEALERS.

1. *No bank shall pay, or procure to be paid, interest upon deposits.*
2. *No Check shall be certified until the full amount is first deposited.*
3. *Checks upon Associated Banks only, received on deposit.*
4. *Checks upon places out of New York City, received at rates of discount fixed by Clearing House Committee.*
5. *Checks will be taken at depositor's risk, and collected through the Clearing House.*
6. *Checks not good, will be returned to the depositor the day following.*

**Banks not strictly observing these Rules will be excluded from the Clearing House Association.**

These shall be appropriately framed, and always kept conspicuously suspended in the banking-room of each institution for public information.

With these regulations, the public are always informed of the terms upon which alone they may conduct their business uniformly with every bank that has the facilities and the support of the Clearing-House Association. With these always in view, no person worthy of credit at a bank can ever ask a deviation from them, and no institution can retain the confidence of any respectable dealer after it is thus known to have compromised its integrity.

By these important changes, many of the evils which have grown up in the business community, and which have their origin in the vicious practices of banks, will expire, the banks will resume their rightful position as safe and substantial supports of legitimate commerce, and their officers will be relieved from the anxieties which, in the present unnecessary competition, continually pursue them.

All which is respectfully submitted by

GEORGE S. COE, *President American Exchange Nat. Bank.*
W. L. JENKINS, *President Bank of America.*
J. M. MORRISON, *President Manhattan Bank.*
MOSES TAYLOR, *President National City Bank.*
F. D. TAPPEN, *President Gallatin National Bank.*
JOHN E. WILLIAMS, *President Metropolitan National Bank.*
J. L. EVERITT, *Cashier National Broadway Bank.*
ROBERT BUCK, *Cashier Pacific Bank.*
JOHN Q. JONES, *President Chemical National Bank.*

*Committee.*

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JOSEPH SAXTON.—Mr. JOSEPH SAXTON, Superintendent of Weights and Measures, United States Coast Survey, died at his residence, in Washington. He had been in failing health for the past four years, having, during that period, suffered from a succession of paralytic strokes, which terminated in his death. A Washington paper has the following sketch of his life: Mr. SAXTON was born in Huntingdon County, PENNSYLVANIA, on the 22d of March, 1799. He was a man of extraordinary mechanical genius, and may be justly ranked among the eminent self-made men of the present century. The late Professor BACHE, in an assemblage of scientists a few years since, pronounced him to be the "greatest mechanical genius the world ever saw." In early life Mr. SAXTON learned the silversmith business in his native town, and when but sixteen years of age made a printing-press, and printed a small newspaper. When quite a yonng man he went to Philadelphia in a boat built by himself. He resided in the Quaker City several years. While there he made the old city clock, which yet marks the time from the summit of Independence Hall. Subsequently Mr. SAXTON went to London, and in that city and in Paris he resided nine years. He was the inventor of the celebrated electro-magnetic machine by which the first magnetic spark was produced, and which he exhibited in London in the presence of forty thousand people including forty distinguished scientists. While in that city he made the machinery for the Philadelphia mint, and was sent for to put it up. He was employed in the mint for seven years in making the dies of the coin then in use. Mr. SAXTON came to Washington about twenty-eight years ago, under the auspices of Professor BACHE, then Superintendent of the United States Coast Survey. Since that time he has been employed in that office, and was, at the time of his death, as above stated, Superintendent of Weights and Measures—a position which he filled with marked ability. While on this duty he made sets of weights and measures for all the State capitals of the Union, and also for the several custom-houses throughout the country. A fine pair of scales made by him attracted great attention at the London Exposition, and a gold medal was awarded him. He was also the recipient at various times of other medals awarded for his meritorious works. The deceased had been a prominent member of the Academy of Sciences, of the Franklin Institute of Philadelphia, and of other scientific organizations, and also a regular contributor to the *Scientific American* and standard publications in the scientific world. He was a devotee of mechanical science and was highly honored by the distinguished scientists who were his contemporaries.

# 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* 387, *November No.*)

| STOCKS. | AUG., 1873. Lowest. | AUG., 1873. Highest. | SEPT., 1873. Lowest. | SEPT., 1873. Highest. | OCT., 1873. Lowest. | OCT., 1873. Highest. |
|---|---|---|---|---|---|---|
| U. S. Six per cts. of 1881, Coupon Bds. | 119⅝ | 120¼ | 115¼ | 119⅞ | 111½ | 116 |
| " Five-Twenty of 1862, " | 117 | 117½ | 113⅝ | 113⅞ | 105 | 109 |
| " " 1864, " | 117 | 117⅝ | 114¼ | 117¼ | 106⅛ | 110 |
| " " 1865, " | 118¾ | 119⅝ | 110 | 118⅝ | 107½ | 111⅝ |
| " " 1865, New, " | 117 | 117⅝ | 111⅛ | 116⅞ | 109⅝ | 113⅞ |
| " " 1867, " | 118⅝ | 119⅝ | 113¾ | 119¼ | 110½ | 115¼ |
| " " 1868, " | 118 | 119 | 113 | 118⅞ | 110¼ | 115 |
| " Ten-Forty Coupon Bonds..... | 115½ | 116⅛ | 116 | 114⅝ | 105 | 110½ |
| " Five per cent. of 1881......... | 113¾ | 114⅞ | 111½ | 114⅞ | 106⅝ | 109¼ |
| " Six per cent. Currency......... | 113½ | 114⅝ | 107¾ | 113⅝ | 108¼ | 111⅝ |
| Tenn. Six per cent. Bonds, Old..... | 81⅜ | 82½ | 72 | 82⅛ | 68 | 75 |
| " " " New..... | 81⅝ | 82¼ | 72⅛ | 82 | 69 | 74¾ |
| Virginia Six per cent. Bonds, Old.. | .. | .. | .. | .. | 35 | 35 |
| " " " New.... | .. | .. | .. | .. | .. | .. |
| " " " Consol.. | 51¾ | 53¼ | 51 | 52 | 43½ | 48½ |
| N. Carolina Six per ct. Bonds...... | .. | .. | 27 | 27½ | .. | .. |
| " " New....... | 16 | 16 | .. | .. | .. | .. |
| " " Special Tax | .. | .. | .. | .. | .. | .. |
| S. C. Six per ct. Bds. Jan. & July.. | 15 | 15 | 14 | 14 | 9 | 11 |
| " " April & Oct.. | .. | .. | 14 | 30 | .. | .. |
| Missouri Six per cent. Bonds....... | 92 | 93¼ | 84 | 92¼ | 85 | 89¾ |
| Canton Company of Maryland..... | 98 | 102 | 70 | 98½ | 55 | 80 |
| Delaware and Hudson Canal Co.... | 112½ | 114½ | 111 | 114 | 100 | 109 |
| Consolidated Coal Co. of Maryland. | 54 | 55 | 40 | 54¼ | 38 | 47 |
| Quicksilver Mining Company...... | 38 | 39⅞ | 19 | 35½ | 20 | 23½ |
| " " Preferred | .. | .. | 30 | 45 | 27 | 27 |
| Mariposa Mining Company........ | .. | .. | .. | .. | .. | .. |
| " " Preferred | ½ | 1 | .. | .. | .. | .. |
| Western Union Telegraph Co. .... | 87⅞ | 93⅛ | 54¼ | 92½ | 45 | 73½ |
| Pacific Mail Steamship Company.. | 36¾ | 45½ | 31 | 44⅝ | 25 | 37¾ |
| Adams Express Company.......... | 92¼ | 95 | 84½ | 92¼ | 78 | 85 |
| Wells, Fargo & Co. Express Co.... | 72½ | 74½ | 56 | 75 | 55½ | 69 |
| American Merchants' Union Express | 61½ | 64 | 57½ | 62⅝ | 50 | 60 |
| United States Express............ | 67 | 68¼ | 51 | 68⅛ | 44¾ | 60 |
| N. Y. Cent. and Hudson River R. R. | 103⅞ | 105¾ | 89 | 105⅛ | 80⅝ | 96 |
| Erie Railroad, Common........... | 58⅝ | 61⅞ | 50¾ | 59⅞ | 44½ | 53⅛ |
| " Preferred........... | 72 | 73½ | 66 | 73½ | 64½ | 70¾ |
| Harlem Railroad, Common Shares | 130¼ | 133⅞ | 90 | 130¼ | 100 | 119 |
| Reading Railroad Shares.......... | .. | .. | .. | .. | .. | .. |

| Stocks. | Aug., 1873. Lowest. | Aug., 1873. Highest. | Sept., 1873. Lowest. | Sept., 1873. Highest. | Oct., 1873. Lowest. | Oct., 1873. Highest. |
|---|---|---|---|---|---|---|
| N. York & New Haven R.R. Shares.. | 136 | 138 | 135⅛ | 136⅛ | 116⅛ | 130 |
| Michigan Central Railroad Co .... | 91 | 95⅛ | 80 | 90¾ | 65 | 79 |
| Lake Shore & Mich. Southern R.R.. | 92¼ | 95⅝ | 73 | 93 | 58 | 79 |
| Panama Railroad Company Shares.. | 113 | 116½ | 84 | 117⅛ | 80 | 100 |
| Union Pacific Railroad " .. | 25¾ | 29 | 17⅛ | 27½ | 15¼ | 21⅝ |
| Illinois Central Railroad " .. | 106¾ | 109 | 103⅛ | 105⅛ | 92 | 100 |
| Cleveland & Pittsburgh R.R. " Gtd. | 87⅜ | 89⅛ | 79½ | 87¼ | 73¾ | 83⅛ |
| " Col., Cinn. & Ind. R.R... | 84 | 86 | 78 | 85 | 67⅛ | 78 |
| Chicago, Rock Island & Pacific R.R. | 108⅜ | 110⅜ | 86 | 108⅞ | 84½ | 96¼ |
| " Burlington & Quincy " | 98¾ | 106 | 90 | 98⅛ | 84⅞ | 92¾ |
| " & Alton Railroad Shares.. | 104¾ | 110 | 100 | 104 | 85 | 94 |
| " " " Pref. | 111½ | 111⅛ | .. | .. | .. | .. |
| " & Northwestern R.R. Shares | 64 | 69¼ | 40 | 65 | 31⅛ | 46 |
| " " " Pref. | 81¼ | 83¾ | 64 | 82 | 54 | 71 |
| Del., Lackawanna & West. R.R. Co. | 100 | 102 | 86 | 100⅛ | 80 | 93½ |
| Pittsb'gh, Ft. Wayne & Chic., Guar. | 93½ | 94 | 93⅝ | 94⅛ | 81 | 90 |
| Toledo & Wabash R.R. Co. Shares. | 67¼ | 73 | 39⅛ | 70⅛ | 32¾ | 49⅛ |
| " " " Pref. | .. | .. | .. | .. | .. | .. |
| St. Louis, Alton & Terre Haute R.R. | .. | .. | .. | .. | .. | .. |
| " " " Pref. | .. | .. | 39 | 39 | 25 | 35 |
| Ohio & Mississippi R.R. Co. Shares | 38 | 40⅝ | 26⅛ | 39¼ | 21 | 30⅝ |
| Hannibal & St. Joseph R.R. " | 36 | 39⅛ | 19 | 37¾ | 16 | 26 |
| " " " Pref. | 52 | 54¼ | 33 | 50 | 24 | 35⅛ |
| Milwaukee & St. Paul R.R. Shares | 50⅝ | 53¾ | 30 | 51 | 22¼ | 35⅛ |
| " " " Pref. | 70 | 74 | 56 | 70⅞ | 44 | 61 |
| Boston, Hartford & Erie R.R. Shares | 2⅛ | 2¾ | 1⅞ | 2¾ | 1⅛ | 2 |
| Col., Chic. & Ind. Cen. R.R. Shares | 30 | 32⅝ | 19 | 31⅛ | 16⅜ | 24⅝ |
| Dubuque & Sioux City Railroad... | 60 | 62 | .. | .. | 55 | 55 |
| New Jersey Central Railroad Shares | 102¼ | 103⅛ | 91¼ | 102⅛ | 86 | 95 |
| Morris & Essex Railroad Shares... | 91¼ | 92⅝ | 91 | 91½ | 84 | 88 |
| N. Y. Central Six p. ct. Bds. of 1883 | 91⅜ | 93 | 92 | 92¼ | 88 | 90 |
| Erie First Mortgage Bonds of 1868.. | 104 | 104¼ | 104⅝ | 104⅝ | .. | .. |
| Long Dock Bonds................. | 95¾ | 96 | 94¾ | 95 | 90 | 95 |
| Mich. Southern Sinking Fund Bonds | 104 | 104 | 104¾ | 105 | 100 | 102⅛ |
| " Seven p. ct. 2d Mtge. | 99⅛ | 99⅞ | 99 | 99¾ | 95 | 97⅛ |
| Central Pacific 1st Mortgage Bonds | 99⅝ | 100⅜ | 80 | 100¼ | 84 | 94 |
| Union " " " | 80 | 82⅛ | 72⅛ | 80¾ | 69 | 75⅛ |
| " " Land Grant Bonds.. | 71 | 73⅛ | 70⅞ | 73 | 58 | 68 |
| " " Income Bonds...... | 61⅝ | 65 | 50 | 59¼ | 36 | 54 |
| Alton & Terre Haute 1st Mtge. Bds. | 99 | 100 | .. | .. | 93 | 93 |
| " " 2d " Pref. | 87⅛ | 88 | 87 | 87 | 79 | 83 |
| " " " Income Bds. | .. | .. | 76⅛ | 76⅛ | 72 | 77 |
| Belleville & So. Ill. 1st Mtge. 8 p. ct. | .. | .. | 96⅞ | 96⅞ | 92⅛ | 92⅛ |
| Chic. & N. W. Consol'n S. F. Bonds | 90⅛ | 92¾ | 89⅛ | 90 | 83 | 86 |
| " " 1st Mortgage Bonds.. | 97 | 100 | 99 | 99 | 89 | 95¼ |
| Cleveland & Tol. Sinking Fund Bds. | 101 | 101⅛ | 101¾ | 101¾ | 99⅛ | 101 |
| " & Pittsb'gh Consol'n Bds. | .. | .. | .. | .. | .. | .. |
| " " Second Mtge. | .. | .. | .. | .. | .. | .. |
| " " Third " | 98 | 99 | .. | .. | 97 | 100 |
| " " Fourth " | 85⅛ | 87½ | 87⅛ | 87⅛ | 84 | 86⅛ |
| Chic., Rock Isl'd & Pac 7 p. ct. Bds. | 102 | 102¾ | 101½ | 102½ | 98 | 100 |
| Milwaukee & St. Paul 1st Mortgage | .. | .. | .. | .. | .. | .. |
| St. Louis & Iron Mountain R.R. Bds | 96 | 97 | 96⅛ | 96½ | 90 | 95 |
| Col., Chic. & Ind. Cen. 1st Mtge. Bds. | 89¼ | 90¼ | 88¾ | 89½ | 72 | 84 |
| " " " " 2d " | 69⅛ | 70 | 68 | 69 | 50 | 62½ |
| Toledo, Peoria & Warsaw 1st, F D. | 92 | 93 | .. | .. | 80 | 86 |
| " " " 1st, W D. | .. | .. | 87 | 87½ | 77⅛ | 80⅛ |
| " " " 2d, W D. | 77 | 77 | .. | .. | .. | .. |
| Cedar Falls & Minn. 1st Mtge. Bds. | 79⅜ | 79¾ | 75⅛ | 78⅛ | 73 | 75 |
| Boston, Hart. & Erie 1st Mtge. Bds. | 31⅝ | 34⅛ | 22¾ | 31⅛ | 20 | 25 |

## NEW LOANS.

OTTAWA CITY LOAN.—Messrs. GRANT BROTHERS & CO., bankers, London, announce a further municipal loan of the city of Ottawa, CANADA, of £120,000, sterling. The loan is at six per cent., interest and principal being both payable in London, in gold, at the banking house of Messrs. GRANT BROTHERS & CO., in Lombard Street. Prior loans of a similar character, both of the cities of Quebec and Ottawa, have met with a favorable reception, and are now quoted at 107 to 110. The present loan is offered at 102 per cent. As mentioned in a review of Mr. COLER'S work upon the law of Municipal Bonds of AMERICA, we regard these loans to municipal corporations as securities of a very high order, bearing a remunerative rate of interest to the investor.

In the present instance, the issue is made for drainage purposes under the authority of an Act of the Provincial Legislature, with the consent and approbation of the municipal electors.

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PHILADELPHIA AND READING R. R.—Messrs. M'CALMONT BROS. & CO., bankers, London, announce an issue of £2,000,000 sterling, six-per-cent. improvement mortgage bonds of the above railway. Both principal and interest will be paid at the option of the holder in London in sterling, or in Philadelphia in gold, free of all federal or State taxes.

The issue is made in bonds of £200 or £1,000 each, the interest being payable on 1st April and 1st October, and the principal being redeemable at par in twenty-four years, by the operation of an accumulative sinking fund.

Interest commences from the 1st October last, and the bonds are issued at an issue price of £87½ per cent.

A summary of very valuable information upon this railway and its connections will be found in *Poor's Manual of the Railroads of the United States.*

From this it appears the main was chartered in 1833, and opened for traffic 1842. As now developed, the system of main, branch, and leased lines is equivalent to 339 miles of main and 1,045 miles of branch lines, or 1,385 in all. For some eight years the system has been paying dividends of 10 per cent. per annum. The revenue for 1872 exceeded $13,000,000.

# THE LAW OF TRUSTEESHIP.

## CASE OF JAUDON v. DUNCAN, SHERMAN & CO., NEW YORK. BEFORE THE SUPREME COURT OF THE UNITED STATES, DECEMBER TERM, 1872.

1. A person lending money to a trustee on a pledge of trust stocks, and selling the stocks for repayment of the loan, will be compelled to account for them, if he have either actual or constructive notice that the trustee was abusing his trust, and applying the lent money to his own purposes.

2. The lender will be held to have had this notice when the certificates of the stocks pledged show on their face that the stock is held in trust, and when, apparently, the loan was for a private purpose of the trustee, and this fact would have been revealed by an inquiry.

3. The duty of inquiry is imposed on a lender lending on stocks, where the certificate of them reveals a trust.

4. These principles are not affected by the fact that the stocks pledged may be such as the trustee under the instrument creating his trust had no right to invest in; as *ex. gr.*, stock of a canal company, when he was bound to invest in State or Federal loans.

5. Notice to the cashier of a bank, or of bankers, that the stock pledged is trust stock, is notice to them.

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Appeal from a decree of the Circuit Court for the Southern District of NEW YORK. The case was thus:

In 1833 Commodore WILLIAM BAINBRIDGE, a resident of Philadelphia, died; leaving four daughters, one of whom was MARY T. B., subsequently the wife of CHARLES JAUDON. By his will he left to two trustees a considerable sum of money, directing them to invest the same in the stocks of the UNITED STATES, or the stocks or funds of any individual State, and to hold the same in trust for his several daughters; one-fourth for his daughter MARY, the interest to be paid to her, "for her sole use and benefit during her natural life, and at the end of her natural life, the amount so invested to be equally divided between her children." The property left by the Commodore was invested by his trustees as the will directed, chiefly in five-per-cent. loans of PENNSYLVANIA, and the interest was properly paid to the daughters. The interest received from the Pennsylvania loans, five per cent., was less than the *cestui que trusts* were content with; but the trustees appointed in the will would not depart from the directions imposed on them by it as to the class of investments in which they could invest; and becoming thus unacceptable to the *cestui que trusts*, they were discharged, in 1835, at their own request, from their trust, and surrendered the estate under their care to

SAMUEL JAUDON, whom, on the consent of Mrs. JAUDON, the court appointed, *without security*, to be trustee, in the place of the trustees named in the will.*

The Pennsylvania five-per-cent. stock was now soon sold, and the proceeds invested by SAMUEL JAUDON in the stock of the Delaware and Raritan Canal Company, according to an arrangement previously made with the *cestui que trusts;* the new stock being one of a high character *in its class*, and which has paid for many years, with great regularity, ten per cent. a year dividend, with occasional large *extra* dividends. Mrs. M. T. B. JAUDON got thus finally 117 shares of this stock. The certificates, of which there were several, all ran thus:

"This is to certify that S. JAUDON, *trustee for* Mrs. MARY T. B. JAUDON, is entitled to seventy shares in the capital stock of the Delaware and Raritan Canal Company. . . Transferable on the books of the Company, and on surrender of this certificate only by him or his legal representative."

This investment was made very soon after the new trustee was appointed. A similar one was made for all the sisters, and was perfectly agreeable to them all. Mrs. JAUDON considered that the trustee was "acting very judiciously, and was very glad of it."

In this state of things SAMUEL JAUDON, who had been dealing largely on his own account in a stock known as "Broad Top Coal and Iron Stock," a speculative stock of no established value, applied in 1865 to the NATIONAL CITY BANK of New York to lend him money on 47 shares of this stock. They agreed to do so, and he delivered to the cashier of the bank the certificates standing in his name as trustee, executing also a power of attorney to sell in case of non-payment of the loan; the power describing him as "S. JAUDON, *trustee for* Mrs. M. T. B. JAUDON," and he signing himself in the same way. This dealing of JAUDON with the CITY BANK, based on the stock in question, and commencing in 1865, extended through a term of two years. During this time ten separate loans were made to him on the pledge of the 47 shares of the canal stock. The securities were returned to JAUDON whenever he paid up the amount of a loan, and redelivered to the bank each time a new loan was effected. In December, 1867, when the last loan matured, the bank, being unwilling to renew it, and JAUDON unable to pay it, sold the stock by the direction of JAUDON, and applied the proceeds of the sale to the payment of its debt.

A few months prior to this sale, that is to say, in July, 1867, JAUDON, wanting more money, applied to DUNCAN, SHERMAN & Co., bankers of New York, with one of which firm, WILLIAM BUTLER DUNCAN, he had had ancient relations, and with whom alone he spoke in the matter, for a loan of $ 7000 at 90 days; telling him that he had securities to offer, and naming them,—the remaining 70 shares of the canal stock, like that pledged to the bank, declared on its face

* The new trustee was a brother of CHARLES JAUDON, the husband of Mrs. M. T. B. JAUDON.

to be "in trust for Mrs. M. T. B. JAUDON." "*Upon the faith of the collaterals*," and "to oblige" JAUDON, the proposition was accepted by Mr. DUNCAN, who told his cashier to attend to the matter. The cashier accordingly lent JAUDON the money, taking the certificates for the 70 shares, and a power to sell like those in the other case, in which he both described and signed himself as "*trustee of* Mrs. M. T. B JAUDON." JAUDON failing on the maturity of the loan to pay it, the stock was sold. There was no evidence that any of the principals of the house of DUNCAN, SHERMAN & Co. had seen the certificates or powers, or had any personal knowledge of the fact that Mrs. JAUDON claimed any interest in them. But their clerk did see the certificates; and it was testified by Mr. W. B. DUNCAN that "without the collaterals he certainly would not have made the loan."

Mrs. JAUDON was absolutely ignorant of all that was done, until after the stock was sold, when SAMUEL JAUDON disclosed the history to her.

There was no doubt that every one of these loans, whether by the CITY BANK or by DUNCAN, SHERMAN & Co., were to JAUDON in his personal character and for his individual use, and that the money obtained was applied to discharge liabilities incurred in the purchase or carrying of the Broad Top coal stock, in which he was at the time dealing on his own account; taking in his own name, and without the exhibition of any trust whatever, certificates for what he bought.

JAUDON being insolvent, Mrs. JAUDON now filed a bill in the court below against him, DUNCAN, SHERMAN & Co., and the NATIONAL CITY BANK, to reach the proceeds of the property which he had disposed of. JAUDON was himself examined as a witness, and narrated with apparent general candor the history of the transaction. He stated, however, in reply to questions inviting such answers, that from his conversations with his sister-in-law (the complainant), it was his general understanding that any changes in investment which he deemed advisable would be approved by her; and that if the investment in Broad Top stock had resulted as he had anticipated, her income would have been further increased; and that in making a purchase of the stock his intention was "to surprise her by giving her something that was worth a great deal more than all the rest." With all this he stated, however, that he had never had any conversation whatever with his sister-in-law on the subject of changing the investment made in the canal stock.

The court below decreed that DUNCAN, SHERMAN & Co. should account for the value of the 70 shares pledged to them and sold, with the dividends and other proceeds that would have been received thereon, including interest on the dividends had they not been diverted from the trust. And that the bank should do the same by the 47 shares pledged to them and sold.

Both DUNCAN, SHERMAN & Co. and the CITY BANK appealed.

Mr. W. W. MCFARLAND, *for* DUNCAN, SHERMAN & Co.; Mr. W. H. ARNOUX, *for the* NATIONAL CITY BANK, *appellant.*

**Assuming that both of the defendants are to be charged with constructive notice that the stock in question was held subject to some trust, from the circumstance that the word trustee appeared upon the face of the certificates, a presumption impossible to make in regard to DUNCAN, SHERMAN & Co., no member of which firm ever saw the certificates—such notice cast upon the defendants no other duty than that of ascertaining whether the power to sell and buy securities, ordinarily attending the title to such securities, had been in this case lawfully withheld from the trustee by the terms of the trust.***

**While in the case of executors, the law implies the power to dispose of the personal assets, and a purchaser may, as a rule, assume its existence without inquiry, and while in the case of strict trustees, where the purchaser has notice of the existence of the trust, it may be necessary for him to ascertain that the power of sale has not been withheld by the terms of the trust; nevertheless, unless it has been withheld, and the trustee is therefore unable to sell without committing a breach of trust, the principles of law, which govern both cases, are from that point forward the same, and are so treated in all the authorities.**

**In cases where it is the duty of the purchaser to inquire into the trustee's power to sell, and he finds that he possesses this power, and may sell, without by the act of sale committing a breach of trust, he has the right to presume, as the law presumes, in favor of honesty and against fraud.†**

**There are a few cases in which the purchaser is bound to see to the application of the purchase-money. To this class the foregoing observations are of course inapplicable, but to this class the case at bar does not belong.**

**2. A pledge or mortgage stands upon the same footing, and is governed by the same principles as a sale, it being but a part execution of the larger power, and the exercise of which may be just as beneficial to the beneficiaries.‡**

**3. There was no violation of the trust in question by the trustee in disposing of the canal stock. It did not even belong to any of the classes of securities in which the testator expressed a desire to have his estate invested. For aught that the defendants knew, it might have been the intention, as perhaps it was the duty of the trustee, by raising the money in question, to *reinvest* the trust funds in the class of securities contemplated by the testator. The testator's express desire in regard to the character of the investment of the trust funds, was disregarded with the consent and at the solicitation of the beneficiaries, in hopes of thus securing a larger income.**

**4. The evidence of Mr. JAUDON shows that it was left largely to**

* Ashton *v.* Atlantic Bank, 3 Allen, 217; Albert *v.* Savings Bank, 1 Maryland Chancery Decisions. 408; Atkinson *v.* Atkinson, 8 Allen, 15; Pennsylvania Life Insurance Co. *v.* Austin, 42 Pennsylvania State, 257; Garrard *v.* Pittsburg and Connellsville, &c., Co.. 29 Id., 154; Dodson *v.* Simpson. 2 Randolph, 294; Tillinghast *v.* Champlin, 4 Rhode Island, 173, 213; Field *v.* Schieffelin, 7 Johnson's Chancery. 160; McLeod *v.* Drummond, 14 Vesey, 353.

† Broom's Legal Maxims, 911?

‡ Petrie *v.* Clark, 11 Sergeant & Rawle, 388; Miles *v.* Durnford, 2 Simons [New Series], 234; Russell *v.* Plaice, 18 Bevan, 21.

him by this *cestui que trust*, his sister-in-law, in what security to invest. There had been a complete departure from the terms of the will by the investment in canal shares. The change to Broad Top stock was no greater than that was. Mr. JAUDON considered the Broad Top a promising investment, and hoped to surprise his sister-in-law by a most agreeable accession to her income. He meant to reinvest the trust moneys produced by the sale of canal shares in this new stock. This, no doubt, it was wrong in him to do; but not more wrong than what he had already done; and in one case, as in the other, he meant all for the best. But the canal stock having been sold really to make a trust reinvestment, neither DUNCAN, SHERMAN & Co., nor the bank can be made liable for the failure of the new fund; though, of course, Mr. JAUDON can be for violating the directions of his testator.

Mr. T. R. STRONG, *contra.*

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Mr. Justice DAVIS delivered the opinion of the court.

It is too plain for controversy that SAMUEL JAUDON committed a gross breach of trust in allowing the shares of stock in the Delaware and Raritan Canal Company to be disposed of and applied in the manner they were; but as he is insolvent, and the specific property cannot be reclaimed, the inquiry arises whether the appellants, with whom the shares were pledged and for whose benefit they were sold, or the *cestui que trust*, shall bear the loss occasioned by his misconduct.

It is argued that the appellants bear a different relation to this stock from what would be the case if the investment in it had been authorized by the terms of the will. It is true the will directed investments to be made in government or State stocks, and on this account the conversion by JAUDON of the State stocks on hand into canal stock, was a wrongful act and a breach of trust. But the *cestui que trust* was at liberty to approve or reject this unauthorized proceeding, and her decision on the subject concerned no one not interested in the trust estate. She elected to approve it after she learned of the occurrence, and by doing this adopted the new investment and waived the breach of trust. But her waiver on that occasion did not bind her to observe the same line of conduct in case of further violation of duty. It would be absurd to suppose because she ratified this transaction she intended to assent to future breaches of trust. Indeed, it is quite clear from the evidence that she acquiesced in the arrangement because her relatives who had charge of the estate advised it. In the nature of the case, she could not have had that sort of information on such a subject on which to base a correct judgment, and, therefore, necessarily relied for the security of her rights on the counsel of older and more experienced persons in whom she placed confidence. It is due to the trustee to say that the change of investment was a family arrangement, in order to obtain a greater income, and that the stock selected for this purpose was one of the best of its kind that the market afforded.

Although it is wrong in any case for trustees, under a will, in making investments, to depart from the rule prescribed by the testator, yet if it is done, and acquiesced in by the party in interest; and there is no interference by the court having charge of the trust, the right of action to the *cestui que trust* for an illegal disposition of the property thus substituted is not affected by reason of this departure. It is still an estate held in trust for the beneficiary under the will, and to be protected equally with an investment made strictly in accordance with the terms of the will. It follows, then, that the relation of those having dealings with the trustee, based on shares of stock held in this way, is not changed by reason that the original purchase was not in accordance with the directions of the testator.

This brings us to a consideration of the particular transactions on which the claim for relief in these cases is founded. The dealings of JAUDON with the CITY BANK, based on the stock in question, commenced in 1865 and extended through a period of two years.

The dealing with DUNCAN, SHERMAN & CO. was confined to a single transaction.

The evidence leaves no room for doubt that each and all of the loans were to JAUDON in his personal character and for his individual use, and that the money obtained was applied to discharge liabilities incurred in the purchase, or carrying, of Broad Top coal stock, a speculative stock of no established reputation, in which he was at the time dealing on his own account.

It is true, when he borrowed the money he had no expectation of resorting to the trust funds to repay it, but his good intention in this respect furnishes no excuse for his conduct. It was wrong for him, under any state of circumstance, to pledge the stock in order to obtain money for his personal wants. He held a fiduciary relation to it, and yet used it as if it were his own, and bargained for the consequences which followed, although the necessity for the ultimate sale of it was not anticipated by him at the time he pledged it. If the law allowed the property of the *cestui que trust* to be treated in this manner there would be little encouragement to vest an estate in trustees for the benefit of others.

It is argued that the several transactions of JAUDON with the bank and DUNCAN, SHERMAN & CO., were really, on his part, for the purpose of reinvesting the trust funds. How can this be, when he had not a thought, at the time he got the money, of failure to pay it? His speculations, then, were on his own account, and, like all sanguine men who deal in stocks, he had full faith that the venture in which he was engaged would prove remunerative. The idea of reinvestment was an afterthought, occurring at the time he found himself unable to pay, and obliged, as he supposed, to part with the property of his *cestui que trust*. And even then it did not assume the shape of a settled purpose, but only an intention to offer the injured party Broad Top security, in which he was operating, for the canal stock, which he was about to appropriate to his own necessities. It is natural that a trustee who makes use of trust property to pay his own debts, without a deliberate design to defraud, should intend, at some future time, to put the party wronged by him in as good a position as before; but can such an intention be treated as a purpose to reinvest the trust funds in the securities in which the trustee is privately speculating? If it can, personal property in the hands of trustees, be the declaration of trust ever so specific, is in a very unsafe condition. The stock was not sold because it was desirable to change the investment, but for the simple reason that it had been pledged, and it was pledged for the sole object of enabling JAUDON to obtain money to advance his personal ends. If, therefore, there had been occasion for making a reinvestment, and authority to do it, the transactions in question had no reference to any such object.

But why change the investment, when the canal stock, one of the most stable of its kind in the country, was paying on the average a semi-annual dividend of 5 per cent. If it were allowable under the will to invest in the stock of private corporations at all, few more desirable than this were accessible. Experience had shown that it was safe and yielded a large income, and no prudent trustee having once invested in it, and had his conduct approved, looking alone to the interest of his *cestui que trust*, would take the hazard of selling it and purchasing another. But there was no authority to sell it, even were it desirable to do so, or to deal with it so that a sale might become necessary. If JAUDON thought so there was no foundation for his belief, and he is compelled to admit, although his whole testimony is an effort to justify his conduct, that he never had any conversation with his *cestui que trust* on the subject of changing this stock.

It was treated by all concerned, during the long course of years in which it was held in trust, as a most desirable investment, and no thought of substituting other securities for it was ever entertained by any one, until the idea occurred to JAUDON as a means of escape from the embarrassment in which he was placed by the unlawful use he made of it. The *cestui que trust* not only never gave consent to pledge or sell it, but had no reason to suppose that the trustee would attempt anything of the kind; nor has she said or done anything, fairly interpreted, which tends even to relieve the trustee from the legal responsibility which pertains to the administration of the trust estate.

It follows, then, that the use of the stocks by JAUDON in his transactions with the bank and DUNCAN, SHERMAN & CO. was, on his part, a flagrant breach of trust, without either justification or excuse. If so, are they blameless? They cannot be, if they had actual or constructive notice that the trustee was abusing his trust and applying the proceeds of the loans to his own use. As we have seen, the loans were for no purpose connected with the trust, but for JAUDON'S own benefit, and the face of the papers given as collateral security for the debts thus incurred informed the parties dealing with him that he held the stock as trustee for Mrs. MARY T. B. JAUDON, and inquiry would have revealed the fact, that the use to which the stock was put was unauthorized.

The duty of making such inquiry was imposed on these parties, for it is out of the common course of business to take corporate stock held in trust, as security for the trustee's own debt. The party taking such stock on pledge deals with it at his peril, for there is no presumption of a right to sell it, as there is in the case of an executor. In the former case the property is held for custody, in the latter for administration.

It matters not whether the stock is pledged for an antecedent debt of the trustee or for money lent him at the time. It is unlawful to use it for either purpose.

In LOWRY *v.* COMMERCIAL AND FARMERS' BANK OF MARYLAND,* which was a case of misappropriation of corporate stock by an executor, Chief-Justice TANEY held "that if a party dealing with an executor has, at the time, reasonable ground for believing that he intends to misapply the money, or is, in the very transaction, applying it to his own private use, the party so dealing is responsible to the persons injured." And the Supreme Court of MASSACHUSETTS, in a recent case,† in its essential features like the case at bar, decides that if a certificate of stock, expressed in the name of "A. B. Trustee," is by him pledged to secure his own debt, the pledgee is, by the terms of the certificate, put on inquiry as to the character and limitations of the trust, and, if he accepts the pledge without inquiry, does so at his peril. In that case the *cestui que trust* was not named in the certificate, and the court remarked that, if it were so, the duty of inquiry would hardly be controverted.

If these propositions are sound, and we entertain no doubt on the point, the liability of the appellants for the conversion of the stock belonging to Mrs. JAUDON cannot be an open question. They either knew, or ought to have known, that JAUDON was operating on his own account, and are chargeable with constructive notice of everything which, upon inquiry, they could have ascertained from the *cestui que trust.*

If this inquiry had been pursued they could not have failed to discover the nature and foundation of the trust, and that the trustee had no right to pledge the stock for any purpose. The bank, in its dealings with JAUDON, was guilty of gross negligence, and, in consequence of this, inflicted serious injury upon an innocent person. It may be, that the cashier never inquired of JAUDON what he wanted with the money, but nine successive loans to him in one year, each time on the pledge of the same trust security, was evidence enough to satisfy any reasonable man that the money was wanted for private uses, and not for any honest purpose connected with the administration of the trust.

DUNCAN, SHERMAN & CO., although intending no wrong, cannot escape their share of responsibility. DUNCAN lent the money to JAUDON to oblige him, and, in the very nature of the transaction, he did it for JAUDON'S private accommodation. On making the

* Taney's Circuit Court Decisions, 310.

† Shaw *v.* Spencer and others, 100 Massachusetts, 389.

application JAUDON told him he had securities to offer, naming them, and naturally he supposed they were JAUDON'S own property. It is his misfortune that he turned them over to his cashier, with directions to accommodate JAUDON, without having personally examined them. If he had made this examination, we are persuaded the *cestui que trust* would have had no occasion to be dissatisfied with his conduct.

It is needless to argue that DUNCAN is bound by the notice communicated to the cashier when he received the certificate and concluded the business with JAUDON.

Without pursuing the subject further, we are satisfied that the decrees below should be AFFIRMED.

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## NOTES OF CASES QUOTED OR REFERRED TO IN THE CASE OF JAUDON *v.* DUNCAN, SHERMAN & CO., BEFORE THE SUPREME COURT OF THE UNITED STATES. DECEMBER TERM, 1872.

I.—Ashton *v.* Atlantic Bank. II.—Albert *v.* Savings Bank of Baltimore. III.—Atkinson *v.* Atkinson. IV.—Dodson *v.* Simpson. V.—Field *v.* Schieffelin. VI.—Garrard *v.* Pittsburgh and Connellsville R. R. VII.—Lowry *v.* Commercial and Farmers' Bank of Baltimore. VIII.—McLeod *v.* Drummond. IX.—Miles *v.* Durnford. X.—Penn Life Insurance Co. *v.* Austin. XI.—Petrie *v.* Clark. XII.—Russell *v.* Plaice. XIII.—Shaw *v.* Spence. XIV.—Tillinghast *v.* Champlin,

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### I.—ASHTON *v.* ATLANTIC BANK. *Allen's Massachusetts Reports, Vol. III, Page* 217.

A bill in equity to compel the delivery to a trustee of trust property pledged by his deceased predecessor as security for money lent to him for his private use, must allege that the lender knew that the money was lent for such private use, and that the property which was pledged was trust property. In such bill it is not necessary to join as defendants the *cestuis que trusts*, or the widow or legal or personal representatives of the former trustee, or the sureties on his bond.

If a trustee, appointed under a will, with power to sell real estate and invest the proceeds according to his discretion, and to use such portion of the trust property as might be needful for the purpose of finishing a dwelling-house which was in process of construction when the will was made, has sold a portion of the real estate, and taken a note therefor, payable to himself as trustee under the will, and afterwards has borrowed money for his own use, and pledged the note as security therefor, to one who had no knowledge of any facts relating to the trust, except what appeared upon the face of the note, the form of the note alone, under the circumstances, does not afford a sufficient presumption of knowledge that the pledge was made in violation of the duty of the trustee to authorize his successor to maintain a bill in equity to compel its delivery to him.

II.—ALBERT *v.* SAVINGS BANK OF BALTIMORE. *Maryland Chancery Reports, Vol. I, Page* 407.

A bona fide purchaser of stock in a bank or other corporation, standing in the name of trustees, without notice of the trust, will be protected, whether the trustees have the legal authority to make the transfer or not.

If there be no fraud, or collusion, the bank, and not the transferer must abide the loss, if a loss be sustained by any act of the proper officer of the bank in the transfer of its stock, arising either from a misconception of his duty or a want of judgment. The mere addition of the word "trustee" to the name of the person who appears on the books of a corporation as the stockholder, with nothing to indicate the character of the trust, or the party beneficially interested, will not deprive him of the legal capacity to transfer the stock, though by so doing he may commit a breach of trust.

A corporation may avail itself of its want of authority to make the contract sought to be enforced against it, though it has received, and enjoyed the consideration upon which it was made.

But, where a contract of a corporation has been executed by the parties to it, it is not competent for a mere stranger to the contract to assail it, and deprive the corporation of the advantage derived from it, upon the ground, that it was interdicted by the charter.

Where the entry on the transfer book of a bank displayed the origin, nature and character of the trust, and who were the beneficiaries, it was *Held*—that the bank had notice of the trusts with which the stock was clothed, and would be responsible, if it permitted a transfer to be made by other persons than the trustees, who alone were authorized to make it. In such case, if the trustees themselves should offer to transfer under circumstances calculated to excite suspicion that they were about to abuse their trust, the bank would be bound to institute the necessary inquiry; and if it omitted to do so, and loss resulted, the loss would be thrown upon it. Where a party transfers stock as "executor" the bank must know that there is a will, of which in MARYLAND, it is bound to take notice.

But, where the entry upon the books of a corporation only showed that the stock stood in the names of certain persons, as trustees, without showing who were the *cestuis que trusts*, or what the nature of the trust was, it was *Held*—that this entry standing by itself, was not sufficient to put the corporation upon the inquiry, and to make it responsible, on the ground of negligence.

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III.—ATKINSON *v.* ATKINSON. *Allen's Massachusetts Reports, Vol. VIII, page* 15.

An assignment of shares in a corporation need not to be under seal.

If a guardian who holds shares in a corporation, which were issued to him in his official capacity, improperly assigns them to secure a private creditor, who takes them with a knowledge of the facts, the guardian's successor in office may maintain a bill in equity to obtain a transfer thereof to himself. But if he assigns other shares, which belongs to his ward, but which were issued to him without expressing his official capacity, to one who takes them for value, without notice, his successor cannot maintain a bill in equity to obtain a transfer thereof to himself.

The allowance by a judge of probate of a guardian's account, in which the guardian charged himself with the appraised value, of certain shares in a corporation, belonging to his ward, and the recovery of judgment upon his bond for the amount of moneys remaining in his hands at the time of his ceasing to be guardian, are no bar to a bill in equity by his successor to obtain a transfer of the shares, if their value was not included in the judgment; although in a specification of particulars of the plaintiff's demand in the action in which the judgment was recovered, the balance found due by the probate account was claimed as cash in his hands.

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IV.—DODSON *v.* SIMPSON. *Randolph's Virginia Reports, Vol. II, Page* 294.

An executor who sells or pledges the assets of his testator's estate, for his own use, when he is not in advance to the estate, commits a fraud; and the purchaser or mortgagee, with notice of such improper conduct, at the time of the purchase, will be decreed to make restitution.

But, if the purchaser or mortgagee has not notice of the fraud at at the time of the purchase, &c., he will be protected as a purchaser without notice.

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V.—FIELD *v.* SCHIEFFELIN. *Johnson's New York Chancery Reports, Vol. VII, Page* 150.

A guardian, having the legal power to sell or dispose of the personal estate of his ward, in any manner he may think most conducive to the purposes of his trust; a purchaser, who deals fairly, has a right to presume that he acts for the benefit of his ward, and is not bound to inquire into the state of the trust; nor is he responsible for the faithful application of the money, unless he knew, or had sufficient information at the time, that the guardian contemplated a breach of trust, and intended to misapply the money; or was in fact, by the very transaction, applying it to his own private purpose.

VI.—GARRARD *v.* PITTSBURGH AND CONNELLSVILLE R. R. CO.
*Pittsburgh Reports, Vol. I, Page* 378.

Where coupon bonds, issued under the provisions of an act of assembly, by a municipal corporation, for stock in a railroad company, to enable them to build their road, are in possession of the president, and the fact that he is the president of the company is shown by the bonds themselves, his possession is *prima facie* evidence that they belong to the company, and constructive notice of their title to one about to take them as collateral security for a private debt owed by the president. The fact, that time for the payment of such debt is given in consideration of the transfer of such bonds as collateral security, is immaterial, where the creditor has constructive notice of the company's title. The giving of time cannot divest or impair the title of the company.

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VII.—LOWRY *v.* COMMERCIAL & FARMERS' BANK OF BALTIMORE.
*Taney's Circuit Court Reports, Vol. I, Page* 310.

Bank stock was bequeathed to the testator's executors, and the survivor of them, to pay the dividends to one for life, with remainder over; and the executors were, by a decree in chancery, directed to hold the same in trust to pay the dividends to the devisee for life, and after her death, to divide the stock between those in remainder. The testator died rich; and several years after his death, and after all his debts were paid, one of the executors pledged the stock, which was still standing in the testator's name, to another bank to secure his individual debt; the debt being afterwards paid, the stock was transferred to T. J. & Co., one of the executors being the sole member of that firm, and was by him retransferred into the names of himself and his co-executor, as executors. Afterwards he, signing his name as acting executor, again pledged the stock to the said bank, to secure other debts of the firm of T. J. & Co.; and a note, for which said stock was held in pledge, not being paid, in consequence of the failure, and entire insolvency of the firm of T. J. & Co., the stock was sold, and the proceeds applied to its payment, leaving a balance in the hands of the bank. The last dividend on the stock, before it was sold, was received and retained by the bank; but the other dividends, which accrued whilst the stock was in pledge, were received by the said executor; those first received were paid over by him to the legatee for life, but the others were not. On a bill filed by the legatee for life, who was an alien residing in IRELAND, to recover the dividends due to her, *held*, That as the bank, to whom the stock was pledged, paid a valuable consideration for it, and had no notice, actual or constructive, of any violation of trust, upon which the transfer could be impeached in equity, it had a right to sell the stock for the payment of the note for which it was pledged, and to make the purchasers a valid title.

That purchasers of stock are not bound to look beyond the certificate, or to examine the books of the corporation, to ascertain the validity of the transfer.

But the corporation whose stock is transferred, is made the custodian of the shares, and is clothed with power to protect the rights of every one from unauthorized transfers. It is a trust placed in its hands for the protection of individual interests, and like every other trustee, it is bound to execute the trust, with proper diligence and care; and is responsible for any injury sustained by its negligence, or misconduct. As the corporation appoints the officers before whom the transfers of stock must be made, it is responsible for their acts, and must answer for their negligence or default, whenever the rights of a third person are concerned. By the law of ENGLAND, and it would seem, of MARYLAND also, before the act of 1843, ch. 304, (which does not apply to this case) an executor may sell or raise money on the property of the deceased, in the regular execution of his duty, and the party dealing with him is not bound to inquire into his object, nor liable for his misapplication of the money. But if a party dealing with an executor has, at the time, reasonable ground for believing that he intends to misapply the money, or is, in the very transaction, applying it to his own private use, the party so dealing is responsible to the persons injured. In this case, the rights of stockholders and persons interested in its stock were placed by law under the guardianship and protection of the bank, so far as concerned the transfer on their books.

If these officers, at the time of the transfer, had reason to believe that the executor, by the act of transfer, was converting this stock to his own use, in violation of his duty, then the bank, by permitting the transfer knowingly, enabled the executor to commit a breach of his trust, and upon principles of justice and equity, is as fully liable as if it had shared in the profits of the transaction. The transfer having been made by one of the executors, his character of executor, of itself, was notice that there was a will open to inspection upon the public records; the bank, therefore, when the transfer was proposed to be made, was bound to take notice of the will, and is chargeable to the same extent as if it had actually read it.

This stock, although specifically bequeathed, was liable to be sold to pay the testator's debts; and if the bank did not know, or had no reasonable ground for supposing that the executor was misapplying the assets, it would not be responsible, notwithstanding its implied knowledge of the will. The bank is equally chargeable for the neglect or omission of duty of the officer to whom it had committed the superintendence of the transfers of stock, as for the neglect or omission of its president; and such officer is also equally chargeable with implied notice of the will, and equally bound to refuse the transfer, when he saw that the executor was using this stock in violation of his trust as executor. In the case of ALLENDER *v.* RISTON, the opinion of the court would seem to have been that, notwithstanding the act of 1798, sec. 3, an assignment by the executor, for his own debt, would be valid against the creditors of the estate, unless there were collusion with the executor; but the case was not decided on that point, nor does the opinion of the court apply to an assignment of property specifically bequeathed.

The proposition of one of two executors (the other executor not uniting in the transfer) to transfer this stock, so long after the death of a wealthy testator, without first obtaining an order from the court to justify him, must have satisfied any man of common experience in business, that he was grossly abusing his trust.

A bank or other corporation is bound by the same obligations, moral and legal (when the rights of third parties are concerned), that apply to the case of an individual, unless explicitly exempted by law; and if an individual who confederates with an executor and assists him in defrauding his *cestui que trust* is liable to the party injured, there can be no reason why a bank, which knowingly enables an executor to convert the property of the *cestui que trust* to his own private use, should not be equally responsible. Under the act of 1798, sec. 3, an order of the Orphans' Court, for the sale of the stock, would protect the bank from all responsibility. Another bank being induced, relying on the certificate of stock, to loan its money upon it, without knowledge that the stock had ever belonged to the testator, or been transferred by his executor, the stock cannot be followed in its hands, or in the hands of those to whom it afterwards sold it, and be charged with the trusts created by the will. The complainant's claim being merely for dividends on the stock, and not for the stock itself, and this court's jurisdiction over the case being based on the alienage of the complainant, it cannot do what the facts would otherwise warrant, and decree in favor of those of the defendants, who are entitled to the stock after the complainant's death; although the court would be authorized to do so, if the complainant's interests required it.

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## VIII.—McLeod *v.* Drummond. *Vesey's English Chancery Reports, Vol. XIV, Page* 352.

Pledge by executors of bonds to the testator sustained upon advances of money from time to time, for several years; the bill being filed, not by specific legatees, but by coexecutors who had not previously acted.

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## IX.—Miles *v.* Durnford. *Simons' English Chancery Reports, N. S., Vol. II, Page* 234.

Where loans are made to an executor upon his personal security without any security, or contract for a security upon the assets being made at the time, and afterwards a security on the assets is given, the court will not assume that the loan was for the purposes of the administration of the estate, but will direct an inquiry whether it was so applied.

A, the surviving executor of B, filed a bill to set aside a mortgage of the assets, made by C, the deceased executor of B. A was also the representative of C. *Held*, that A could not sever his character of representative of the original testator, in which he had title to sue, from that of representative of C, in which he could not sue, to set aside his testator's deed; and on this ground the bill was dismissed.

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## X.—Penn Life Insurance Co. *v.* Austin. *Pennsylvania State Reports, Vol. XLII, Page* 257.

1. Where one purchased from a trustee, for a fair price, certain lots belonging to the trust, which the trustee had power to sell under the deed, and without knowledge of any intended diversion of the sum paid from the purposes of the trust, he is not guilty of fraud in so doing, nor will he be liable to make good to the trust estate the amount afterwards paid by it to repossess the lots, which meanwhile had passed into other hands.

2. The husband of the *cestui que trust*, acting as the attorney in fact to manage the trust for the trustee, his father, failing to effect a a mortgage upon the lots, sold them to one who agreed to re-convey to him on his repaying the purchase money; the trustee received the money and conveyed the title to the purchaser, which title the husband, upon repayment, received in his own name; the lots were then mortgaged, sold under the mortgages, and afterwards bought back by the trust estate; after the death of father and son, a bill in equity was filed by the widow and the trustee succeeding to the trust, against the purchaser, to recover the amount paid, alleging a confederacy between him, the trustee, and the husband, to defraud the estate of the lots, and claiming that the deed to him was, in fact, a mortgage. *Held*—

(1.) That the amount advanced to the trustee for the conveyance being nearly or quite the full value of the lots, the purchaser could not be charged with a corrupt combination to obtain it, whether the conveyance was a mortgage or not.

(2.) But that as there was no agreement by the purchaser to reconvey to the grantor, the trustee, when the consideration money should be repaid, the deed was not conditional as between them, and was therefore not a mortgage.

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## XI.—Petrie *v.* Clark. *Sergeant & Rawle's Reports, Vol. II, Page* 377.

Of the right of creditors and legatees to follow assets which have been collusively parted with by an order of an executor, of the remedy in such cases, and of the power of an executor over the assets.

Of an executor pledging the assets of his testator as a security for an antecedent debt of his own, to one who is ignorant of the misappropriation of the property.

A promissory note was indorsed in blank to executors for goods purchased of them, which were part of the assets in their hands. One of the executors, without the knowledge of the other, being indebted to the plaintiff on his own promissory note of nearly the same amount, after his own note became due made an arrangement with the plaintiff, by which his own note was taken up by a new note, and the note, which had been received by the executor for the goods of the testator, was handed over, with the blank indorsement of the payee, as a collateral security for the payment of this debt; the plaintiff being entirely ignorant of the circumstances under which the latter note came into the hands of the executor.

*Held*, that the plaintiff, not being a holder for a valuable consideration, was not entitled to recover the amount of the note. But it seems, that if he could show that time was given in consideration of obtaining the note in question as a security for a debt, and in consequence, the debt was lost, it would be otherwise.

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### XII.—Russell *v.* Plaice. *Beavan's English Chancery Reports, Vol. XVIII, Page* 21.

An executor or administrator may not only pledge or mortgage the assets, but may also give to the mortgagee of leaseholds a power of sale and to give valid receipts for the purchase money.

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### XIII.—Shaw *v.* Spencer. *Massachusetts Reports, Vol. C, Page* 382.

A certificate of stock, expressed on its face to be "transferable only on the books of the company by the holder thereof in person, or by a conveyance in writing, recorded on said books, and surrender of this certificate;" and transferred in blank upon its back, is not a negotiable instrument. One holding stock as trustee has *prima facie* no right to pledge it to secure his own debt growing out of a transaction independent of the trust.

If a certificate of stock in the name of "A. B.," trustee, is by him pledged to secure his own debt, the pledgee is, by the terms of the certificate, put on inquiry as to the character and limitations of the trust, and, if he accepts the pledge without inquiry, does so at his peril.

If a certificate of stock in a corporation, expressed in the name of "A. B.," trustee, is by him fraudulently pledged for his own debt, and accepted without inquiry; and the pledgee, after receiving notice of the fraud, and a demand of the parties beneficially interested under the trust that the stock shall be held subject to their direction, voluntarily pays an assessment due on the stock, to one of them, as treasurer of the corporation, in the presence of the other; such payment does not estop them from maintaining their claim to the stock.

XIV.—Tillinghast *v.* Champlin. *Rhode Island Reports, Vol. IV, Page* 173.

The receiver of a dissolved copartnership, appointed by a decretal order in equity, is an officer of the court appointing him, invested with the whole equitable title to the partnership property without an assignment, and in any suit concerning such property represents the interests in such property of all parties to the suit in which he was appointed, if not of all persons not parties to such suit.

Such receiver may, to enable him to perform his trust, *suo motu*, and without special leave from the court appointing him, bring suits to possess himself of the partnership property, incurring no risks except as to costs: the property, when in his hands, being in *custodia legis*, and subject to administration by order of the court.

The administrator of a deceased copartner, upon whose bill a receiver of the copartnership property has been appointed, thereby surrenders to the receiver all his dominion over the copartnership property, at least so far as the purposes of the suit are concerned; and in any proceeding in equity thereafter instituted by the receiver, with regard to such property, to enable him to perform his trust, he represents, not only the interests and equities of the creditors of the copartnership in the property, but also those of the deceased copartner. Hence, a bill instituted by such receiver, to possess himself of the partnership property and have the same applied to the payment of the partnership debts, neither the representative of the deceased copartner nor the creditors of the firm are necessary parties. The rule that the creditors of a firm have no equitable lien on the copartnership property, but can only work out such a lien through the equities of the copartners, applicable whilst the copartners are administrating their own funds, has no application to the case of a copartnership dissolved by the death of one of the copartners, especially if the surviving partner be insolvent, or where, though living, one or both the copartners have become insolvent or bankrupt so that their property is in the hands of assignees for distribution. In such cases an equitable lien attaches, in favor of the copartnership creditors upon the joint property, and in favor of the separate creditors of each copartner, upon his separate property, in the hands of the surviving partner, as a trustee for each class of creditors by implication, or in the hands of assignees, as trustees, by virtue of an express trust, which will be administered in equity against such trustees, upon the direct application of the creditors.

Where the bill places the relief which it asks upon the ground of actual fraud or covin in the respondent, and the proof fails to support it upon that ground, the bill must be dismissed with costs, although upon the facts as proved, the court might have relieved upon some other ground than fraud, had the bill placed the relief upon such other ground.

The reasons for this rule considered and discussed, and the cases of MOUNT VERNON BANK *v.* STONE, 2 *Rhode Island Reports*, 129, and of MASTERSON *v.* FINNEGAN, *ib.*, 316, criticised and reconciled under it.

The rule applies only when actual or moral, as distinguished from constructive, frand, is charged, and does not apply when such fraud is substantially charged as the ground of relief, whether the word "fraudulent" be used or not. A bill, filed by a receiver of a partnership, in behalf of a numerous body of creditors, dismissed under the above rule, will be dismissed without prejudice; and where drawn under the advice of counsel, without fault on the part of the receiver, the costs will be allowed to him out of any funds which have come or may come to his hands as such receiver.

Real estate purchased with the copartnership funds, or by the copartnership credit, for the nses of the firm, will be treated in equity as copartnership property, as between the copartners, and be held applicable to the payment of copartnership debts; and from such purchase and use will be presumed to be intended by the copartners to be held and treated by them as copartnership property, notwithstanding the deed is taken to them as tenants in common, and without describing them as copartners. When, however, the deed is so taken, according to the weight of authority in the country, such property will, after the payment of the copartnership debts and the adjustment of the balance between the copartners, be regarded in equity as the joint undivided real property of the copartners, according to their several interests in the firm, and, as such, pass to their heirs instead of to their personal representatives. A *bona fide* purchaser or mortgagee for value of the real property of a partnership, the legal title to which is vested in the copartners, or in some one of them, for the firm, without notice of the equitable rights of others in it as a part of the copartnership funds, will, upon the ground of his own equities, as such purchaser, be protected in his title, in equity as well as at law. And such purchaser from a surviving partner of the whole, or even of an undivided portion, of such property, and obtaining from such partner a conveyance of the legal title thereto, would not take it subject to the same trust as in the hands of his grantor, merely because he knew it to be copartnership property, and that there were copartnership debts still outstanding; if the purchase were made by him openly, and with the apparent consent of all concerned, and under circumstances fairly indicating to him that no breach of trust, by the application of the purchase money to his individual uses, was intended by the vendor, but that the property was sold by him in the execution of his trust, for the payment of the copartnership debts.

But where a purchase of the undivided half of a planing mill, &c., was made for value, of a surviving partner of a firm of housewrights, by one who knew that the mill was built up with the copartnership funds, and credit for, and had always been applied solely to, the copartnership uses—that the dissolved firm was greatly indebted, if not insolvent, and that none of its debts had been paid by the surviving partner—and the conveyance was taken, and the purchase money paid secretly, and on the very night on which the vendor absconded with it; the purchaser was *held* to be affected by the circumstances with constructive notice of the breach of trust intended, at the time of the purchase, to be committed by the absconding partner, and to hold the legal title thus acquired by him subject to the trust of his vendor; although the proof was not sufficient against his answer, to convict him of an actual participation in the corrupt design of his vendor, and he swore in his answer, that from the fact that the co-partners held the estate by their deed as tenants in common merely, he supposed that the undivided half of it which he purchased was the individual property of his grantor.

## STOCK EXCHANGE CLEARANCES.

### The London System Advocated—Two Settlements a Month for Transactions on Account.

The Governing Committee of the Stock Exchange have been discussing, since the reopening of the Exchange, measures for the clearance of their stock transactions. They have, therefore, devised a system of buying and selling clearances somewhat similar to that employed on the London Stock Exchange. The new arrangement permits transactions "for account," which may be settled twice a month. The method is embodied in the following proposed article to be added to the present regulations of the Stock Exchange, if the members concur.

In addition to present methods of buying and selling stocks, members may buy and sell "for account." Transactions "for account" may be settled twice a month, on such days and in such ways as shall be prescribed by the Governing Committee. Whenever the regular settling day occurs on Sunday, or any legal holiday, it shall be deferred to the next regular business day.

1. Each new account shall commence three business days prior to the coming settling day. Interest on accounts running three days or over, shall accrue to the seller at the rate of six per cent. per annum, to be calculated by days, according to bank usage. Mutual deposits, if called for by either buyer or seller, shall be made according to provisions of Article 25 of by-laws.

2. In case of default on the part of any seller "for account" to satisfy his contract with purchaser by 2 o'clock of settling day, the purchaser shall proceed to have the stock bought in according to provisions of Article 25 of by-laws; it being conditioned, however, that the officer of the board shall close the contract at a difference of 10 per cent. from sale price, without interest calculation, unless he can buy at or within that limit.

3. In case of default on the part of any buyer "for account" to satisfy his contract with seller by 2 o'clock of settling day, the seller shall proceed to have the stock sold out according to Article 25 of by-laws; it being conditioned, however, that the officer of the board shall close the contract at a difference of 10 per cent. from purchase price, without interest calculation, unless he can sell at or within that limit.

Note 1. The object of having the new account commence three days prior to closing of old account is to furnish sufficient time, at periods of great speculative activity, for renewal contracts, exchange tickets, or offsets prior to final settlings.

Note 2. The object of the limitation clause is, to prevent sudden and unnatural fluctuations, technically called "corners" or "panics," the effects of which are disastrous to the general business of the Stock Exchange, and, in ultimate results, generally as disastrous to those organizing them as to their victims.

THOMAS DENNY, Jr., in calling the attention of the members of the Stock Exchange to this method, writes:

The present method of speculating in stocks on a cash basis, relying upon call loans as the means of carrying them, and the free certification of checks by a few of the banks as the means of exchanges, has been found defective at periods of unusual excitement. and the sad results of the last few weeks make it manifest that the Stock Exchange must adopt some new plan for speculative dealings. The adoption of the plan of buying and selling "for account," modeled in part on the English system, applicable solely to the speculative portion of our operations, and not interfering with existing modes of doing business, will be, in the writer's opinion, of great advantage to us. The settlement during three days of the previous fifteen days' transactions in any stock—especially if the final settlements are made through a clearing house—will largely diminish the risk from forged certificates, certification of checks, and transportation of securities from place to place. Settlements for account instead of for cash will be of great advantage, too, in cases of sudden and unexpected development of any causes that give shock to the business community, and produce panic, by giving time to dealers to arrange and provide for their contracts. In regard to the limitation of loss on dealings "for account" to a fixed sum for a fixed period, it is very evident that, in times of speculative excitement it would largely increase business, and the greater the number of transactions the better chance of profit is there to the members of the Exchange, either as operators or commission brokers. The expensive experience obtained by many large operators during the last few years by means of "corners," or from panics brought on by large fires or unexpected failures, have driven them almost entirely out of the market. If limitation would be simply precautionary, except under extraordinary circumstances, such as the North-Western corner, or Chicago or Boston fires, it should be adopted as a guard upon our speculative transactions.

## INTEREST ON BANK DEPOSITS.

*From the Toronto Monetary Times.*

Some time ago in Toronto, passers-by on the principal street might see in the office of a broker and banker attractive cards, on which were printed offers to pay interest on deposits at the rate of seven per cent. Not a few were beguiled by the offer, and lodged sums of money to bear interest at that rate. Nothing could be pleasanter, for the rate was nearly as much as any investment would yield, while all the trouble of investing was saved. Besides the money could be had when wanted. But one fine day, depositors found the establishment closed, and though they waited long and patiently, it never opened again, and the money which they lodged, the fruit in many cases of long toil and severe self-denial, was lost beyond redemption. They then awoke to the folly they had been guilty of, in risking the principal for the sake of a small extra per centage of interest. They might have got within two or three per cent. of what they were promised at any of the chartered banks of the city, but beguiled by the offer of a high rate, they forgot the question of security altogether.

Since the time we speak of there have been many changes in banking, and many new banks have commenced business. There has therefore been much competition, and one form of this competition has been the offering of higher rates of interest for deposits. There is obviously a limit within which this can be done safely, and we propose to consider the question what that limit is.

The rate which a banker can safely offer, evidently depends on the rate at which he can safely lend. He carries on his business for profit; he cannot, therefore, borrow and lend at the same rate. Besides this a banker must keep a reserve of money on hand—he cannot, therefore, lend the whole of what is deposited with him. This reserve has long been understood to range from twenty to twenty-five per cent. of the deposit, so that if $1,000 is deposited, all that the banker can safely lend is $750 to $800. We now have the elements of a calculation. The rate of interest for bank loans, in ordinary times, is seven per cent. It is sometimes above this, when there is a great pressure for money, but seven is the ordinary rate for first-class transactions. A banker, therefore, who has $1,000 deposited, will lend, say, $800 at seven per cent. and realize $56 out of it. From this, however, must be deducted the expense of carrying on his business, which will certainly not be less than one per cent. on the whole deposit. This reduces the return to $46. Then there is the risk of bad debts, for it is impossible for money to be lent even on the best security that a banker takes, without a certain amount of loss. Take this at the small minimum ½ of one per cent., or $4 on $800. This will make the return $42, which is the utmost return a banker can realise out of $1,000 deposited, provided he lends on first-class paper. What then can he allow to make a profit? If he allow four per cent. he will have to pay the depositor $40, and make a profit of $2 only on a thousand deposited.

This is a plain statement of facts, and a depositor from this can reason out for himself as to what is safe and what is not. There are times, of course, when a bank can lend at more than seven per cent., and there are certain classes of transactions on which a bank, if it choose to take them, can make more than seven at any time. Banks at certain times, may from exceptional causes be able to make a profit on allowing even five per cent—on getting fair notice—and may do it safely. As a rule about three per cent. below what a bank can lend at, is what can be afforded on fixed deposits, at notice. When, therefore, a bank offers higher interest than its neighbors, depositors may depend on it that such a bank means to lend at a higher rate of discount than its neighbors. But this can only be done by taking risky customers and risky transactions, for good merchants will not pay more than the ordinary current rate, whatever that may be. If, for example, when the ordinary rate for money on deposit is three to five, according to notice required, a bank offers from five to seven, depositors may rest assured that their money is not lent as safely as in the other case. There can be no possible doubt about this. We cannot have both high interest and undoubted security. When they are drawing their six or their seven per cent., while depositors in other banks get only four or five, let them never forget that there is a risk about the principal. For money cannot be lent at high rates of interest except with a large average of losses. And, let depositors bear in mind, it is their money which the banker lends, and it is their money he loses. It is true he has his capital to fall back on, but depositors would find it a very unpleasant thing, as others have done before them, to have to wait while his assets were realized in case of misfortune happening.

This practice of allowing high rates of interest has another aspect. Banks, like individuals, sometimes want money badly, and are willing, like individuals, to pay very high rates for it. Let depositors bear this in mind, when tempted by offers above what is customary. The bank may be very hard up, and willing to pay any price, so long as they get money to tide over present necessities. No matter whether they gain or lose by it, they offer high rates because money they must have. If simple-minded depositors walk in they are sure to be warmly welcomed.

The above remarks apply almost wholly to what may be called fixed deposits, or such as are subject to notice. As to balances of current accounts, it is questionable if it is a good practice to allow interest on them at all. At any rate, if interest is allowed, it should be on the minimum balance of each month, for that is the only amount which has really been in the banker's power to lend. But the general principle of safety or otherwise, for the depositor, is the same here as in the other case, and the rule should be to avoid those who offer high rates of interest, for fear of endangering the principal.

# AMERICAN RAILROAD LOANS IN EUROPE.

We learn from London that the new ten million six-per-cent. gold-bearing loan of the Philadelphia and Reading Railroad Company, put on the market by McCalmont Brothers, London, on the 22d of October, was a complete success. By this it appears that during the first three days, more than enough applications were received to exhaust the entire issue. This is especially satisfactory to the Reading, and will be esteemed good news by all borrowing companies of good credit, as it shows that the foreign money markets are not closed to all American enterprises, but that capitalists there, as here, discriminate between the good and bad borrowers. This ten millions mortgage loan of the Reading runs for twenty-four years, is in dollar or sterling bonds, interest payable semi-annually in gold, and is protected by a cumulative sinking fund of two per cent. per annum, by yearly drawings in London. That so large a loan should be taken so promptly would at any time be most gratifying, but that at such a time as this, in the face of failures here in which foreign capitalists are supposed to have suffered heavily, such a success as has attended the Reading's new loan is especially flattering.

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Mr. J. H. Broekman, Jr., of the firm of Elix & Broekman, bankers, Amsterdam, has written a letter to the *Railroad Gazette*, enclosing a translation of his letter to the *Amsterdamsche Algemeen Handelsblad*. The letter to the *Gazette* contains the following:

You will see that the Dutch are heavily interested in American railroads—much more than any country of Europe, and in proportion to its population probably as heavily as America itself, for with a population of only 3,500,000 people, they have nearly one hundred and sixty millions of dollars of different shares and bonds, besides large amounts of United States bonds, State bonds and other American securities. The total amount of the latter cannot be definitely fixed, but certainly sums up to more than a hundred millions of dollars.

Fortunately they hold comparatively few bonds of those weak companies which are now in default of interest, except one (the St. Paul & Pacific), and that they are interested in that undertaking for more than $20,500,000 is due to the obstinacy with which its soundness was advocated by the men interested in the sale of those bonds, though my firm and many others had no confidence in a road of that location, which could not be worked profitably with a seven-per-cent. gold mortgage debt of $40,000 per mile, for many years to come, and were always warning against them.

Per book post I send you circular of the bonds with the issue of which our firm has been charged in our place; besides those, we were also charged with the partial sale, and recommended the North Missouri seven-per-cent. first mortgage, and Cleveland, Mount Vernon & Delaware first mortgage bonds, and never had anything to do, nor recommended as good securities, the bonds of any company now in default, such as Rockford, Rock Island & St. Louis, Oregon & California, Florida Railroad, Port Huron & Lake Michigan, or Alabama & Chattanooga, the total amount of which held in our country I calculate not to exceed $ 5,000,000 face value.

The average price paid for them probably does not exceed 65 per cent. The average price paid for St. Paul & Pacific bonds is also about 65 per cent. If we calculate that these bonds are worth one-half the cost price, the loss will be somewhat over $ 8,000,000, or about five per cent. of the total of American railroad bonds and shares (face value) held in our country. I also send you some other papers, and am willing to give you any information you may want on the subject of American securities held in HOLLAND.

The following is from Mr. BROEKMAN'S letter to the *Handelsblad:*

Your expression that American railroad intrigues have caused such heavy losses here and abroad, as found in the beginning of that article, at least with regard to our market and in proportion to the amount invested in our country in public funds and securities, is very excessive. The total amount of all American railroad securities (stocks and bonds) exclusive of State bonds or American companies other than railroad companies, held in HOLLAND, may be calculated at about a hundred and sixty millions of dollars ($ 160,000,000), face value. Of this amount, interest payment has been suspended on about $ 14,000,000; and $ 11,500,000 more, it is certain, will be in default very soon. On the other hand, payment has been resumed on about $ 8,000,000, while some of those companies now in default are by no means in a hopeless situation.

The annual interest thus due, but not paid, is limited to $ 1,000,000 (2,450,000 guilders, Dutch currency), a sum large indeed, but not extraordinary, if we consider the Dutch holders of Spanish bonds suffer a loss of at least $ 12,000,000 (30,000,000 guilders) in annual interest by the non-payment of the Spanish coupons; and the reduction of rent of the Austrian debt (held as tax), according to the official figures of conversion, causes a yearly returning loss to our investors of $ 1,430,000 (3,500,000 guilders, Dutch currency). Moreover the Dutch are not interested for a large sum in any American railroad company now in default save one, of which they hold some $ 20,000,000 of bonds, and the soundness and safety of that company has been insisted upon so warmly by *our own countrymen*, that a so-called "friend of truth and right" even found no hesitation in calling its adversaries, one of whom I was, in the *Nederlandsche Financier*, of December 3, 1872, "contrivers of falsehood, deceivers, unconscionable men," etc.

It is far from my intention to protect American railroad directors who are guilty of dishonesty and perfidy; on the contrary, the more actions of such kind are known the better usually the knowledge of the fault contributes to their cure. But the trouble is, that the extreme confidence of former years has turned to extreme distrust to-day; and if formerly they had been more careful, they now would have much less reason for complaint.

As to the watering of the stock by false dealings, this also is represented in an exaggerated manner, as such waterings have only occurred in a few instances on a large scale. Much can be said in censure of such watering, but something can be said in its defense also. It is also true that many companies, chiefly in their earliest days, distributed scrip dividends instead of cash; but in the large majority of such cases the stockholders' money was actually spent in improving and enlarging the property, the road and equipment. Oftentimes, also, much less has been declared than actually was earned, and of late the declaring of such scrip dividends is decidedly decreasing.

It is not possible to deny that much evil can be pointed out in American railroading; but it is hardly possible that it could be otherwise, if we take in view its unprecedentedly rapid growth and development. The very pressing demand for railroads, indeed, enabled the companies to obtain the most liberal charters and privileges; now they make use of their rights, and have grown, possessing now powers equal, or very nearly equal, to the power of the State legislatures. This must be, and should be turned in another manner, not by stupid and extravagant usurpation of the grangers, but certainly by the practical sense of the American people, who also know how to appreciate the blessings which the railroads have introduced, promoted, and still sustain.

## INTEREST LAW OF INDIANA.

*Chapter LX.—An Act regulating interest on judgments.*

[Approved February 5, 1873.]

Section 1. *Be it enacted by the General Assembly of the State of Indiana,* That all judgments on contract, hereafter rendered, shall bear the same rate of interest expressed in the contract upon which such judgment is rendered. The court rendering such judgment shall specify therein the rate of interest which the same shall bear; *Provided,* that when no rate of interest is expressed in such contract, or a greater rate is expressed than ten per cent. per annum, such judgment shall bear interest at the rate of six per cent. per annum; *Provided,* that the provisions of this act shall not apply to contracts heretofore made.

Sec. 2. Whereas, an emergency exists for the immediate taking effect of this act, therefore the same shall be in force from and after its passage.

# LIABILITIES OF FORTY-EIGHT NATIONAL BANKS

## IN THE CITY OF NEW YORK,

*From the Official Reports, October, 1873, with the date of Original Charter of each.*

| Commenced. | Name. | Capital. | Net Profits. | Circulation. | Due Banks. | Deposits. | Dividends. | Total Liabilities. | Dividends Payable. |
|---|---|---|---|---|---|---|---|---|---|
| 1839. | Nat. B'k of Commerce. | $ 10,000,000 | $ 3,453,400 | $ 3,140,400 | $ 2,299,100 | $ 5,498,900 | $ 19,200 | $ 24,411,000 | Jan. & July. |
| 1838. | American Exch. N. B.. | 5,000,000 | 1,454,300 | 947,600 | 2,048,600 | 3,815,300 | 12,500 | 13,278,300 | May & Nov. |
| 1864. | Fourth National Bank. | 5,000,000 | 1,357,000 | 2,907,300 | 11,748,500 | 5,781,000 | 11,800 | 26,805,600 | Jan. & July. |
| 1851. | Metropolitan Nat. B'k. | 4,000,000 | 2,207,800 | 1,199,900 | 2,090,200 | 4,526,100 | 9,800 | 14,033,800 | Do. |
| 1864. | Central National Bank. | 3,000,000 | 113,000 | 1,441,000 | 4,839,200 | 2,854,000 | 9,000 | 12,256,200 | Do. |
| 1803. | Merchants' Nat. Bank. | 3,000,000 | 998,600 | 859,400 | 1,536,000 | 4,242,700 | 7,600 | 10,644,300 | Do. |
| 1784. | B'k of New York N.B.A. | 3,000,000 | 1,161,900 | 835,400 | 3,005,800 | 8,017,200 | 10,100 | 16,030,400 | Do. |
| 1856. | National Park Bank... | 2,000,000 | 1,425,700 | 897,000 | 14,085,400 | 6,884,300 | 4,200 | 25,296,600 | Do. |
| 1851. | Nat, B'k of Republic.. | 2,000,000 | 424,100 | 862,100 | 1,702,300 | 2,223,700 | 15,200 | 7,227,400 | Feb. & Aug. |
| 1809. | Mechanics' Nat. Bank. | 2,000,000 | 989,500 | 532,900 | 913,000 | 2,673,400 | 7,000 | 7,115,800 | Jan. & July. |
| 1836. | Nat. B'k State of N. Y. | 2,000,000 | 594,500 | 541,400 | 618,400 | 2,554,500 | 9,500 | 6,318,300 | May & Nov. |
| 1853. | Continental Nat. Bank. | 2,000,000 | 66,700 | 585,100 | 601,100 | 594,100 | 5,900 | 3,852,900 | Jan. & July. |
| 1813. | Phenix National Bank. | 1,800,000 | 265,800 | 508,000 | 568,800 | 2,166,100 | 6,000 | 5,314,700 | Do. |
| 1855. | Imp. & Traders' N. B.. | 1,500,000 | 1,469,300 | 494,800 | 10,117,000 | 3,717,400 | 3,400 | 17,301,900 | Do. |
| 1811. | Union National Bank. | 1,500,000 | 893,400 | 493,600 | 636,200 | 2,554,600 | 2,800 | 6,079,600 | May & Nov. |
| 1831. | Gallatin National Bank | 1,500,000 | 733,500 | 483,400 | 283,300 | 1,283,400 | 1,000 | 4,284,600 | Apl. & Oct. |
| 1864. | Ninth National Bank.. | 1,500,000 | 236,000 | 611,300 | 4,906,600 | 2,884,700 | 1,700 | 10,140,300 | Jan. & July. |
| 1831. | Merchants' Exch. N. B. | 1,235,000 | 129,700 | 448,000 | 1,114,000 | 1,587,300 | 3,800 | 4,517,800 | Do. |
| 1852. | Nat. Shoe & Leather B. | 1,000,000 | 700,700 | 776,900 | 1,197,000 | 1,401,400 | 6,200 | 5,082,200 | Do. |
| 1863. | Third National Bank.. | 1,000,000 | 315,800 | 782,900 | 5,511,400 | 813,400 | —— | 8,423,500 | Do. |
| 1864. | Tenth National Bank.. | 1,000,000 | 140,800 | 893,400 | 24,400 | 396,700 | 1,900 | 2,457,200 | Do. |
| 1849. | National Broadway B'k | 1,000,000 | 1,932,400 | 896,000 | 273,900 | 2,711,100 | 1,900 | 6,815,300 | Do. |
| 1823. | Tradesmen's Nat. Bank | 1,000,000 | 534,000 | 751,500 | 290,500 | 1,562,600 | 3,800 | 4,142,400 | Do. |
| 1852. | St. Nicholas Nat. Bank | 1,000,000 | 190,600 | 736,800 | 61,900 | 974,800 | 6,800 | 2,970,900 | Feb. & Aug. |
| 1852. | Market National Bank. | 1,000,000 | 491,400 | 343,200 | 242,500 | 1,839,300 | 4,900 | 3,921,300 | Jan. & July. |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 1851. | Hanover National B'k. | 1,000,000 | 214,000 | 297,300 | 1,328,000 | 1,385,900 | 1,400 | 4,226,600 | Jan. & July. |
| 1812. | National City Bank... | 1,000,000 | 1,377,200 | —— | 287,000 | 4,075,400 | 1,100 | 6,740,700 | May & Nov. |
| 1850. | Mercantile National B, | 1,000,000 | 362,500 | 478,700 | 2,565,200 | 1,298,700 | 2,700 | 5,707,800 | Do. |
| 1831. | N. Butchers & Drovers' | 800,000 | 308,700 | 252,900 | 247,000 | 1,631,600 | 4,000 | 3,244,200 | Jan. & July. |
| 1853. | N. B. Commonwealth. | 750,000 | —— | —— | *Failed,* | Sept. 20, '73. | | | |
| 1832. | Leather Manuf. Nat. B. | 600,000 | 694,400 | 262,100 | 637,400 | 2,046,800 | 1,200 | 4,241,900 | Jan. & July. |
| 1830. | Mechanics & Traders'. | 600,000 | 380,800 | 210,900 | 162,000 | 1,075,600 | 900 | 2,430,200 | May & Nov. |
| 1824. | Fulton National Bank. | 600,000 | 572,600 | 8,700 | 12,800 | 1,241,200 | 2,500 | 2,437,800 | Do. |
| 1851. | N. Y. Nat. Exchange B. | 500,000 | 37,400 | 266,300 | 276,300 | 664,500 | 700 | 1,745,200 | Jan. & July. |
| 1833. | Seventh Ward Nat. B. | 500,000 | 50,200 | 169,700 | 2,000 | 914,000 | 500 | 1,636,400 | Do. |
| 1838. | N Mechanics' Bkg Ass. | 500,000 | 166,500 | 316,000 | 70,700 | 1,309,000 | 2,900 | 2,365,100 | May & Nov. |
| 1863. | First National Bank... | 500,000 | 489,400 | 317,300 | 4,333,600 | 1,231,500 | 200 | 6,872,000 | Jan. & July. |
| 1851. | Irving National Bank. | 500,000 | 154,500 | 174,100 | 358,600 | 2,198,400 | 1,100 | 3,386,700 | Do. |
| 1851. | Chatham National B'k | 450,000 | 234,100 | 128,400 | 457,200 | 2,023,000 | 1,700 | 3,294,400 | Do. |
| 1853. | Marine National Bank | 400,000 | 328,000 | 360,000 | 327,600 | 1,729,300 | 1,400 | 3,146,300 | Do. |
| 1851. | National Citizens' Bank | 400,000 | 265,100 | 137,800 | 72,200 | 1,362,900 | 1,600 | 2,239,600 | Do. |
| 1852. | East River National B. | 350,000 | 179,300 | 219,900 | —— | 713,500 | 1,600 | 1,464,300 | Do. |
| 1863. | Second National Bank | 300,000 | 303,600 | 259,500 | 3,200 | 1,282,200 | 300 | 2,148,800 | Do. |
| 1853. | Atlantic National Bank | —— | —— | —— | *Failed,* | April 26, '73. | | | |
| 1824. | Chemical National B'k | 300,000 | 2,992,500 | 11,700 | 345,500 | 5,026,900 | 12,000 | 8,688,600 | Quarterly. |
| 1865. | Bowery National Bank | 250,000 | 245,700 | 215,900 | —— | 1,029,400 | —— | 1,741,000 | Jan. & July. |
| 1864. | Sixth National Bank.. | 200,000 | 71,900 | 192,000 | —— | 708,100 | 200 | 1,172,200 | Do. |
| 1855. | N. Y. Co. National B'k | 200,000 | 313,900 | 186,100 | —— | 845,000 | 800 | 1,545,800 | Do. |
| 1664. | Fifth National Bank... | 150,000 | 104,900 | 103,600 | 44,700 | 564,900 | 700 | 968,800 | Do. |
| 1864. | National Currency B'k | 100,000 | 22,800 | 90,000 | 160,800 | 101,500 | —— | 475,100 | June & Dec. |
| | Totals, October, 1873.. | $71,285,000 | $32,149,900 | $27,628,200 | $82,405,900 | $108,017,300 | $205,500 | $320,641,800 | |
| | " October 3, 1872 | 71,285,000 | 30,741,900 | 28,260,400 | 65,724,600 | 108,541,200 | 261,400 | 304,814,500 | |
| | " June 10, 1872.. | 71,783,500 | 30,560,900 | 28,475,700 | 87,508,400 | 129,875,900 | 164,100 | 348,368,500 | |
| | " Feb. 27, 1872.. | 71,785,000 | 28,204,300 | 29,115,300 | 80,400,300 | 119,675,700 | 208,800 | 329,389,400 | |
| | " Feb. 27, 1871.. | 71,785,000 | 29,012,200 | 29,585,700 | 74,237,600 | 125,752,300 | 159,900 | 330,532,700 | |
| | " June 9, 1870... | 73,032,200 | 27,614,900 | 33,758,200 | 82,283,300 | 124,265,400 | 1,256,900 | 342,210,900 | |

## RESOURCES OF FORTY-EIGHT NATIONAL BANKS

### IN THE CITY OF NEW YORK,

*From the Official Quarterly Reports, October*, 1873.

| | *Name.* | *Loans and Discounts.* | *Stocks, Bonds, and Mortgages.* | *Real Estate.* | *Due from Banks.* | *Cash Items and Bank Notes.* | *Specie.* | *Legal Tenders.* | *Over-Drafts.* |
|---|---|---|---|---|---|---|---|---|---|
| 1. | National Bank of Commerce.... | $ 14,297,100 | $ 5,359,000 | $ 500,000 .. | $ 453,500 .. | $ 367,300 .. | $ 755,400 | $ 2,678,700 .. | —— |
| 2. | American Exchange Nat. Bank.. | 8,360,800 .. | 2,098,000 .. | 315,000 .. | 550,000 .. | 185,900 .. | 777,000 .. | 988,400 . | $ 3,200 |
| 3. | Fourth National Bank........ | 17,926,400 .. | 3,582,600 .. | 635,000 .. | 326,100 .. | 177,800 .. | 1,647,700 .. | 2,482,900 .. | 27,100 |
| 4. | Metropolitan National Bank..... | 9,439,700 .. | 1,476,200 .. | 320,000 .. | 1,651,000 .. | 276,000 .. | 409,500 .. | 459,700 .. | 1,700 |
| 5. | Central National Bank. ........ | 7,224,400 .. | 2,222,600 .. | —— .. | 599,300 .. | 240,600 .. | 103,100 .. | 1,837,600 .. | 28,600 |
| 6. | Merchants' National Bank....... | 6,540,600 .. | 1,707,800 .. | 206,000 .. | 285,000 .. | 269,200 .. | 741,800 .. | 893,800 .. | 100 |
| 7. | Bank of N. Y. N. B. Association. | 11,115,100 .. | 1,000,000 .. | 250,000 .. | 325,400 .. | 427,800 .. | 1,709,400 .. | 1,202,300 .. | 400 |
| 8. | National Park Bank............ | 14,737,800 .. | 1,583,600 .. | 1,063,600 .. | 3,311,700 .. | 141,000 .. | 1,218,700 .. | 3,234,000 .. | 6,200 |
| 9. | National Bank of Republic....... | 3,941,900 .. | 1,126,700 .. | 307,700 .. | 726,900 .. | 101,100 .. | 693,500 .. | 326,700 .. | 2,900 |
| 10. | Mechanics' National Bank....... | 5,026,000 .. | 729,400 .. | 175,000 .. | 333,200 .. | 34,400 .. | 200,300 .. | 612,400 .. | 5,100 |
| 11. | Nat. Bank State of New York... | 4,207,200 .. | 850,400 .. | 183,100 .. | 205,900 .. | 61,600 .. | 245,800 .. | 559,300 .. | 5,000 |
| 12. | Continental National Bank ...... | 1,828,000 .. | 856,500 .. | 700,000 .. | 62,800 .. | 41,000 .. | 44,700 .. | 319,000 .. | 900 |
| 13. | Phenix National Bank .......... | 3,275,300 .. | 733,400 .. | 289,000 .. | 414,900 .. | 96,000 .. | 432,600 .. | 72,900 .. | 600 |
| 14. | Importers & Traders' Nat. Bank. | 13,172,200 .. | 566,000 .. | 200,000 .. | 677,700 .. | 155,900 .. | 437,700 .. | 2,091,600 .. | 800 |
| 15. | Union National Bank............ | 4,175,200 .. | 666,500 .. | 150,000 .. | 101,400 .. | 11,200 .. | 170,100 .. | 805,200 .. | —— |
| 16. | Gallatin National Bank......... | 2,935,500 .. | 789,800 .. | 90,000 .. | 56,300 .. | 300 .. | 287,900 .. | 124,800 .. | —— |
| 17. | Ninth National Bank........... | 6,421,300 .. | 727,900 .. | 500,000 .. | 1,160,900 .. | 2,700 .. | 549,300 .. | 770,600 .. | 7,600 |
| 18. | Merchants' Exch. Nat. Bank.... | 2,769,100 .. | 610,000 .. | 243,700 .. | 368,200 .. | 70,000 .. | 61,600 .. | 393,500 .. | 1,700 |
| 19. | Nat. Shoe and Leather Bank.... | 2,530,900 .. | 1,035,500 .. | 175,000 .. | 412,200 .. | 179,300 .. | 251,100 .. | 490,000 .. | 8,200 |
| 20. | Third National Bank............ | 5,543,900 .. | 690,000 .. | —— .. | 292,400 .. | 31,300 .. | 93,000 .. | 1,569,400 .. | 3,500 |
| 21. | Tenth National Bank............ | 594,800 .. | 1,290,200 .. | —— .. | 64,200 .. | 15,100 .. | 87,200 .. | 108,800 . | 296,900 |
| 22. | National Broadway Bank....... | 3,663,300 .. | 1,218,100 .. | 175,000 .. | 383,700 .. | 156,900 .. | 49,300 .. | 1,168,800 .. | 200 |
| 23. | Tradesmen's National Bank..... | 1,931,600 .. | 1,099,400 .. | 201,400 .. | 239,800 .. | 52,200 .. | 105,800 .. | 512,200 .. | —— |
| 24. | St. Nicholas National Bank...... | 1,321,700 .. | 1,050,000 .. | 110,000 .. | 101,900 .. | 14,400 .. | 62,500 .. | 301,000 .. | 9,400 |
| 25. | Market National Bank.......... | 2,458,600 .. | 475,000 .. | 100,000 .. | 269,800 .. | 74,800 .. | 191,600 .. | 344,700 .. | 6,800 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 26. Hanover National Bank | 3,017,000 | 355,000 | — | 350,800 | 36,000 | 245,400 | 216,200 | 6,200 |
| 27. National City Bank | 4,754,100 | 339,000 | 200,000 | 425,100 | 99,900 | 499,700 | 422,400 | 500 |
| 28. Mercantile National Bank | 3,772,700 | 550,000 | 100,000 | 185,700 | 81,100 | 151,600 | 859,700 | 7,000 |
| 29. Nat. Butchers & Drovers' Bank | 1,831,100 | 723,400 | 84,300 | 88,600 | 34,600 | 32,300 | 449,800 | 100 |
| Nat. Bank Commonwealth | — | — | *Failed,* | Sept. 20,'73. | | | | |
| 30. Leather Manuf. National Bank | 2,420,500 | 457,500 | 245,600 | 198,400 | 91,100 | 314,100 | 514,700 | — |
| 31. Mechanics and Traders' N. Bank | 1,408,100 | 440,400 | 44,100 | 66,100 | 53,000 | 17,500 | 396,200 | 4,800 |
| 32. Fulton National Bank | 1,656,500 | 200,000 | 45,000 | 102,000 | 45,600 | 173,600 | 215,000 | 100 |
| 33. N. Y. National Exchange Bank | 912,600 | 343,000 | 94,000 | 114,700 | 57,500 | 16,600 | 206,800 | — |
| 34. Seventh Ward National Bank | 942,400 | 251,100 | 61,000 | 49,600 | 45,600 | 83,400 | 203,200 | 100 |
| 35. Nat Mechanics' Banking Asso'n | 1,478,300 | 365,000 | 24,500 | 23,000 | 7,500 | 164,300 | 302,500 | — |
| 36. First National Bank | 3,517,800 | 1,377,400 | — | 774,700 | 56,600 | 564,100 | 551,100 | 30,300 |
| 37. Irving National Bank | 2,140,400 | 287,900 | 100,000 | 318,200 | 27,700 | 48,400 | 463,600 | 500 |
| 38. Chatham National Bank | 2,007,500 | 166,000 | 79,900 | 398,000 | 73,200 | 155,900 | 413,700 | 200 |
| 39. Marine National Bank | 1,705,400 | 487,000 | 200,000 | 242,500 | 50,600 | 199,300 | 261,500 | — |
| 40. National Citizens' Bank | 1,405,700 | 212,200 | — | 185,600 | 35,500 | 28,200 | 372,100 | 300 |
| 41. East River National Bank | 794,300 | 270,100 | 102,100 | 45,300 | 35,600 | 3,100 | 213,300 | 500 |
| 42. Second National Bank | 1,022,800 | 514,000 | — | 63,200 | 79,900 | — | 464,000 | 4,900 |
| Atlantic National Bank | — | — | *Failed,* | April 26,'73. | | | | |
| 43. Chemical National Bank | 5,847.600 | 886,800 | 142,800 | 503,300 | 101,300 | 436,900 | 769,100 | 800 |
| 44. Bowery National Bank | 952,000 | 309,200 | 6,000 | 72,200 | 62,900 | 4,900 | 333,600 | 200 |
| 45. Sixth National Bank | 603,500 | 259,600 | — | 60,400 | 24,400 | — | 223,700 | 600 |
| 46. N. Y. County National Bank | 878,400 | 265,300 | 2,400 | 92,200 | 37,200 | — | 270,300 | — |
| 47. Fifth National Bank | 581,700 | 136,200 | — | 42,800 | 25,200 | 109,600 | 72,900 | 400 |
| 48. National Currency Bank | 85,600 | 232,400 | — | 41,100 | 23,900 | 18,800 | 73,300 | — |
| *Totals,* October, 1873 | $199,174,400 | $43,173,100 | $8,421,200 | $17,817,700 | $4,369,700 | $14,594,300 | $32,617,000 | $474,400 |
| " October, 1872 | 183,285,800 | 44,929,500 | 7,984,500 | 16,448,700 | 6,351,600 | 6,376,000 | 39,213,100 | 225,300 |
| " June 10, 1872 | 198,582,300 | 49,703,200 | 7,948,900 | 16,398,300 | 5,467,800 | 19,412,800 | 50,736,600 | 118,600 |
| " February 27, 1872 | 192,865,100 | 50,854,800 | 7,931,700 | 15,798,500 | 4,304,000 | 16,948,400 | 40,548,100 | 138,800 |
| " December 16, 1871 | 187,133,800 | 50,225,700 | 7,650,800 | 19,478,500 | 3,986 900 | 23,065,200 | 38,873,700 | 118,100 |
| " June, 1871 | 192,095,300 | 57,086,500 | 7,916,600 | 16,514,500 | 7,853,600 | 15,091,400 | 65,597,900 | 139,500 |

# LIABILITIES OF TWENTY-SEVEN STATE BANKS OF THE CITY OF NEW YORK.

*28th October, 1873, as shown by their Official Quarterly Statements, with date of Charter of each.*

| *Commenced.* | *Name.* | *Capital.* | *Net Profits.* | *Circulation.* | *Due Banks.* | *Due Depositors.* | *Dividends.* | *Totals.* | *Dividends Payable.* |
|---|---|---|---|---|---|---|---|---|---|
| 1812. | Bank of America....... | $ 3,000,000 | $ 2,022,200 | $ 1,200 | $ 1,227,100 | $ 4,517,800 | $ 97,700 | $ 10,866,000 | Jan. & July. |
| 1799. | Manhattan Company... | 2,050,000 | 1,131,800 | 9,700 | 316,000 | 3,870,900 | —— | 7,378,400 | Feb. & Aug. |
| 1870. | German-American Bank. | 2,000,000 | 75,500 | —— | 1,161,700 | 3,507,600 | 6,200 | 6,751,000 | Do. |
| 1851. | Bank of North America. | 1,000,000 | 188,900 | —— | 825,300 | 2,381,100 | 1,900 | 4,397,200 | Jan. & July. |
| 1852. | Nassau Bank.......... | 1,000,000 | 127,400 | 3,900 | 107,200 | 1,603,800 | 1,000 | 2,843,300 | May & Nov. |
| 1853. | Corn Exchange Bank.. | 1,000,000 | 581,000 | 5,000 | 98,400 | 1,573,500 | 2,600 | 3,260,500 | Feb. & Aug. |
| 1870. | Dry Goods Bank....... | 1,000,000 | 29,600 | —— | 294,200 | 1,583,600 | 1,200 | 2,908,600 | Jan. & July. |
| 1859. | Manuf. & Merchants' B. | 500,000 | 67,600 | —— | 88,000 | 764,900 | 300 | 1,420,800 | Do. |
| 1869. | Security Bank......... | 500,000 | —— | —— | 41,800 | 762,900 | —— | 1,299,400 | Do. |
| 1866. | Gold Exchange Bank... | 500,000 | 82,300 | —— | —— | —— | —— | 582,300 | Do. |
| 1871. | Bank of Metropolis..... | 500,000 | 48,600 | —— | 242,700 | 908,300 | —— | 1,699,600 | Do. |
| 1850. | Pacific Bank........... | 422,700 | 369,000 | —— | —— | 1,786,200 | 2,200 | 2,580,100 | May & Nov. |
| 1851. | People's Bank.......... | 412,500 | 228,500 | 5,600 | 44,700 | 1,308,100 | 800 | 2,000,200 | Jan. & July. |
| 1821. | North River Bank...... | 400,000 | 43,500 | —— | 300 | 1,123,000 | 300 | 1,567,100 | Do. |
| 1853. | Oriental Bank.......... | 300,000 | 332,000 | 4,100 | —— | 1,046,100 | 1,000 | 1,683,200 | Do. |
| 1851. | Grocers' Bank.......... | 300,000 | 90,600 | —— | 5,300 | 641,000 | 500 | 1,037,400 | Do. |
| 1830. | Greenwich Bank........ | 200,000 | 219,400 | 2,700 | 9,100 | 830,300 | 200 | 1,261,700 | May & Nov. |
| 1854. | Bull's Head Bank...... | 300,000 | 1,100 | 6,000 | —— | 781,900 | 1,300 | 1,090,300 | Jan. & July. |
| 1869. | West Side Bank ........ | 200,000 | 34,600 | —— | —— | 1,064,100 | 600 | 1,299,300 | Do. |
| 1867. | Eleventh Ward Bank... | 200,000 | 15,600 | —— | —— | 584,300 | 500 | 800,400 | Do. |
| 1869. | Germania Bank......... | 200,000 | 78,200 | —— | —— | 985,800 | 800 | 1,264,800 | Do. |
| 1870. | Murray Hill Bank...... | 200,000 | 23,300 | —— | —— | 554,700 | 500 | 778,500 | Do. |
| 1872. | Produce Bank.......... | 200,000 | 10,100 | —— | —— | 492,500 | —— | 702,600 | May & Nov. |
| 1870. | Ninth Ward Bank...... | 186,400 | —— | —— | —— | 215,700 | —— | 402,100 | Do. |
| 1869. | Mutual Bank........... | 106,200 | —— | —— | *Closed.* | —— | —— | —— | —— |
| 1869. | Manuf. & Builder's Bk. | 400,000 | 40,500 | —— | —— | 1,163,000 | —— | 1,603,500 | Jan. & July. |
| 1869. | Harlem Bank........... | 100,000 | 19,900 | —— | 24,700 | 298,600 | 2,500 | 445,700 | Do. |
| 1871. | German Exch. Bank... | 200,000 | 23,700 | —— | 78,300 | 690,500 | —— | 992,500 | Do. |
| | *Totals, 27 State Banks..* | $ 17,271,600 | $ 5,884,900 | $ 38,200 | $ 4,564,800 | $ 35,040,200 | $ 122,100 | $ 62,916,500 | |
| | " 48 *National Bks.* | 70,235,000 | 32,149,900 | 27,628,200 | 82,405,900 | 108,017,300 | 205,500 | 320,641,800 | |
| | " 75 *Banks.......* | $ 87,506,600 | $ 38,034,800 | $ 27,666,400 | $ 86,970,700 | $ 143,057,500 | $ 327,600 | $ 383,558,300 | |

## RESOURCES OF TWENTY-SEVEN STATE BANKS OF THE CITY OF NEW YORK,

As shown by their official quarterly statements, October 28, 1873.

| | *Name.* | *Loans & Discounts.* | *Stocks, Bonds, & Mortgages.* | *Real Estate.* | *Due from Banks.* | *Cash Items & Bank Notes.* | *Specie.* | *Legal Tenders.* | *Over-Drafts.* |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Bank of America | $ 7,193,100 | $ 670,000 | $ 150,000 | $ 373,100 | — | $ 1,460,600 | $ 1,019,100 | $ 100 |
| 2. | Manhattan Company | 6,039,200 | 25,000 | 304,800 | 316,500 | — | 490,300 | 202,500 | 100 |
| 3. | German-American Bank | 5,547,600 | 5,000 | — | 383,100 | — | 458,000 | 355,800 | 1,500 |
| 4. | Bank of North America | 3,661,900 | 67,600 | 130,000 | 140,900 | — | 229,400 | 167,400 | — |
| 5. | Nassau Bank | 2,155,100 | 4,000 | 220,000 | 183,400 | — | 54,700 | 226,100 | — |
| 6. | Corn Exchange Bank | 2,494,800 | 256,400 | 107,900 | 130,600 | — | 79,700 | 191,100 | — |
| 7. | Dry Goods Bank | 2,298,700 | 5,600 | 15,300 | 240,500 | 31,900 | 52,100 | 263,800 | 700 |
| 8. | Manufacturers & Merchants' B'k | 964,600 | 150,000 | 14,300 | 76,900 | — | 1,900 | 210,600 | 2,500 |
| 9. | Security Bank | 955,000 | 5,000 | — | 152,100 | 1,100 | — | 183,900 | 2,300 |
| 10. | Gold Exchange Bank | 466,800 | 30,700 | — | 84,800 | — | — | — | — |
| 11. | Bank of the Metropolis | 1,543,800 | 5,000 | 20,000 | 130,200 | — | — | — | 600 |
| 12. | Pacific Bank | 2,059,000 | 5,000 | 100,000 | 107,300 | — | 10,500 | 298,300 | — |
| 13. | People's Bank | 1,471,200 | 112,000 | 65,200 | 136,700 | — | 6,500 | 208,600 | — |
| 14. | North River Bank | 1,077,100 | 15,300 | 99,600 | 239,400 | — | 22,700 | 106,400 | 6,600 |
| 15. | Oriental Bank | 1,428,700 | 15,000 | 60,700 | 29,900 | — | 6,000 | 142,800 | 100 |
| 16. | Grocers' Bank | 754,300 | 5,000 | 25,000 | 50,800 | — | 4,200 | 198,100 | — |
| 17. | Greenwich Bank | 980,800 | 34,900 | 16,000 | 185,600 | — | — | 44,400 | — |
| 18. | Bull's Head Bank | 816,200 | 31,700 | 120,000 | 75,000 | — | — | 46,600 | 800 |
| 19. | West Side Bank | 935,600 | 85,800 | 6,000 | 175,100 | — | — | 96,400 | 400 |
| 20. | Eleventh Ward Bank | 612,200 | 14,000 | 56,900 | 29,800 | 25,500 | — | 61,800 | 200 |
| 21. | Germania Bank | 929,300 | 8,500 | 10,000 | 162,100 | 21,000 | 4,600 | 127,900 | 1,400 |
| 22. | Murray Hill Bank | 521,200 | 38,700 | — | 158,600 | 9,200 | — | 50,600 | 200 |
| 23. | Produce Bank | 570,900 | 5,400 | 7,300 | 54,800 | — | — | 64,200 | — |
| 24. | Ninth Ward Bank | 314,400 | 5,700 | 5,100 | 56,700 | — | 600 | 17,700 | 1,900 |
| | Mutual Bank | — | *Closed.* | | | | | | |
| 25. | Manufacturers & Builders' Bank | 1,257,500 | 56,200 | 8,400 | 122,700 | — | — | 158,700 | — |
| 26. | Harlem Bank | 380,700 | 5,000 | — | 18,800 | — | — | 40,600 | 600 |
| 27. | German Exchange Bank | 787,200 | 5,000 | 24,300 | 108,200 | 400 | 2,100 | 64,900 | 400 |
| | *Totals*, 27 State Banks | $ 48,216,900 | $ 1,667,500 | $ 1,566,800 | $ 3,923,600 | $ 89,100 | $ 2,883,900 | $ 4,548,300 | $ 20,400 |
| | " 48 National Banks | 199,174,400 | 43,173,100 | 8,421,200 | 17,817,700 | 4,369,700 | 14,594,300 | 32,617,000 | 474,400 |
| | " 75 Banks | $ 247,391,300 | $ 44,840,600 | $ 9,988,000 | $ 21,741,300 | $ 4,458,800 | $ 17,478,200 | $ 37,165,300 | $ 494,800 |

## THE DAILY PRICE OF GOLD AT NEW YORK.

(Continued from page 388, November No.)

The following Monthly Table shows the lowest and highest premium daily on gold at New York, in the month of October, 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:

| OCT. | | 1873. | | 1872. | | 1871. | | 1870. | | 1869. | | 1868. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Wednesday | 10⅜ | **11¼** | 14 | 14⅜ | **Sun.** | | 13¾ | 14 | 30 | 30⅛ | 39½ | 40¼ |
| 2 | Thursday.. | 10⅛ | 10⅞ | 13⅞ | 14⅜ | 14⅝ | 14⅞ | **Sun.** | | 30 | 30⅛ | 39¾ | 40¼ |
| 3 | Friday .... | 9¾ | 10⅜ | 14⅛ | **15⅛** | 14 | 14⅜ | 13⅛ | 13⅞ | **Sun.** | | 39⅝ | **40⅛** |
| 4 | Saturday .. | 9⅞ | 10¼ | 14⅝ | 15 | 13⅝ | 14 | 13 | 13⅝ | 29 | 30 | **Sun.** | |
| 5 | **Sunday.** | **Sun.** | | 13⅞ | 14⅜ | 13⅜ | 14⅜ | 13 | 13⅛ | 28⅞ | 30⅜ | 39⅞ | 40⅜ |
| 6 | Monday ... | 9¾ | 10¼ | **Sun.** | | 14¼ | 14⅞ | 12⅞ | 13 | 29⅞ | 30⅝ | 39⅝ | 40¼ |
| 7 | Tuesday... | 10⅛ | 10⅝ | 12⅝ | 13¼ | 14⅜ | **15** | 13 | 13¼ | 31⅛ | **32** | 39⅞ | 40¼ |
| 8 | Wednesday | 9⅝ | 10¼ | 12¾ | 13⅝ | **Sun.** | | 13⅛ | 13½ | 30⅝ | 31⅝ | 38⅞ | 39⅛ |
| 9 | Thursday.. | 9 | 9⅝ | **12¼** | 13⅛ | 14⅛ | 14⅜ | **Sun.** | | 30⅛ | 30⅞ | 38¾ | 39⅛ |
| 10 | Friday .... | 8⅝ | 9 | 12⅝ | 13 | 13¾ | 14⅛ | 13⅛ | 13⅜ | **Sun.** | | 38⅛ | 38⅞ |
| 11 | Saturday .. | 8⅛ | 8⅛ | 12⅝ | 13⅛ | 14 | 14½ | 13¼ | 13⅛ | 30¼ | 30⅞ | **Sun.** | |
| 12 | **Sunday.** | **Sun.** | | 12¾ | 12⅞ | 14 | 14⅜ | 13¼ | 13⅜ | 30⅛ | 31⅛ | 37⅛ | 38⅛ |
| 13 | Monday... | 8⅛ | 8⅝ | **Sun.** | | 14⅛ | 14⅝ | 13⅝ | **14¼** | 30⅛ | 30¼ | 37½ | 38 |
| 14 | Tuesday .. | 8⅝ | 9⅝ | 12½ | 12⅞ | 14⅛ | 14½ | 13¼ | 13⅜ | 30 | 30⅛ | 36⅝ | 37⅞ |
| 15 | Wednesday | 8¼ | 9⅛ | 12⅝ | 12⅞ | **Sun.** | | 13 | 13⅝ | 30 | 30⅛ | 37⅛ | 38⅛ |
| 16 | Thursday . | **7⅝** | 8½ | 12⅞ | 13⅛ | 13¼ | 14 | **Sun.** | | 30 | 30⅛ | 37¼ | 37⅜ |
| 17 | Friday .... | 7¾ | 8¼ | 12⅞ | 13⅛ | 13⅛ | 13½ | 13 | 13¼ | **Sun.** | | 36½ | 37⅛ |
| 18 | Saturday .. | 8¼ | 8½ | 12⅝ | 13⅛ | 13⅛ | 13⅝ | 12½ | 13⅛ | 30 | 30⅜ | **Sun.** | |
| 19 | **Sunday.** | **Sun.** | | 12¾ | 13⅝ | 12½ | 13 | 12¾ | 12⅞ | 30 | 30⅛ | 36⅝ | 37¼ |
| 20 | Monday ... | 8 | 8⅝ | **Sun.** | | 12 | 12⅝ | 12⅞ | 13¼ | 30 | 30⅛ | 36⅛ | 37⅛ |
| 21 | Tuesday .. | 8¼ | 8¾ | 12¾ | 13¼ | 12 | 12⅝ | 12½ | 12⅞ | 30⅛ | 31 | 36⅝ | 36⅞ |
| 22 | Wednesday | 8¼ | 8½ | 12⅞ | 13⅛ | **Sun.** | | 12⅝ | 13 | 30⅞ | 31⅜ | 35½ | 35⅞ |
| 23 | Thursday.. | 8⅝ | 8⅝ | 12⅞ | 13⅝ | 12¼ | 12¾ | **Sun.** | | 31 | 31⅛ | 35 | 36 |
| 24 | Friday .... | 8½ | 8¾ | 12⅞ | 13⅛ | 11⅜ | 12¼ | 11⅞ | 12¼ | **Sun.** | | 34⅝ | 35 |
| 25 | Saturday .. | 8⅝ | 8¾ | 13 | 13¼ | **11½** | 11⅞ | 11½ | 11⅞ | 30⅞ | 30¼ | **Sun.** | |
| 26 | **Sunday.** | **Sun.** | | 13⅛ | 13¼ | 11⅝ | 12⅛ | 11¾ | 12⅛ | 30⅛ | 30¼ | 33⅜ | 34⅛ |
| 27 | Monday... | 8⅛ | 8⅝ | **Sun.** | | 11¾ | 12 | 11⅞ | 12⅛ | 30 | 30⅛ | 34⅛ | 34⅞ |
| 28 | Tuesday ... | 8⅛ | 8⅝ | 12⅞ | 13⅛ | 11¾ | 12⅛ | 11¼ | 11⅝ | 28¾ | 29½ | 33⅛ | 34⅛ |
| 29 | Wednesday | 8¼ | 8¾ | 12¾ | 13 | **Sun.** | | 11⅝ | 11⅝ | **28⅛** | 28⅞ | 34¼ | 34⅝ |
| 30 | Thursday.. | 8¼ | 8⅝ | 12⅝ | 12¾ | 11⅜ | 11⅞ | **Sun.** | | 28⅝ | 29¼ | 34 | 34⅛ |
| 31 | Friday..... | 8⅛ | 8½ | 12¼ | 12⅝ | 11⅝ | 12¼ | **11⅛** | 11½ | **Sun.** | | **33⅜** | 34 |

### MONTHLY PREMIUM ON GOLD AT NEW-YORK, 1868–73.

| DATE. | 1868. | | 1869. | | 1870. | | 1871. | | 1872. | | 1873. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January .. | 33¼ | 42¼ | 34⅝ | 36⅞ | 19⅝ | 23¼ | 10⅛ | 11¼ | 8½ | 10⅛ | 11⅝ | 14¼ |
| February . | 39⅝ | 44 | 30⅞ | 36⅛ | 15 | 21¼ | 10⅜ | 12¼ | 9¼ | 11 | 12⅞ | 15⅛ |
| March .... | 37⅞ | 41⅜ | 30½ | 32½ | 10¼ | 16 | 10⅛ | 11⅝ | 9¾ | 10½ | 14⅝ | 18⅛ |
| April ..... | 37¾ | 40⅞ | 31⅝ | 34¾ | 11½ | 15⅝ | 10⅛ | 11⅜ | 9⅞ | 13½ | 16¾ | 19⅛ |
| May....... | 39⅛ | 40½ | 34⅝ | 44¾ | 13¾ | 15½ | 11 | 12¼ | 12⅛ | 14⅝ | 16⅝ | 18⅝ |
| June ..... | 39⅝ | 41¼ | 37 | 39⅝ | 10⅞ | 14¾ | 11⅜ | 13⅛ | 13 | 14¾ | 15 | 18¼ |
| July ..... | 40⅛ | 45¼ | 34 | 37⅞ | 11⅛ | 22¾ | 11⅜ | 13⅝ | 13½ | 15¼ | 15 | 16⅝ |
| August ... | 43½ | 50 | 31¼ | 36⅝ | 14¾ | 22 | 11⅝ | 13¼ | 12⅛ | 15⅝ | 14⅝ | 16⅛ |
| September. | 41⅛ | 45¼ | 33⅛ | 62½ | 12¾ | 16¾ | 12¾ | 15⅝ | 12¾ | 15⅛ | 10⅞ | 16⅛ |
| October... | 33¾ | 40⅝ | 28⅛ | 31¾ | 11⅛ | 14¼ | 11½ | 15 | 12¼ | 15⅛ | 7⅝ | 11¼ |
| November. | 32⅛ | 37 | 21⅛ | 28⅝ | 10 | 13¼ | 10⅝ | 12⅝ | 13⅝ | 14¼ | — | — |
| December. | 34½ | 36¾ | 19 | 24 | 10⅛ | 11⅝ | 8⅝ | 10⅝ | 11½ | 13¼ | — | — |

For daily price of gold from January, 1863, to December, 1872, see *Banker's Almanac* for 1873.

# CORRESPONDENCE OF THE BANKER'S MAGAZINE.

I. DUE DILIGENCE IN FORWARDING DRAFTS. II. INDIRECT TRANSMISSION OF DRAFTS. III. THE TRANSFER OF CREDITS UNDER FAILURE. IV. STOPPING PAYMENT OF CHECKS. V. CERTIFICATION OF CHECKS. VI. UNCLAIMED DEPOSITS.

## I. WHAT IS DUE DILIGENCE IN FORWARDING DRAFTS?

——— NATIONAL BANK, OHIO, 1873.

*To the Editors of the Banker's Magazine.*

Will you inform me what the rule of law is about presenting a draft? How long may a party hold a draft without relieving the drawer from liability to pay the same, provided the same is not paid by the party on whom it is drawn?

——— Cashier.

*Reply.*

In order to hold the drawer of a check or sight draft it must be presented if payable in the place where received, or sent forward for payment if payable elsewhere, either the same day or the next at furthest. Otherwise, in case of failure of payment, the drawer and endorsers are released. "Due diligence" is held to mean the same day of, or the next day after receipt.

## II. DRAFTS SENT TO POINTS NOT DIRECT.

———, CALIFORNIA, Oct., 1873.

*To the Editors of the Banker's Magazine.*

If a draft upon New York should, in the ordinary course of business, be sent to some remote point, and on reaching New York be unpaid, the payer having suspended since its issue, would the maker of the draft be released from obligation, supposing the draft to have been duly protested? If responsible, would he be directly responsible to a third party?

——— Cashier.

*Reply.*

I. In order to hold absolutely the drawer, the purchaser of a draft is bound to use "due diligence" in its collection. If, instead of forwarding it directly, the same day or the next, he sends the draft to some remote point, it is at his own risk. Should the drawee suspend payment after the time when it might readily have been presented, the draft remains a valid claim against him, but the drawer is released.

II. Were the drawer responsible at all it would be to the holder of the draft, whether the payee or a third party to whom transferred by endorsement.

## III. The Transfer of Credits under Failure.

——— National Bank, Pa., Oct., 1873.

*To the Editors of the Banker's Magazine.*

Bank A deposits with me their draft upon a New York bank, which I send direct for my credit with the latter. It does not reach New York until 11 P. M., and on the following day the New York bank fails to open for business and has not since done so. They have, however, opened letters, and placed the draft to my credit, debiting the bank drawing same. I have demurred to this and in reply received back the draft, charged it to account of bank A, and returned it to them. They now return it to me, saying I must credit their account and look to the New York bank.

I contend that bank A is holden, inasmuch as the New York bank has not been opened for business since the draft was mailed from here at 3.30 P. M. on the day of its receipt.

——— Cashier.

### *Reply.*

As the case is stated there was no possible way by which you could have obtained from the New York bank the money for the draft. Had you sent it to a third party, instead of directly, it could only have been protested and returned to you. Bank A, therefore, having given you a draft which proved to be uncollectable, is bound to make it good to you.

Their plea might possibly be first, the absence of protest and notice; second, the neglect of your agent (the New York bank) in failing to return promptly the unpaid draft. If they can show that, by either of these laches, they have suffered loss, such loss should fall upon you; but in the absence of such showing, their liability is plain.

## IV. Stopping Payment of Checks.

———, Wisconsin, Oct., 1873.

*To the Editors of the Banker's Magazine.*

After we had issued a draft on New York and mailed same to the party to whom payable, he telegraphs us to stop its payment. Have we any right to order our New York correspondent not to pay? If we do not so order can we be holden for damages to the party to whom the draft was issued? And if the draft be properly endorsed, should we not have to pay it to an innocent holder?

Would it be best to order payment stopped or to let the draft take its regular course?

——— Bankers.

### *Reply.*

The drawer of a check or draft has the right to countermand its payment, but it is, nevertheless, a valid claim against him in the hands of a bona fide holder. Payment should, therefore, only be stopped for unmistakably good reasons, and not at the mere request of an irresponsible party.

## V. Certification of Checks.

——— Bank, St. Louis, 1873.

*To the Editors of the Banker's Magazine.*

Has a bank or banker not the right, in certifying a customer's check, to charge said check to the depositor's account at once, or is it obligatory on the acceptor to wait until the check is paid? Has a bank or banker the right to compel a party to be properly identified before certifying a check, said check being drawn payable to order?

——— Cashier.

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### *Reply.*

I. A check should be charged to the drawer's account at the moment of certification, and credited to "certified checks" account. If certified *after* delivery to the holder, the drawer is released from liability and there is now a new contract, viz.: between the bank and the holder.

II. Identification of holder at time of acceptance is entirely unnecessary. Some banks pursue, however, the very proper custom of certifying thus: "Good for $...... when properly endorsed," which obviates any risk.

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## VI. Unclaimed Deposits.

———, October, 1873.

*To the Editors of the Banker's Magazine.*

Would you be kind enough to inform me whether you know of any book published giving a list of unclaimed deposits in the banks of the United States, or particularly in the State of Connecticut, and the price and where it can be procured?

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### *Reply.*

There is no printed list to be had showing the balances of unclaimed moneys in the banks of the United States.

They studiously avoid publishing any such items, on the ground that the people have nothing to do with such information.

The savings banks also refuse this information, and properly too, because deposits are frequently made in these institutions to remain five, ten or twenty years, to accumulate for certain objects or persons.

A law of the State of New York provides that each State bank shall publish in the newspapers a list of deposits (and name of depositors) unclaimed for three or five years. This is done every year, but these lists are in scattered papers, and cannot be readily collected for the use of any enquirer. Neither the banks nor the depositors wish these details made public.

# REPORT ON THE CURRENCY.

The committee appointed to report at the National Board of Trade, at the general meeting at Chicago, in September, 1873, reported as follows:

The fourth subject was the reform of the currency, presented by the Boston board. It was first referred to a special committee of eleven delegates, together with the cognate subjects—national banking and national banking law, presented by the boards of Cincinnati and Philadelphia respectively. The committee consisted of President FRALEY, *ex-officio* Chairman, WOOLLEY of Cincinnati, NOURSE of Boston, WRIGHT of Chicago, STRANAHAN of New York, BONNER of St. Louis, PRINDLE of Louisville, BROSWELL of New Orleans, GROSVENOR of Providence, SMITH of Milwaukee, and BROMBERG of Mobile. After a long conference and interchange of views, in which was developed the unanimous opinion that Congress should be asked to take action looking to a resumption of specie payments, a report was prepared and submitted, recommending Congress to provide by law for the return to specie payments on the following basis:—

First, for the redemption of greenbacks in gold coin at the Treasury in New York, on the demand of holders, on and after the first Monday in July, 1877; second, that the notes so redeemed may be reissued for making all payments by the UNITED STATES other than those for which the payment of specie is specially secured by existing laws, and that they may be exchanged for gold or silver coin if desired; third, that they shall continue to be a legal tender for the payment of all debts, public and private, the same as now; and fourth, that for the purpose of regulating the currency as furnished by these Treasury notes, and providing for its expansion or contraction when such changes are called for by the business of the country, the Secretary of the Treasury be authorized to issue in exchange for such Treasury notes, registered certificates of debt in sums not less than $500, or any multiple thereof, and not exceeding $50,000,000, bearing interest at the rate of 3.65-100; that these shall be redeemable at the will of the holders in United States Treasury notes of the denomination now in use, but new certificates may be issued in place of those redeemed, canceled and destroyed, if demanded by the holders of United States Treasury notes; and the certificates so issued shall not be used for or computed in the reserves now required by law to be held by the National banks for the payment of their circulation and deposits.

Various amendments were proposed, and these giving rise to debate, were all ordered to be printed. The delegates from the Boston board disapproved the continuing of the character of legal tenders in the Treasury notes after the resumption of specie payments by the United States Treasury, and moved amendments accordingly. In some other respects the resolutions of the committee might have been made more satisfactory to the Boston delegation, though its leading recommendation is in the right direction. The serious omissions are held to be neglect to ask of Congress such amendment of the

National bank law as should provide, first, that no part of the legally required reserves of any National bank should be kept in any other bank; second, for a bureau of redemption in the United States Treasury for all National bank notes; and third, a relief of the banks from National bank taxation to an extent commensurate with the new burthens imposed (redemption and loss of interest on reserves), yet leaving the taxation sufficient to defray the governmental expenses incident to the banking system. Not having sufficient time the subject could not receive the full consideration which its importance demands, and it was referred without action to the next meeting, to be held in Baltimore in January.

## TELEGRAPHS.

The following table represents the length of telegraph lines in each country, at the date named, and the number of square miles to each line of telegraph (excepting submarine wires).

| *Country.* | *Year.* | *Length of telegraph lines.* | *Square miles of Territory to each mile of telegraph.* |
|---|---|---|---|
| United States | 1872 | 75,137 | 36 |
| Russia | 1872 | 31,459 | 330 |
| Germany | 1872 | 26,060 | 8 |
| Great Britain and Ireland | 1873 | 24,363 | 4 |
| France | 1870 | 23,100 | 9 |
| Turkey | 1870 | 16,125 | 112 |
| Australasia | 1869 | 13,850 | 114 |
| British India | 1868 | 13,371 | 72 |
| Austria-Hungary | 1872 | 11,665 | 20 |
| Dominion of Canada | 1872 | 10,995 | 38 |
| Italy | 1870 | 10,595 | 10 |
| Sweden and Norway | 1871 | 7,263 | 40 |
| Spain | 1870 | 7,011 | 25 |
| Sweden | 1871 | 4,258 | 39 |
| Egypt | 1870 | 3,780 | 188 |
| New South Wales | 1869 | 3,567 | 91 |
| Switzerland | 1873 | 3,430 | 6 |
| Victoria | 1869 | 3,215 | 27 |
| Mexico | 1870 | 3,150 | 327 |
| Argentine Confederation | 1872 | 3,150 | 301 |
| Norway | 1871 | 3,005 | 41 |
| Belgium | 1872 | 2,694 | 5 |
| Roumania | 1870 | 2,073 | 22 |
| Portugal | 1869 | 1,930 | 14 |
| Netherlands | 1872 | 1,869 | 7 |
| Queensland | 1869 | 1,752 | 388 |
| Brazil | 1871 | 1,500 | 2,580 |
| Denmark | 1870 | 1,225 | 12 |
| South Australia | 1869 | 1,113 | 682 |
| Peru | 1870 | 606 | 825 |
| Servia | 1870 | 499 | 28 |
| Total miles of telegraph | | 313,812 | |
| Submarine cables (about) | | | |

## LETTERS ON THE CURRENCY.

### *Letter from President Grant.*

Executive Mansion, Washington, September 27, 1873.

Messrs. H. B. CLAFLIN, and CHARLES L. ANTHONY:

GENTLEMEN: In response to the views you have communicated to me touching the present stringency in the money market of the country, and the necessary steps to restore confidence to legitimate trade and commerce, I have the honor to communicate the following:

The Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, which is holding back the immense resources of the country now awaiting transportation to the seaboard and a market. Confidence on the part of the people is the first thing needed to relieve this condition, and to avert the threatened destruction of business with its accompanying disasters to all classes of people. To re-establish this feeling, the Government is willing to take all legal measures at its command, but it is evident that no Government efforts will avail without the active co-operation of the banks and moneyed corporations of the country. With the fourteen millions already paid out in the purchase of Government indebtedness, and the withdrawal of their large deposits from the Treasury, the banks are now strong enough to adopt a liberal policy on their part, and by a generous system of discounts to sustain the business interests of the country. Should such a course be pursued, the forty-four millions of reserve will be considered as money in the Treasury to meet the demands of public necessity, as the circumstances of the country may require. Close attention will be given to the course pursued by those who have the means at their command of rendering all the aid necessary to restore trade to its proper channels and condition.

With a view of strengthening the hands of those who carry out the measures above indicated, orders have already been issued for the prepayment of the interest accruing in November.

U. S. GRANT.

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### *Letter from the Secretary of the Treasury.*

Treasury Department, Washington, Sept. 30, 1873.

To FRANKLIN EDSON, *President of the N. Y. Produce Exchange:*

Sir: Your letter of the 29th inst., covering two resolutions of the New York Produce Exchange, has been received, and the subject matter fully considered. The resolutions are as follows:

*Whereas, The critical condition of the commercial interests of the country requires immediate relief by the removal of the block in negotiating foreign exchange; therefore be it*

*Resolved, That we respectfully suggest to the Secretary of the Treasury the following plans for relief in this extraordinary emergency:*

*First, That currency be immediately issued to banks or bankers, upon satisfactory evidence that gold has been placed upon special deposit in the* BANK OF ENGLAND *by their correspondents in London, to the credit of the* UNITED STATES, *to be used solely in purchasing commercial bills of exchange.*

*Second, That the President of the* UNITED STATES *and the Secretary of the Treasury are respectfully requested to order the immediate prepayment of the outstanding loan of the* UNITED STATES, *due January* 1, 1874.

While the Government is desirous of doing all in its power to relieve the present unsettled condition of business affairs, as has already been announced by the President, it is constrained in all its acts to keep within the letter and spirit of the laws which the officers of the Government are sworn to support, and they cannot go beyond the authority which Congress has conferred upon them. Your first resolution presents difficulties which cannot be overcome. It is not supposed that you desire to exchange coin in ENGLAND for UNITED STATES notes in New York at par. If your proposition is for the Government to purchase gold in ENGLAND, to be paid for in UNITED STATES notes, at the current market rate in New York, it would involve the Government in the business of importing and speculating in gold, since the Treasury has no use for coin beyond its ordinary receipts, and would be obliged to sell the coin so purchased at a price greater or less than was paid for it. If your object is to induce the Treasury Department to loan UNITED STATES notes to banks in New York upon the pledge and deposit in London of gold, it is asking the Secretary of the Treasury to loan the money of the UNITED STATES upon collateral security, for which there is no authority in law. If the Secretary of the Treasury can loan notes upon a pledge of coin, he can loan them upon a pledge of other property in his discretion, as he had recently been requested to do, which would be an extraordinary power as well as a most dangerous business to engage in, and one which my judgment would deter me from undertaking as the Secretary of the Treasury, even if by any stretch of construction I might not find it absolutely prohibited by law. The objections already mentioned to your first resolution are so insuperable and conclusive that it is unnecessary for me to refer to the many practical difficulties which would arise if an attempt should be made to comply with your request. Your second resolution calls for the payment at once of the loan of 1858, or the bonds commonly called "Fives of 1874." Upon a thorough investigation I am of opinion that Congress has not conferred upon the Secretary of the Treasury power to comply with your request in that particular, and in this opinion the law-officers of the Government concur. Under these circumstances you will perceive that while I have great respect for the gentlemen composing the New York Produce Exchange, I am compelled by my views of the law and of my duty to respectfully decline to adopt the measure which your resolutions propose. I have the honor to be, very respectfully,

WILLIAM A. RICHARDSON,

*Secretary of the Treasury.*

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## NEW COINS OF THE WORLD.

The following new coins of the world will be illustrated by engravings in the BANKER'S ALMANAC for 1874, to be issued early in January next. It is proposed by the publishers of this work to continue this feature in the ALMANAC annually, as a record of history, of progress, of the arts, and as a valuable aid to the merchant and banker for future reference. In addition to this interesting feature there will be issued in the new ALMANAC, for 1874, engraved views of the mints of Osaka, JAPAN, London, Paris, and Philadelphia, also the bourse or stock exchange building of Hamburg, Lyons, Marseilles, and other cities.

### RECENT COINS OF THE WORLD.

| *Countries.* | *Name of Coin.* | | *Date.* | *Weight.* | *Fineness.* | *Mint Value.* |
|---|---|---|---|---|---|---|
| EAST INDIA | Mohur of 1862, | Gold | 1862 | 180 grains | 916.5 | $7.10.5 |
| " | 10 Rupees | " | 1870 | 120 " | " | 4.73.7 |
| " | 5 " | " | 1870 | 60 " | " | 2.36.8 |
| " | 1 " | Silver | 1862 | 180 " | " | 45.7 |
| " | ½ " | " | 1862 | 90 " | " | 22.8 |
| " | ¼ " | " | 1862 | 45 " | " | 11.4 |
| " | ½ Anna | Copper | 1862 | —— | —— | —— |
| " | ¼ " | " | 1862 | —— | —— | —— |
| " | ½ Pice | " | 1862 | —— | —— | —— |
| " | 1-12 Anna | " | 1862 | —— | —— | —— |
| CEYLON | 5 Cents | " | 1870 | —— | —— | —— |
| " | 1 " | " | 1870 | —— | —— | —— |
| " | ½ " | " | 1870 | —— | —— | —— |
| " | ¼ " | " | 1870 | —— | —— | —— |
| INDIA STRAITS | 1 Cent | " | 1862 | —— | —— | —— |
| " | ½ " | " | 1862 | —— | —— | —— |
| " | ¼ " | " | 1862 | —— | —— | —— |
| NEWFOUNDLAND | 2 Dollars | Gold | —— | —— | —— | —— |
| UNITED STATES | 5 Cents | Copper | 1873 | $77\frac{16}{100}$ gr's | —— | —— |
| " | 3 " | " | 1873 | 30 " | —— | —— |
| " | 1 " | " | 1873 | 48 " | —— | —— |

# RECENT WORKS ON NUMISMATICS.

I. *Numismata Cromwelliana: or the Medallic History of Oliver Cromwell; Illustrated by his Coins, Medals, and Seals. By* HENRY W. HENFREY, *F. R. Hist. Soc., &c. Author of a "Guide to English Coins."*

In this work, a complete historical description of all the coins, medals, and pattern pieces of OLIVER CROMWELL is attempted for the first time. VERTUE, SNELLING, FOLKES, and RUDING, have all left but very imperfect notes and sketches of Cromwellian numismatics, and Mr. HAWKINS never published anything on the subject; thus many vexed questions have not yet been properly discussed. The general reader will, it is hoped, be interested in the new light thrown upon the History of the Protectorate by these reliable witnesses, and may gain some idea of the beauty of those splendid specimens of seventeenth century art, hitherto unrivaled in any country, the Works of THOMAS SIMON. The collector and student of English coins will find amongst the numismatic information numerous facts, details, and elucidations which are absolutely unpublished; and the numerous autotype plates will furnish the first correct, and in some instances, the only, illustrations yet published of many pieces. The work will be completed in about six parts, and only 250 copies will be printed; early application should therefore be made to the Author, 75 Victoria Street, Westminster, London, S. W. Price, 3s. 6d. sterling per No.

II. *The American Journal of Numismatics and Bulletin of American Numismatic and Archæological Societies. Published by the Boston Numismatic Society, Quarterly. Volume VIII, No. 2. October,* 1873.

The editorial department of this work is under the management of Messrs. WILLIAM SUMNER APPLETON, SAMUEL ABBOTT GREEN and JEREMIAH COLBURN. The work is issued in quarterly Nos. of 24 pages quarto, with numerous engravings. Price, two dollars a year.

III. *The Canadian Antiquarian and Numismatic Journal.*

This work is issued quarterly, 12mo., 48 pages per No., with numerous engravings, edited by a committee of the Numismatic and Antiquarian Society, of Montreal. Price, $1.50 per year. R. W. McLOCHLAN, Publisher, P. O. Box 86½, Montreal.

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*Resumptions.*—Messrs. E. D. RANDOLPH & Co., who suspended during the panic, resumed business on the 24th November.

THE UNION TRUST Co. announces that they will resume on December 1st.

## THE CLEARING-HOUSE ASSOCIATION OF NEW YORK.

The Clearing-House Association met November 20th, to consider and take action upon the report of the committee of nine, presented at their last meeting, JACOB D. VERMILYE, President of the MERCHANTS' BANK, in the chair. All the banks belonging to the Association, fifty-nine in number, were represented, except the Chemical. A motion was made by HENRY F. VAIL, representing the BANK OF COMMERCE, to lay the report on the table. This was lost by a vote of 8 to 50; only the METROPOLITAN, the ST. NICHOLAS, the CORN EXCHANGE, the IMPORTERS and TRADERS', the FOURTH NATIONAL, the FIRST NATIONAL, and the THIRD NATIONAL voting with the mover. It was then moved that the consideration of the report be postponed for 60 days. This was voted down by a vote of 18 to 40. Mr. VAIL then made a speech, protesting against the action of the Association, and withdrew from the meeting. He was soon followed by the representatives of the BANK OF THE STATE OF NEW YORK, the METROPOLITAN and the GROCERS' BANKS, and a little later by those of the BANK OF NEW YORK, the FOURTH NATIONAL, and the MERCANTILE BANKS.

Each member of the Association was called upon to express the opinion of his Board of Directors, and a nearly unanimous expression of opinion favorable to the report as a whole, subject to amendments, was obtained. The articles of association were then taken up separately for amendments, and the following changes were made:

Article 20, which originally read, "No member of the Clearing-House Association shall be allowed to make the exchange for, or redeem the checks of or upon any other bank or banks not members of said Association, nor of any corporation, association, firm, or individual," was amended so as to read: "No member of the Clearing-House Association shall be allowed to redeem the checks of any association, corporation, firm, or individual, excepting upon regularly incorporated banks, in the cities of New York, Brooklyn, Jersey City, and Hoboken, which banks shall be subject to an examination of their condition by a committee of the Clearing House whenever deemed necessary.

Section 3 of Article 23, which contains the rules of the association, to which all the banks connected with it agree to conform, was changed from "that it will not receive upon deposit as cash, from its dealers, checks drawn otherwise than upon banks which are members of this association," so as to read, "That it will not receive upon deposit as cash, from dealers, checks drawn otherwise than upon banks which are members of this association, or upon such regularly incorporated banks as heretofore provided by Article 20."

Section 4 of the same article was enlarged to include the cities of Boston, Philadelphia, Washington, and Troy, as follows: "That in receiving and crediting checks and drafts upon places out of New York City, except in Boston, Philadelphia, Washington, or Troy, it will conform to the schedule of rates established by the Clearing-House committee."

The following article, numbered 23 in the original report, was stricken out, it being argued that the necessary reserve is provided for by the National banking law: "Each member agrees to carry an average 'reserve' fund in legal-tender notes, equal in amount to at least 15 per cent. of its liabilities to the public, subject only to such modifications as the Clearing-House committee shall decide the public exigencies may require."

An amendment to Section 1 of Article 22, allowing three per cent. interest on deposits, was defeated by a nearly unanimous vote. The Association after a session of three hours adjourned to meet on Tuesday next, when it is proposed to take up the report, article by article and section by section.

### Views of Bankers.

F. D. Tappen, from whom the above information was obtained, said that the meeting was perfectly harmonious, and that the gentlemen who left the room, after Mr. Vail's departure, did so to attend to their private business, after they had become convinced that no final action would be taken on the report on that day. He was satisfied that their departure was not indicative of any lack of co-operation with the action of the Association. The radical features of the report were, he said, all retained, and the feeling against the payment of interest and the certification of checks for amounts greater than were in the bank to the credit of the dealer, was very strong. These were the keystones of the new rules. The articles of association as a whole simply bind the associated banks in a closer union than before, by codifying the rules which they make for their own guidance. He believed that the rules as amended, would pass with little or no opposition.

Mr. Tappen was asked his opinion of the probability of another Clearing House being organized by the dissatisfied banks; he answered that it was not probable and hardly possible. The project was not likely to be seriously entertained, nor could such an institution be maintained for any considerable time. He had heard of an anonymous meeting having been held to consider the subject, but the combination had no cohesive force.

Mr. Camp, General Manager of the Clearing House, and several prominent bank presidents with whom a *Tribune* reporter conversed, expressed great confidence that the rules of the Association, as amended, would be adopted without much opposition.

John Q. Jones, President of the Chemical Bank, was asked the reason why his bank was not represented at the meeting and whether his absence was intended as a mark of disapproval of his bank of the new rules. He said that his directors did not entirely approve of the new rules, but that he remained away from the meeting simply to let the others act as they pleased in reference to them. He did not wish to express himself publicly in regard to the rules; if he had he would have attended the meeting and spoken there, but he was decidedly in favor of the sections forbidding the payment of interest and the over-certification of checks. He thought it probable that Congress would take action in regard to the payment of interest and that the proposed change would be well received by the country at large, as great inconvenience was occasioned in other towns by the concentration of money in New York banks caused by the payment of interest here. The over-certification of checks he considered highly pernicious, though it was claimed that losses were seldom occasioned by it. He did not believe that the adoption of the new rules would cause any banks to withdraw from the Association, or cause another Clearing House to be organized, though it might lead to the establishment of a brokers' bank, which would practically be a brokers' Clearing House.

## NEW YORK BANK DIVIDENDS.

With the capital and surplus profits of each, September, 1873.

| *Name.* | *Capital.* | *Dividends.* *Nov.,* 1872. | *May,* 1873. | *Nov.,* 1873. | *Undivided Profits. Sept.,* 1873. |
|---|---|---|---|---|---|
| American Exchange Nat. Bank. | $ 5,000,000 | 4 | 4 | 4 | $ 1,454,300 |
| National Bank State of N. Y.... | 2,000,000 | 4 | 4 | 4 | 594,500 |
| Union National Bank........... | 1,500,000 | 5 | 6 | 5 | 893,400 |
| National City Bank............. | 1,000,000 | 10 | 10 | 10 | 1,377,200 |
| Gallatin National Bank......... | 1,500,000 | 4 | ‡4 | 4 | 733,500 |
| Mercantile National Bank...... | 1,000,000 | 5 | 5 | 5 | 1,932,400 |
| Nassau Bank †................. | 1,000,000 | 4 | 4 | 4 | 147,400 |
| Mechanics & Traders' Nat. Bank | 600,000 | 5 | 5 | 5 | 380,800 |
| Fulton National Bank......... | 600,000 | 5 | 5 | 5 | 572,600 |
| Nat. Mechanics' B. Association. | 500,000 | 4 | 4 | 4 | 166,500 |
| Pacific Bank †................. | * 422,700 | 3 | 3 | 3 | 373,700 |
| Chemical National Bank....... | * 300,000 | – | 15 | – | 2,992,500 |
| Produce Bank †................ | 200,000 | *New.* | — | 3½ | 14,100 |
| *Totals, November,* 1873..... | $ 15,622,700 | | | | $ 11,604,200 |

Average capital to each bank, $ 1,200,000. Ratio of gross profits to gross capital, within a fraction of seventy-five per cent.

* Quarterly. † State banks. ‡ October and April.

# PHILADELPHIA BANK DIVIDENDS.

November, 1873, May and November, 1873.

| *Name of Bank.* | *Capital.* | Dividends. *Nov.,* 1872. | *May,* 1873. | *Nov.,* 1873. | *Surplus.* *June,* 1873. |
|---|---|---|---|---|---|
| Farmers & Mech. N. B. | $2,000,000 | 5 | 5 | 5 | $500,000 |
| Philadelphia Nat. Bank | 1,500,000 | 7 | 7 | 7 | 750,000 |
| Manufacturers' Nat. B'k | 1,000,000 | 4 | 4 | 4 | 200,000 |
| Girard National Bank | 1,000,000 | 6 | 6 | 6 | 500,000 |
| National B'k of Republic | 1,000,000 | 3½ | 3½ | 3½ | 51,725 |
| Commercial Nat. Bank | 810,000 | 5 | 5 | 5 | 209,950 |
| Mechanics' Nat. Bank | 800,000 | 6 | 6 | 5 | 200,000 |
| Central National Bank | 750,000 | 5 | 5 | 5 | 400,000 |
| N. B. Northern Liberties | 500,000 | 10 | 10 | 10 | 500,000 |
| Penn National Bank | 500,000 | 6 | 6 | 5 | 110,000 |
| Corn Exchange Nat. B'k | 500,000 | 6 | 6 | 6 | 200,000 |
| Western National Bank | 400,000 | 5 | 5 | 5 | 100,000 |
| City National Bank | 400,000 | 6 | 6 | 6 | 260,000 |
| Consolidation Nat. Bank | 300,000 | 6 | 6 | 6 | 220,500 |
| Commonwealth Nat. B'k | 300,000 | – | 3 | 3 | 950 |
| Union National Bank | 300,000 | 5 | 5 | 5 | 95,000 |
| Second National Bank | 300,000 | 5 | 5 | 5 | 90,000 |
| Third National Bank | 300,000 | 5 | 5 | 5 | 60,000 |
| Southwark Nat. Bank | 250,000 | 12 | 8 | 12 | 150,000 |
| Kensington Nat. Bank | 250,000 | 6 | 6 | 6 | 150,000 |
| Nat. Bank of Commerce | 250,000 | 4 | 4 | 4 | 65,000 |
| Seventh National Bank | 250,000 | 5 | 5 | 3 | 30,000 |
| Germantown Nat. Bank | 200,000 | 7½ | 7½ | 6 | 100,000 |
| Sixth National Bank | 150,000 | 5 | 5 | 5 | 30,400 |
| Tradesmen's Nat. Bank | 200,000 | 10 | 10 | 10 | 500,000 |
| | $14,210,000 | | | | |
| Spring Garden Bank | 250,000 | – | – | 5 | — |
| Union Banking Co. | (*Failed.*) | – | 4 | – | — |
| Bank of America | 170,000 | 4 | 4 | 4 | — |
| People's Bank | 100,000 | 6 | 6 | 6 | — |
| West Philadelphia Bank | 100,000 | 3½ | 3½ | 4 | — |
| | $14,830,000 | *July* | *Jan.* | *July* | |
| First National Bank | 1,000,000 | 6 | 6 | 6 | 500,000 |
| Eighth National Bank | 275,000 | 5 | 5 | 5 | 65,000 |
| Bank of North America | 1,000,000 | 10 | 10 | 10 | 1,000,000 |
| National Security Bank | 250,000 | 3 | 3 | 3 | 9,000 |
| | $17,355,000 | | | | $7,046,700 |

The dividends made by the banks in November, with two or three exceptions, are the same as at the last semi-annual period in May last, and the exceptions alluded to show a decline of only one per cent. each. The dividends are all payable on demand, free of tax. The business of the last six months has been generally good, and the profits about equal to that of any previous half year. Very few notes have gone to protest in the time, and the renewals have been much less in both number and amount than many have supposed.

For information as to the condition of these banks in 1872, see BANKER'S MAGAZINE, June, 1873, page 989.

## INTEREST ON BANK DEPOSITS.

Washington, Nov. 25.—The forthcoming report of the Controller of the Currency will contain the following on the subject of "Interest on deposits and certification of checks."

In my last annual report I referred briefly to the evils resulting from the payment of interest upon deposits, and my predecessors have frequently referred more at length to the same subject. The difficulty has been that the proposed legislation by Congress upon this subject would apply only to the National banks. The effect of such legislation would be to bring State banks and Savings banks, organized by authority of the different States in direct competition with the National banks in securing the accounts of correspondents and dealers. The National banks will be desirous of retaining their business, and the more unscrupulous would not hesitate to evade the law by offering to make collections throughout the country free of charge, to buy and sell stocks without commission and to rediscount paper at low rates. The proposed action of the Clearing House in the city of New York, if adopted by the Clearing Houses of the principal cities of the Union, would do more to prevent the payment of interest on deposits than any Congressional enactment. But the evils resulting from the payment of interest upon deposits are by no means confined to the City banks. It may be safely said that this custom, which prevails in almost every city and village of the Union, has done more than any other to demoralize the business of banking. State banks, private bankers, and associations under the guise of Savings banks, everywhere, offer rates of interest upon deposits which cannot safely be paid by those engaged in legitimate business. National banks, desirous of retaining the business of their dealers, also make similar offers, and the result is not only an increase of the rates of interest paid by business men, but, as a consequence, investments in unsecured loans, bringing ultimate loss both upon the shareholders of the bank and the depositors.

The kind of legislation needed is that which shall apply to all banks and bankers alike, whether organized under the National Currency Act or otherwise. A law prohibiting the payment of interest on deposits by the National banks will have little effect, unless followed by similar legislation under authority of the different States, and there is little hope that such legislation can be obtained. The National Currency Act, which was passed during the war, provided for a tax of one-half of one per cent. upon all deposits, and subsequent internal revenue legislation extended this tax to all deposits made with State banks and individual bankers.

The act of March 3, 1869, authorizes the appointment of a receiver, if any officer, clerk or agent of any National bank, shall certify any check drawn upon said bank, unless the person or company drawing said check shall have on deposit in said bank at the time said check is certified, an amount of money equal to the amount specified in such check. Receivers have been appointed for the NATIONAL BANK OF THE COMMONWEALTH, of New York, and the NEW ORLEANS BANKING ASSOCIATION during the past year for violations of this act; and it is the intention of the Controller hereafter to rigidly enforce this act whenever he is satisfied of such violation.

## BANKING REFORMS POSTPONED.

The Clearing-House Association met November 25, and postponed the consideration of the measures of banking reform proposed by the Committee of Nine. Members now say that this result has seemed inevitable since the last meeting, though strong efforts have been made to secure the adoption of the report. The Association met at 1 P. M., all the forty-nine banks belonging to the Association being represented, except the MECHANICS' AND TRADESMEN'S and the METROPOLITAN BANKS. Mr. VERMILYE, the President, in the chair.

After the reading and approval of the minutes of the last meeting, Mr. COE, President of the AMERICAN EXCHANGE BANK, and Chairman of the Committee of Nine, explained why the Committee was appointed, what they had tried to do, and the difficulties they had encountered. Mr. LEVERICH, of the BANK OF NEW YORK, offered a resolution postponing further consideration of the matter for sixty days. Mr. KITCHEN, of the PARK BANK, offered an amendment referring the report to a new Committee of Nine. Various amendments were proposed and suggestions made, after which Mr. JORDAN, of the THIRD NATIONAL BANK, moved that the old Committee be increased to 15. On this Mr. COE asked that his committee be discharged. Mr. DUER, of the IMPORTERS AND TRADERS' BANK, proposed that the matter be discussed in Committee of the Whole. Mr. LEVERICH withdrew his motion, and Mr. KITCHEN renewed his amendment in the form of an original motion:

*Resolved*, That the report of the Committee be referred to a Committee of Nine, to be appointed by the Chair, and to be composed of members representing different views on the report, to report to a subsequent meeting whether a middle ground cannot be found on which different interests can unite and harmonize.

This resolution was adopted by a large majority, the vote being taken *viva voce*. The following bank officers were subsequently named by Mr. VERMILYE as the Committee:

W. R. KITCHEN, President of the PARK BANK; H. F. VAIL, Cashier of the BANK OF COMMERCE; D. C. HAYS, President of the UNION BANK; RICHARD BERRY, President of the TRADESMEN'S BANK; G. W. DUER, President of the BANK OF THE STATE OF NEW YORK; JOHN CASTREE, President of the IRVING BANK; JAMES BUELL, President of the IMPORTERS AND TRADERS' BANK; F. CHANDLER, President of the MECHANICS' BANKING ASSOCIATION; C. N. JORDAN, Cashier of the THIRD NATIONAL BANK, and O. H. SCHREINER, Cashier of the GERMAN-AMERICAN BANK.

# BANKING AND FINANCIAL ITEMS.

THE BANKER'S ALMANAC.—Our readers are reminded that the BANKER'S ALMANAC for 1874, will be issued the first week in January; containing a complete list of the banks and bankers of the UNITED STATES and CANADA, as well as a copious list of the banks and bankers of EUROPE, ASIA, AUSTRALIA, SOUTH AMERICA, &c. The value of the volume will be enhanced by the addition of a list of the New York drawers of bills on London and Paris; with engraved views of new bank buildings; engraved views of the mints in operation in London, Paris, Philadelphia, and San Francisco; engraved views of the Bourse or Stock Exchange buildings of Paris, London, Lyons, Marseilles, Hamburg, Antwerp, and other leading cities of EUROPE, (*including that of Ancient Pompeii*); engraved fac similes of the new Trade Dollar of the UNITED STATES, and of new coins issued by foreign mints in the year 1873, (*to be continued annually*). Those bankers who desire their cards inserted in this new and attractive volume, which will have a world-wide circulation, are requested to transmit their orders immediately. To insure prompt delivery of the BANKER'S ALMANAC on publication (the first week in January), send an early order. To save time and postage a remittance of the price (three dollars,) should be made at the same time.

SAVINGS BANKS.—Congress at the last session directed the Controller of the Currency to prepare a report, and submit it at the next session, on State banks and Savings banks throughout the country. The work of preparing such a report has been going on all summer, but with very unsatisfactory results. Trustworthy data relative to the subject have been received from only eleven out of thirty-seven States. The other States have declined to furnish information, or sent statements that were indefinite and therefore useless. The inquiry into the subject has developed the fact, however, that a majority of the so-called savings banks in the UNITED STATES are not legitimate ones, according to the interpretation of Justice DAVIS of the Supreme Court of the UNITED STATES, who held in effect that a Savings bank was one without capital, and whose earnings should be applied to the benefit of its depositors. Reports from PENNSYLVANIA show that out of the thirty-five Savings banks in that State all but one based their business upon capital. NEW-ENGLAND has responded to the call for information concerning her banks as fully as desired, and so also has NEW YORK, with the exception of the trust companies. Such information concerning these banks as has been received will be fully prepared in a few weeks for transmission to Congress.

It is well known that the savings banks of NEW ENGLAND and NEW YORK and MARYLAND are institutions organized under special charters for the sole benefit of their depositors. Their financial position being made public, annually, by reports to the Legislature; whereas, those of PENNSYLVANIA, OHIO, MISSOURI, CALIFORNIA and some other States, have a capital, and the profits enure to the benefit of the stockholders, after paying a fair rate of interest to their depositors.—[*Ed. B. M.*

LONDON.—Hon. HUGH MCCULLOCH, of Messrs. JAY COOKE, MCCULLOCH & Co., of London, sailed on Saturday, November 15th, on his return to his London house, after a visit of six or eight weeks to this side. His visit was intended to be one of recreation. He left his house in first-rate condition early in September, and it is gratifying to know that its credit has been steadily maintained since, notwithstanding the embarrassment of Messrs. COOKE, in Philadelphia and New York. The London firm was kept wholly separate in capital and railroad concomitants, and while the partnership of four years will end by limitation on the 31st of December, Mr. MCCULLOCH and his English juniors will continue the business under a new and strong organization.

FORGERIES OF UNITED STATES NOTES.—A novel kind of forgery was discovered at the Sub-Treasury in this city by MR. ABRAM N. W. TANDY, one of the note counters, who, while examining a large quantity of bills, came across one of the 1863 issue, of $100, which felt somewhat spongy and soft. He then examined it with a microscope and ascertained that the bills consisted of two parts, which had been pasted together, the face being genuine and the back being a forgery. The intention of the counterfeiter is doubtless to make use of the good back and paste it in like manner to a fraudulent face, but whether this will be as good a forgery as the present one remains to be seen. The work is admirably done, and if the counterfeiters can make as good a face as they can a good "back" it is possible that $200 for a $100 bill can be easily had.

SILVER PAYMENTS AT THE TREASURY.—The payment of silver in sums of five dollars and under, to the Government creditors, was begun at the Treasury Department October 28th. There was, however, no exchange of silver for currency. It was found by the extent of demands that came when the announcement of the intention of the Treasury in this respect was published, that the unlimited payment of silver with the amount of coin on hand, with the limited capacity of the mints for turning out silver coin, was entirely impracticable. The mints are now employed in coining gold to their fullest capacity, and can do but little with silver until the gold demand is less. It is still hoped that when the coining of silver can be resumed the exchange of it for currency may safely begin.

NEW YORK.—The receiver of the UNION TRUST COMPANY, Mr. E. B. WESLEY, has submitted his statement as to the condition of that institution. The amount due depositors is $5,299,185.13; assets, $6,327,369.90. In the assets is included the $1,809,979.39 to the Lake Shore Company. The following are the securities which the defaulting cashier, CARLTON, purchased with the Trust Company's funds: 1000 shares Atlantic and Pacific, 300 Pacific Mail, 2000 Union Pacific Railroad stock, 600 Western Union, and 400 C. C. & I. C. The Trust Company claims that these stocks are its property, as no doubt they are if it could only know where to lay hands upon them.

THE CLEARING HOUSE.—The report of the Clearing-House Committee of Nine, November, 1873, is presented to our readers in the earlier part of this number. Objections have been made to this report to the effect that the Clearing House was not organized to legislate upon topics discussed by the committee, and, secondly, that each bank is (and should be) competent to manage its own affairs without being dictated to by others as to its legal reserve. In reply to this, it may be remarked that history, (especially of September, 1873), shows that many banks, without proper legal restraints, are not masters of the situation, and do not maintain the strength adapted to panics, and thus are compelled to lean upon the stronger ones in times of sudden revulsion.

*City Loans.*—While the six-per-cent. loans of the City of Baltimore are selling at 94 those of the City of Philadelphia command 101. While this tells to the credit of one city there is a broader contrast in the prices of the shares of the two great railroads out of the respective cities. While the Baltimore and Ohio Railroad shares sell at 160 those of the Pennsylvania Railroad are selling down to 42.

STATE FINANCES EMBARRASSED.—The sum of $1,974,600, being a portion of the canal debt, fell due on the 1st of November 1873. The State officers advertised for bids for a new loan, the proceeds of which were to be used in the payment of the old loan. Contrary to all anticipation, no bids were presented. This is unprecedented in the finances of the State, and shows how disastrously the revulsion through which we are passing has affected business interests. Less than half a million of the old bonds were offered in exchange for the new bonds, leaving about a million and a half of dollars to be provided.

BANK EMBEZZLEMENT—TAINTOR CONVICTED.—The case of F. L. TAINTOR, cashier of the late ATLANTIC NATIONAL BANK was, October 29, in the U. S. Circuit Court. The point of law was raised by the defense that it was competent to produce evidence to show that TAINTOR acted for the bank, and with the knowledge and consent of its president and directors, in making his stock speculations. This was decided against the defense by Judge BENEDICT, he holding that, even admitting all the facts offered to be proven, TAINTOR would be guilty if the jury found that he acted with intent to violate the law prohibiting such transactions by bank officials. The defense declined to put in any evidence, and Judge BENEDICT directed a verdict against TAINTOR on the evidence ordered for the prosecution. The jury found TAINTOR guilty, and his counsel gave notice that they would move for a new trial. TAINTOR was then remanded to jail.

THE UNION TRUST COMPANY.—At a meeting of the trustees of the Union Trust Company, October 30, the following resolutions were adopted:

*Resolved*, That the capital of this company be, and is hereby increased to the amount of two millions of dollars, by the addition of one million of dollars to the present capital of the company; which additional capital shall be divided into shares of one hundred dollars each; that the additional capital be offered until November 15, 1873, to the present stockholders, to each so much of said additional stock as such present stockholder now holds of the present stock.

*Resolved*, That twenty-five per cent. of the additional capital stock shall be paid on or before November 20, 1873; twenty-five per cent. on or before December 10, 1873, and the remaining fifty per cent. at the call of the trustees after December 1, 1873, upon thirty days' notice.

SUSPENSION OF LLOYD, HAMILTON & CO.—The failure of Messrs. LLOYD, HAMILTON & CO., bankers, 48 Exchange Place, was announced Oct. 30. The firm were members of the Stock Exchange, but had closed all their contracts before the disaster. They attribute their suspension to the long-continued drain made by out-of-town customers upon their deposits, and the inability of the firm to realize promptly upon the collaterals in their possession. They expect to resume payment within a few weeks. In consequence of LLOYD, HAMILTON & CO., of New York, WILLIAM M. LLOYD & CO., bankers, Altoona, PA., suspended payment, October 30.

AN ELABORATE BANK BUILDING AND SAFE.—The BANK OF NORTH AMERICA has removed into its new building, at No. 44 Wall Street. It has two stories and basement. Its front is of ornamental iron, and the main story is eighteen feet high, and all the rooms are clear of columns. An important feature of the building is its fire and burglar-proof safe, which is erected upon a solid foundation, and carried up through the basement into the first story. The first course consists of a twelve-inch wall of fire brick, in which is built a steel cage, with bars four inches from the centres. Around the entire safe, and on the top and bottom, is a wall of granite blocks twelve inches thick. Between these blocks are three-inch cannon balls, set in sockets in such a way that the balls will turn on any attempt to drill through them. Inside the whole is a case of three-eighth-inch boiler iron. The doors, which alone cost $ 2,600, are of three layers of steel and three layers of iron, alternating. These layers will be so arranged that, in case of an attempt to drill through them, the bit will strike some joint, and thus become disabled. The doors are "step-rabbeted," to preclude the possibility of prying them open with wedges. The locks are complicated and not susceptible to picking. It is intended that the treasure of the institution shall be surrounded by safeguards which will hold burglars at bay for the longest time the bank is ever likely to be left unguarded. The whole building, except the basement, is to be occupied by the bank. Its cost will be about $ 45,000.

REMOVAL.—The Sun Mutual Insurance Company has removed its office to No. 37 Wall Street, in the building formerly occupied by the BANK OF NORTH AMERICA.

Messrs. DICKINSON & CO., No. 25 Broad Street, offer their services as bankers and dealers in gold and stocks on commission. Their card will be found in the advertising sheet of this work.

ANOTHER DEFALCATION.—On Wednesday, November 5, at the opening of business hours, the receiving teller of the SECURITY BANK, 319 Broadway, discovered that his cash-box, containing about $25,000, was gone. Mr. HENRY D. LOWES, then the cashier of the bank, failed to make his appearance that day, and has not been seen since. His bondsmen have agreed to forfeit the amount of his bonds, $ 20,000, and the bank will not lose more than $ 5,000.

*New York.*—Rumors having gained currency regarding the MERCANTILE NATIONAL BANK, the directors inform their dealers and stockholders: That the capital of the bank is $1,000,000, and surplus $337,000. That very recently the late President, Mr. E. J. BLAKE, without their knowledge, made loans to a corporation in which he was interested. The loss, if any, from this account they believe will not exceed the surplus. At a meeting held November 18, Mr. NORMAN WHITE was unanimously elected President, in place of Mr. E. J. BLAKE, resigned. The directors are NORMAN WHITE, JOSEPH STUART, J. N. PHELPS, C. P. BURDETT, S. E. HOWARD, ANSON PHELPS STOKES, ROBERT W. STUART.

*New York.*—The old stock firm of GREENLEAF, NORRIS & CO., which suspended in September last, has recovered its former firm position, having resumed payment in full, and is now in active operation, much to the satisfaction of the numerous friends of the house inside and outside of the Stock Board.

*New York.*—At a meeting of the directors of the PRODUCE BANK of this city, November 7th, Mr. SAMUEL CONOVER was duly elected cashier. His long experience in the MERCHANTS' BANK (twelve years), and six years as paying teller of the FOURTH NATIONAL BANK, as well as his connection with the PRODUCE BANK since its organization, fitly prepare him for the position.

DELAWARE.—A bold attempt was made, November 7th, to rob the NATIONAL BANK OF DELAWARE, Wilmington. While the cashier, Mr. FLOYD, was at supper with his family, about 6 o'clock P. M., a knock was heard at the door. Mr. FLOYD rose and proceeded to the door, and upon opening it five masked and armed men appeared. One of them seized, threw him down, and pointed a pistol at his head. Two others of the gang rushed into the supper room, and with drawn pistols ordered the ladies to be silent and make no alarm. One, however, fled, and was pursued by one of the villains, but she fortunately escaped by a side door into the street. Her screams raised an alarm, and the robbers were thus frustrated and then escaped. The residence of the cashier is in the rear part of the bank building, and the burglars no doubt intended to capture, gag, and bind the whole family, and then proceed leisurely to open the vaults, having the whole night for the work.

DISTRICT OF COLUMBIA.—Washington, November 10. The FIRST NATIONAL BANK is paying thirty cents on the dollar to depositors who have proved their accounts. The depositors will receive about fifty per cent. in all, according to present indications. Of the five or six hundred depositors in the banking house of JAY COOKE & CO., all excepting about thirty have signed the plan of agreement, namely, to place the settlement in the hands of ex-Commissioner of Internal Revenue ROLLINS. Nearly all of these thirty are either distant from the city or cannot at present be reached. Those who have signed represent three-fourths of the amount of deposits involved. Among the depositors who received thirty per cent. of their deposits, in the FIRST NATIONAL BANK, was ex-President JOHNSON, who received nearly $22,000.

*Suicide.*—WHITMAN C. BESTOR, of the banking house of RIGGS & CO., in Washington, committed suicide on the morning of November 13, by shooting himself. His wife was in an adjoining room at the time, and, hearing the report of the pistol, rushed into the chamber, where she was agonized by seeing her husband lying on the floor and weltering in blood. From the appearance of the scene it would seem that he had placed himself before the looking-glass, to aim the pistol on the left side of his head, it being held in his right hand. The deceased leaves a wife and four children. He was about fifty years of age, and had been connected wtth the banking house of RIGGS & CO., for upwards of eighteen years. Besides being successful in his business connection, he possessed a private fortune, and was therefore easy in his pecuniary circumstances. He had been complaining for some days of depression from office fatigue and dyspeptic symptoms which resulted in a fit of insanity, with the fatal ending above mentioned, the intelligence of which startled the whole community, Mr. BESTOR having enjoyed general esteem and confidence.

INDIANA.—The interest law of the State of INDIANA was, in February last, essentially altered. Uuder date of February 5th, 1873, (*see copy of Act, page*

465, BANKER'S MAGAZINE), a law was passed whereby judgments in that State bear interest at the same rate as the note or contract sued on: and where no special rate was provided by contract, or where a greater rate of interest is expressed than ten per cent. the law allows SIX PER CENT. per annum on such judgment, (*on all contracts made after the above date.*)

MONEY LOCKED UP.—One of the victims of the yellow fever at Shreveport was the Hon. SAMUEL PETERS, member of Congress elect, who was cashier of the Shreveport branch of the FREEDMAN'S SAVINGS BANK. The disease carried him off so suddenly that he had not time to give any directions concerning the affairs of the bank, and he died without making known the "combination" on which the safe was locked. The books show that there are $ 12,000 in the safe, but there are no mechanics in that part of the country who can open the safe without destroying it. As the Examiner of FREEDMAN'S BANKS will not go to Shreveport until the frost has completely subdued the pestilence, the people's money remains literally "locked up."

MAINE.—The SAVINGS BANK at Bethel, ME., was entered by robbers, in October, who blew off the lock of the outer door with powder, alarming the neighbors, who captured three of the robbers.

MASSACHUSETTS.—The ROCKPORT NATIONAL BANK suspended payment for two days in November, some derangement of its locks preventing the opening of its vault doors. The cotton mill could not make its regular weekly payment, and other minor local disturbances occurred from the temporary lockup.

*Lowell.*—At a meeting of the directors of the MERCHANTS' NATIONAL BANK of Lowell, in November, CHARLES W. EATON was elected cashier to fill the vacancy caused by the resignation of JOHN N. PEIRCE, Jr. Mr. EATON is twenty-eight years old, a native of Lowell, and is said to have excellent qualifications for the place. He rendered valuable assistance to Colonel NEEDHAM during the recent investigation of the affairs of the bank.

MISSOURI.—St Joseph, Mo., November 6.—The BANK OF ST. JOSEPH, a new institution, with a capital of half a million dollars, was organized November 6th.

OHIO.—S. S. RICKLEY, banker, Columbus, made an assignment, November 10th, for the benefit of his creditors, to General CHARLES C. WALCUTT. His liabilities are estimated at $ 125,000; assets, $ 175,000. At the beginning of the late financial panic a run was made on RICKLEY'S BANK, and it was necessary to suspend for a short time; but afterwards business was resumed, and continued until the above date, when the impossibility of converting securities into currency made the assignment necessary.

PENNSYLVANIA.—The FIRST NATIONAL BANK of Athens, PA., was robbed in November. While the cashier was at his desk five men entered, gagged and handcuffed him, and carried off $ 20,000, mostly in special deposits. The cashier was found on the floor of the back office next morning.

THE MINT.—According to reports made by Dr. LINDERMAN, Director of the Mint, the amount of gold coined during the month of November, at the Philadelphia Mint, will reach $ 10,000,000. This, it is thought, will place the Treasury in a strong condition, so that it will only be necessary to coin $ 1,000,000 a month for several months. The Pacific coast being abundantly supplied with subsidiary silver coin, the mints at Carson City, NEVADA, and San Francisco will be run on gold coin and trade dollars. The demand for the latter coin from CHINA, but more particularly from JAPAN, is increasing largely. The Philadelphia Mint, which has been running to its full capacity on gold has been directed to change to silver, and will hereafter until further orders be occupied in the coinage of half dollars, quarters and dimes, at its full capacity of about $ 700,000 per month. The Government is in possession of silver bullion sufficient to run the mint at this rate for several months to come. There are in the various sub-treasuries about $ 500,000 in subsidiary coin, which will begin to be paid out at once.

*Resumption.*—The prominent and long established house of Messrs. E. W. CLARK & CO., bankers, of Philadelphia, resumed business October 25th, after a suspension of payments of only five weeks. Mr. E. W. CLARK is President of the Lehigh Coal and Navigation Company, and his brother, Mr. CLARENCE CLARK, is President of the FIRST NATIONAL BANK of Philadelphia.

PHILADELPHIA BOARD OF BROKERS.—HARRISON GRAMBO has instituted suit against the Philadelphia Board of Brokers to compel his reinstatement as a member thereof, and asking for damages for being kept out of that body, The bill sets forth that he became a member of the board on October 24, 1872, paying $250 for his seat; that, except in that board, it is impossible to carry on the sale of stocks and other securities, and that on the the 3d of May, 1873, the board unlawfully suspended him from membership, and denied him his right as a member. He acknowledges that he became embarrassed in April, 1873, but says that his indebtedness was entirely out of that board, that he has settled with all his creditors, obtained a release from them, and has satisfied the committee of the Board of Brokers of that fact. Yet he is kept by that body out of his seat, to which he claims he is justly entitled.

PITTSBURGH.—The creditors of IRA B. MCVAY & CO., who suspended November 7th, had a meeting on the 14th, at which it was agreed to grant an extension of two years, the firm agreeing to pay twenty-five per cent. every six months. They presented a statement showing a surplus of sixty thousand dollars over and above their liabilities.

The DUQUESNE SAVINGS BANK proposes to pay their indebtedness in five instalments, of twenty per cent. each, of four, seven, eleven, thirteen and sixteen months. The proposition will doubtless be accepted.

*Pittsburgh.*—The National Trust Company, of Pittsburgh, suspended paymen November 18. The following notice was posted on the door: In consequence of the unexplained absence of our cashier, and the consequent difficulty of ascertaining the exact condition of this bank, and the impossibility of immediately converting securities held by it, the Board of Directors have deemed it necessary and proper to temporarily suspend the transaction of business. A full and satisfactory statement will be prepared and submitted within a few days to all persons interested. The assets of the bank are believed to be amply sufficient for the payment of all its liabilities. The personal liability of the stockholders, however, absolutely secures the payment at an early day of every dollar of the indebtedness of the bank. By order of the Board. ROBERT DICKSON, President.

RHODE ISLAND.— STEPHEN P. WARDWELL, cashier of the COMMERCIAL NATIONAL BANK of Providence confesses to a defalcation of about $45,000. An examination, by the directors and Bank-Examiner WYGATT, indicates that the full extent of the embezzlement is stated, but the accurate figures were not attainable. The money was lost some years since in a speculation. The cashier's bond and private property will nearly reimburse the bank. Mr. FARNUM has been elected cashier *pro tem.*

FRAUDLENT LETTERS OF CREDIT.—Some of the large American houses have been in the habit of issuing letters of credit on EUROPE, which it has been the custom on the part of the establishments to whom they are addressed to honor without advice, but owing to numerous recent frauds it seems that a more strict system should henceforth be adopted. Several of the first banking houses on the Continent have been defrauded of large amounts, the names in whose favor these letters of credit are issued having been effaced, both in the body and in the signature, in such a way as not to leave the slightest trace, and the name of the party inserted who presents the credit, and who is ready to exhibit his passport or proper proofs of identity if demanded. A person giving the name of JOHN BARLOW presented himself lately to some of the leading firms in ITALY with a circular credit of Messrs. DREXEL, MORGAN & CO., of New York, for £2,000, took a great part of the money in Rome, and almost the whole of the remainder in Florence on the following day. When the drafts came to be presented to Messrs. J. S. MORGAN & CO., the London house, ten days later, drawn by Mr. BARLOW, it turned out that the credit was issued in the name of an American lady, and that the name and signature had been replaced by those of JOHN BARLOW.* Under these circumstances a question of responsibility arises, and the Italian bankers contend that they are not liable unless they can be charged with gross carelessness, or they had been before advised by the issuers of the letter of credit having been lost or stolen. In any case it would be well to stop the system of issuing these circular letters without advice. Looking at the opportunities for fraud under the present practice, any extra trouble and expense it might involve to the issuing bankers ought scarcely to be a consideration.—*London Times, City Article, October* 6.

*Interest on Deposits.*—The officers of the FOURTH NATIONAL BANK, of Cincinnati, have taken a decided stand on the question of paying interest on current deposits. From a circular notice to their customers on the subject, we take the following extract:

"Satisfied that the practice of paying interest on current accounts between banks and bankers, where balances are subject to sight checks, is radically wrong, and often productive of mischief and serious evils, both to banks and the community, the management of this institution have determined to discontinue it from and after the 1st day of December proximo.

"From and after that date, this bank will not receive interest from any of its correspondents, nor will it pay interest on any deposits or balances, except:

"First—On deposits made for a specific time, not less than sixty days, in which case a certificate of deposit will be issued, and interest paid at the rate of four per cent. per annum.

"Second—On deposits of banks and bankers intended as reserve, (in no case a less sum than five thousand dollars), and to be kept on our books as 'special account,' and separately from the daily current account of such bank or banker, we will pay interest at the rate of *four* per cent. per annum; provided, that whenever this account is drawn against, and falls below the amount agreed on as 'special account,' no interest will be paid on the same, or any portion thereof, for that month, nor until the amount of deficiency is made good.

"It will be perceived that our purpose is to pay no interest on deposits and balances, except such as are of a permanent and reliable character, and that may, with a reasonable degree of safety and profit, be used.

"We have adopted the course here marked out, believing it to be based on a sound principle in banking, which will commend itself to the intelligence and good sense of our correspondents."

This course must be commended. A bank can neither receive nor pay interest on deposits liable to constant draft with safety. The principle is wrong, and it is the right thing to treat it as an evil that ought to be abated. Public sentiment points to reform in the policy of receiving money from country depositors, and of loaning out (as in practice in New York) NEARLY THE WHOLE TO STOCK SPECULATORS. "Loans on call," with stock collaterals, are among the most dangerous to the banker, both borrower and lender, and pernicious to the community at large, because business men are thereby excluded as borrowers.

*Chicago.*—In November, on the return day of the order for the FRANKLIN BANK to answer the supplemental petition, and no answer having been filed, Judge BLODGETT adjudicated the concern bankrupt by default, and warrants of seizure were issued, returnable December 1. On that day a meeting of the creditors will be held and assignees appointed. A United States Marshal has taken possession of the bank.

SOUTH CAROLINA.—The United States Supreme Court has decided the case of the State of SOUTH CAROLINA, *ex rel.* WAGNER, against STOLL, County Treasurer; an appeal from the Supreme Court of the State, involving the question of the validity of the issues of the Bank of the State during the war. The charter of the bank, framed in 1812, provided that its issues should be receivable for taxes; but the County Treasurer now refused to receive them on the ground that they were issued in aid of the rebellion, and were therefore no tender. The Court below sustained the objection, and the judgment was for the Treasurer. On a former argument of the case in this court that judgment was affirmed; but upon a re-argument had at this term there is a change of opinion and the judgment is now reversed, the same Judge writing the opinion. The Court holds that, as the faith of the State was pledged for these bills, the holders were entitled to rely upon that credit and on its protection. The credit of the State could not be withdrawn without an open and clear declaration to that effect, and such a declaration was not made until 1868 by the repeal of the charter, which was too late to render the bills no tender in the present case. One other case was decided by the decision in this. Mr. Justice HUNT delivered the opinion and Mr. Justice BRADLEY dissented.

TEXAS.—THE NATIONAL BANK OF JEFFERSON continues, as heretofore, to give attention to collections in Shreveport, LA., as well as in Jefferson, Marshall, Longview and other points in TEXAS. Their card will be found on cover of this Magazine.

VIRGINIA.—The CITIZENS' BANK of Petersburg, offers its services to correspondents having business with that city and neighborhood.

The PLANTERS & MECHANICS' BANK also announces its readiness to attend promptly to the interests, in that vicinity, of its correspondents.

The cards of both these banks will be found in the usual place in this magazine.

*Petersburg.*—The MERCHANTS' NATIONAL BANK of Petersburg, has gone into liquidation. Its late President, T. T. BROOCKS, has been held in fifteen thousand dollars bail for examination, on the charge of embezzling one hundred thousand dollars of the funds of that institution.

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HALIFAX, October 31.—The ACADIA BANK, of Liverpool, N. S., has forfeited its charter and gone into liquidation.

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THE MONETARY DIFFICULTIES OF THE WORLD.—The *London Times* in its city article of the 27th of October gives the following explanation of the fact that there are financial troubles in many countries at once:

It will perhaps be asked how it is that, while money, like water, has the constant tendency to find a level, there can be a simultaneous scarcity in all the chief places of the globe? The answer is that probably at no previous period has there been so simultaneous a hoarding. Not only has the improvident absorption in ENGLAND been beyond any former precedent, but there is reason to believe that in AMERICA, SPAIN, and FRANCE, from different causes, the process has been on a still more unusual scale; while in GERMANY, although the gold coinage is gradually paid out in exchange for the old silver circulation, this silver circulation is retained by the government, and practically amounts to a hoarding of the wealth obtained from FRANCE. If there should be a return to pacific and orderly government on the Continent, a period of unsurpassed abundance would probably be witnessed, the effects of the American panic being certain to subside in due course; but the signs in FRANCE give little hope of such a consummation, and hence, although on this side the tendency may be toward a recovery of steadiness, there can in the relations between trade and the money-market be no ground on which, for the present, calculations can be based with any approach to certainty.

*Cash Reserves.*—A merchant like a banker needs a reserve, and in making up his balance sheet he will, if prudent, take care and make provision for it. This particularly needs to be done in case of partnerships, before crediting increase of profits or capital to separate partners. This reserve fund should be invested in undoubted securities on which money can be easily raised, and not be exposed to the risks of the business. Then in case of a great calamity, fire, shipwreck, panic, or what not, there will always be something tangible and easily available to fall back upon.—*Monetary Times.*

## NEW BANKS, BANKERS AND SAVINGS BANKS.

(*Monthly List, continued from November Number, page 400.*)

**Additions to this list are solicited from the subscribers to this work.**

### NEW YORK CITY.

S. B. Bostwick, 13 Broad.
Camblos & Myers, 24 New.
Capron & Merriam, 9 Wall.
E. R. Tremain & Co., 6 Wall.
Johnson & Bell, 26 Exchange Place.
Simons & Chew, 2 Exchange Court.
H. C. Williams & Co., 49 Wall.

| *Place and State.* | *Name of Bank.* | *N. Y. Correspondent.* |
|---|---|---|
| Athens, GA. | Bank of the University | National Park Bank. |
| Columbus, " | Eagle & Phenix Sav. & Dep. B'k. | National B'k State N. Y. |
| Minonk, ILL. | Danforth & Co | Irving National Bank. |
| Peoria, " | German Banking Co | ........ |
| Carroll City, IOWA | O. H. Manning | Sanders & Hardenbergh |
| Chariton, " | Chariton Bank | American Ex. Nat. B'k. |
| New Orleans, LA. | Home Mutual Savings Bank | Hanover National Bank. |
| Wellington, KANSAS. | Woods & Share | Donnell, Lawson & Co. |
| Florence, " | Marion Bank & Savings Inst'n | Fourth National Bank. |
| Newton, " | Harvey County Savings Bank | ........ |
| Louisville, KY. | Ex. Bank & Tobacco Wareh. Co. | Bank of America. |
| Fayetteville, N. C. | Merchants' Bank of Fayetteville. | National Park Bank. |
| Wadesboro, " | Branch Bank of New Hanover | Importers & Traders'. |
| Wilmington, " | Wilmington Trust Co. & Sav. B'k. | Marine National Bank. |
| " " | R. E. & Loan Asso. Sav. B'k | (*None.*) |
| Dover, N. J. | Dover Bank | Mercantile National B'k. |
| Attica, N. Y. | James H. Loomis | Mercantile National B'k. |
| Walden, " | Exchange Bank of Walden | Loaners' Bank. |
| Eaton, OHIO | Preble County Bank | Winslow, Lanier & Co. |
| Elmore, " | Bank of Elmore | Import. & Traders' N. B. |
| Oil City, PA. | F. W. Mitchell & Co | Ninth National Bank. |
| Scranton, " | Scranton City Bank | Dry Goods Bank. |
| Burlington, VT. | Farmers & Mechanics' Sav. Inst. | ........ |
| Jamaica, " | Jamaica Savings Bank | ........ |
| Ashland, WIS. | L. C. Wilmarth | German N. B., *Chicago.* |
| Milwaukee, " | James B. Turck | Gilman, Sons & Co. |

CANADA.—The VILLE MARIE BANK, a new bank at Montreal, was victimized to the extent of ten thousand dollars, November 6th. Two well-dressed men entered the bank, shortly after its opening, and while one of the thieves drew the clerk's attention the other seized the package containing the above amount, and both escaped.

# DISSOLVED OR DISCONTINUED.

[*Monthly list, continued from November No., page* 402.].

## NEW YORK CITY.

Theodore Braine & Co., 19 Broad.
Capron & Co., 27 New (succeeded by Capron & Merriam.)
Corne & James, 38 Broad.
King & Robb, 56 Wall.
Lloyd, Hamilton & Co., 48 Exchange Place, (suspended.)
Williams & Bostwick, 49 Wall, (succeeded by H. C. Williams & Co.)

ARKANSAS.—William H. Etter, *Fayetteville.*

CALIFORNIA.—Warden & Phillips, *San Luis Obispo*, (succeeded by Bank of San Luis Obispo.)

ILLINOIS.—W. F. Thornton & Son, *Shelbyville*, (senior partner deceased.) Ermentrout, Harvey & Co., *Urbana*, (suspended.)

INDIANA.—First National Bank, *Anderson*, (suspended.)

KANSAS.—V. C. Jarboe, *Paola*, (reported failed.)

MASSACHUSETTS.—Stevens, Amory & Co., *Boston.*

MINNESOTA.—George D. Snow & Co., *Le Sueur.*

MISSOURI.—J. F. Spratt & Co., *Hamilton*, (suspended); J. S. Sterling & Son, *Lebanon*. (suspended); Moberly Bank, *Moberly*, (suspended); Allen, Brother & Co., *Pierce City*, (merged into Lawrence County Bank.)

NEBRASKA.—James Sweet & Co., *Nebraska City*, (suspended.)

NEW YORK—Thomson & Loomis, *Attica*, (succeeded by James H. Loomis); B. T. Willis & Bros., *Belfast*, (suspended); L. S. Hammond, *Cape Vincent*. (*failed.*)

NORTH CAROLINA.—A. W. Steele & Co., *Fayetteville*, (succeeded by Merchants' Bank.)

OHIO.—S. S. Rickley, *Columbus*, (suspended.); Garaghty & Hunter, *Lancaster*, (*failed*); Farmers' Savings Bank, *Lima*, (suspended).

PENNSYLVANIA.—W. M. Lloyd & Co., *Altoona*, (suspended); Savings & Deposit Bank, *East Liberty*, (suspended); Du Quesne Savings Bank, Mechanics' Savings Bank, T. Mellon & Sons, Ira B. McVay & Co., National Trust Company, *Pittsburgh*, (all suspended.)

TEXAS.—Adams & Leonard, *Corsicana*, (sold out.)

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BANK STATIONERY.—One of the most important stationery articles for banks is the steel pen. This has been improved of late years to such an extent as to make it preferable to the gold pen. In the advertisement pages of this magazine may be found a list of the varieties of the Spencerian Double Elastic Steel Pens, manufactured by Messrs. IVISON, BLAKEMAN, TAYLOR & CO., No. 138 Grand Street, New York. There are no less than fifteen varieties produced by this firm, several of which we can fully endorse as well adapted for use by bank clerks. For the convenience of those who may wish to try them, this firm will send a sample card, containing all of the fifteen numbers, by mail, on receipt of twenty-five cents.

# FINANCIAL CHRONOLOGY.

[*Continued from November No., page 403.*]

## October.

22 National Trade Convention assembled at Chicago, 22 to 25.
23 Resolutions of the Clearing-House, N. Y., to abolish the bank pool, Nov. 1.
23 Resumption of business by Williams & Bostwick, brokers.
25 E. W. Clark & Co., bankers, Philadelphia, resumed business.
26 Death of Joseph Saxton, aged 74, former Coiner of the U. S. Mint.
28 Bids for $2,000,000 consolidated bonds, city New York, 7 per cent.
28 Silver currency payments commenced by Treasury at Washington.
30 Suspension of Hoyt, Sprague & Co., New York city.
30 Suspension of Lloyd, Hamilton & Co., bankers, New York.
30 Suspension of W. M. Lloyd & Co., Altoona, Pa.

## November.

1 Dissolution of the bank pool of legal tenders, New York.
4 Legal holiday in State of New York.—General election.
6 Bank of England rate of discount raised to 9 per cent.
6 Failure of Ira B. McVay & Co., bankers, Pittsburgh, Pa.
7 Attempt to rob the National Bank of Delaware, Wilmington.
8 Bank of France rate of discount raised to 7 per cent.
11 Suspension of Duquesne Savings Bank, Pittsburgh.
11 Suspension of East Liberty Savings Bank, Penn.
11 Special report made by Committee of Clearing House, N. Y.
17 Change of Presidency in the Mercantile National Bank, New York.
18 Suspension of National Trust Co., Pittsburgh.
20 Bank of England rate reduced from 9 to 8 per cent.

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# NOTES ON THE MONEY MARKET.

## NEW YORK, NOVEMBER 22, 1873.

*Exchange on London, at sixty days' sight,* 106½ ⓐ 107 *for gold.*

The money market, since the close of October, is only partially restored to quiet. Confidence is stronger in the future, and in the financial position of the remaining banks and bankers. The storm has driven some of the best firms into suspension, because they had undertaken too much business, or had reserved too small a sum to meet extraordinary demands, from their creditors. It has been said, in days of yore, that *history repeats itself*. This is especially true of banking. Those who, with the writer, remember the financial revulsion of 1837, will bear in mind that the main causes then in force were excessive paper money and vast paper credits.

Those who recollect the revulsion of the year 1857 will testify that paper money and expansion of credit in the shape of loans and bank deposits were again the chief causes of disturbance. One large failure shook confidence in moneyed institutions, and the policy of interest on deposits led, unfortunately, to an unsafe expansion of both bank issues and deposits, leading to excessive loans and speculation.

Those who can take a quiet and impartial survey of the late events will be convinced that bank paper and bank deposits were extravagantly increased, leading to enormous and unsafe loans, in a large number of cases to speculators. In such a severe crisis the affairs of the conservative, as well as those of the speculative, become embarrassed. Stocks are sold to an immense amount on speculation—some for a rise; others for a fall; and the failure of one large firm involves that of many others.

With all the experience of the past, speculation is yet rife in Wall Street. The Stock Board report of each day still shows that enormous transactions occur solely with speculative views.

The views of bankers vary as to the cure of those evils, and measures are under consideration for the purpose of confining the bank movements of this and other large cities more closely to the legitimate business and trade of the country. One of the most obvious evils is the tendency among banks and bankers to loan upon stocks. This is a branch of the banking business which keeps the market unsteady throughout the year.

A late case of suspension occurred where a loan had been made to one individual on the stock or bonds of one Railroad Company, to the enormous sum of $1,800.000; other loans were made to other speculators, thus defeating the intention of the Legislature, which was, that the loans should be for the encouragement of legitimate business and in moderate sums.

A rule that no bank shall loan more than ten per cent. of its capital to any one concern, is a sound one, and should be rigidly enforced.

It would be difficult at this time to furnish to our readers, reliable quotations of the rates for money. The banks are still confined to a reduced volume of loans, because their deposits are reduced to a greater extent than they are willing to acknowledge. An improvement is, however, steadily taking place, and we hope to record soon a restoration of loans and of confidence. The brokers are taking prime business paper at ten to fifteen per cent. per annum, but there are large amounts that pass at rates equivalent to 1½ and three per cent. a month. The sacrifices of note-holders have been great, and our manufacturers, who are among the most useful of our people, find great difficulty in making their weekly payments to workmen.

The difficulty of raising money to meet contracts has already inaugurated a step towards the reduction of wages. This is one of the inevitable effects of a contraction currency and reduced loans. The working classes begin now to feel the effects of the revulsion.

The failure of such houses as A. & W. Sprague and other manufacturers, is a serious misfortune to the community. Thousands are thrown out of employment for the present, and (with other thousands dependent on them) will long feel the losses to which manufacturers are now exposed.

The reduced volume of the currency has lessened the demand for Government loans in this market. Prices are, however, well sustained, as will appear by the annexed summary of quotations for the current week:

| | Offered. | Asked. |
|---|---|---|
| U. S. 6s. 1881, Registered | 113¾ | 114¼ |
| U. S. 6s 1881. Coupon | 114¼ | 114¾ |
| U. S. 5-20, 1862 Reg | 108¼ | 109 |
| U. S. 5-20, Coupon, '62 | 108½ | 109 |
| U. S 5-20, Coupon '64 | 109¼ | 109¾ |
| U. S. 5-20. Coupon, '65 | 109¾ | 110¼ |
| U. S. 5-20, '65, J. & J | 112⅝ | 113 |
| U. S. 5-20, '67, Coupon | 113¾ | 114 |
| U. S. 5-20, '68 Coupon | 113½ | 114 |
| U S. 10-40, Registered | 107 | 107¾ |
| U. S. 10-40, Coupon | 107½ | 107¾ |
| U. S. Currency, Pacifics | 110 | 110¼ |
| New Fives, 1881 | 109¼ | 109¾ |

The Foreign Exchange Market is yet seriously disturbed by the gold movements. Leading bankers asked 106¾ for 60 days' sterling, and 108½ for short sight do. We quote: Bills at 60 days on London, 105¼ a 106⅛ for commercial; 106⅝ a 106¾ for bankers'; do. at short sight, 108 a 108½; Paris, at 60 days, 5.42½ a 5.31¼; do. at short sight, 5.27½ a 5.26¼; Antwerp, 5.42½ a 5.32½; Swiss, 5.40 a 5.32½; Hamburg, 4 Reichsmark, 92½ a 93½; Amsterdam, 38⅝ a 39¼; Frankfort, 39½ a 40¼; Bremen, 4 Reichsmark, 92½ a 93½; Prussian thalers, 69½ a 70⅝.

The prices at this date, compared with the last three months, are as follows:

| *Sixty days' Bills.* | *July* 21. | *Aug.* 21. | *Oct.* 22. | *Nov.* 21. |
|---|---|---|---|---|
| On London, bankers' | 109⅛ @ 109⅜ | 107¾ @ 108 | 107 @ 108 | 106½ @ 107 |
| " commercial | 108½ @ 109 | 107¼ @ 107⅝ | 105 @ 106 | 105¼ @ 106 |
| Paris. francs, ₱ dollar | 5.27½ @ 5.23¼ | 5.35 @ 5.30 | 5.42½ @ 5.32½ | 5.42½ @ 5.31¼ |
| Amsterdam, ₱ guilder | 40 @ 40½ | 39⅝ @ 40 | 38⅝ @ 39⅜ | 38⅝ @ 39¼ |
| Frankfort. ₱ florin | 41 @ 41⅜ | 40½ @ 40⅞ | 39½ @ 40¼ | 39½ @ 40¼ |
| Hamburg, ₱ 4 R'mark | 95¾ @ 96⅜ | 94½ @ 95 | 92¼ @ 93½ | 92½ @ 93½ |
| Prussian thalers | 71¾ @ 72⅜ | 70⅝ @ 71¼ | 69¼ @ 70⅜ | 69½ @ 70⅜ |

The total export of coin from New York for 10½ months this year has been $45,090,000, about 18 millions less than in 1872. We annex the total foreign export for 10½ months of each year, since 1852.

| | | | | | |
|---|---|---|---|---|---|
| Year 1853. | $21,788,000 | Year 1860. | $41,808,000 | Year 1867. | $44,135,000 |
| " 1854. | 35,215,000 | " 1861. | 3,300,000 | " 1868. | 68,207,000 |
| " 1855. | 26,492,000 | " 1862. | 50,613,000 | " 1869. | 29,889,000 |
| " 1856. | 33,387,000 | " 1863. | 39,690,000 | " 1870. | 55,113,000 |
| " 1857. | 34,257,000 | " 1864. | 40,953,000 | " 1871. | 58,590,000 |
| " 1858. | 23,835,000 | " 1865. | 25,484,000 | " 1872. | 63,883,000 |
| " 1859. | 65,776,000 | " 1866. | 56,623,000 | " 1873. | 45,090,000 |

The foreign imports at New York are materially less than last year, but yet too large for the actual wants of the country, or its ability to pay.

*Foreign Imports at New York for Ten Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Entered for consumption | $182,520,289 | $174,634,901 | $154,942,487 |
| Entered for warehousing | 121,668,706 | 156,435,717 | 109,559,827 |
| Free goods | 24,884,789 | 44,866,612 | 74,458,390 |
| Specie and bullion | 6,192,628 | 5,265,429 | 13,771,361 |
| Total entered at port | $335,266,412 | $381,202,659 | $352,732,065 |
| Withdrawn from warehouse | 109,487,119 | 139,562,819 | 104,701,744 |

The cash duties being collected only upon the goods thrown upon the market, show a greater decline than the volume of imports. The following is a comparison for each of the first three quarters of the current year, and for the last month:

*Customs Received at New York from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| First quarter | $39,573,967 50 | $42,124,009 14 | $35,758,538 97 |
| Second quarter | 34,118,140 43 | 31,698,700 62 | 26,222,977 68 |
| Third quarter | 44,601,698 84 | 39,860,443 97 | 33,991,737 39 |
| In October | 12,066,671 28 | 10,655,390 80 | 7,656,384 95 |
| Ten months | $130,360,468 05 | $124,338,544 53 | $103,629,638 99 |

The export trade is in a better condition, the shipments from this port, at present, being very heavy for the European markets, where our grain and provisions are in active demand:

*Exports from New York to Foreign Ports for Ten Months from January* 1.

| | 1871. | 1872. | 1873. |
|---|---|---|---|
| Domestic produce | $188,170,453 | $182,476,854 | $237,366,385 |
| Foreign free goods | 1,011,954 | 1,256,003 | 1,721,948 |
| do. dutiable | 6,479,259 | 8,059,904 | 7,410,440 |
| Specie and bullion | 59,706,815 | 63,111,513 | 43,666,548 |
| Total exports | $255,368,481 | $254,904,274 | $290,165,321 |
| do. exclusive of specie | 195,661,666 | 191,792,761 | 246,498,773 |

The current values of bank shares are seriously disturbed in the market by the recent revulsion, the profits of the banks being somewhat diminished by losses. The late frauds in the Ocean National, the Atlantic National, the Mercantile National, and others, should convince bank directors that closer supervision and management are necessary on their part.

The Clearing House, N. Y., will hereafter report their weekly condition as formerly. The figures, as given out, are as follows, compared with the weekly averages, Saturday, Sept. 13, ***the week before the panic set in.***

| | Sept. 13. | Nov. 22. |
|---|---|---|
| **Loans** | $284,536,000 | $248,067,000 |
| **Gold** | 20,442,000 | 17,568,000 |
| **Greenbacks** | 36,717,000 | 30,899,000 |
| **Deposits** | 207,317,000 | 167,967,900 |
| **Circulation** | 27,383,000 | 27,299,000 |

Looking back to the movement this week a year ago, (Nov. 28, 1872,) the Banks now hold $ 15,000,000 *less* in greenbacks, and $ 5,400,000 *more* in gold notes, and owe $ 32,000,000 *less* on deposits and country bank balances. The changes during the ten weeks of the panic are more notable, if we can trust the informal reports of the minimums of deposits, $ 143,000,000.

We hear indirectly that the legal-tender volume at New York is increasing. We hope the banks will pursue a steady course in 1874, and in future years, towards a restoration and maintenance of legal tenders until they approach the volume reported in the years 1867–68.

We refer our readers to the comparative table of dividends payable by the Philadelphia banks in our present number. While their deposits and circulation are about one-sixth of those of the New York banks, the former maintained in the last three or four years a stronger per-centage in their cash reserve.

The banks of Boston have made their weekly exhibits without interruption and show but little reduction in their operations. We annex the summary for the year 1873, compared with former years.

| | *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 | 46,994,498 |
| 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 |
| May 5 | 117,501,100 | 1,401,100 | 9,191,600 | 25,625,700 | 65,809,400 |
| June 2 | 117,959,600 | 1,269,200 | 11,406,800 | 25,445,100 | 69,422.600 |
| July 7 | 122,947,000 | 1,935,400 | 11,267,600 | 25,487,700 | 73,218.900 |
| Aug. 4 | 123,617,400 | 1,536,000 | 10,955,600 | 25.550,000 | 71,110,300 |
| Sept. 1 | 123,417,600 | 1,121,500 | 10,733,200 | 25,490,200 | 68,625,500 |
| Oct. 6 | 119,468,000 | 1,363,400 | 8,308,100 | 25,948,400 | 55,913,400 |
| " 14 | 120,327,300 | 1,608,000 | 9,003,200 | 26,061,500 | 56,950,600 |
| " 20 | 120,197,000 | 1,729,900 | 7,850,900 | 26,090,100 | 57,654.600 |
| " 27 | 120,559,900 | 1,809,900 | 8,528,300 | 26,099,300 | 57,933,300 |
| Nov. 3, | 119,788,400 | 1,849,400 | 9,045,400 | 26,139,100 | 59,399,200 |
| " 10 | 120,090,700 | 2,144,300 | 9,429,200 | 26,162,100 | 61,435,000 |
| " 17 | 120,461,000 | 2,410,200 | 9,644,800 | 25,749,100 | 62,330,000 |

The dividends recently declared by the Boston banks, (see pp. 337-338, November number,) show that these institutions have been wisely and profitably managed. They now require a restoration of their legal reserve of fifteen millions, as in 1868, (or twenty millions would be better), in order to meet our advanced condition of trade and to sustain them against another sudden panic.

The following are current quotations for city bank shares:

| | *Offered.* | *Asked.* |
|---|---|---|
| New York | 108 | .. |
| Manhattan | 138½ | .. |
| Merchants' | 101 | 114 |
| Mechanics' | .. | 135 |
| Union | 125 | .. |
| America | 130 | .. |
| City | 200 | 300 |
| Phenix | 85 | .. |
| North River | 79⅜ | .. |
| Fulton | 125 | .. |
| Greenwich | 205 | 220 |
| Butchers and Drovers' | .. | 150 |
| Mechanics and Traders' | .. | 135 |
| Gallatin National | 118 | .. |
| Merchants' Exchange | .. | 90 |
| State of New York | 100 | 108 |
| Commerce | 111 | 111 |
| Mechanics' Banking Ass'n. | .. | 96 |
| American Exchange | 100 | 102½ |
| Metropolitan | 113¼ | 115 |
| Grocers' | .. | 110 |
| Market | 110 | 123 |
| Corn Exchange | 110 | 130 |
| Continental | .. | 70 |
| St. Nicholas | .. | 100 |
| Importers and Traders' | 160 | .. |
| Park | 120 | 120 |
| Manuf. and Merchants' | .. | 100 |
| New York National Exch. | .. | 90 |
| Central National | 55 | 60 |
| Fourth National | 90 | 92 |
| Ninth National | 90 | .. |
| Tenth National | .. | 65 |
| German-American | 86 | 89 |

For State loans the speculative demand has ceased. Old Tennessees closed 70¾ *a* 71½, and New 70 *a* 71, with sales at 71. Old Virginias are 35 to 40; New 35 bid, Consols 50 *a* 52, and Deferred 8½ bid. Old North Carolinas are quoted 21 to 25, old South Carolinas 20 bid, new January and July 8½ to 10, April offering at 18. Plain Sixes of Missouri sold at 86½, new offering at 87. St. Joseph issue being 83 to 84 (sales).

For investment, the following are the brokers' quotations:

| | *Offered.* | *Asked.* |
|---|---|---|
| Tennessee 6s, old | 70 | 71 |
| Tennessee 6s, new | 69½ | 71 |
| Virginia 6s, old | 35 | 40 |
| Virginia 6s, new | 35 | — |
| Virginia 6s, Consol. Bonds | 50 | 52 |
| Virginia 6s, Def. Bonds | 8½ | — |
| North Carolina 6s, old | 21 | 25 |
| North Carolina R. Co. Coupon | 33 | — |
| North Carolina R. R., Ex. Cou. | 22 | — |
| North Carolina F. A., 1866 | — | 24 |
| South Carolina 6s, | 20 | — |
| South Carolina 6s, Jan. & July | 8½ | 10 |
| South Carolina 6s, Apr. & Oct. | — | 18 |
| South Carolina, F. A., 1866 | 10 | — |
| South Carolina 7s, of 1888 | — | 20 |
| Missouri 6s | 86 | 87 |
| Missouri 6s, H. & St. Jo. Iss. | 83 | 84 |
| Missouri 6s, Asy. or Uni | — | 84 |
| Louisiana 6s, | — | 48 |
| Louisiana 6s, new bonds | — | 45 |
| California 7s | 102 | — |
| Connecticut 6s | 100 | — |
| Rhode Island 6s | 99 | — |
| Alabama 8s, 1892 | — | 55 |
| Ark. 7s, L. R. & Ft. S. is. | 16 | — |
| Arkansas 7s, M. & L. R. | 16 | — |
| Ark. 7s, L. R. P. B. & N. O. | 16 | — |
| Ark. 7s, M. O. & R. R. | 16 | — |
| Arkansas 7s, A. C. R. | 16 | — |
| Texas 10s, 1876 | 80 | — |
| Ohio 6s, 1881 | 99 | — |
| Ohio 6s, 1886 | 99 | — |
| Kentucky 6s | 96 | — |
| Illinois coupon 6s, 1877 | 85 | — |
| Illinois coupon 6s, 1879 | 85 | — |
| Illinois War Loan | 90 | — |
| Indiana 5s, | 102 | — |
| Michigan 6s, 1878-1879 | 85 | 100 |
| Michigan 6s, 1883 | 85 | — |
| New York Reg. Boun. Loan | 103¾ | 104 |
| N. Y. Coupon Bounty Loan | 103½ | — |
| N. Y. 6s, Canal Loan, 1874 | 107 | — |
| N. Y. 6s, Canal Loan, 1875 | 106 | — |
| N. Y. 6s, Canal Loan, 1877 | 106 | 110 |
| N. Y. 6s, Canal Loan, 1878 | 106 | — |
| N. Y. 5s, Canal Loan, 1874 | 107 | — |
| N. Y. 6s, Canal Loan, g'd '87 | 111 | 113 |

The following are the brokers' quotations for miscellaneous coins:

**American silver, large, 94 *a* 96; American silver, small, 93 *a* 96; Mexican dollars, 97 *a* 99; English silver, 470 *a* 485; Five francs, 90 *a* 92; Thalers, 68 *a* 70; English sovereigns, 485 *a* 488; Twenty francs, 386 *a* 390; Spanish doubloons, 15.50 *a* 16.00; Mexican doubloons, 15.50 *a* 15.65.**

The Bank of England after having advanced the rate of discount to nine per cent has now reduced it to eight.

Gold is still coming from England, the market here showing a premium of 9¼ *a* 10¼ this month. The following table represents the movement for the year 1873.

*Premium on Gold.*

| 1873. | Opening. | Highest. | Lowest. | Closing. |
|---|---|---|---|---|
| January | 12⅛ | 14¼ | 11⅝ | 13⅞ |
| February | 13½ | 15⅛ | 12⅞ | 14⅝ |
| March | 14¾ | 18½ | 14⅝ | 17½ |
| April | 17¼ | 19½ | 16¾ | 17¼ |
| May | 17¼ | 18⅝ | 16⅝ | 18⅛ |
| June | 17⅞ | 18¼ | 15 | 15¼ |
| July | 15⅜ | 16⅜ | 15 | 15⅝ |
| August | 15⅝ | 16¼ | 14⅜ | 15⅜ |
| September | 15½ | 16⅛ | 10⅞ | 11½ |
| October | 11⅛ | 11¼ | 7⅝ | 8¼ |
| Nov. 1 | 8½ | 8¾ | 8⅛ | 8¼ |
| " 3 | 8¼ | 8¼ | 7½ | 7⅝ |
| " 4 | Holiday—no Board session. | | | |
| " 5 | 7⅝ | 7⅜ | 6⅞ | 7⅛ |
| " 6 | 6⅞ | 7 | 6⅛ | 6½ |
| " 7 | 6⅝ | 7½ | 6¼ | 7½ |
| " 8 | 7¼ | 7⅞ | 7 | 7½ |
| " 10 | 7¼ | 7¾ | 7¼ | 7⅝ |
| " 11 | 7½ | 7⅝ | 7¼ | 7½ |
| " 12 | 7⅜ | 7½ | 7 | 7⅜ |
| " 13 | 7⅜ | 8¼ | 7⅜ | 8 |
| " 14 | 8¼ | 9⅜ | 8¼ | 9⅜ |
| " 15 | 9¾ | 10 | 8⅞ | 9⅛ |
| " 17 | 9½ | 9⅞ | 9¼ | 9½ |
| " 18 | 9½ | 10¼ | 9¼ | 9¾ |

## *DEATH.*

At Elmira, N. Y., on Monday, November 17th, aged eighty years, John Arnot, President of the Chemung Canal Bank from the year 1841 'till his death.